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THE PEOPLE'S COLLECTIVE INDUSTRIES OF JALISCO:
A CASE STUDY OF RURAL INDUSTRIALIZATION IN MEXICO

by

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1. Introduction

This paper deals with a recent project of regional rural development designed to incorporate landless peasants, and particularly young unemployed women, into a process of industrialization based upon small collective enterprises. The project had the specific social objective of improving the wellbeing of the rural population. Therefore industrialization was not seen as an end in itself, but only as a means toward furthering social welfare.

In order to understand the role both of external and internal factors in influencing the course of the collective experiment, one must first have some idea of the broader historical background, both at the regional and the national levels. Historical forces are of such direct relevance to the contemporary balance of social and economic power in Mexico that only through incorporating them fully into the analysis can one have the necessary intellectual tools with which to judge the actions of those who have participated in any development project in the past few decades.

Agrarian collectivization and peasant organization have deep roots in the Mexican countryside. They have served as the basis for a number of efforts to improve the level of living of the peasantry and, on a broader plane, to provide alternative models of development for the nation as a whole. The project to be discussed in the following pages is thus part of an historical tradition, meeting

at the same time the kinds of problems faced by predecessors, and the novel difficulties brought on by the course of particular recent events. Its success or failure is not simply of academic interest. The alternative of national development built upon the marshaled energy of the peasantry is still a real one in Mexico, despite almost forty years of urban industrial growth. In that period, it should be remembered, the peasantry has not disappeared; and issues like that of agrarian reform, which one might expect to have faded with the revolution of 1910, are as alive today in many parts of the countryside as they were at the turn of the twentieth century. The question of how rural people will shape their own future, and that of the country, has not been resolved as yet. It is very much open to experiment.

2. Back round of rural industrialization in Mexico

From the late 1960's onward, a number of economic indicators suggested the onset of a recession in Mexico; and by the early 1970's, this economic slump began to take on crisis proportions. The gross internal product, which had grown at an annual rate of roughly 6 per cent between 1940 and 1950, and 7.1 per cent between 1960 and 1970, had by the year 1976-77 dropped to a rate of only 2.2 per cent, the lowest for any single year since 1953.¹ Relative stagnation of the agricultural sector contributed greatly to overall economic decline: the gross agricultural product fell from a yearly growth rate of 7 per cent between 1940 and 1950, and 4 per cent during the following decade, to only 0.7 percent between 1965 and 1974. As a result, food prices rose startlingly (from a low of only 2 per cent per year during the period 1960-1965, to 7.6 per cent in 1970-73 and 24.6 per cent by 1974) and agricultural imports began to exceed agricultural exports (by 1974) for the first time since the 1950's.

Part of this problem was of course related to the international economic crisis; but an important element was of domestic origin. A number of critical/^{sub} socioeconomic contradictions, dating from the Mexican revolution of 1910-1917, remained unresolved into the 1970's and weighed heavily on the fragile balance of prosperity maintained from World War II onward. In order to understand the present crisis, and how it

¹All figures contained in this paragraph will be found in Martín Luis Guzmán, Ferrer, "Coyuntura actual de la agricultura mexicana," Comercio Exterior, Vol. 25, No. 5, May, 1975, pp. 572-584; and Francisco Alba, La Población de México: evolución y dilemas, Mexico City: El Colegio de México, 1977.

led to renewed interest in promoting small industries in the countryside, one must have some idea of the different views of development held by key groups within the political coalition governing Mexico during the past half-century.

2.1. Conflicting Trends in Mexican Development Policy

Through the revolution, a traditional landed elite in league with foreign investors in plantations and extractive industries lost power to groups never before adequately represented within the Mexican political system: workers, peasants, members of a nationalist middle class. By the early 1920's, it was clear that these new revolutionary leaders intended to promote economic development through industrialization and the general modernization of Mexican society. But it was equally clear that a division existed between those who felt that industrialization must follow the capitalist pattern (and most specifically that represented by the United States) and those who were searching for an alternative which might include elements of cooperativism, and even of socialism. Champions of the second position included some revolutionary generals, peasant leaders, representatives of radical workers' groups, and intellectuals of diverse educational attainment (the majority were schoolteachers) who put forth a mixed ideology of anarchism, Marxism, liberalism, and Christian democracy, with some roots in their own prehispanic Mexican traditions.

Without doubt, the most pressing problem faced by early postrevolutionary governments was the modification of the existing agrarian structure; and here,

the implications of each ideological position for the future reorganization of the countryside were made patent. The more conservative group was in favor of returning land to those communities (mostly indigenous) which could prove that they had been despoiled of it, but not of breaking up the largest commercial latifundia (some of which were in fact the property of revolutionary leaders). It was argued that the peasantry, which had borne the heaviest burden of the fighting during the revolution, was not able to produce efficiently enough to provide the basis for future economic development.

The most radical elements within the revolutionary leadership argued, on the other hand, that it was necessary to destroy the power of the landed elite entirely, through far-reaching agrarian reform and the economic and political organization of the peasantry, in order to allow the majority of the population of the countryside to participate in the future development of the nation. Industrialization was seen by this group of leaders not as an objective in itself, but rather as one means for furthering the welfare of the majority. Communalistic and collectivistic kinds of economic organization among the peasantry were therefore supported; and some leaders (like Felipe Carrillo Puerto, who became governor of the state of Yucatán in the 1920's) even attempted to set up a socialist government to lend support to such programs.

This, in brief, was the background of conflict in rural Mexico in 1934, when Lázaro Cárdenas assumed the presidency. Peasant unrest was on the increase in protest against the shortcomings of previous administrations' handling of agrarian reform; and

the recent worldwide depression did nothing to alleviate the situation. Cárdenas had no choice but to accede to the demands of the peasants. During his administration, he distributed more land than all the previous postrevolutionary presidents combined. Expropriation of some of the largest commercial estates of the country was authorized and former agricultural workers grouped together to form "collective ejidos" — cooperative enterprises working irrigated land with credit from a newly founded state bank. ¹ When necessary, land reform beneficiaries were provided by the government with guns to protect their newly won land.

In effect, Cárdenas' strategy of development represented a departure from the capitalist pattern of industrialization then epitomized by the United States. In part because of the limited physical resources and difficult financial situation of Mexico, in part because of the recent crisis of capitalism, Cárdenas and his group were convinced that industrialization in Mexico should develop upon an agrarian base, through ejido organizations. Rather than concentrating all industry in a few urban areas, diversified agro-industrial complexes should grow out of the collective ejidos. Thus, it was thought, the country could avoid — or at least significantly reduce — payment of the high social costs inherent in the capitalist course. ²

¹ The ejido is a traditional form of communal landholding, dating in Mexico from prehispanic and colonial times. Ejido land historically belonged to the entire community and could be worked by anyone. In Mexican agrarian reform legislation, following the revolution, the ejido became a grant of land to a group of beneficiaries who held title to it in common, and who could not sell or mortgage it, but who could (if they liked) work it individually and pass their particular parcel on to an heir. A "collective ejido", or cooperative agricultural enterprise, worked jointly by all members and not divided into individual plots, is an experiment generally associated with the Cardenas years, although it existed in a few parts of the country before that time.

² See Ramón Beteta, Economic and Social Program of Mexico. Mexico City: private edition, 1935, pp. 42-47.

Implementation of such a policy was obviously not an easy matter, even for as strong a populist government as that of Cárdenas. Opposition aroused both within and without Mexico was so great that by the end of the Cárdenas administration concessions had to be made. World War II provided incentives to Mexican entrepreneurs to ally themselves with the United States and to supply the markets for manufactured goods opened up by wartime disruptions of trade. At this point, then, the Cárdenas strategy of development was radically modified; and the next president of the nation lent open and full support to urban industrialization within a capitalist mold.

For a number of years, this pattern of industrialization produced high rates of economic growth without strong popular unrest. The demand for unskilled agricultural laborers in the southwestern United States drew large numbers of rural Mexicans out of the countryside, at wages much higher than those they were accustomed to earn; and the establishment of new industries in the principal urban centers of Mexico absorbed other migrants without provoking very high rates of unemployment. The growth of a national middle class expanded internal demand for consumers' goods.

Rural industrialization was therefore neglected, with the exception of such traditional industries as sugar-cane processing, generally in private hands. Official support for the agrarian reform sector turned to indifference, and then to open hostility. Agrarian legislation was modified in order to allow

the private sector to consolidate large holdings, which received the benefit of state investment in infrastructure (dams, irrigation works, roads, electricity), credit, technical assistance, and price subsidies. As a consequence, the private sector of Mexican agriculture supplied an ever-increasing share of all farm production, while the ^{majority of all} ~~the~~ haciendas and small private holdings were held at a near subsistence level. Only a few collective ejidos managed to remain well-organized and independent, and to produce efficiently not only for the national market, but also for export (especially cotton, tomatoes, and wheat, in La Laguna, Sinaloa, and the Yaqui Valley of Sonora).

By 1960, it was becoming increasingly clear that the social costs of urban industrialism would be high. Without adequate support to the land reform sector of Mexican agriculture, members of peasant families were forced to migrate to the cities (especially Mexico City) and to the northern border with the United States. When that border was largely closed to Mexican agricultural labor, an even greater stream of rural people was deflected into the principal industrial centers of Mexico. The metropolitan area of the federal district grew at an average annual rate of around 5 per cent between 1940 and 1970, Monterrey at roughly 5.8, and Guadalajara at 5.4.¹

Briefly, the principal elements in the rising social cost of the post-Cárdenas strategy of development can be summarized as follows:

¹ Alba, op. cit., pp. 94-95.

a) Migrating peasants provided an abundant labor force which contributed to maintaining low wages in industry. Between 1940 and 1960, real wages in the cities declined by 6 to 10 percent; the portion of national income attributable to labor dropped from 54 per cent in 1939 to 39 per cent in 1946, and only returned to its prewar level in 1960.¹

b) The level of living in the countryside declined precipitously, as population growth combined with increasing mechanization reduced employment possibilities. The average number of days of work available to a farm laborer in 1950 was 190; but by 1960, it was only 100. At the same time real wages declined over the period 1957-1959 by between 7 and 24 per cent, depending upon the source consulted.²

c) As a consequence, middle and upper income groups increased their share of national income, while lower strata decreased their participation. The poorest 50 per cent of the Mexican population accounted for 19.1 per cent of all income in 1950, 16.7 per cent in 1958, 15.7 per cent in 1963, and only 15 per cent in 1969.³

¹ Cynthia Hewitt de Alcántara, "Mexico: A Commentary on the Satisfaction of Basic Needs," in Marc Nerlin (ed.), Another Development: Approaches and Strategies, Uppsala, The Dag Hammarskjöld Foundation, 1977, p. 170.

² Centro de Investigaciones Agrarias, Estructura Agraria y desarrollo agrícola en México, Mexico City: Fondo de Cultura Económica, 1974, p. 24.

³ Wouter van Ginneken, Mexican Income Distribution within and between rural and Urban Areas, Geneva: World Employment Program working Paper no. 2-23, p. 99.

d) Exaggerated urban growth, especially during the last decade, has brought with it serious socioeconomic, political, and cultural problems. Mexico City, with approximately 13 million people in 1977, is virtually unmanageable.

When a worldwide economic crisis was superimposed upon the continuing process of marginalization inherent in the postwar development strategy of Mexico, the result was sufficiently serious to encourage some reevaluation of current policy. As part of that reevaluation, both the public and the private sector turned to the possibility of rural industrialization. In part, the idea was simply to decentralize the industrial sector of Mexico, transferring some industries and establishing others outside the limits of the present manufacturing conurbation. Thus projects were proposed like that of the "industrial corridor" of the state of Jalisco, which would fill in rural areas along the Lerma River, between small and medium sized towns, with industrial plants.¹ Another aspect of the policy of rural industrialization was, however, more directly related to rural development. In order to improve the level of living of the peasantry, and to reduce migration to the cities and the United States, small industries were to be established in genuinely rural areas, to make use of local resources, and whenever possible, to produce goods which would contribute to the satisfaction of local needs.

¹Plan Lerma, Análisis económico del corredor industrial de Jalisco, Guadalajara: NAPINSA-ONU, 1972.

2.2. Recent efforts of rural industrialization in Mexico

During the 1970's, the public sector has encouraged the establishment of small rural industries, within a rural development framework, primarily through two programs aimed at land reform beneficiaries: the National Fund for Ejido Development (Fondo Nacional de Fomento Ejidal, or FONAFE), and the Program for Investment in Rural Development (Programa de Inversiones para el Desarrollo Rural, or FIDER). The first institution, part of the Ministry of Agrarian Reform, was founded during the 1950's to serve as the repository of funds received by ejidos from the exploitation of communal resources (pastures, woods, mines); these funds could be used for such community projects as schools, roads,⁹ public utilities. During the presidential administration of Luis Cheverría (1970-1976), FONAFE was provided with additional amounts of public money and its purpose broadened to include the promotion of industrial development in the countryside.

The extent of the transformation experienced by FONAFE in the 1970's can be illustrated with figures taken from the report of its director general.¹ In 1970, the institution supervised communal funds of 76 million pesos, for 3,235 ejidos (out of a total of 24,062 ejidos in the nation); but by 1976, FONAFE funds totalled 2,000 million pesos, and the number of ejidos covered by the program had grown to 5,317. Seventy-eight per cent of the 2,000-million-peso fund was invested, although only 18 per cent of that investment was in "productive activities" —

¹ José Gascón Mercado, "Acción del FONAFE, 1971-1976," in el ejido industrial, Mexico City: FONAFE, biweekly bulletin, 1976.

essentially rural industries.

In 1970, FOHAFE could claim to have established only three small industries in the nation: two making straw hats in Oaxaca and one dairy processing plant in Zacatecas. Four additional projects were under construction. Six years later, in contrast, 351 peasant enterprises covering six fields of activity (forestry, agriculture and husbandry, construction, tourism, manufacturing, and fishing) had been financed. Accumulated investment was 651 million pesos, or an average of 1.9 million pesos per enterprise, and the annual value of production reached 1,430 million pesos, or 4.2 million pesos each. 13,161 permanent jobs and 7,000 part-time jobs had been created, at an average cost of 32,290 pesos per job (49,464 pesos in the case of permanent positions).

During the same period, FOHAFE also promoted the establishment of 36 industries set up as a joint venture between local people and the state. This effort cost 323 million pesos (8.9^{million} per enterprise) and provided employment for 1,908 workers at a cost of 169,287 pesos per job. The annual production of all 36 plants combined was 1,000 million pesos in 1976.

Concurrently, a second rural development effort including the promotion of small industries was being carried out by the Program for Investment in Rural Development, within the Ministry of the Presidency (now called the Ministry of Programming and the Budget). From 1973 onward, both federal and international

(World Bank) funds were channelled toward relatively poorer (but by no means the poorest) regions of the countryside with the stated goal of restructuring peasant economies upon more efficient productive bases. Investments covered three basic areas: physical and economic infrastructure; social welfare (technical training, health, housing); and production (agriculture, mining, fishing, and small industries). In all, between 1973 and 1976, 5,824 million pesos were spent for these ends.

One federal agency with which the PIDER program coordinated its rural industrialization projects was the National Company for Popular Subsistence (Compañía Nacional de Subsistencia Popular, or CONASUPO). By the end of the scheverría administration, CONASUPO had set up several small industries making clothing and cloth and employing around 400 peasants; fruit and vegetable processing plants in the states of Chihuahua, Mexico, Nayarit, and Aguascalientes; milk processing plants in Coahuila and Jalisco; and 20 small sewing establishments where 600 workers turned out gowns sold for some 700,000 pesos per month.¹ In addition, PIDER coordinated its activities with the Productive Activities group (Actividades Productivas) within the Ministry of the Presidency, in order to incorporate into federal programming the experiences of one large effort at rural industrialization then under way in southern Jalisco. This effort, the People's Collective Industries, will be the subject of Chapter 4 below.

¹ James Austin, CONASUPO and Rural Development: Program Description, Analysis and Recommendations. Report to the World Bank, December, 1976.

3. Preconditions for the Establishment of Small Rural Industries in Southern Jalisco

The People's Collective Industries of southern Jalisco were established within an environment including a number of favorable factors. In the first place, the ecological conditions of the region were good when compared with those of many other parts of Mexico and natural resources relatively abundant. In addition, the historical background of the area provided experience with rural organization: southern Jalisco was the scene of a peasant movement which supported a triumphant faction during the revolution and won land reform as a result. Third, partly as an outgrowth of the preceding two factors, levels of living of the population of the region have apparently never been as low as in a number of other areas of the country. And finally, experience with some kinds of manufacturing during the past hundred years has contributed to a local understanding of the requirements of industry. Let us look at these preconditions in greater detail.

3.1. Favorable ecological conditions

The 45 counties which make up the southern Jalisco region lie in the valleys and foothills between the Western Sierra Madre mountains near the Pacific Ocean and a parallel volcanic range to the east, which crosses the neighboring state of Michoacán. At its northern limits, the region extends almost to the central plateau on which the capital of Jalisco (and second-largest city of the republic), Guadalajara, is

to be found. The presence of mountains ensures ecological diversity; the altitude of counties within the region varies from 900 to 1,700 meters above sea level. But in general, one finds sufficient water,¹ good crop land, and a temperate climate, which allow the cultivation of crops like wheat, corn, vegetables, fruits, and sugar cane in the valleys. Large areas of forest cover the highest mountain ranges.

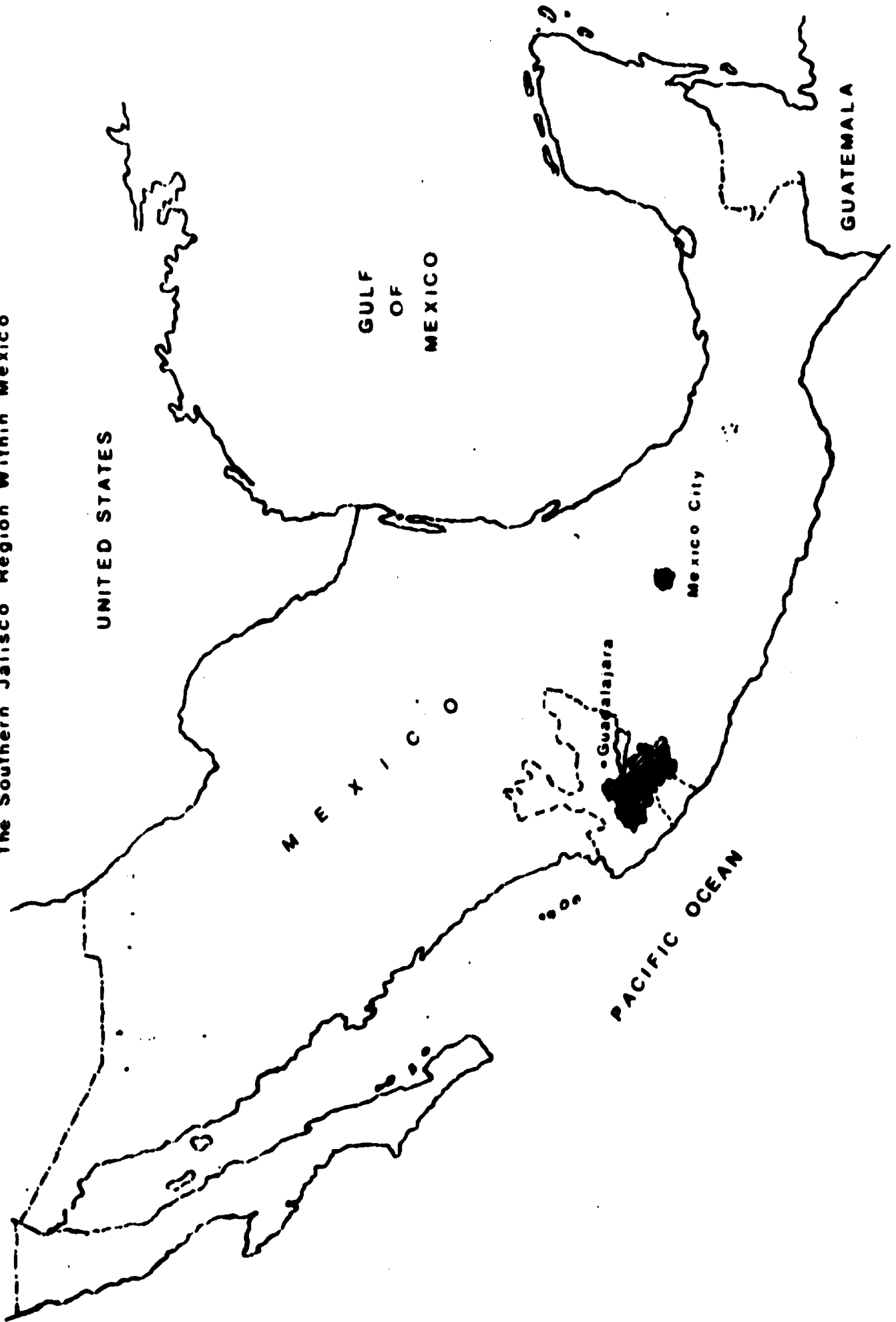
The core of the region is irrigated by the Tuxpan River, an affluent of the Tepalcatepec, whose basin covers large parts of both Jalisco and Michoacán. Beside this river, at the southwest of the valley, the small city of Tuxpan (with 14,700 inhabitants) is located, surrounded by low hills and facing the eastern side of the volcano of Colima. Tuxpan is not the most important urban center of southern Jalisco; Ciudad Guzmán, with 49,400 inhabitants, is more important in a commercial sense. But Tuxpan, for historical reasons to be discussed below, is the headquarters of the People's Collective Industries.

In all, the region covers a little more than 22,000 square kilometers (28 per cent of the total territory of the state) and contained in 1970, according to the latest population census, 559,822 people.² Population density therefore averaged 25.5 inhabitants per square kilometer, although it varied between 3 and 167 (the latter in Ciudad Guzmán). If one takes the criterion of the Mexican census, which defines localities of more than 2,500 inhabitants as urban, southern Jalisco is slightly more urban than rural. (see Table 1).

¹ Annual mean rainfall is 700 mm.

² Estimated population of the region in 1977 is 610,000.

MAP 1
The Southern Jalisco Region Within Mexico



MAP 2

The State of Jalisco and the Southern Region

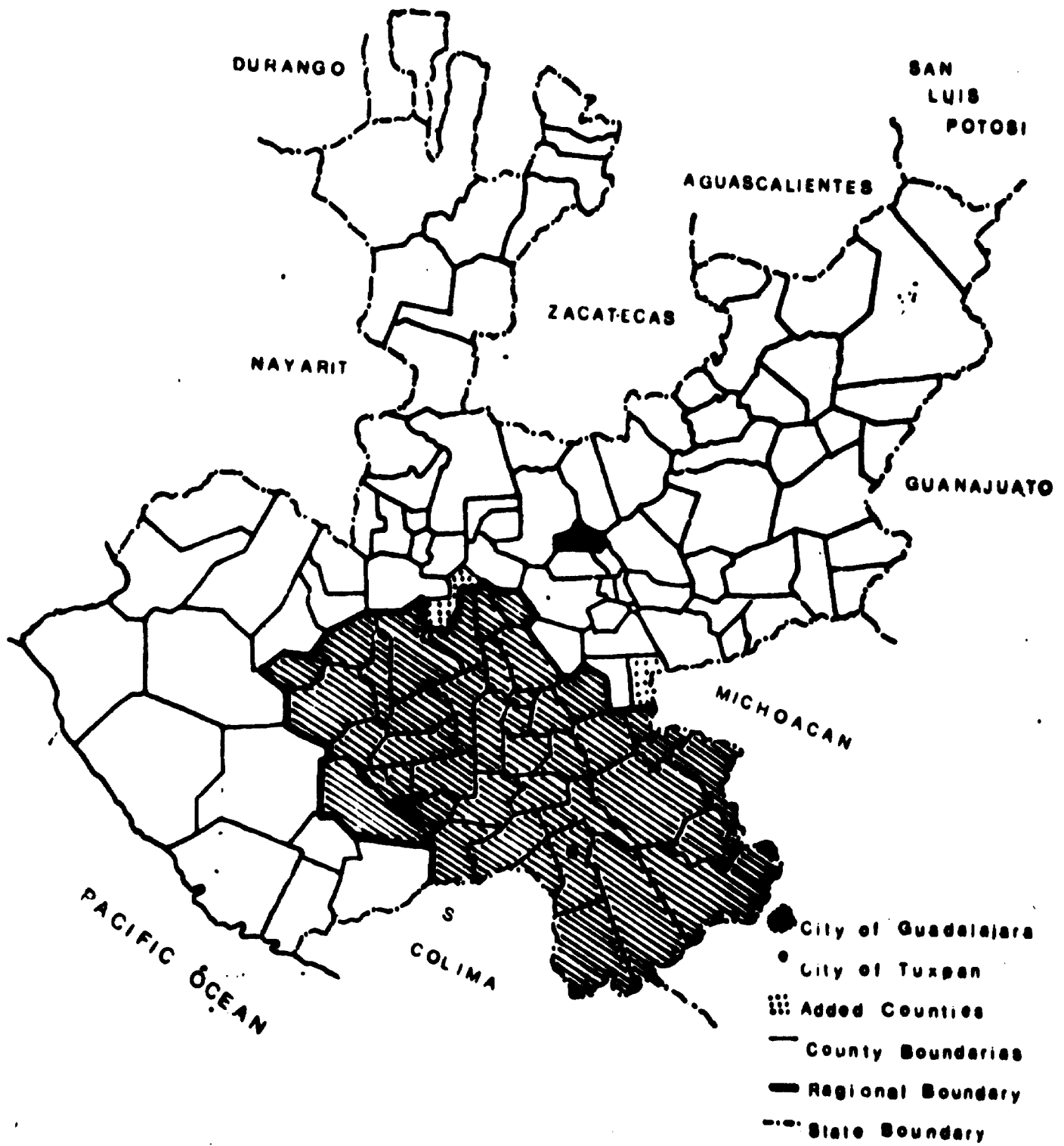


Table 1

URBAN AND RURAL POPULATION OF SOUTHERN JALISCO, 1970,
IN RELATION TO THAT OF THE STATE AND THE NATION

Geographical areas	Total population		Urban population		Rural population	
	Number	Per cent	Number	Per cent	Number	Per cent
a) People's Collective Industries Area	444,600		245,200		199,500	
% a/b		79.4		34.0		74.4
b) Southern Jalisco	559,800		291,600		268,200	
% b/c		17.0		12.9		25.8
c) State of Jalisco	3,296,600		2,258,500		1,038,000	
% c/d		6.8		7.5		5.7
d) Mexico	48,225,200		28,742,000		19,483,000	

Source: México, Secretaría de Industria y Comercio, IX Censo General de Población, 1970.

The particular strength of agricultural resources in the region can be illustrated with several indicators. Southern Jalisco has, for example, one of the highest coefficients of crop land per capita not only of the state, but of the nation. The average for Mexico as a whole in 1970 was 0.480, but that of southern Jalisco was 0.726.¹ There was, of course, variation within the region: seven counties, covering 20 per cent of the crop land of the area, had coefficients of 1.089 to 1.957; while six counties, with only 9 per cent of the crop land, had coefficients of less than 0.653. (See table A-1, Appendix).

¹ According to FAO, the world coefficient of hectares of cropland per capita was 0.68 in 1970; it was 0.55 for Central America and the Caribbean, 1.20 for North America, and 2.84 for South America. See Ceres, Vol. 7, No. 6, November-December, 1974, pp. 6-7.

In consequence, the supporting area of the People's Collective Industries also has a higher coefficient of value of agricultural production per capita than the rest of the state or the nation as a whole. Even the counties with the lowest coefficient within the area (309 pesos per capita, or 64.70 US dollars in 1970) are better off than the average for the state (600 pesos per capita) and the nation (662); and 60 per cent of the counties in southern Jalisco in fact have coefficients of 1,027 to 2,444 pesos per capita. (See Table A-2, Appendix)

The combination of agriculture and some industrial activity, including the exploitation of natural resources like wood, salt, sand, and stone, plus the processing of sugar cane, allowed the maintenance of a relatively low level of unemployment in 1970: 2.9 percent, compared to 3.8 percent for the nation as a whole. Nevertheless, unemployment reached 4.5 to 8.9 per cent in seven counties, with a total of 933 jobless people; and underemployment, exacerbated by a seasonal pattern of occupation in agriculture and the relatively few sources of employment in other sectors of the regional economy, was high. Of the 4,100 unemployed persons in the region in 1970, it might be added, 33 per cent were women. (See Table A-3.)

3.2. Favorable agrarian structure

As a consequence of an armed struggle against large landowners during and immediately following the revolution, a process of land reform was begun within southern Jalisco which eventually delivered 51 percent of all agricultural land to the peasants.

In 1970, there were 35,718 ejidatarios, grouped in 513 agrarian communities or ejidos, holding an average of 7.6 hectares of cropland per ejidatario. The fact that land reform beneficiaries predominate in the regional agrarian structure, and that they dispose of relatively adequate resources (they hold 67 per cent of the irrigated land of the area), is of importance for any effort like that of the People's Collective Industries. Nevertheless, it should be noted that almost half the land of the region remains in private hands, in units averaging 15.9 hectares each but including some very large properties.

3.3. Regional levels of living

Although peasant families in some of the more isolated parts of southern Jalisco live very badly, the level of living of most of the population of the region is better than that to be found in much of the rest of the nation. In order to quantify this condition, an index including seven variables was elaborated for the 124 counties of the state of Jalisco and the latter ^{then} grouped into four categories: counties with high levels of living, medium-high levels, medium-low, and low. The results are presented in Table 2. It will be seen that 67 per cent of the counties of the southern region fall into either the high or medium-high strata, a larger proportion than in the case of either the state or the nation. An auxiliary table, A-5 of the Appendix, allows an examination of the performance of each indicator for the region.

TABLE 2

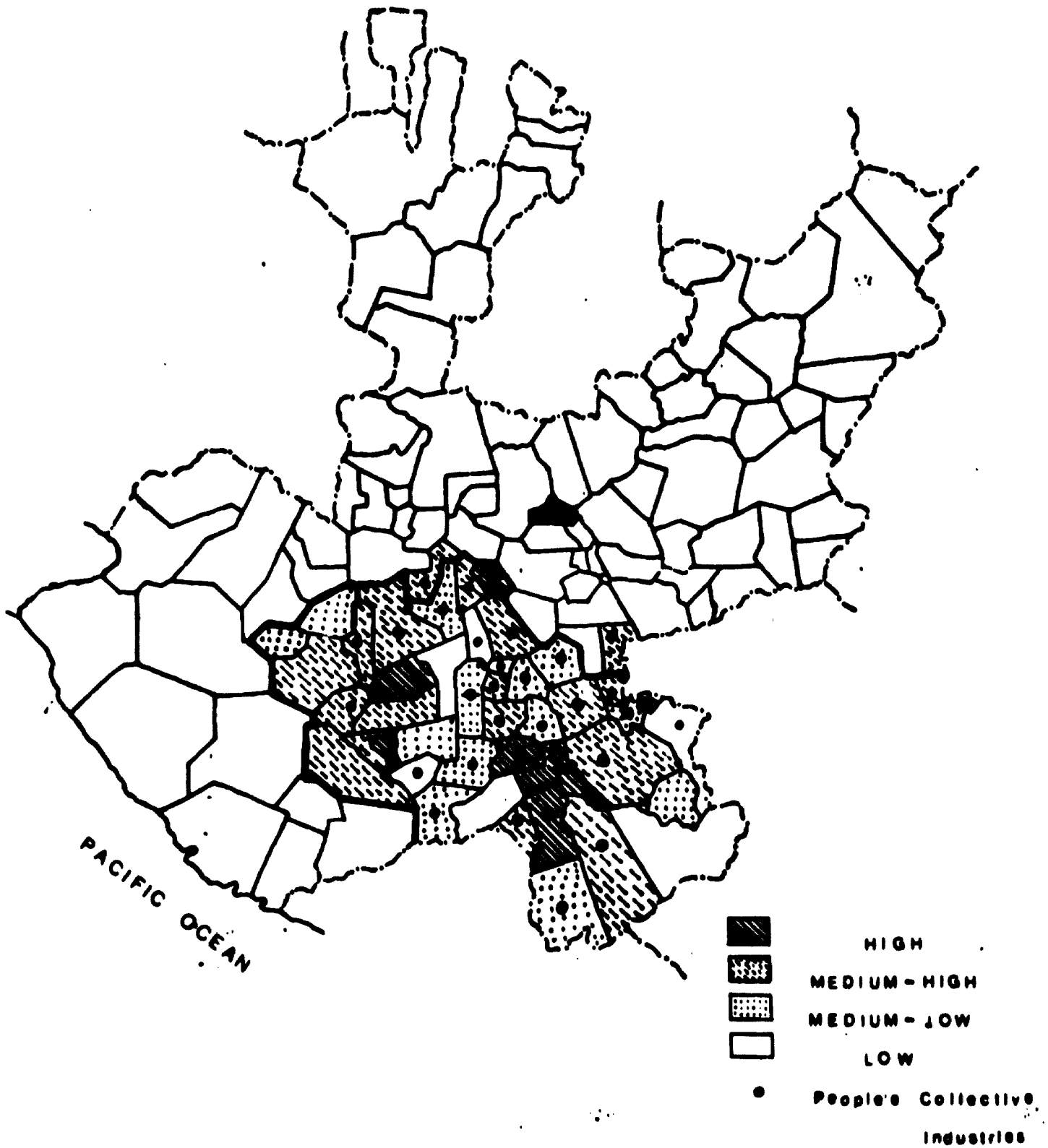
SOUTHERN JALISCO REGION: Comparative Levels of Living by Strata. 1970.

Level of Living Index Strata (State = 100)	Region Counties	%	Rest of the State Counties	%	Total State Counties	Qualification
57.38 - 97.71	2	4.5	3	3.8	5	HIGH
97.72 - 138.04	28	62.2	39	49.4	67	MEDIUM-HIGH
138.05 - 178.37	14	31.1	29	36.7	43	MEDIUM-LOW
178.38 - 218.71	1	2.2	8	10.1	9	LOW
TOTALS	45	100.0	79	100.0	124	100.0

Source: Elaborated with data from the IX Population Census, Mexico, 1970.

MAP 3

Levels of Living in Southern Jalisco



3.4. Previous Experience with Industrialization in Southern Jalisco

From colonial times, the state of Jalisco has been an agricultural province, and an important one. The area was conquered by the Spaniards in the sixteenth century, giving rise from those years onward to a permanent rivalry between the elite of Jalisco and that of Mexico City. In northern Jalisco, the indigenous population was exterminated and a combination of the hacienda system and small private family farms developed to provide food, raw materials, and cattle for the famous mining towns of Zacatecas and Guanajuato across the border. In southern Jalisco, a complex of relatively smaller haciendas supplying local mines was also established, but favorable natural conditions for sugar cane made the south primarily a region of sugar plantations. Only within the county of Tuxpan, and some parts of Tamasula, were a few communities of Indians allowed to survive, organized by Catholic priests, on communal lands. It is interesting to note that, according to one study, the indigenous community of Tuxpan had in the 1950's one of the most satisfactory levels of living of any Indian group in Mexico.¹

Industry, then, was originally developed in southern Jalisco as an adjunct to a sugar economy. (Salt mines in the lake area of the upper plateau, which dated from pre-Hispanic times, were also worked by the Spanish colonists, who later increased their output.) But by the middle of the nineteenth century, political

¹Roberto de la Cerda Silva calculated an intake of 62 grams of protein and 2,259 calories per person per day in Tuxpan in 1950. As late as 1968, the national average consumption in Mexico as a whole was 80 grams of protein and 2,600 calories. See de la Cerda Silva, Los indigenas mexicanos de Tuxpan, Jalisco, Mexico City: UNAM, 1956, pp. 29-39.

independence from Spain and contact with the ideas of the industrial revolution in Europe encouraged interest in a broader industrialization effort based upon revenue from commercial agriculture and mining. Iron ore taken from local mines sustained the development of a small foundry which produced crude tools for use in agriculture and other activities, both within and outside the region. In addition, a successful paper mill was established by a businessman from the northern part of the state, with the financial backing of 50 shareholders, half of whom were from his own region. Eventually the founder of the enterprise bought up most of the stock. Quality of the paper produced at this mill was so high that it was awarded prizes in the United States.¹

The beginning of the twentieth century saw small industries spread over fifteen counties of the region. Besides iron tools and paper, they produced soap, sugar, flour, leather, cigars, matches, rum and alcohol, beer, shoes, candies, soda and bottled mineral water, candles and textiles. Nevertheless, the accomplishments of early industrial pioneers were undermined by the penetration of railroads into southern Jalisco at the turn of the century, as well as by the chaotic conditions surrounding the revolution of 1910. By 1913, most of the important early industries of the region had disappeared. Some of their local owners migrated out of the region, especially to Guadalajara, and were replaced by powerful new groups of entrepreneurs from other parts of Mexico and

¹This paragraph and the following one are based on information provided in Guillermo de la Peña, "Industrias y empresarios en el Sur de Jalisco: Notas para un estudio diacrónico," in several authors, ensayo sobre el sur de Jalisco, Mexico City: CISHAM, Cuadernos de La Casa Chata No. 4, mimeo, 1977, pp. 1-36.

abroad.

Sugar mills long in the hands of local hacendados were bought up by outsiders (in some cases by the federal government) and began to work with credit societies formed by land reform beneficiaries. A successor to the original paper mill was similarly established during the 1940's by an outsider, and after a few years passed into the hands of the federal government, which continues to be its present owner. (This mill, in Atenquique, provides relatively well-paid jobs for 500 people and sustains the entire network of services required by the 3,160 inhabitants of the village.)¹ And during the 1950's and 1960's, three other outside enterprises set up industries in southern Jalisco. Two of them are cement factories, one owned by a transnational corporation, and one is an iron works affiliated with a home office in Monterrey.²

3.5. Socioeconomic Problems of Southern Jalisco in the 1970's

This element of increasing penetration of the economy of the region by interests with an outside base of power, when combined with the growing concentration of control over agricultural land in the hands of private entrepreneurs, has implied a series of problems clearly visible in the 1970's. The fact that

¹ Fátima Rodríguez Aviñón, "El complejo industrial de Atenquique," in IMM.

² De la Peña, op. cit.

large commercial farmers control a growing share of agricultural production has meant, for example, that a special impetus has been given to mechanization, thus reducing the demand for farm labor and encouraging unemployment. It has also implied that less food is now produced within the region for local consumption, as land is increasingly destined to supply products for industrial processing and sale outside the region (sugar cane, sorghum, fodder, barley). At the same time, profits obtained from manufacturing and commerce, as well as agriculture, are less likely to be reinvested in the region than in the days of the original entrepreneurial elite, when local people were interested in developing an integral process of industrialization. At present, commercial centers like Ciudad Guzmán serve as funnels channeling resources out of southern Jalisco.¹

Local rural people are therefore becoming increasingly marginal to the most important economic activities of the region. Their dilemma is registered in outmigration. Between 1950 and 1970, the population of southern Jalisco has grown at a low rate, compared to the rest of the country, and in the lake and mountain areas has been almost stagnant.² Clearly, the need for a local-level development effort exists; and to one such effort attention will now be given.

¹The problems mentioned above are discussed by de la Peña, *op. cit.* See also Verónica Veerkamp, "El mercado informal y la industria: el caso de Ciudad Guzmán," in the same volume.

²The average annual rate of population growth between 1960 and 1970 was 1.2 per cent for the region and 3 per cent for the state of Jalisco as a whole.

4. Establishment and Performance of the People's Collective Industries

4.1. The Role of the Comisión del Sur

In 1965, the government of the state of Jalisco divided the territory under its jurisdiction into four or five regions, each of which was to contain a commission for the promotion of economic development. This step was not founded entirely on administrative criteria; it also represented a way of distributing certain areas of power and decisionmaking among the politically most important groups of the state, thus striking a balance which would minimize political problems for the governor.

The economic development commission established in southern Jalisco, called the Comisión del Sur, was directed by a young, energetic student leader whose father, when governor of the state in the 1920's, had actively promoted agrarian reform, most particularly within the southern region. At the time of his appointment, the new head officer of the commission was private secretary to ex-president Lázaro Cárdenas and therefore most interested in applying his experience with Cárdenas to matters of regional rural development in Jalisco. The budget of the Comisión del Sur was so limited, however, that it hardly paid his own salary and that of two assistants and a secretary. The role of the organization was thus limited by financial constraints to one of promoting,

organizing, and coordinating programs of infrastructure approved by the federal government for implementation within the region. In the process, local peasants were organized to some extent and their demands channelled upward toward official institutions. New roads were opened, small primary schools and health centers built, and some technical assistance provided to small sugar cane producers.¹

In December, 1970, when Luis Echeverría assumed the presidency of Mexico, the political and economic position of the Comisión del Sur was greatly strengthened. The director of the commission was the brother-in-law of the new president and therefore enjoyed his confidence. During the following years,

2,197 million pesos, or roughly 100 million dollars, were directed toward southern Jalisco by federal government agencies,² and the Comisión del Sur was the institution which indicated to those agencies how, when, and where to implement their programs.

The role of the commission in the field of education was particularly important. Taking note of the inadequacy of standard architectural designs for the prefabricated schools built by the federal school construction program, personnel of the regional development commission decided to design their own schools. The standard designs did not allow for regional differences in climate and building materials. Therefore warmer, wood buildings with less windows were proposed for the colder, higher areas of the region and cooler, more ventilated structures built

¹This account is based upon personal interviews conducted in 1975, 1976, and 1977. The total amount invested in the region during this period was 28.9 million pesos, of which 23 per cent was provided by the communities themselves. See José Guadalupe Zuno Arce, Industrias del Pueblo. Thesis, University of Guadalajara, 1977, p. 10.

²Ibid., p. 36.

of brick, with tile roofing, for the warmer valley areas. In one case (that of Las Galeras), an entire community was cooperatively organized in order to build its own one-room primary school in five days as a response to the threats of neighboring landlords who had systematically opposed any popular efforts to obtain education in the past. The place and the date of opening of that new school became a symbol for future cooperative efforts designed to convince the peasants of their strength when united.

In its coordinating role, the Comisión del Sur also promoted the establishment of 12 middle-level technical schools within the region. One of these schools, Agricultural Technical Secondary School Number 112, near Sayula, has ten hectares of agricultural and grazing land, nine classrooms, and several laboratories. Its 362 students are coordinated and taught by 13 teachers. emphasis is placed upon cooperative practical activities, from which all students share the profits. In addition, shops for training students to be mechanics and to repair agricultural machinery provide services to the peasant farmers of the area. By 1975, 92 young boys and girls had graduated from this school, and most of them went on to study at the higher-level regional agricultural school.

The construction of this school for the advanced training of agricultural technicians, sponsored by the Comisión del Sur, was cause for a local struggle between the small group of high-income families who preferred an academic preparatory school which would prepare their children to enter a university, and a more numerous group

of low-income families who needed a technical school for their children. The commission intervened to decide the question in favor of the latter.

A final example of the organizing efforts of the Comisión del Sur was its attempt to organize land reform beneficiaries and small farmers who supplied timber to the Atenquique paper mill. The low price paid by the government-owned enterprise had long been a cause^{of} friction within the region and the peasants had always been in an unfavorable negotiating position. The director of the Comisión tried, then, to convince the workers in the mill to support the peasantry against the management. In this endeavor he failed completely. The workers represented a privileged faction of the local working class and exhibited an utter lack of class consciousness.¹

4.2. The Establishment of the First Rural Industrial Workshops

As the Comisión del Sur became increasingly effective in its coordinating role, and as its power and financial resources grew, it was in a position to consider the organization of small rural industries. The decision to move into this field was the result of strong local and regional demand for jobs and a higher income for landless peasants. But the particular situation which brought about the founding of the first small industry was virtually a coincidence. In 1973, the commission was involved in an attempt to obtain rural electrification from the Federal Electricity

¹ Luisa Gabuyet Ortega, "Economía familiar de los obreros de Atenquique," in several authors, Anayo sobre el Sur de Jalisco, op. cit., p. 199.

Agency. At that moment, the agency could not comply with the request (although it had formally agreed to include southern Jalisco within its electrification program) because no cement utility poles were available. Personnel of the federal institution suggested that if the Comisión del Sur were able to supply the poles, electrification could proceed at once.

This was the kind of opportunity the director of the Comisión del Sur and his team were (perhaps almost unconsciously) looking for. It was decided that the same people who would ultimately benefit from the electrification program should make the poles. But the organizers of the project were not sure how to establish an enterprise which would have the characteristics neither of a typical private corporation nor of a production cooperative. Given the lack of a legal framework which would correspond exactly to what they had in mind, they decided to begin the project by setting up a corporation with specific regional development objectives. Thirteen shareholders, including the director of the Comisión del Sur, founded what they officially called Productive Activities Incorporated (Actividades Productivas Sociedad Anónima de Capital Variable). Six of the thirteen shareholders were the providers of money capital, and the other seven were peasants who were considered the providers of "labor capital." The principal difference between this corporation and a capitalist one was that its workers participated in a profit-sharing scheme, according to the number of "labor shares" allocated to each worker. These "labor shares" were supposed to be equivalent to the value of the capital share of the founding members

of the corporation.¹

With an estimated capital of one million pesos,² Productive Activities Incorporated produced utility poles which provided an initial income of 600,000 pesos. By common agreement of all shareholders, only 200,000 pesos of this were distributed; the remaining amount was invested in new installations with the purpose of continuing to produce goods for government enterprises and ministries, and thus providing work for the young unemployed peasants of the region. Years of local experience with cooperation, fostered during the period when the Comisión del Sur organized the population around the question of obtaining public works, were beginning to pay off. The promoters themselves were gaining industrial experience and rural people were beginning to think in terms of setting up their own enterprises. A group of five girls who had once represented a community petitioning for drinking water facilities, for example, approached the director of the new corporation to suggest the founding of a sewing workshop in their village.

Productive Activities Incorporated expanded into the production of wheelbarrows, choveles, pick-axes, gloves, footballs, and chalk, as well as founding a small lumber mill and a forge. All of this production was destined for sale to the government, which proved to be anything but an easy client. Experience with the wheelbarrows, at the same time a challenge and a nightmare, will provide a case in point. The contract with the Ministry of Public Works was won in competition with a transnational

¹Julio Pomar, La nueva revolución: Industrias del Pueblo en el sur de Jalisco. Tuxpan: unpublished manuscript, October, 1976, pp. 27-28; and personal interviews, October, 1975 and September, 1977.

²Samuel Lichtenstejn, Grupos industriales del pueblo. Comisión del Sur de Jalisco. unpublished manuscript, June, 1975, p. 1.

corporation and therefore represented a triumph for the new enterprise. But it soon developed into a nightmare, as the Ministry obliged delivery at a number of different points throughout the country. Since Productive Activities Incorporated did not have the transport facilities to comply with this condition, extraordinary makeshift methods had to be employed. A second case of difficulties with a government contract arose in connection with the production of footballs. Once the footballs were ready, it was discovered that the official in charge of receiving them had been replaced by another who refused to honor the contracts of his predecessor. One can still see a few of the remaining unsold footballs around the headquarters of the corporation in Tuxpan, even today.

The most basic problem at this stage in the development of the enterprise was that bureaucratic administrative procedures within government offices were too slow for an organization as financially weak as Productive Activities Incorporated. In order to obtain the raw materials with which to produce finished goods, it was necessary to go into debt, either with the providers or with the government. But these loans had fixed repayment dates; and when the government delayed payment for goods delivered, the corporation faced large debts with growing rates of interest. Therefore by the end of the first year of operation, most shops had to be closed. Only the chalk factory and the installations for making cement utility poles, both sustained by long-term contracts, continued to operate.

The result of this initial experience was a drastic change in production strategy. Members of the corporation noticed that small pedlars and merchants selling in local and regional open markets did not have the kinds of problems faced by Productive Activities Incorporated, because they sold directly to the surrounding population and did not have to deal with the federal bureaucracy. Therefore it was decided to produce goods needed by local people in order to reduce, although not entirely eliminate, dependence upon the federal government as buyer.

This decision, taken on February 27, 1974, prompted the reopening of ten or more shops, distributed in small towns (Copala, Tonila, San José de la Tinaja) and the city of Tuxpan, which could still be salvaged. A time limit of a month was set for the manufacture of shirts, trousers, shoes, sweaters, and several kinds of home-made foods (cheese, sausages, brown sugar, cottage cheese, and bread). Then on March 27, these goods (plus a store of tools and footballs left over from previous efforts) were offered for sale in the largest open market of the region, at Ciudad Guzmán. The results were very favorable; most of the goods were sold. At the same time, members of the corporation took note of the types of commodities most demanded by the regional population; certain kinds of bread and food, sweaters, clothing and shoes. They decided to concentrate on the production of those goods.

This change in strategy permitted an expansion of the number of shops and lines of production. By October, new shops were distributed within the region.

Ten of them made wool sweaters in the style of Chinconcuac, a famous weavers' village near Mexico City; and together with the chalk factory, employing seventy worker-members in Taxpan, they provided the corporation with a monthly income of one million pesos. This amount was allocated to what was called the Solidarity Fund (Fondo de Solidaridad) for reinvestment.¹

At the same time, a second element of strategy was being developed by the corporation. One of the main objectives of the organization had always been to provide jobs for the unemployed near their own homes, in the villages. Therefore it was necessary to set up shops in very small communities so that landless peasants could be assured an income without migrating. The first step toward this goal was taken on July 2, 1974, when a weaving workshop was founded in La Media Luna, one of the more isolated mountain villages. Technical support was provided by the sweater workshop in Puerto de las Cuevas, a nearby town, which in turn received assistance from the corporation headquarters in Taxpan.

By the end of April, 1975, there were 69 shops in southern Jalisco, with 972 worker-members (a mean of 14 per shop) and 35 administrative employees, also considered members of the corporation. Capital investment reached 19 million pesos, or roughly 258,000 pesos per shop. An average of slightly over 17,000 pesos had therefore been invested per job, much less than the average required to fund an

¹Julio Pomar, "Una nueva revolución," el día, suplemento 63 de la sección Testimonios y Documentos, Mexico City, January, 1976, p. 11.

industrial job in Mexico as a whole (87,648 pesos in 1970).¹

The shops existing at this time could be classified in two main groups, according to the following criteria: location, number of workers, amount of investment per worker, and kind of supervision received. The first group, or "concentrated" workshops, located in Tuxpan and its environs, had an average of 32 workers each, an investment of 50,000 pesos per worker, and a chief who directly supervised work in each shop. The second group, called "unconcentrated workshops," contained the largest number of enterprises and workers, scattered throughout the region outside the Tuxpan area. The average number of workers per shop in this group was 10, the investment per worker 2,700 pesos, and permanent supervisors absent.²

It will be seen in Table 3 that 90 per cent of all investment was concentrated in only three lines of production (wood products, chalk, and shoes), carried out in 9 shops employing 310 member-workers. Dependence upon the government as buyer had declined; only 9 workshops (producing chalk, wooden toys and sweaters) worked fully or partially for the government. Nevertheless, 31 per cent of capital investment was in these production lines and the government continued to be the most important single source of income. Chalk, wooden toys and sweaters together contributed an estimated one million pesos per month to the Solidarity Fund.³

¹Lichtensztejn, op. cit., p. 3; and for the national figure, Plan Lerma Asistencia Técnica, Diagnóstico sobre las condiciones económicas y sociales de la Región Lerma, 1960-1970, Guadalajara: NAFINSA-CNU, May, 1972, p. 11.

²Lichtensztejn, op. cit.

³Roar, op. cit.

Table 3

PEOPLE'S COLLECTIVE INDUSTRIES: DISTRIBUTION BY TYPES OF PRODUCTIVE ACTIVITIES
JUNE, 1975

Types of activities	<u>Shops</u>		<u>Workers</u>		<u>Investment</u>	
	Number	Per cent	Number	Per cent	(000 pesos)	Per cent
Food processing	26	37.2	296	29.4	440	2.5
Textiles and sweaters	20	28.6	254	25.2	745	4.2
Wooden products	3	4.3	185	18.4	8,826	49.6
Chalks	1	1.4	83	8.7	5,019	28.2
Construction materials	8	11.4	63	6.7	515	2.9
Shoes	5	7.1	37	3.7	2,185	12.3
Agriculture and cattle	4	5.7	26	2.6	42	0.2
Others	2	2.9	18	1.8	15	0.1
Administration	1	1.4	35	3.5	—	—
Total	70	100.0	1,007	100.0	17,787	100.0

Source: Samuel Lichtenstejn, Grupos industriales del pueblo. Comis. In del Sur de Jalisco. Nizpan: Unpublished manuscript, October, 1976.

It was also at this stage in the development of the corporation that it was decided to promote the participation of women. Forty per cent of the members were female and 75 per cent of them were concentrated in three major production lines: sewing, sweaters,

and food processing. Still, it was felt that a campaign should be launched to attract more women worker-members. They were considered likely to be more responsible, enthusiastic and respected by outsiders than young men, several of whom had recently been involved in lamentable incidents such as drunken driving.

Once the corporation decided to implement a program to produce for a regional subsistence market, it was necessary to build a commercial infrastructure. It was not enough simply to take the products of the workshops to local and regional open markets for sale, because production was soon far greater than the capacity of these markets. In order to avoid any kind of dependence upon local merchants for the distribution of the members' goods, a network of small stores, called People's Grocery Stores, was therefore established. At times, an extra room was opened in the same building with a workshop; at others, a place was rented or borrowed temporarily from county authorities. When corporation production was not broad enough to satisfy the basic demands for goods in any store, additional items were purchased from the National Company for Popular Subsistence (CONASUPO), the function of which was precisely to run low-cost grocery stores in low and middle income areas. In the period between October, 1974 and May, 1975, 28 People's Grocery Stores were set up in southern Jalisco, and the corporation

continued to sell as well in the three most important open markets of the region. Estimated net income from all retail outlets combined was estimated to have been 828,000 pesos during the eight-month period, divided almost equally between the People's Grocery Stores and the street markets. This would mean an average income of approximately 2,100 pesos per store and 19,700 pesos per market, per month. And sales were on the increase.¹ By the end of this stage in the history of the organization, in the middle of 1975, it was estimated that the capital-product ratio of the entire operation was 3.0; and the corporation was providing an average daily income to its members which probably fluctuated around fifty pesos -- over 40 per cent above the minimum wage for the region.²

4.3. The Stage of Successful Expansion

By late 1975, then, the corporation could count upon a strong basis of support for further expansion throughout the region. At the local level, the provision of jobs and higher incomes to landless peasants (and their daughters, who for the first time in their lives were allowed to participate in the decision-making process) ensured loyalty to the movement. And at the national level, support flowed directly from the President, through a number of programs of regional and local development carried out by various ministries. Regional

¹ In June, 1975, net sales from both marketing systems combined were reported to be 150,000 pesos, including the sale of complementary goods from CONASUPO. Lichtenstejn, op. cit., p. 5.

² Ibid., and personal interviews, 1975. It must be emphasized that income fluctuated according to the success and rapidity with which stocks were sold.

interest groups and political organizations, like the sugar cane producers' union, manifested their enthusiasm for the collective effort, while the municipal presidents of 42 of the counties of the region made a public pledge of support.

The corporation made explicit an ideology at this time, summarized in its Declaration of Principles. The main objective of the movement, it was stated, was to strengthen Mexican sovereignty through contributing to the economic independence of the republic. The intervention of transnational corporations in the Third World (and Mexico in particular) was more harmful than beneficial and was to be deplored. War and the use of any violence was also unconscionable. Strong support for women's liberation through economic independence was expressed. And above all, the exploitation of man by man was repudiated. Economic liberation was to be achieved through industrial collectivism and social solidarity among workers. Therefore, as in the case of the corporation, the means of production must be collectively owned and private profits replaced by a Solidarity Fund which ensures the expansion of collective enterprise and the incorporation of more and more members of the lowest income strata.¹

These ideals were discussed in long meetings dedicated to economic, social and political topics. The importance of peasant culture was also stressed, most particularly through a combination of artistic endeavors. Allegorical songs, marches and hymns were composed by the director of the corporation, whose charismatic personality continued to contribute a great deal to the social cohesion

¹ Corporación Colectiva Industrias del Pueblo, Declaración de Principios; in Julio Pomar, op. cit., p. 29.

of the group. Nationalism, love for work, and social solidarity were dominant themes in the songs, as in the works presented by a newly-organized theater group (el Teatro Campesino) which took a critical look at the discriminatory treatment meted out by the urban rich and the transnationals to the "ignorant" peasants. This process of discussion and cultural awakening was furthered through growing personal contact with foreign visitors from all over the world. The exchange of experiences with Indians, Africans, Chinese, Cubans, South Americans, and Vietnamese, as well as Mexican students, professionals, businessmen, and politicians, served to widen member-workers' horizons and make them understand the importance of their own corporation.

At the end of 1975, the collective organization included 125 workshops, with 1,500 worker-members, producing 34 different kinds of goods. To the production lines already in existence had been added straw hats, leather jackets, belts, sandals, and soap. Food processing had been diversified to include the canning of natural fruit juices; and children's sizes had been introduced within shops manufacturing clothing.

The extent of growth during the following year is illustrated in part in Table 4. By June, 1976, the number of workshops reached almost 200, scattered throughout 32 counties. Membership had increased to 1,700 workers, 83 per cent of whom were women (more than double the percentage of the year before). Most of these member-workers were very young; their ages generally varied within the range of 14 to 22 years. Without the corporation, they would have represented a

TABLE 4

PEOPLE'S COLLECTIVE INDUSTRIES: Comparative Distribution of Workshops by Lines of Production, 1975-1976-1977.

Lines of production	June 1975		June-Dec. 1976		June 1977	
	No.	%	No.	%	No.	%
1. Weaving (sweaters)	7	10.0	93	47.2	45	35.4
2. Food processing	26	37.2	33	16.8	5	3.9
3. Clothes	13	18.6	31	15.8	32	25.2
4. Leather products	--	----	17	8.6	12	9.5
5. Agriculture & poultry	4	5.7	5	2.6	4	3.2
6. Shoes & sandals	5	7.2	4	2.0	6	4.5
7. Wooden products	3	4.3	3	1.5	4	3.2
8. Construction materials	7	10.0	3	1.5	3	2.4
9. Chalks	1	1.4	1	0.5	1	0.8
10. Soap	--	----	1	0.5	1	0.8
11. Straw-hats	--	----	1	0.5	1	0.8
12. Resins	--	----	1	0.5	1	0.8
13. Pioneers (school-children)	--	----	--	----	5	3.9
14. Mattresses & graphics	--	----	--	----	2	1.6
15. Dolls	1	1.4	--	----	--	----
16. Pottery	1	1.4	--	----	--	----
17. Maintenance	1	1.4	2	1.0	1	0.8
18. Warehouse, administration & training	1	1.4	2	1.0	4	3.2
TOTALS	70	100.0	197	100.0	127	100.0

Sources: For 1975, Samuel Lichtenstejn, Grupos industriales del pueblo, Comisión del Sur de Jalisco, unpublished manuscript, June, 1975, Table 1; for 1976, Julio Pomar, La nueva revolución: Industrias del Pueblo en el sur de Jalisco, Tuxpan, unpublished manuscript, October, 1976, pp. 45-47; and for 1977, Corporación Colectiva Industrias del Pueblo Sociedad de Solidaridad Social, Resumen general (Statistical Report), Tuxpan, June, 1977 (mimeo.), pp. 1-2.

significant part of the unemployed population of the region.¹ They were to be found now in smaller workshops than before, because expansion at this time took place particularly in the "unconcentrated" area. In June, 1975, the average number of worker-members per shop had been 14, but a year later it was only 9.

The number of People's Grocery Stores also grew significantly during this period. By June, 1976, there were 58, with estimated average sales of 6,000 pesos per month per store (about three times their income at the beginning).

Income per member was relatively high, by local standards, although it was often irregular. If months passed between the time of manufacture of certain goods and their eventual sale, member-workers' income declined, and at times even stopped. Nevertheless, the average over a period of time was good. Earnings varied according to production line. In the case of woolen sweaters, for example, one informant interviewed in November, 1976, reported earning 110 pesos daily (for the production of ten sweaters); with her consent, the corporation discounted 40 pesos for the Solidarity Fund, leaving 70 pesos as her net income, still considerably above the minimum wage for the region. Income in the sewing shops varied according to productivity: in Techaluta, Faxinatla, and El Tule, the average was 40 pesos per person per day, while in Tecalitlan, it was 30. In San José de la Tinaja, 12 girls manufacturing cushions for a furniture factory

¹ 1,700 persons represented 32 percent of the total unemployed population of the region in 1976.

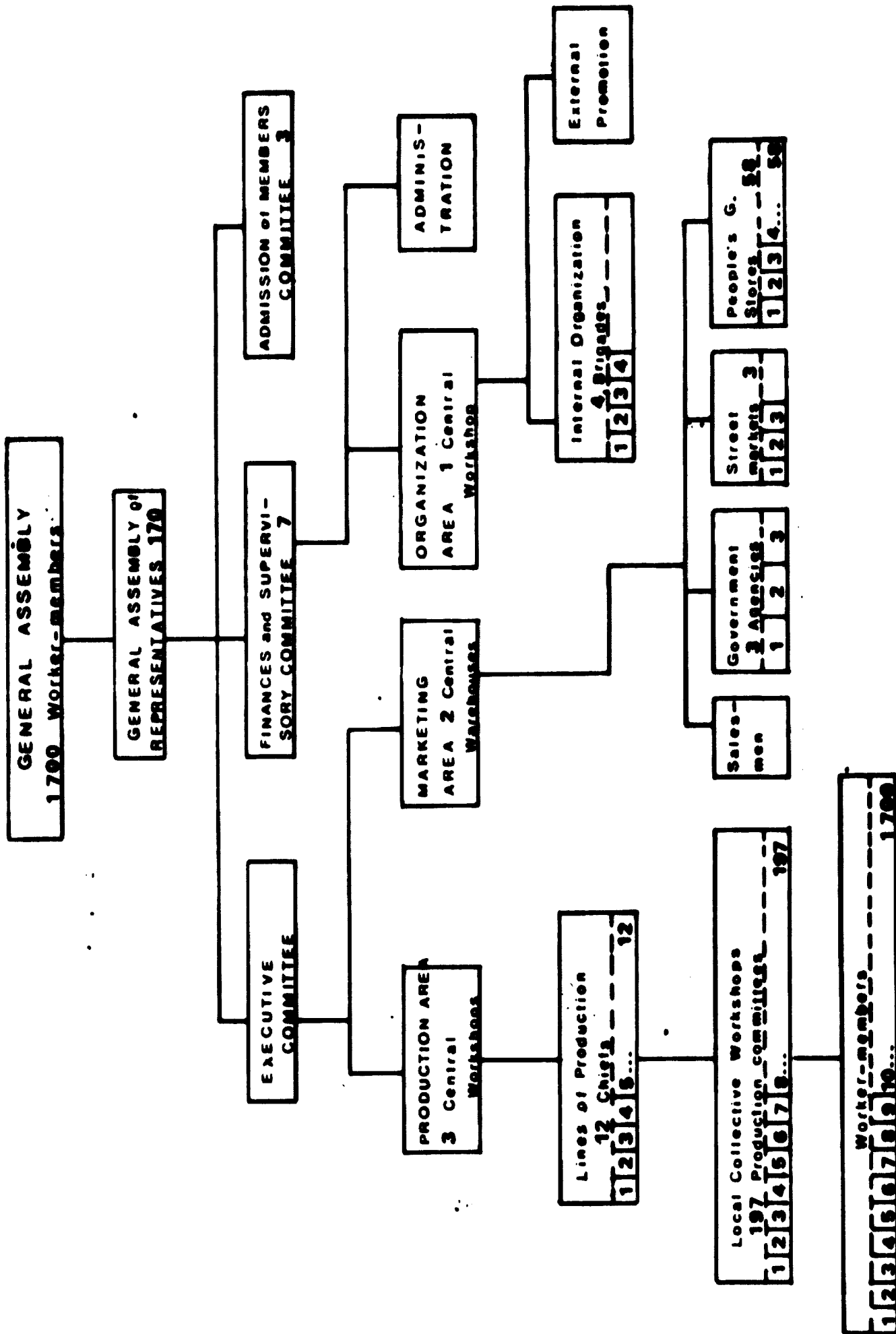
received between 50 and 83 pesos per day. And in a straw-hat manufacturing workshop in Villa Lázaro Cárdenas, the estimated average daily income per member was 114 pesos. The highest returns were perceived by the worker-members of the chalk factory, who in 1975 had a daily income of 250 pesos (50 per cent of which was discounted for the Solidarity Fund) and in 1976 received 350 pesos (43 per cent of which was discounted). The official minimum wage for the region at the time was 33.50 pesos per day, although in the countryside real wages were a little lower.

4.4. The Structure of the Corporation and its Internal Organization

because it was expanding, the number of workshops and diversifying its activities, the corporation also had to find a way to strengthen its internal organization. This was done through a process of trial and error, responding to continuously changing internal and external conditions. The tentativeness of a number of arrangements and the frequency with which they were altered makes any attempt to describe the structure of the organization an extremely complicated matter. It can be noted at the outset, however, that the central goal of all arrangements was to maximize the democratic participation of all members and to minimize the importance and cost of the administrative staff.

At the top of corporate structure was a General Assembly, including the entire membership (1,700 people in 1976), with faculties to discuss economic activities, as well as organizational and ideological ones. (See Diagram 1). The General Assembly

DIAGRAM 1
Internal Structure of People's Collective Industries. 1976



in turn elected a General Assembly of Representatives, made up of one representative for every ten worker-members.¹ It also elected three Central Committees: one, the Executive Committee, was particularly concerned with production and marketing decisions; a second, the Financial and Supervisory Committee (or Vigilance Committee) controlled the Solidarity Fund, and therefore investment policy; and a third, the Admission of Members Committee, kept lists of aspiring members and submitted its recommendations to the General Assembly for final decision. The way in which these three committees worked together in the process of expanding the corporation can be illustrated as follows: the Admission of Members Committee might propose that a new group of aspiring worker-members be accepted within the corporation; the Executive Committee would then determine which kind of workshop should be established for them, to which line of production it would be assigned, and its optimal size; and finally, the recommendations of the Executive Committee would be submitted for approval to the Financial and Supervisory Committee, which would allocate the necessary funds and provide supervision over ensuing expenditures.

Members of these Committees are elected for one or two years, depending upon the will of the General Assembly. They may be re-elected, but a basic premise of the organization is that as many members as possible should acquire the kind of experience required to handle the business of the corporation, so that dependence upon a single person or small group is minimized. In fact, in 1976, of 70 officers of one kind or another directing the affairs of the organization, only 20 were not of peasant origin.

¹This General Assembly of Representatives is a recent addition to the structure of the corporation, made necessary by passage of the Law of Social Solidarity Societies in May, 1976.

The Executive Committee, headed by the director of the corporation and former director of the Comisión del Sur, is the nerve center of economic activity, coordinating both industrial production and commercialization. With reference once again to Diagram 1, let us look ^{first} at the network of organization charged with industrial production. Below the Executive Committee is a Director of Industrial Production, who elaborates production plans in coordination with the 12 chiefs of production lines. Each of these chiefs is in turn in charge of a certain number of workshops, directed at the local level by a Production Committee of a President, Secretary, and Treasurer, democratically elected by members of the workshop.

The workshops themselves are arranged in order of increasing complexity, so that the smallest (called "penetration workshops") can count upon support from those installed in nearby towns with a certain level of economic infrastructure ("support workshops"), and the latter are provided with additional services by the "central workshops" located in the city of Tuxpan. There are three "central workshops" within the industrial production sector: one which maintains the equipment and machinery of the corporation; one which cuts cloth to be delivered to smaller sewing shops; and one which is dedicated to quality control and packing of finished clothing.

Within the marketing area, also under the direct responsibility of the Executive Committee, one finds a Director of Commercialization coordinating four lines of marketing: the government line, with three main sources of funds (the Ministry of Education, the Federal Electricity Commission, and more recently, the Mexican Social

Security Institute); the People's Grocery Stores, distributed among the small towns and villages of the region; the open street markets, which by 1976 had been reduced to the three most important ones (Ciudad Guzmán, Sayula, and Auzpan); and the salesmen of the corporation assigned to place expensive products in the largest cities of Mexico, as well as at the Mexican side of the border with the United States. Two central stores serve the marketing area. A first purchases the raw materials needed by all workshops, and a second concentrates all finished products for later sale.

In addition to this web of groups directly involved in carrying out economic activities, there is another very important element of the overall institutional structure of the corporation: the "organization workshop." Brigades within the "organization workshop" are involved in activities designed both to strengthen the internal cohesion of the group and to promote the program of the institution outside southern Jalisco. An ideological brigade, lately renamed the Education Commission, for example, is made up of worker-members judged to be outstanding both in their work and in their concern for fellow members. Their task is to visit continuously all local workshops and People's Grocery Stores in order to detect any problems which might reduce productivity or diminish the enthusiasm of participants for their work. They encourage open discussion of the problems of each workshop, as well as the broader socioeconomic problems of the region and the country. They also emphasize the importance of understanding the ideology and the legal principles upon which the

corporation is based. The need for something on the order of this Education Committee is particularly real because productivity in each workshop is a matter of personal, individual responsibility; there are no bosses.

Under the authority of the Education Commission are two other teams: the Communication and Information Brigade and the Protection of Nature Brigade. The former promotes formal and informal education among member-workers, establishing the necessary connections with different levels of public schools in the region in order to help those members interested in taking formal courses, and engaging in campaigns of adult education. In addition, children in rural schools have been organized into clubs engaged in productive activities: one club, in La Libertad, raised 16,000 pesos through the sale of six bulls. Half of this money went to the 23 young members and their families, and the other half was used to buy sweaters for children of low-income families in neighboring villages. Most recently, the functions of the Communication and Information Brigade have been expanded to include the provision of medical services to worker-members, first through an agreement with the Mexican Social Security Institute and later through the establishment of a separate medical service.

The Protection of Nature Brigade began in March, 1976, to organize programs of soil recovery and reforestation in which worker-members participate by turns. Cooperation in tasks of conservation, like the planting of fruit trees, is felt to contribute to the solidarity of the group, as are the almost monthly

general assemblies called to welcome official visitors.

The "organization workshop" has been very active in presenting the work of the corporation to outside institutions or persons interested in the same objectives or tasks. These persons or groups are invited by the corporation to come to Tuxpan. After seeing the People's Collective Industries, the former may send a small group of young people to be trained in the workshops of the corporation, and ask it as well for technical assistance in setting up collective enterprises. This was the case of the squatters' colony called "Tierra y Libertad" (Land and Liberty), in the northern city of Monterrey, which ^{in October, 1976,} sent a group of ten boys and ten girls to be trained in shoe manufacturing. They stayed for a month at the corporation headquarters in Tuxpan; and less than a year later, they had established their own collective society in Monterrey. It was also the case for a sewing workshop established by immigrant peasant women in the city of Mexicali, at the Mexican border with the American state of California. Additional contacts have been established with collective ejidos in the northern states of Sonora, Coahuila, and Durango (La Laguna).

4.5. Changing Legal Framework: The Law of Social Solidarity Societies

It will be remembered that from the earliest stages of formation of

Productive Activities Incorporated, its founders and chief officers were searching for the kind of legal framework which would permit them to establish an organization that would not be profit oriented, but employment oriented. Their main objective was to provide well-paid jobs which would allow low-income groups to attain higher levels of living while sharing their benefits with the rest of the population within their communities.

Therefore one of the most important results, from the point of view of these leaders, of the successful performance of the collective industries in the 1970's was the passage by the Mexican Congress of the Law of Social Solidarity Societies in May, 1976. The government took the experience of the southern Jalisco corporation as a model for the elaboration of this law, which was to provide the legal basis for the extension of small collective workshops throughout the rest of the country. Ten days after the law was promulgated, Productive Activities Incorporated changed its name to People's Collective Industries Corporation, and became the first group to be officially registered as a Social Solidarity Society.

The law allows low-income rural people, whether landless laborers, ejidatarios, small private landowners, or members of other occupational groupings, to form Social Solidarity Societies in order to provide new sources of employment, as well as to produce and market low-cost goods required by the local population. These organizations, each of which must have a minimum membership of 15, may not hire any non-member labor, with the exception of the middle or high-level technicians

which the establishment of their workshops might require. Their structure, including the three Central Committees described above (Executive, Admission of Members, and Finances and Supervisory) is very similar to that of Productive Activities Incorporated. The law foresees the possibility of grouping the societies into regional associations, as well as a national confederation, at some future date.

4.6. Implications of the Southern Jalisco Experiment for Rural Industrial Development Programs in Other Areas

Even before the passage of the Law of Social Solidarity Societies, the southern Jalisco experience had begun to serve as a model for federal development efforts in depressed rural areas. A Program of Investment in Rural Development (PIDER), funded both nationally and by the World Bank, had been established within the Ministry of the Presidency from the first days of Luis Echeverria's term; and by September, 1974, a General Subdivision of Productive Activities, headed by one of the President's sons (and therefore one of the nephews of the general director of Productive Activities Incorporated) had been integrated into the PIDER program. The purpose of the Subdivision was to apply the lessons learned in southern Jalisco to the promotion of rural industrial cooperatives throughout the country. Small workshops were to be established for poor rural people in order to produce at a low price, and with non-sophisticated technology, the basic goods demanded by the surrounding population. At this time, the legal framework for the effort was

the General Law of Cooperative Societies.

Between April and October, 1975, small cooperative workshops were set up in 19 states of the republic, generally within regions served by PIDER. By the end of 1975, it was expected that over 14 million pesos would have been invested in this program for the financing of 375 production units, integrated into 15 Central Administrative Units, plus some 200 People's Grocery Stores. An estimated 2,300 permanent jobs would have been created, benefitting 60,000 rural families directly or indirectly. That meant an average investment per job of 36,600 pesos.¹

4.7. Facing the Crisis: Toward a Strategy of Self Reliance

Toward the end of 1976, changing conditions at the national level began to foreshadow a crisis for the Peoples Collective Industries of southern Jalisco. The worsening economic situation of the country, discussed at the beginning of this report, was exacerbated by political difficulties which were quickly to produce a state of uncertainty about the continued stability of the existing system of government, more serious than at any time since the late 1930's. As in that earlier period of unrest, the crisis of 1976 grew out of continuing antagonism between conservative groups of big industrialists and landlords,

¹ Alvaro Echeverría Zuno, Actividades productivas en el medio rural: Un nuevo enfoque, Mexico City: Instituto Nacional de Estudios del Trabajo, October, 1975, mimeo, pp. 8-23.

supported by much of the middle class, on the one hand, and adherents of a populist program of rural development on the other. Between 1970 and 1976, the Mexican Government had no choice but to support a policy of development which emphasized rural welfare. Its efforts to reduce a little the sharp differences in income and levels of living between the rural poor and the wealthiest sectors of Mexican society, combined with a nationalistic foreign policy and assistance to political refugees from a number of South American countries, earned it the enmity of a significant part of the private sector of the country. Such populist policies were blamed for all the economic ills of Mexico, and as a consequence, capital began to flee the country in large amounts. The result was the devaluation of the Mexican peso in September 1976, followed almost immediately by a second devaluation and the decision to let the peso "float" indefinitely.

With the end of this period in December 1976, and the installation of a new government, great pressure was applied to the previous policy. Anything associated with the earlier program was likely to be a target of criticism; and since the People's Collective Industries were carrying out a program which epitomized the development strategy of the 1970-76 period, they were immediate candidates for harassment.

By November 1976, the system of collective workshops of southern Jalisco

was in crisis. The first blow had been to their Solidarity fund, as a result of the devaluation and consequent increases in prices. Inflation had been felt throughout the country from 1973 onward, as Table 5 makes clear. But prices

TABLE 5

ANNUAL VARIATION IN THE GENERAL CONSUMERS' PRICE INDEX OF MEXICO,
1971-1977

	1971/70	1972/71	1973/72	1974/73	1975/74	1976/75	1977/76	
							January	June
% increase in index	5.5	4.9	12.2	22.7	14.9	15.8	23.8	30.6

Source: Banco de México, Subdirección de Investigación Económica y Bancaria, cited in Secretaría de Programación y Presupuesto, Información económica y social básica, Mexico City, Vol. 1, No. 2, July, 1977.

skyrocketed toward the end of 1976, raising the cost of production significantly.

Since the collective industries continued to sell their products at the same low prices, to groups of people whose incomes were not rising and who could not afford to pay more, contributions to the Solidarity Fund (which would equal profits in a private enterprise) fell quickly. The immediate consequence was a stop to the

program of expansion under way at the beginning of the year.

Then, with the change of the national government, contracts with government agencies began to be cut or cancelled altogether. The Ministry of Education, for example, reduced its demand for chalk to one-tenth the former level, reducing the volume of operation of the chalk factory drastically and returning many of its workers to the ranks of the unemployed. Weaving workshops supplying school sweaters to the same ministry, among other clients, were closed because they could not continue to finance the acquisition of new raw materials. Shifts in the furniture and wooden toy factories were cut in half for reasons also having to do with problems of supply of raw materials. The result, summarized in Table 4, was that by June 1977, the number of workshops had declined to 123 (9 of which were temporarily suspended or about to be opened) and the number of worker-members to slightly over 1,100 (including 860 in the workshops, 96 temporarily suspended, 76 in the People's Grocery Stores, and 65 in the areas of administration, maintenance and training). Forty-five People's Grocery Stores remained in operation.

Supporting programs of rural development, which during the previous administration had been maintained throughout southern Jalisco by the Comisión del Sur, were discontinued in 1977, when the Comisión was abolished. Therefore the rural population of the region felt not only the effects of declining opportunities for productive employment, provided by the People's Collective Industries, but also the effects of the withdrawal of a number of social services formerly provided with federal money channelled through the Comisión del Sur.

At the same time, political opposition to the collective experiment began to manifest itself in a number of ways throughout the region. One of the first acts of the new municipal government of Tuxpan was to cut off the water supply of the People's Collective Industries, giving as a reason that the latter utilized so much water that the rest of the town suffered as a result. The collective organization responded by installing its own water system (at an

estimated cost of one million pesos) and continuing to operate; the municipality, on the other hand, is still chronically short of water, because the new municipal government has not found a technician who knows how to run the pumping and distribution facilities of the town. In the meantime, the municipal administration found a second way to show its inconformity with collectivism: garbage from the town was dumped in the vacant lots adjoining the headquarters of People's Collective Industries, giving rise to an invasion of flies.

Much more serious cases of harassment have recently emerged in the county of Pihuamo, where peasants supporting the collective industries have been violently repressed by the police.¹ In one case at least, these clashes have also been associated with political struggles within the regional sugar cane producers' organization.

In sum, then, after a period of solid high-level support for its ideals and its programs, People's Collective Industries now face a completely different political and economic environment. This development has not come as a surprise to the principal actors in the experiment: they were aware from the beginning that they might have only a few years in which to build an organization which could resist eventual disfavor and opposition. The degree to which they were able to succeed in that endeavor remains to be seen in the months and years ahead.

5. Summary and conclusions

The People's Collective Industries of southern Jalisco were established within an environment in which a number of favorable preconditions existed, both regionally and nationally. An area rather well endowed with natural resources, and united by a successful struggle for land, was suffering the effects of a continuing process of marginalization of a part of its rural population as a result of trends toward the concentration of landholding in a few hands. At the same time,

¹ Personal interviews by the author, September 1977; and Expedient, Mexico City newspaper, September 13, 1977, p. 27-A.

the traditional industrial base of the region was giving way to a manufacturing system controlled by outsiders not responsive to local needs. People with some experience both in collective action (an agrarian movement) and small industry therefore needed a way to channel their energies into productive employment.

Their opportunity came through the development efforts of a young politician, son of an ex-governor of the state of Jalisco, who first tried to improve levels of living through co-ordinating federally funded public works projects in the region. In the process of organizing local people to petition for roads, schools, and water facilities, this development worker and his team began to understand the importance of creating employment — an idea pressed upon them by constituents themselves. When presented with an almost fortuitous scarcity of electric utility poles with which to carry out their rural electrification program, they therefore took the step of founding a corporation in which workers participated through "labor shares" and in which profits became a "solidarity fund" to be used for the ^{constant} creation of new employment opportunities through reinvestment. Productive Activities Incorporated, as it was then known, became the basis of an expanding network of small rural workshops which produced both under government contract and as independent suppliers of basic goods bought by the regional population at open markets and People's Grocery Stores (a marketing innovation of the corporation).

This experiment with small collective industries in northern Jalisco does not by any means represent a typical case of rural regional development, but it is an

example of socioeconomic change promoted from above within a relatively favorable natural and social environment. The results of the experiment can be synthesized as follows:

5.1. Technological Achievements and Bottlenecks

The establishment of small industries was intended to be based upon two types of technology. The first was a very simple one, which relied upon raw materials available locally as well as upon a certain degree of traditional technical knowledge and dexterity. Examples of this approach were some weaving workshops making wool sweaters, which utilized nothing more than small wooden squares into which nails had been hammered in a certain pattern, and the chalk factory, where the tools and techniques were also quite simple. Food processing might be mentioned here as well, for it tended to be based upon traditional local ways of preserving and baking; only canned fruit juices were processed utilizing a more modern technology. On the other hand, modern technology was consistently employed in a number of cases: weaving machines, sewing machines, and other machinery for making wood products, soap, and shoes were routinely used; and all of these, obviously, required electricity.

The worker-members of the People's Collective Industries learned after a few weeks of training to handle even the most complicated machinery and they were often able to move from one machine to another when required. At the same time, however, they kept a sense of proportion concerning the relative merits of modern and traditional technology; the combined use of both strengthened their cultural identity and kept them

from considering local ways of doing things as necessarily obsolete. When placed beside such gains, both in new skills and in cultural perspective on the process of change, the few bottlenecks associated with technification must definitely be considered of secondary importance. Interrupted electrical service was perhaps the single most important problem faced by the relatively more modern workshops, and it was not one which the collective organization itself could solve.

5.2. Economic Achievements and Problems

An often-stated goal of the People's Collective Industries was the increasing retention of regional income within the region itself, reducing economic dependence on outside centers of industrial production and encouraging more favorable terms of trade between the region and the outside world. The degree to which this goal was reached is by no means clear; the question, central to any evaluation of the experiment, should be studied in more detail in the future. It would seem that considerable strides were made toward providing a local alternative to imported manufactured goods and therefore that more of the income earned by local families probably did remain within the regional economic system.

Through making an effort to understand the needs of local people, and then producing basic goods designed to meet those needs, the People's Collective Industries have been able to expand rapidly. Nevertheless, in areas like clothing, the time lapse between market research and the final decision to change the style of particular articles has sometimes been too long to permit the workshops to compete advantageously with outside manufacturers. This has not represented a serious bottleneck, but it has been a cause for concern among some worker-members.

Combining the collective manufacture of goods with a system of regional distribution under the control of the producers themselves has proved to be a most necessary and effective way of coping with competition from outside industrial products. The experience of the People's Collective Industries suggests, however, that co-ordinating these two functions within a single organization is a difficult task. The distribution function becomes particularly complex once the organization expands into the national market, where competition is stiffer and the infrastructure required to sustain a marketing effort by a collectively run organization is largely lacking.

Whatever the problems faced in the course of structuring the People's Collective Industries, there can be no doubt that the experiment provided employment and income to a significant part of the young, unemployed, landless population of southern Jalisco, and in that basic sense provided a noteworthy contribution to regional rural development.

5.3. Sociocultural Achievements and Problems.

The sociocultural effects of the establishment of the People's Collective Industries

in southern Jalisco were in many respects similar to those of an agrarian reform. Member-workers were given a personal sense of belonging to a community, and acquiring rights and duties. In essence, their dignity as human beings was reaffirmed. In addition, this process of social liberation was reinforced by stressing those cultural values and traditions which formed the basis of an ethnic identity. It is therefore not surprising that the use of moral, as well as material, incentives has been very effective in maintaining work discipline and participation in a number of after-work programs. Worker-members have gone for relatively long periods of time without being paid, until it has ^{been} possible for their products to be sold and the earnings to be distributed.

The very high degree of social solidarity and ethnic identity built up within the People's Collective Industries may, however, constitute a basis for future problems, to the extent that those young people who would also like to participate in the experiment, but cannot be immediately absorbed, begin to feel excluded. There are some signs that such clashes are developing in a few places. Nevertheless the over-all impact of the collective effort on rural communities of southern Jalisco has most clearly been positive. This is another point which calls for further, detailed research.

5.4. Requirements for Rural Collective Industrialization

The feasibility of rural collective industrialization within a wider socioeconomic setting in which a market economy is predominant, but in which the state nevertheless plays a key supporting role, would seem to depend very much

upon the presence of the following elements at the local level:

- a) Sufficient natural resources;
- b) A certain degree of social mobilization leading to the diffusion of feelings of solidarity;
- c) Some widespread, if elementary, technical knowledge;
- d) Honest, committed, and charismatic leadership;
- e) The systematic orientation of production toward social, rather than individual, objectives;
- f) The promotion of moral and material incentives combined.

In addition, it would seem essential that participants in rural industrial ventures be aware of the limits and restrictions likely to be imposed upon them by the national and regional environments in which they must operate. Regionally integrated projects would have a much better chance of success in this case than scattered development schemes.

Special attention must also be paid, when considering the way in which the collective industries will be financed, to the real problems which are likely to arise around the subject of whether to invest in projects of a primarily social, collective nature, or to emphasize the individual distribution of the economic product of the enterprise. Social objectives are likely to prevail at the very beginning of the project, when everyone's participation is relatively equal. But

when differences in performance arise, it is very likely that internal conflict will follow. The group involved in any collective enterprise must be aware of this problem and devise a strategy to deal with it.

Finally, it might be added that in Third World countries like Mexico, industrialization must not be seen as an end in itself, but only as one means of promoting increased wellbeing. Local cultures offer a wealth of opportunities for a productive and satisfying life. Modern technology should be introduced within them only at the points which promise the lowest possible social cost with the highest social benefit.

STATISTICAL APPENDICES

TABLE A-1

SOUTHERN JALISCO REGION: Comparative Coefficients of Crop Land, 1970.

Coefficient State (Ha/capita)	No. of Counties (a) %	Crop land (b) (Ha.) %	Average b/a	Mean Coefficient (Ha/capita)
0.218 - 0.653	6 13.3	37 855 9.3	6 309	0.331
0.654 - 1.088	32 71.1	284 352 69.9	8 886	0.741
1.089 - 1.513	5 11.1	67 034 16.5	13 407	1.283
1.514 - 1.957	2 4.5	17 313 4.3	8 656	1.790
Region (x) % = x/z	45 36.3	406 560 100.0	9 035	0.726
Rest of the State (y) % = y/z	79 63.7	1 035 915 28.2 71.8	13 113	0.378
TOTAL STATE (z)	124	1 442 475	11 633	0.438
MEXICO	1 185	23 138 405	19 526	0.480

Source: Elaborated with data from the V Agricultural Census, Mexico, 1970.

TABLE A - 2

SOUTHERN JALISCO REGION: Coeficiente de Agricultural Product. 1970.
(Pesos)

Values Strata (Pesos/capita)	Counties (a) No.	%	Agricultural Product (b) (000 pesos)	Average b/a (000 pesos)	Coefficient (Pesos/capita)
554.0 - 1 26.5	18	40.0	198 714	11 040	809
1 026.6 - 1 499.0	18	40.0	253 000	14 056	1 206
1 499.1 - 1 971.5	6	13.3	110 355	18 392	1 657
1 971.6 - 2 444.0	3	6.7	60 006	20 002	2 090
Region (z) % z/z	45 36.3	100.0	622 075 27.3	13 824	1 111
Rest of the State (y) % y/z	79 63.7	---	1 654 000 72.7	20 937	604
TOTAL STATE (z) % = z+y	124 100.0	---	2 276 075 100.0	18 355	690
MEXICO	1 835	---	31 912 795	17 391	662

Source: Elaborated with data from the V Agricultural Census, Mexico, 1970.

TABLE A-3

SOUTHERN JALISCO REGION: Comparative Rates of Unemployment, 1970.

Rate Strata (%)	Counties (a) No.	Unemployed Pop. (b) No.	Average b/a	Mean rate %
0.12 - 2.32	21	291	42	1.6
2.33 - 4.52	17	2 356	139	3.3
4.53 - 6.72	5	701	140	5.0
6.73 - 8.92	2	232	116	8.7
Region (x) % = x/z	45 36.3	4 180 16.1	93	2.9
West of the State (y) % = y/z	79 63.7	21 857 83.9	277	2.9
TOTAL STATE (z) % = x + y	124 100.0	26 037 100.0	210	2.9
MEXICO	1 185	485 197	409	3.8

Source: Elaborated with data from the IX Population Census, Mexico, 1970.

TABLE A - 4

SOUTHERN JALISCO REGION: Participation of Ejido Land in the Regional Agrarian Structure, 1970.

Ejido Land tenure Strata of percentages*	Counties (a) No.	Ejido Land (b) (hectares) %	Average b/a (Ha.)	Mean b/County
5.86 - 25.99	5	26 765 3.4	5 353	17.0
26.00 - 46.12	17	209 628 26.9	12 331	38.8
46.13 - 66.25	9	241 437 30.9	26 826	56.5
66.26 - 86.38	14	302 814 38.8	21 630	74.6
Region (x) $\bar{x} = x/z$	45 36.3	780 644 100.0 27.9	17 348	51.0
Rest of the State (y) $\bar{y} = y/z$	79 63.7	2 012 725 --- 72.1	25 477	44.9
TOTAL STATE (z) $\bar{z} = x+y$	124 100.0	2 793 369 --- 100.0	22 527	46.5
MEXICO	1 835	69 724 102 ---	37 997	49.8

Source: Elaborated with data from the V Agricultural Census, Mexico, 1970.

TABLE A - 5

SOUTHERN JALISCO REGION: Indicators of the Level of Living 1970.

Regions	(1) %	(2) %	(3) o/oo	(4) %	(5) %	(6) %	(7) %
Southern Jalisco	52.4	28.7	7.9	40.2	65.6	31.2	22.8
Rest of the State	37.4	24.6	n/a	31.1	41.1	23.5	18.7
Rest of the State*	51.5	32.5	n/a	47.7	65.8	27.9	24.7
Total State	39.7	25.3	9.2	32.7	45.2	24.9	19.4
MEXICO	44.7	28.3	9.1	38.8	58.8	37.3	23.7

* Without the capital city, Guadalajara.

(1) Percentage of gainfully employed population earning less than 500 pesos/month.

(2) Percentage of the average population of more than one year old, who do not regularly eat milk, eggs, meat

(3) Mortality rate.

(4) Percentage of population in dwellings without tube water.

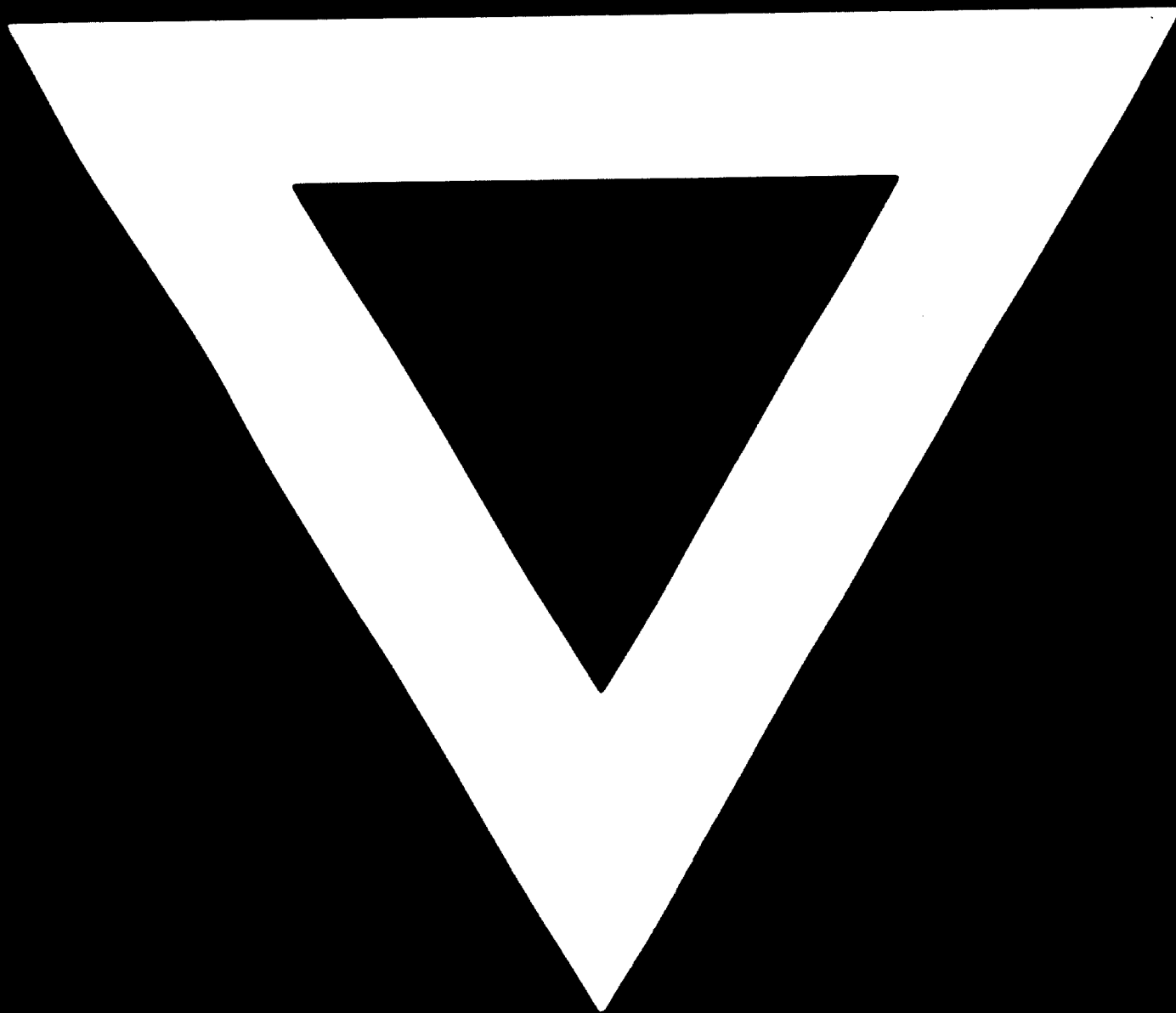
(5) Percentage of population in dwellings without sewage.

(6) Percentage of population in dwellings of one room.

(7) Illiteracy rate.

Source: Elaborated with data from the IX Population Census, Mexico, 1970.

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