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**Community Control in a Global Economy:
Lessons from Mexico's Economic Integration Process**

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Abstract

The North American Free Trade Agreement appeared to promise economic growth for Mexico and improved living conditions for its people. While the Mexican economy has recovered significantly from its post-NAFTA collapse, there is mounting evidence that many of the pre-NAFTA warnings of worsening poverty and deteriorating environmental conditions were true, if exaggerated. However one interprets the statistics, there is little doubt that the economic integration process, which began a full decade before NAFTA took effect, has created a significant restructuring of the Mexican economy, with some of the country's most vulnerable residents facing the harshest conditions.

How have those most affected by the economic integration process responded to the challenges and opportunities posed by globalization? Based on a collaborative research project between U.S. and Mexican researchers, the authors provide an overview of the existing English-language research on the subject and suggest a research agenda to assess adaptive strategies and to draw from those experiences lessons for the construction of future trade agreements.

Introduction

For many Mexicans, the North American Free Trade Agreement (NAFTA) appeared to promise rapid entry into the First World. Within a year that promise was postponed, as the 1995 peso crisis prompted one of the worst economic downturns in recent memory. The Mexican economy has recovered significantly from that crisis, but high rates of poverty, unemployment, and business failure persist. While export sectors have experienced notable growth, small-scale production for the domestic market has suffered and in many cases entered into serious crisis. The majority of Mexicans live below the poverty line; salaries, instead of improving under economic integration, have declined.¹ Economic polarization has intensified between those in the relatively developed "modern" sector of the economy on the one hand and the large groups of people thus far excluded from the benefits of the development process on the other.

¹ As reported in the Mexican newspaper *La Jornada*, Jan. 28, 2001, based on data from the Interamerican Development Bank and an analysis by the federal government's Secretariat for Social Development.

During the NAFTA debates in the early 1990s, there were significant differences among U.S., Canadian, and Mexican opponents of the proposed agreement. While many U.S. and Canadian groups viewed NAFTA as unleashing the unchecked forces of globalization on Mexico, many Mexican groups offered a perspective that was more tempered if also more dire. They argued that long before NAFTA Mexico's successive governments had, since the debt crisis of 1982, opened much of the Mexican economy as part of a comprehensive set of neoliberal reforms. They had not only lowered tariffs and reduced government subsidies but had greatly reduced the role of government in the economy. NAFTA, in this view, would not initiate economic integration; it would accelerate liberalization in those areas not fully liberalized, and the treaty would make it much harder for any future government to roll back the neoliberal reforms.

Implicit in this view was some acceptance of the inevitability of economic integration. In Mexico, the question became less one of *whether* economic integration would take place but *how*. For Mexico's vibrant civil society organizations, the challenge was to gain some measure of control over the terms on which economic integration took place. This involved resisting the tendency for market forces and market-driven institutions like corporations to overwhelm local, regional, and even national decision-making.

Communities, civil society organizations, and some local governments in Mexico have developed effective strategies in the effort to manage their relationship to the world economy, some predating NAFTA's taking effect in 1994. Many such strategies seek to gain collective control of both natural and financial capital while pressuring government institutions to provide adequate support and, if necessary, continued protection. Some tell the story of successful adaptation to new economic conditions and suggest the possibility that grassroots organizations can seek out new market niches or opportunities in which to develop independent initiatives. Others reflect a collective effort to change market-driven "sink-or-swim" public policies that threaten the source of people's livelihoods. The vast majority, however, combine both tactics: as social organizations adapt to a more open economy they resist those aspects that threaten their standards of living and put their cultural survival at risk.

Such examples of community-based efforts to manage the economic integration process are widespread. They include community-based sustainable forestry; the efforts of small coffee farmers to secure their own niche in the world market; basic grains producers trying to sustain their markets under the flood of corn imports. They span the country, touching virtually every vulnerable sector of Mexican society. They often integrate environmental concerns within a larger socioeconomic agenda.

Such cases are only selectively known in the United States. These concrete experiences offer important lessons on ways to manage the economic integration process toward social and environmentally sustainable development. In an era in which trade agreements and regimes are being actively negotiated within the Western Hemisphere and other parts of the world, these grassroots efforts to address the challenges of globalization can help us answer important questions posed by economic integration:

- What institutional conditions are necessary to allow more vulnerable members of society to benefit from increased international trade?
- As liberalization takes place, what government programs are needed to ensure sustainable livelihoods to all members of society?
- Can some of the most destructive environmental impacts of globalization be mitigated through community-based resource-management arrangements or through conservation?
- How can international agreements be structured to encourage inclusive and sustainable economic development?

This paper offers an initial assessment of the English-language research on these topics, as well as a research agenda for Mexico-based investigators. It is based on collaboration between the Global Development And Environment Institute (G-DAE), an economic research institute at Tufts University, and Mexican researchers associated with the Mexican Action Network on Free Trade (RMALC), an advocacy coalition addressing trade issues. After identifying the themes, issues, and sectors in which case studies might offer valuable insights, we present an overview of the types of cases that could be studied. The resulting research agenda is designed to contribute valuable information and analysis to academic, policy, and public discussions of trade and economic integration. It highlights not only some of the negative impacts of trade liberalization on poor communities but some of those communities’ constructive responses to globalization.

Identifying Areas for Study

The economic integration process has transformed Mexico’s economy from one of the most protected in the world to one of the most open. In seeking to identify instructive cases of proactive community-based responses to that process, we collaborated with RMALC researchers to define the principal issues and themes raised in the integration process. We focused particularly on topics likely to be common to the experiences of less developed countries. We then examined key sectors of Mexican society in which those issues have been clearly observed, particularly sectors that have felt strong negative impacts in the globalization process. Finally, we sought to identify cases specific to those sectors in which there had been proactive community or organizational response to the integration process.

This represents only a small subset of the impacts of the economic integration process in Mexico and the issues they raise. Our goal was modest: to identify concrete examples in Mexico that could offer lessons for the globalization process in general and the design of international trade agreements in particular. We approached this process based on three important premises.

First, it is important to examine Mexico’s experience with liberalization as a whole, not just with NAFTA. NAFTA, which took effect in 1994, enshrined many of the principles of trade liberalization, and the agreement has certainly been the focus of debate in policy circles in North America. But the liberalization process began in Mexico years

before that, in a set of policy shifts triggered by the 1982 debt crisis. While it is important to consider NAFTA’s impact in selecting cases worthy of study, a more comprehensive view of liberalization is warranted. Many of the most significant shifts in the Mexican economy took place before the agreement took effect.

A second premise is that globalization is a larger process with its own dynamic, one that goes well beyond the realm of government policy or international agreement. It is a fact of contemporary economic life. As such, the question is not whether one is opposed to globalization but whether the dynamic of international economic integration can be managed in a way that does not marginalize large populations and damage important ecosystems. We therefore looked for cases that go beyond acts of organized resistance to globalization to include proactive efforts to manage integration with the global economy in ways that benefit vulnerable groups.

Finally, our third premise was that Mexican voices have been underrepresented in international trade negotiations. Relevant Mexican research has remained in obscurity, and the active efforts of Mexico’s diverse citizens’ movements to address globalization issues are largely unknown to English-speaking policy-makers. Indeed, the debates about globalization often portray a passive group of victims, an image that stands in contrast to Mexico’s strong tradition of grassroots organization. It is therefore important to bring Mexican perspectives on Mexican experiences more fully into the policy discussions.

Based on these criteria, we met with RMALC researchers to identify the critical issues and themes for study. Three clusters of issues emerged as priorities: labor, environment, and small-scale agriculture. Not surprisingly, they are closely linked to Mexico’s supposed transition out of areas in which its producers have difficulty competing internationally and toward areas in which it is deemed to have some comparative advantage. The first two coincide with issues that have been the subject of significant debate in international trade negotiations. The third, agriculture, is also a common point of contention in trade debates, since many governments have retained levels of tariff protection for agriculture that they long since abandoned for most manufacturing.

G-DAE used these broad clusters, and a set of possible cases within them, as a starting point for an assessment of the available English language literature on these subjects. This review confirmed our suspicion that these issues had received limited attention, with very little written about community-based responses to globalization in Mexico. In general, there was more written about the impact of NAFTA on U.S. citizens and U.S. businesses than about liberalization’s impact on Mexican communities. Many of the examples suggested in our initial discussions have not been documented at all in English. When they have, it has often been through the efforts of visiting Mexican scholars in the U.S.

The literature survey highlighted the importance of such research and allowed us to identify some possible case studies. It also identified limitations for such an analysis, which are considerable. Community-based responses to globalization come from well-

organized constituencies, and some sectors of Mexican society are better organized than others. For example, the largest economic sector excluded from consideration here is the service sector, the fastest growing part of the Mexican economy but one in which there is limited worker organization. Also excluded are small- and medium-sized businesses that have been harmed by the convulsions associated with the integration process. Perhaps most significant, we leave aside here the informal sector, the group that is perhaps the most in need of both constituent organization and study, as the economic integration process has driven many out of formal employment. The present focus on organized responses leaves these and other important sectors of Mexican society for a different research project.

In the following section, we examine the three priority research areas in more detail, identifying relevant English-language literature and interesting case study possibilities.

Labor Issues

As the debates over NAFTA made clear, inexpensive labor costs represent Mexico's most significant comparative advantage. Average manufacturing wages in Mexico – \$2.12 per hour – are just 11% of U.S. wages, and remain among the lowest in the group of newly industrializing countries (U.S. Bureau of Labor Statistics, 2000). During the NAFTA negotiations, there was little doubt that the goal of the Mexican government – backed by state-allied labor unions – was to attract foreign investors with the lure of low wages. Independent Mexican labor organizations argued against this "race to the bottom" strategy, advocating expanded labor rights as part of the integration process.

Labor issues are therefore critical to understanding economic integration's impact within Mexico. Based on our research, two distinct areas seem particularly instructive for those interested in such trade-related transition processes. One is the so-called *maquiladora* free-trade zone along the U.S. border, which represents Mexico's oldest contemporary experiment with trade liberalization. The other relates to migrant labor and its potential impact on development in migrants' communities of origin.

Created in 1966, Mexico's *maquiladoras* emerged as a high-growth manufacturing sector engaged in light assembly for predominantly US-owned companies. It also became the poster child for advocacy groups decrying the social and environmental perils of free trade, based on well-documented examples of environmental destruction, worker mistreatment, and community disruption. Some of these topics have been well-researched, with important documentation of the extent of environmental degradation along the Rio Grande, the exploitative conditions that exist in many factories, the movement of factories and jobs from the U.S. to Mexico, and the repression of independent labor organizing.²

² The existing research on these topics is too extensive to cite here. Much of it can be found through advocacy organizations with a long history of work on the border. See, for example, the Texas Center for Policy Studies (<http://www.texascenter.org/>), the Interhemispheric Resource Center (<http://www.irc->

We found less research on the ways in which Mexican labor and community organizations have responded to these problems. Of particular interest here is the emergence of new coordinated cross-border organizing strategies to confront the movement of multinational businesses. U.S., Canadian and Mexican unions, for example, now engage in joint campaigns on the labor practices of multinational corporations operating in the three countries. In a number of recent cases, labor and community organizations have joined forces across the border to support union organizing drives in Mexico. This has not resulted in clear-cut victories for independent Mexican labor unions seeking to break into the non-union *maquiladora* sector, but there is ample evidence that such alliances are helping weaken the grip of Mexico's state-allied and pro-business unions. Two recent studies (Williams, 1997; Hathaway, 2000a) and a new book (Hathaway, 2000b) focus on the prospects for cross-border collaboration as a response to the global mobility of business.

The rise in labor mobility under economic integration presents additional areas for study. Although NAFTA in no way liberalized the free flow of labor in North America, increases in migration, legal and illegal, are a feature of the integration process. As the Mexican economy restructures under the pressures of liberalization, there is added impetus for the poor, particularly the rural poor, to migrate in search of livelihoods. In the case of Mexican migration across the Rio Grande, this is nothing new, but its scope and significance increase as the U.S. and Mexican economies become more integrated.

An interesting area for study is the impact of migrants' wage remittances on the development process itself. According to Mexican government surveys, over seven million Mexicans lived in the U.S. in 1998, and they sent home an estimated \$5.6 billion that year. Such wage remittances are annually among Mexico's larger sources of foreign exchange, right behind tourism and petroleum. In one recent year, remittances from Mexicans in the U.S. even exceeded the flows of U.S. foreign direct investment, assumed to be the primary engine of economic growth in the post-NAFTA era.³ What role can remittances play in stimulating the development process itself, particularly at the local level in the migrants' communities of origin?

This topic was recently researched by the Washington, D.C.-based Inter-American Dialogue, which has published a series of working papers on the topic. The series includes an excellent literature review (Meyers, 1998), an analysis of migrant

[online.org/](#)) with an excellent searchable reference database, or in Mexico the Centro de Estudios Fronterizos y de Promoción de los Derechos Humanos (<http://www.giga.com/~cefprodh>). Labor federations in the U.S. and Canada have also documented these issues. See, for example, the Canadian Labor Congress's analysis of the social dimensions of NAFTA (<http://www.clc-ctc.ca/policy/trade/nafta6.html>). There is also a substantial body of work on NAFTA's effects on U.S. labor, for example the UCLA North American Integration and Development Center (<http://naid.sppsr.ucla.edu/>).

³ According to a recent report by the Mexico's National Institute for Statistics, Geography, and Information (INEGI), remittances in 1998 totaled \$5.6 billion compared with \$4.9 billion in U.S. foreign direct investment. For the six years since NAFTA took effect (1994-1999), remittances totaled \$28.2 billion, while U.S. FDI amounted to \$33.7 billion (Urrutia, 2000).

remittance behavior (DeSipio, 1999), and a summary of the series (Lowell and de la Garza, 2000). The latter provides a good introduction to the emergence of so-called Hometown Associations, which involve groups of migrants from the same town who pool their remittances and direct them toward infrastructure improvements in their towns of origin. Additionally, Jorge Durand of the Mexico Migration Project at the University of Pennsylvania has written extensively on the impact of these "migradollars" (Durand, 1996). The topic has received attention in Mexico as well; a recent report written for the Mexican Senate examines the issues surrounding the handling of remittances (Alarcon, 2000).

This represents a rich area for further study. Particularly relevant to broader questions of economic integration would be an assessment of the local developmental impact of pooled remittances and an analysis of the extent to which remittances from those who leave their communities paradoxically help sustain the families, cultures, and communities that remain.

Resource Management

The environment was one of the key areas of concern when NAFTA was first introduced, and not without reason. An increase in trade, and the resulting increase in economic activity, often leads to an increase in industrial pollution, greater pressure on natural resources, loss of biodiversity, and disruption of ecosystems. With Mexico's environmental regulations often more lax and poorly enforced than those of its trading partners to the north, environmentalists warned of unsustainable resource extraction and increased environmental devastation as a result of NAFTA (Audley, 1997). Indeed, the environment is the only area for which NAFTA created limited development funding, through the North American Development Bank, which has focused on border water and sewer issues, and the North American Fund for Environmental Cooperation, which gives small grants for community-based environmental projects in the three countries.⁴

Community-based resource management has emerged as a potential answer to some environmental problems, and Mexico has an interesting range of experience with such projects. Some of the more successful projects are found in the area of community forest management. Indigenous communities frequently use forests for medicine, hunting grounds, and sources for renewable resources such as rubber or gum, in addition to timber. Mexico has large forested areas that are increasingly open to exploitation by national and multinational enterprises. Concerns about biodiversity loss and global warming have made sustainable forest use a high priority in the international environmental movement.

David Bray (1997) presents a brief overview of some examples of community forestry projects in Southern Mexico, focusing on their contribution to biodiversity conservation. Increasingly, such projects are gaining access to international markets through "fair-trade" certification programs designed to foster sustainable forest use

⁴ For more detail on these projects, see the North American Commission on Environmental Cooperation (<http://www.cec.org>) and the North American Development Bank (<http://www.nadbank.org>).

(Commission for Environmental Cooperation, 1999a). Bray is also the coeditor of a volume on forest development and conservation in Belize, Guatemala and Mexico, which provides a number of case studies on the interaction between tourism, resource management, development, and cultural preservation (Primack et al., 1998).

The increase in international tourism is one of the more visible signs of globalization, and Mexico is actively exploiting its ample natural resources for resort development. Tourism ranks second only to petroleum as a source of foreign exchange in Mexico, and its growth places added pressure on fragile communities and resources, particularly along the coast. The North American Commission for Environmental Cooperation, recognizing the need for sustainable tourism practices, convened a conference on the subject in the rapidly developing Yucatan Peninsula (Commission for Environmental Cooperation, 1999b).

This is a rapidly emerging field of study. Wilshusen and Murguia (2000) assess the initial impact of one attempt to manage resources and build community capacity and involvement. The Yucatan Sustainable Development Project attempts to promote grassroots democracy and environmental protection through a network of community groups in the peninsula. Young (1999) goes further to examine the promise of "ecotourism" in coastal development, studying one of Mexico's most popular tourist destinations, Baja California Sur. She highlights the importance of secure local access rights to marine resources.

In addition to local and regional sustainable development initiatives, Mexico offers many instructive examples of community-based efforts to halt environmentally destructive development projects. One example, which has already come to a successful conclusion, was the proposed salt flat development in Laguna San Ignacio, Baja California Sur. In this case, international organizations teamed up with local residents to fight the project and protect the breeding grounds of the gray whale. Through an extensive international campaign, they were able to force the project sponsor to abandon its plans (Russell, 2000). In the state of Morelos, a proposed golf resort met a similar fate when community members came together to demand adequate protections for the environment (Stolle-McAllister, 2000).

The so-called "megaproject" in the Isthmus of Tehuantepec may be the largest and most comprehensive development plan being contested now in Mexico. The project involves the construction of a transit corridor across Southern Mexico's narrow isthmus to ease the current burden on the Panama Canal. Primarily funded by international investors, the project would have a devastating effect on the fragile ecosystems of the area and would threaten the livelihoods of many of the indigenous people who reside there. There is organized resistance to these plans, which have received little attention in the United States (Garcia, 2000). Community organizations are developing alternative proposals for sustainable development of the isthmus, which would be an instructive area for further study. Local activists and researchers are documenting some of the negative impacts of the proposed development plans, mobilizing opposition, and advocating their alternative development approach.

Small-Scale Agriculture

The economic integration process presents small-scale agricultural producers in Mexico with severe challenges. Their farms are generally too small to achieve economies of scale, most grow crops easily imported more cheaply from abroad, few have the capital and technology to modernize production, and many farm marginal lands. In Mexico's rush to integrate with the larger North American economies, its government clearly views the sector as an anachronism from the pre-industrial past, a largely uncompetitive group of producers best pushed off the land and into the wage labor force for the growing manufacturing and service sectors. Since the 1980s, the Mexican government has reduced tariff protection for agricultural producers and reduced government support programs for small farmers.

Mexico's small farmers, however, remain a significant part of the Mexican economy and are actively resisting a demise they deem premature. While agriculture's overall share of GDP has declined from 15% in 1960 to 7% in 1998, it still employs around 22% of Mexico's labor force. The vast majority of these are small producers, most of whom are engaged in corn production, which remains Mexico's largest agricultural commodity (Nadal, 2000). Small producers also play a significant role in producing some of Mexico's most important export crops, notably coffee.

While economic integration holds potential benefits for producers of export crops, it represents an unequivocal threat to small farmers producing for domestic consumption. Thus, it is important to distinguish between the two groups when evaluating the impact of the open economy on small farmers and their responses to it. As many researchers have pointed out, it is also important to recognize that many small producers grow a variety of crops, some for export, some for the domestic market, and some for their own families' consumption. Further, many grain producers are net purchasers of grain, suggesting they too would benefit from the presumed lower prices from cheaper imports. (See de Janvry, et al. 1995, and Hernández Estrada, 2000, for detailed analyses of the composition of Mexico's small farming sector.)

Given its importance, both in Mexican society and in the debates over NAFTA, corn is the most important crop to study. A recent report by Mexican economist Alejandro Nadal (2000) provides an excellent analysis of Mexican corn in the integration process. Corn covers around 60% of cultivated land and represents a similar percentage of Mexico's total agricultural production in value terms. Prior to NAFTA, there were more than three million corn-producing units in Mexico, providing full or partial support to some 18 million people. With U.S. producers holding a 3.5:1 yield/acreage advantage over their Mexican counterparts, and with Mexico maintaining high tariffs on imported corn, U.S. negotiators insisted on including corn and other basic grains in NAFTA. They won, but with a 15-year phase-out period for Mexico's tariff structure and fixed quotas for tariff-free corn exports to Mexico. The slow transition, it was argued, would allow Mexico's grains producers time to move out of uncompetitive crops and into horticulture farming or into the wage labor force.

Reality has been quite different from theory. First, the Mexican government allowed the immediate phase-out of tariffs, declining to charge tariffs for over-quota imports. Instead of the anticipated 15-year gradual transition, corn producers faced unrestrained corn imports in just two-and-a-half years, seeing producer prices for their products drop 45% under a flood of imported U.S. corn. Second, this did not have the intended result of lowering consumer prices for corn products. Due to monopolistic control in the Mexican corn processing industry, tortilla prices actually increased quite significantly during the same period. Third, Mexican corn producers did not respond by leaving the land; instead, they increased their acreage planted in corn. Nadal explains this phenomenon as the rational response of corn producers to their limited economic options: Planting more low-yield corn for subsistence made more sense than joining the unemployed in the cities or converting the land to other uses that were just as unprofitable. Nadal also points out that the supposed conversion to labor-intensive horticultural crops – fruits and vegetables for the U.S. market – has been curtailed by limited demand growth in the U.S. and labor-saving productivity gains, which limit employment growth.

This dramatic story suggests that it would be instructive to study how Mexico's corn producers have responded to this free-trade shock treatment. Interestingly, a collaborator in Nadal's study was the National Association of Commercializing Enterprises (ANEC), which is the principal national coalition of small- and medium-sized grains producers attempting to address this situation. While advocating public policies that at least observe NAFTA's original timetables and provisions, ANEC has been working to develop local and regional markets for basic grains. While there is little in English analyzing this experience, it is being actively studied in Mexico. (See, for example, Suarez, 1998 and de Ita, 1997.) We also found an interesting Mexican case study of the efforts by members of the Democratic Front of Chihuahua to confront the flood of grain imports (Purcell and Pohls, 1998).

Mexico's experience with corn also holds important lessons on the environment. Nadal's study highlights the importance of Mexico's rich stocks of genetic diversity in corn germplasm, the product of generations of local seed selection. Boyce (1996) uses the case of Mexican corn to highlight the ways in which liberalization can undercut more sustainable practices in developing countries by inducing developing countries to import goods from developed countries that have not internalized the negative externalities associated with those goods. Brush (1998) evaluates the viability of bioprospecting contracts in preserving genetic diversity in Mexican maize.

Before examining export agriculture, it is worth noting that our literature survey identified other interesting cases related to integration's impact on farm production for the domestic market. In English, there was an interesting study of dairy farming cooperatives in central Mexico, suggesting the possibilities for modernization in the context of supportive state policies and direct contracts with multinational firms (McDonald, 1999). A new edited book by Mexican economist Antonio Yúnez-Naude (2000) includes several case studies, two on dairy farmers.

In the area of small farmers producing for export, the dynamics and challenges are quite different. If economic integration opens markets for their products, particularly the U.S. market, they have reason to hope they can overcome their limited economies of scale and restricted access to capital to compete internationally. Coffee, which is Mexico's largest agricultural export, is an interesting example of collective action. When state support for the industry collapsed along with producer prices in the late 1980s, small coffee farmers formed independent regional organizations and took control of their own credit, harvesting, and marketing operations. The larger of these coalitions, and those entering the premium gourmet markets for organic coffee, have been somewhat successful competing in the new open economy.

While there are few studies in English of the farmers' collective experiences, our literature survey identified some useful research on the changes in Mexico's coffee sector. David Bray et al. (2000) examine the experience of organic coffee farmers in Mexico, while Ronald Nigh (1997) offers an interesting look at one of Chiapas's more successful organic coffee cooperatives. Richard Snyder (1999) analyzes Oaxaca's statewide coalition of independent coffee farmers, the largest in the country, noting their success in entering the policy arena in the void left by the dismantling of the federal agency responsible for the coffee sector.

While independent actions by organized coffee farmers may represent the most important case for studying farmers' strategies for responding to economic integration, it is not the only case. We found an interesting analysis of avocado producers in Michoacan state, who have struggled to compete in the new economy but have found non-tariff barriers replacing tariff barriers in their efforts to expand exports (Stanford, 1998). Another examines the complicated relationships between ejidos, governments, small farmers, mass producers, cooperatives and commissions in the production of agave, the main ingredient in tequila (Torres, 1998).

Our literature survey suggests that small agricultural producers are far from a dying breed in Mexico. Yet limited research has been done to document and analyze their collective efforts to defend, shape, and redefine their livelihoods in the context of economic integration.

A Research Agenda

The Free Trade Area of the Americas (FTAA) is being heralded as "NAFTA for the Western Hemisphere." Is this the direction people in the hemisphere want to take their countries? The divisions over trade issues are more intense now than they were at the time of NAFTA's passage. Indeed, observers expect the next "Summit of the Americas" meetings, scheduled to take up FTAA proposals in April 2001 in Quebec, to be the next major flashpoint in the globalization war that has already seen major battles in Seattle, Washington, and Prague.

Nearly seven years into the NAFTA regime – and two decades into Mexico’s dramatic shift toward trade liberalization – we have an unprecedented opportunity to inform these debates with empirical analysis. Unlike the NAFTA debates, we do not need to speculate about the effects of trade liberalization on vulnerable communities and on the environment. We can document not only the impacts of such policies and economic processes but the responses of those affected by rapid economic integration.

Mexico is an excellent laboratory for such research, and the potential benefits are many. It may be that there are provisions that should be included in future treaties to protect certain vulnerable populations, or it may just be that a more consistent enforcement mechanism is needed. Countries may look at the Mexican experience and realize that there are items they want exempted from liberalization, or particular rules they need followed in order to protect their citizens or their economy. In cases where there have been successful community responses to globalization, it will be important to look at the surrounding conditions and think about how such cases could be replicated in other places. The successes and failures in the integration process in Mexico can serve as a guide, not only for the FTAA but for any future trade agreements that seek to manage the globalization process toward inclusion and sustainability.

Case-study research in Mexico is a priority, and such research needs to be carried out in a collaborative process based on the work of Mexican and Mexico-based researchers. As our initial literature survey revealed, these topics have been little-studied in English-language journals and publications. Yet there is clearly a wealth of case material in Mexico worthy of study, as well as a growing body of researchers there documenting and analyzing such experiences.

In selecting cases for study, researchers should seek experiences that offer useful lessons for those engaged in discussions and debates about future trade agreements. Some criteria to consider include:

- Paradigmatic experiences, with lessons relevant to advocates, policy-makers, and government leaders involved in negotiating and/or managing economic integration processes; of particular interest are cases that demonstrate either the fallacies in prevailing approaches or the viability of alternative models;
- Cases that illustrate important issues in the Mexican dynamic of international economic integration;
- Cases that go beyond collective resistance to aspects of economic integration to include proactive practical and policy-relevant responses;
- Cases in which civil society actors have either demonstrated success in adapting to the current economic model or shown successful elements in their strategies;
- Cases that together represent a broad range of Mexican experience, drawing from many sectors of society and different geographical areas;
- Cases that touch on both social and environmental dimensions of sustainability.

It would be particularly useful if such case studies analyzed the problems encountered in the economic integration process, clearly described the strategy developed by community-based organizations, assessed their success in achieving some level of

control over the integration process, and gauged the implications for the economic integration process. In particular, there is a need to assess the institutional conditions necessary for success, the local and national policy initiatives that can promote success, and the provisions contained in international trade agreements that help or hinder such efforts.

As globalization continues to roil international politics, it becomes increasingly important to assess the ways in which international economic integration is promoting and hindering socially and environmentally sustainable economic development. Mexico's recent experience with economic liberalization offers the opportunity for such assessments. Approached carefully, Mexico can serve as a laboratory for the study not only of globalization's impacts but of creative community-based efforts to manage international economic integration toward the goals of inclusion and sustainability.

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