3 The Politics of Immiserizing Growth: Mexico in Comparative Perspective

Introduction

While many Latin American countries experienced substantial reductions of poverty and some reduction in historically high levels of inequality over the last decade, Mexico bucked this positive trend. From 1996 to 2015, the Mexican economy grew at an average annual growth rate of only 1.2 percent (World Bank Indicators). With such lacklustre growth, the improvement in poverty was sporadic: it declined substantially from 52.9 percent of the population in 1996 to 31.6 percent by 2006, only to rise steadily thereafter to 41.2 percent by 2014, with extreme poverty increasing from 8.7 percent of the population to 16.3 percent between 2006 and 2014 (ECLAC 2015, Table 4). The Gini coefficient stood at 0.49 in 2014, an improvement from the 1996 figure of .53 but not much of a change over the average figure for the 2004 to 2012 period of .50 (ECLACS 2015, Table 14). Between 2004 and 2014, the bottom 30 percent of the population saw its share of income decline from 6 percent to 5.1 percent (ECLAC 2015, Table 13).

Compounding this discouraging social performance is the fact that extreme poverty along with the multiple deprivations (poor health, inadequate housing, lack of education, lack of decent employment) that accompany it, have been concentrated regionally in the southern states and among the country’s Indigenous population. In addition to these material deprivations, southern Indigenous communities have also witnessed rising violence and the dislocation occasioned by substantial out-migration. I argue that these conditions of immiserization arise from political
processes of exclusion and unequal inclusion. As this analysis will demonstrate, historically Mexico’s Indigenous population has experienced diminished political voice in comparison with other social groups (unequal inclusion) and, at times, outright political exclusion when repression has been used to silence demands. Indigenous people have also faced exclusion from essential government services (education, health care and social protection) when these have been absent, and unequal inclusion when only low quality, or poorly accessible, services are provided. Exclusion has also been present when the nationally-driven economic strategies have directly harmed Indigenous welfare, through, for example, removing government supports essential to maintaining economic activities and incomes or pursing policies at the national level that cause loss of productive activities. Unequal inclusion has occurred when national economic strategies provided benefits far less than that afforded the bulk of the population. Finally, the Indigenous population has been excluded culturally from the ruling class’s concept of national identity. The concept of unequal inclusion is integral to the resiliency of exclusion and its exacerbation because partial and periodic political inclusion and access to some government services, as I show below, have been important instruments in securing political quiescence. In this sense, unequal inclusion has contributed to the broad structure of social exclusion, defined as the totality of arrangements that prohibit a given population from participating fully in the national life of society. In Mexico, out-migration, materially-driven expulsion from one’s community, is perhaps the most devastating aspect of the immiserization experienced by Mexico’s Indigenous people. For them, poverty, the multiple deprivations that accompany it, and enduring threats to cultural identity, have persisted and, at times, deepened, even during times of overall economic growth when poverty and other deprivations have declined at the national level.
Tracking immiserization over time confronts some notable challenges. The Mexican government has collected data on the social well-being of the Indigenous population, including the extent of poverty, only since 1990. Hence, it is not possible to present data that precisely correlates national economic growth and various government-driven economic strategies, with the ebb and flow of Indigenous welfare for most of the twentieth century. For the earlier historical periods, the analysis must rely on historically descriptive evidence. I have also made assumptions about the particularly negative impact of general policy directions on the Indigenous population as a subset of the rural peasant population. I assume, based on historically descriptive evidence, that the Indigenous population has generally been confined to the bottom two deciles of national income. For the later periods, particularly for the years after 2000, the evidence available is somewhat contradictory and compounded by the complex ways in which neoliberalism has impacted the Indigenous poor of southern Mexico.

The argument of this paper is that immiserization of the Indigenous population, involving few benefits from economic growth or an actual decline in circumstances, is the consequence of a path dependent historical process, set in motion by an initial event occurring in the distant past. This event, the Spanish conquest, gave rise to institutions and processes that were reinforced over time. Political processes, involving political exclusion/unequal inclusion, were the most important instruments behind the persistent material deprivation of the Indigenous population not only because of the direct impact on resource distribution, but also because state actions and inactions bolstered cultural and social mechanisms of marginalization. One of the outstanding features of the Mexican case that drove politics and policy decisions was the persistence of an ethno/cultural ideology among the country’s ruling elite; this ideology regarded the Indigenous population and their practices as an obstacle to a modern and prosperous Mexico. This ideology
was in evidence regardless of the specific features of the economic model in place. A brief comparison with the South Korean case, at the end of this paper, reinforces my argument about the central role of politics, elite ideology, and the state, in establishing, maintaining and even strengthening the categorical inequality at the root of immiserization over time.

The Interplay between the State and Immiserization

This paper assumes that the main cause of exclusion or unequal inclusion of the kind identified in the case of Mexico arises not from individual features, but from group characteristics—what Charles Tilly (1998) refers to as ‘categorical characteristics’ (Tilly 1998), resulting in ‘horizontal inequality’ (Stewart 2000). This situation involves the exclusion/unequal inclusion of a social group with particular ethnic, cultural, linguistic, and/or other social characteristics. Most observers agree that the historical origins of categorical distinctions lie deep in history and involve a crucially important past event that established the ‘original’ conditions of inequality: political subjugation, and stigmatization of the group. This event allowed the dominant group to take control of economic resources, entrench mechanisms of exploitation, and establish the political, social, and cultural structures that would render exclusion enormously resilient into the future. Control of the state emerges as the predominant and essential ingredient in this process. It ensures that exclusion and/or unequal inclusion are structured into institutional arrangements, both formal and informal, and into public policy. Political institutional arrangements determine what political interests will have the greatest impact on social and economic policy, thereby determining what groups succeed in having their demands addressed and what groups do not. Of particular importance is the nature of the economic growth strategy pursued by the state and the direction and nature of government spending.
Charles Tilly (1998) focuses on what he calls organized exclusion, arguing the central importance of cumulative, relational organizational processes in the creation of inequality. In particular, the ‘politics of inequality concerns the involvement of government in inequality generating social processes’ (Tilly 1998: 196). Using the case of South Africa as his example, Tilly argues that the South African government first created racial categories, then institutionalized these categories through various laws. This was followed by what he calls ‘opportunity hoarding’, which involved giving whites the access to the best education and jobs and then by ‘adaptation’, entailing the elaboration of daily routines based on these distinct social categories. In the process of ‘adaptation’, some members of the excluded category benefit, an arrangement that helps to ensure the perpetuation of exclusion through creating co-operation from those few who benefit and by creating the perception that exclusion is not generalized. At the same time, providing members of groups outside of the excluded category with certain advantages entrenches support for existing exclusionary arrangements. The result is the emergence of social relations (and political commitment) that serve to reinforce the system.

The control of economic resources and the administration of access to those resources through the state have profound implications for other forms of capital (cultural and social), which together help to keep exclusion and its attendant deprivations in place and prevent upward social mobility. Indeed, the impact of cultural and social capital solidifies exclusion in ways that even the transition of democracy or an enhanced form of group representation within the context of the institutions of electoral democracy is unlikely to address. According to Bourdieu, it is the operation of capital in all its forms that accounts for the most profound forms of exclusion. Bourdieu (1986) argues that material or economic capital (directly convertible to money/income) shapes other forms of non-material capital (social and cultural). Social capital, which involves
‘connections’ or networks to which one belongs, is convertible to economic capital, and may be institutionalized. For Bourdieu, cultural capital was more important than social capital, however, because it determines the social networks to which one can belong and explains the inability of the excluded to obtain the non-material assets (particularly education) that might allow escape from deprivation. Cultural capital, involving a process of socialization transmitted unconsciously and inter-generationally within the household, is ‘converted into an integral part of the person’ and determines educational achievement (1986: 249). Hence, it is not simply access to education that is important, but the inability of those lacking cultural capital to reap the benefits of any educational opportunities available.³ Cultural capital manifests itself in dress, speech patterns, propensity to educational advancement, and ultimately in, legally sanctioned qualifications, which those without cultural capital are unlikely to obtain.

However, exclusion/unequal inclusion is not simply an artefact of unequal domestic power relations; there is also an important international dimension. Any discussion of social exclusion needs to incorporate a consideration of the impact of economic globalization, the restrictions and opportunities it offers for countries, and the way in which it shapes economic opportunities. This is particularly the case because economic globalization has distinct intra-country regional impacts, which may coincide with the categorical distinctions described in the previous paragraphs. As Du Toit (2004) points out, deprivation can spring from, or worsen, due to adverse or unfavorable inclusion in the global division of labor, arising from certain aspects of economic globalization and the domestic policies that encourage and support these features. In his case study of South Africa, Du Toit shows that an important cause of deprivation and increased poverty in the agricultural region of Ceres resulted from the combination of domestic labor reforms and increased international competition, developments that produced the shedding
of permanent employment and the increasing use of temporary and seasonal contract labor with fewer benefits. Similarly, Mosse (2010), examining the case of the Adivasi in India, draws our attention to the ways that neoliberal global capitalism aggravated pre-existing deprivations and exclusions. Indeed, neoliberal reforms can aggravate pre-existing unequal opportunities unless policymakers take explicit measures to mitigate this consequence. Mexico’s Indigenous population has been a victim of the dual processes of domestic and global processes, as I detail in the following sections.

Below, I identify historical episodes of (immiserization of Indigenous populations), locating each of these within a broader corresponding economic growth model covering a more extended period. Awareness of the broader economic model is essential to the analysis because each of these nationally-driven economic strategies not only failed to contemplate the impact on Indigenous rural welfare but, in some cases, implemented measures destructive to its well-being. During each of the episodes of increased Indigenous immiserization, as defined above, the bottom three deciles of the population also lost their proportion of income (UN-WIDER Data Base). These declines demonstrate the historically unequal impact of economic growth in Mexico and are reflective of unequal political inclusion, encompassing groups beyond the Indigenous population, as described in the following sections.

While the size of the Indigenous population is subject to some debate (between seven and 16 million depending upon how the term is defined), the high level of deprivation among the Indigenous population compared with the general Mexican population is indisputable. Mexico’s Indigenous poor live predominantly in rural areas, are concentrated in southern Mexico, and are predominantly engaged in agricultural activities (Ramirez 2006). According to the government agency, the National Council for the Evaluation of Social Development Policy (CONEVAL), in
2012 the percentage of the Mexican population speaking an Indigenous language had a poverty level almost double the figure for the general population (76.8 percent versus 43 percent) (CONEVAL 2012a: 12). The figure for the proportion of the Indigenous population living in extreme poverty was 38.0 percent versus 7.9 percent for the general population. Poverty coincides with a host of other interrelated deprivations and characteristics that contrast unfavourably in comparison with the non-Indigenous poor such as a considerably higher maternal mortality and infant mortality rates (UN 2015: 241, Leyva-Flores et al. 2014: 1), and inadequate access to food. (CONEVAL 2012b: 26). There is also a sharp disparity in earned income between Indigenous populations (defined as Indigenous speakers and those in households where an Indigenous language is spoken) and non-Indigenous populations, with Indigenous people being paid below the national average, including in agriculture where a non-Indigenous worker makes two times that of an Indigenous worker (CONEVAL 2012a: 114).

Linked to these deprivations are historical and current inadequate access to government services such as potable water, electricity, and good housing. Although there is evidence that some aspects of immiserization may have been mitigated in recent years (Servan-Mori et al. 2014), I argue that important aspects of immiserization and structural social exclusion remain a feature of the Mexican Indigenous reality.4

**From Colonial Conquest (1521) to the Porfiriato (1876-1911)**

The story of the deprivation of the country’s Indigenous population has its origins in early colonial history. It begins with the Spanish conquest and the legal exclusion of the Indigenous population. Spanish colonial rule (as elsewhere in Latin America) legally enshrined specific racial categories that established legal rights and the upward bounds of social mobility. The colonial caste (casta) system enshrined three main racial categories (Europeans or their
descendants *Peninsulares*, Indigenous peoples *Indios*, and blacks *Negros*), with everyone below the Peninsulare-European-born category deemed inferior. In the Mexican case, there were 16 subcategories involving varying types and natures of racial intermingling with those with a greater ‘white’ component in their racial mix granted greater privileges. The category that one received at birth determined one’s legal rights and life opportunity. While this system was formally abolished with independence, the idea of racial categorization powerfully shaped attitudes towards race (indigeneity) into the foreseeable future (De Tal 2011).

The negative attitude of the country’s political and economic elite toward the incorporation of the Indigenous population into the country’s modernisation process was an outstanding feature of the rule of Porfirio Díaz, known as the *Porfiriato*. This regime was a brutally authoritarian one whose main redeeming attribute was the fact that it brought political stability after decades of civil war. The exclusion of the mass of the population, which included mixed blood people (*mestizos*) and the Indigenous population, from either contributing to, or benefitting from, economic growth was an explicit premise of the Porfiriato. Following an extreme form of the philosophy of Positivism, the country’s rulers maintained that Mexico could achieve modernisation only through the application of modern science, and that feat could only be achieved by the leadership of the country’s white *criollo* (American-born) oligarchy (Cumberland 1968: 191). The regime was an especially strong opponent of Indigenous communal landholdings because it regarded such arrangements as an impediment to capitalist development. (Miller 1985: 263).

On the one hand, Porfirio Díaz’s modernisation drive brought about heavy investment in mining and commercial export agriculture and produced steady economic growth as mineral and agricultural exports expanded into the U.S. market. On the other hand, rural living standards
dropped dramatically due to the impact of massive land divestitures, with the handing over of peasant land to survey and railway companies, to individuals, and to companies promising to engage in various agricultural and mining export activities. The regime also promoted a capital-intensive industrialization process that failed to provide sufficient employment. All indications suggest that poverty and inequality increased substantially. By 1910, most Indigenous communities had lost their land with the consequence that 96 percent of the agricultural population was landless and less than 3 percent of the population owned land (King 1970: 5, Tannenbaum 1968: 140). The real wage of the rural laborer dropped to one quarter of what it had been in 1800. In the words of one observer, Mexican agricultural laborers, who constituted the mass of the population ‘survived in a condition of sodden and brutish misery, unmatched by the proletariat of any other country’ (Parkes 1962: 261). Life expectancy and infant mortality rates, already very low to begin with, deteriorated in the last decades of the Porfiriato (Cumberland 1968: 192). In 1900, illiteracy stood at 75.5 percent of the population (Thorpe 1998: 354).  

In 1900, the Indigenous population probably accounted for about 35 percent of the population (Lambert 1967: 42), almost entirely located in agriculture, where 68 percent of the country’s total population was located (Hansen 1980: 22). Hence, as a group, the Indigenous population would have been the most adversely impacted by the economic modernisation drive of the Porfiriato. The mestizo population, on the other hand, which constituted about one-half of the population at the time, lived in both urban and rural areas (Lewis 2001, 413). Although the living standards of most mestizos would have declined during the Porfiriato, it is reasonable to assume that as a group they experienced less devastation than the Indigenous population.  

The Porfiriato also involved the inculcation of an ideology of cultural superiority. The emulation of Europe during the Porfirio Díaz years was especially evident in the arts and in
architecture, while the government denigrated Indigenous forms of cultural expression. The identification of the urban middle-class with the European values promoted by Díaz further aggravated the schism between urban and rural Mexico and aggravated the categorization, stigmatization, and exclusion of the country’s Indigenous population (U.S. Library of Congress).

Politics was an essential component of this process. While the regime exercised brutal political repression against all social classes, this repression impacted the Indigenous population disproportionately. The largest doses of repression occurred in the countryside, where the regime employed a rural police force known as the ‘Rurales’ to quell unrest. The high level of material deprivation in combination with the absence of institutionalized co-optative methods of adaptation, meant that the regime’s policies would soon lead to the Mexican Revolution (1910–1917). Both peasants and workers fought for the overturn of the political and economic exclusion that had produced such high levels of deprivation.

The popular forces that fought for the Revolution, however, did not gain political control once the dust had settled. The revolutionary leaders who had arisen from the lower classes (notably Emiliano Zapata who fought for the return of land to the country’s Indigenous peasants) were defeated in the conflicts between the various revolutionary armies that occurred in the aftermath of the Revolution. The struggle for control resulted in the emergence of a predominantly middle-class leadership, people from the legal professions, teachers and small/medium landowners, many of whom were from northern Mexico. This group, which would dominate Mexican politics into the 1950s, strongly supported free enterprise, and envisioned a modernized Mexican agriculture, involving large private landholdings and the use of modern technology. It had little interest in, and would later oppose, the communal land holding arrangement, known as the ejido, favoured by Indigenous peasants (Cline 1961, 195).
Modern Mexico: The Miracle Years (1940–late 1960s)

In the immediate aftermath of the Revolution, the revolutionary leadership confronted intense mobilizational pressures from peasants and workers to meet the expectations raised by the Revolution for land redistribution and improved living standards. This pressure increased with the Great Depression. It produced some significant redistributive measures, including land redistribution to communal Indigenous landholders and funding for the expansion of rural services and infrastructure during the presidency of Lázaro Cárdenas (1934–1940). However, by the late 1930s, stiff resistance from commercial agriculturalists, industrialists, and middle-classes soon resulted in the overturn of the gains of the Cárdenas years.

From 1940, new political institutional arrangements and policy direction favoring commercial export agriculture and import substitution industrialization had detrimental consequences for Indigenous rural dwellers. This economic model produced the so-called economic ‘miracle’, high overall economic growth rates averaging more than 6 percent per year between 1940 and the late 1960s. There was a reduction in overall poverty, although there is no consensus on the extent of that reduction.\(^8\) Poverty reduction occurred largely in urban areas. In 1970, 49 percent of households in Mexico were below the poverty line, while 20 percent of urban households were below this line (Wilkie 1999: 428 using ECLAC sources). Hernández Laos (1992: 407), shows a decline from 67 percent to 20 percent in urban extreme poverty between 1963 and 1977 while rural extreme poverty remained unchanged at around 80 percent.\(^9\)

Poverty reduction occurred due to expansion in employment in services, which increased from 19 percent of the economically active population to 38 percent between 1940 and 1970, and due to employment expansion in industry (mining, petroleum, manufacturing, construction and electricity) which increased its share of employment from 15 percent of the economically active
population in 1940 to 22 percent for the same period (Cockcroft 1983: 183). Wages in urban areas were substantially higher than in rural areas (Hansen 1980: 73). The Indigenous population of southern Mexico benefitted the least from this growth and, arguably, not at all for much of the period. From 1950 to 1957, their conditions appear to have deteriorated while GDP per capita growth rate was at 3 percent between 1950 and 1957 (Aparacio Carbrera 2010: 23). De Navarrete presents evidence that between 1950 and 1957, there was in fact a fall in income for the lowest 20 percent of households in both relative and absolute terms (1967: 175, 183).\(^\text{10}\) We can reasonably assume that the portion of the population most adversely affected was the Indigenous population of southern Mexico, the poorest region of the country during this period. Poverty was particularly high in southern Mexico, especially in the states of Chiapas, Guerrero, and Oaxaca, where most of the Indigenous population was concentrated (Hernández Laos 1984: 172).\(^\text{11}\)

The political arrangements that evolved from the 1940s were essential ingredients in this immiserizing process. Given the highly mobilized social groups that had arisen with the Revolution, from 1940 the ruling elite revamped the institutional arrangements inherited from the previous administration (probably intended to give workers and peasants greater representation) into a new set of arrangements that enabled the ruling elite to quell dissent and potential dissent. The ruling party (Institutionalized Revolutionary Party, PRI) structure had established sectoral representation within the party for workers, peasants, and middle-class groups. These were now turned into mechanisms of political containment through handpicking officially sanctioned peasant and worker leaders and party candidates and by replacing radical worker and peasant leaders with more acquiescent ones. These arrangements ensured unequal incorporation and unequal access to state resources, thereby contributing to the entrenchment of
exclusion through ‘adaptation’—a process that, by providing benefits to selected members of the most excluded category and greater benefit to those outside of this category, entrenched existing political arrangements.

The peasant sector, the CNC (the National Peasant Confederation), was historically the weakest of the three party sectors within the PRI and so the least capable of defending its constituents’ interests. It was constituted by both Indigenous and mestizo communal and small landholders. Originally established with the aim of furthering land redistribution, the CNC’s role in co-opting peasant leaders and ensuring rank and file quiescence remained important until the late 1960s. After that, this role was largely superseded by the state agricultural bureaucracy, state farm banks, assistance agencies, and ejido (communal land holding) cooperatives. All of these organizations offered peasant leaders material gains in exchange for political support. A special bank established to support communal farm producers, the National Bank of Rural Credit (Banco Nacional de Crédito Rural, BANRURAL), and its regional branches exercised control over Indigenous farmers through the control of ejidal production and the provision of loans.

The distribution of material rewards in exchange for political loyalty was probably the most important aspect of the system. It was a crucial component of ‘adaptation’ that ensured that key peasant/Indigenous leaders would support the system. In exchange for opportunities for personal enrichment, peasant leaders appointed to the upper echelons of their sectoral organization by powerful PRI politicians, quelled dissent and ensured that their rank and file voted for the PRI at election time. This aspect of the system was particularly important for the co-optation of peasant Indigenous appointees due to their very low incomes and much more restricted opportunities for social improvements (Hellman 1983: 45). As a consequence, the Indigenous population became, for many years, the least likely group to create problems for the
country’s political leadership. It voted overwhelmingly for the PRI well into the 1960s. Moreover, when unrest in the countryside did emerge, PRI governments were also more likely to subject rural dweller organizations to repression while using a less directly repressive batch of tactics, including some concessions, to deal with working class trade unions (especially the most powerful ones) and middle-class unions (Hansen 1980: 113–118, Levy and Bruhn 2001: 73–83).

This co-optative and later repressive control of Indigenous farming communities was instrumental in their continuing high levels of deprivation because these arrangements inhibited them from effectively making demands on the state. Meanwhile, the greatest benefits from economic growth during this period went to big commercial agriculturalists and the industrialists supported by the country’s import substitution program. The middle-class and selected sectors of the working classes, whose corporatist organizations had the most influence within the party/state apparatus obtained employment opportunities in the government and in industry along with generous social security protection (Mesa Lago 1978: 214, Gilbert 2007: 61). Hence, these groups became important sources of support for the regime, thereby entrenching a political system that was detrimental to the welfare of the Indigenous population.

The politics of unequal inclusion shaped economic and social policy in powerful ways, facilitating the flow of benefits and losses to distinct social groups. Governments of the 1940s and early 1950s were particularly hostile to the ejidal (communal) agricultural arrangement favoured by the Indigenous peasantry and pursued a variety of policies harmful to them. Ejidal agricultural producers experienced a sharp decline in government loans after 1940, while the terms of repayment tightened, and the state fertilizer company favored big farmers and made it difficult for both small landowners and ejidal farmers to obtain fertilizer (Hewitt de Alcántara 1976: 193, 63). While the state spent generously to provide irrigation systems for northern
commercial farmers, poor Indigenous peasant producers in the south continued to depend largely upon rain-fed lands and/or upon lands partially dependent upon small-scale irrigation systems (Whiteford et al. 1998: 383). Only 1.7 percent of the surface area in the southern state of Chiapas, the poorest state in which there was a very high concentration of Indigenous population, was irrigated despite the fact that the state contained about one-quarter of the nation’s potential hydro-electric resources (Cockcroft 1983: 167). Indeed, during the 1940s and 1950s, the north, where large commercial agricultural export holdings were located, received two-thirds of public investment with most of it going to support non-ejido agricultural development (Thiesenhusen 1996: 39).

The consequence was that small farmers sold their land and communal landholders rented theirs. Under these unfavorable circumstances, land re-concentrated: by the late 1960s, 2 percent of farm families owned 76 percent of all farmland, while 51 percent of farms, with less than 5 hectares per family, accounted for only 6 percent of all farmland (Cockcroft 1983, 177). Furthermore, as big farms mechanized there was less and less need for paid labor, a fact that contributed to the growing problems of rural unemployment and increased rural urban migration. Half the rural labor force, which worked as day laborers, saw their wages decline between 1950 and 1967 (Aguilar and Carmona 1972: 208, Hewitt de Alcántara 1976: 133).

Rural dwellers, in general, were not only poorer than urban dwellers but they also had less access to education and health care; they were therefore less able to take advantage of economic opportunities should they become available. Educational spending was concentrated in urban areas and in post-secondary education, used mainly by the children of the middle and upper class. By 1970, while illiteracy was at 39 percent overall, it was considerably lower in urban areas, at 26 percent (Wilkie 1999: 215). The failure of government services to reach poor
rural communities meant that many of the rural poor, especially the Indigenous population, lacked access to health care and education. Health care, if it was available, depended largely upon services provided by the inadequately funded Secretary (Ministry) of Health.

The Mexican miracle of economic growth was also accompanied by an exclusionary nationalist ideology, known as *mestizaje*, constructed by the country’s ruling elite for the purpose of nation building. It was an integral component of the immiserizing process as it legitimized the various mechanisms of exclusion and unequal incorporation described in the previous paragraphs. While Indigenous people continued to be seen as backward, traditional, and as obstacles to progress, by the mid-twentieth century mestizos (the majority mixed-blood population that comprised the burgeoning middle and working classes) were glorified as the new ‘cosmic race’ and the driving force behind economic, social, and political progress (Stavenhagan 1994). This nationalist ideology also saw the Indigenous population as an obstacle to national integration given its cultural and linguistic distinctiveness and enormous heterogeneity. Hence, it now became subject to an assimilationist strategy involving educational and other programs established specifically for this purpose. The most important institution charged with the “integration” of the Indigenous population was the National Indigenous Institute; it became the main perpetuator of *indigenismo* until the 1970s, a practice that involved a concerted effort to co-opt Indigenous leaders to the Mexican national project of ‘Mexicanization’ (assimilation).

During the miracle years, powerful political mechanisms of unequal incorporation and exclusion facilitated the successful pursuit of a growth model based on commercial export agriculture and import substitution industrialization whose benefits largely bypassed the country’s Indigenous population. Indeed, the economic model itself was explicitly opposed to the interests and welfare of Indigenous farmers, as the state directed public expenditure for
agricultural infrastructure and support away from communal landholders. It largely abandoned land redistribution, viewing small agriculture, and particularly *eijdal* land holdings as unmodern and land re-concentrated. Public expenditure on services in health and education disfavored Indigenous rural dwellers of southern Mexico and went to the cities and to the north. The country’s nationalist ideology excluded the Indigenous population from a role in this national project.

A rise in rural unrest in the late 1960s/1970s demanding land redistribution and other improvements resulted in a brief foray into some redistributive measures. The regime, however, quickly abandoned these initiatives in the face of rising business and middle-class opposition. Its turn to a petroleum export strategy ushered in a new immiserizing phase.

**The Petroleum Boom and Immiserization**

The third episode of immiserizing growth, encompassing at least a portion of the Indigenous population, involved the discovery of vast petroleum reserves in southern Mexico. The state petroleum company discovered or expanded oil fields in the states of Tabasco, Campeche, and in northern Chiapas. State-led petroleum-based expansion, along with other types of investment, saw real per capita national growth rates averaging 5.5 percent per year between 1977 and 1981 (Aparicio Cabrera 2010: 23) as Mexico became the world’s fourth largest exporter of petroleum.\(^{13}\) This growth, however, did not produce significant improvements for the majority of the Indigenous population in whose territory (Chiapas and Tabasco) the discoveries occurred. Indeed, petroleum development arguably created some notable aspects of deterioration in Indigenous welfare.

In Chiapas, the situation was especially disruptive. The state petroleum company, PEMEX, brought in legions of engineers, managers and skilled workers. Chiapas also
experienced considerable in-migration with the inflow of workers from other parts of Mexico seeking employment. The metropolitan areas close to the petroleum areas expanded dramatically as energy development spurred commercial activity (Collier 1994). This process induced inflation—indeed according to one account the local cost of living rose 300 percent in 1977 and 1978 (Foweraker 1993: 32).

The petroleum boom signalled a decline in Mexican agriculture. The government used the foreign exchange from petroleum export revenues to purchase corn and other agricultural imports from abroad. As prices for these agricultural staples declined so did domestic production. By 1980, Mexico was importing one quarter of all foodstuffs while the value of food exports declined in absolute terms between 1979 and 1981 (Esteva 1983: 9) and the proportion of the economically active population employed in agriculture dropped from 40 percent to 36 percent between 1975 and 1980 (World Bank 1983: 63). This decline in prices of products produced by the Indigenous peasantry (corn, coffee, beans), encouraged many to abandon farming and take up employment in the lower-skilled activities stimulated by energy development. Indigenous peasants were also driven from farming by the ability of the state petroleum company to drill for oil on farmland without permission, often contaminating land in the process. Land contamination resulted on widespread protests against PEMEX by the late 1970s with protesters demanding just compensation (Wei 2016).

Hence, conditions deteriorated for many Indigenous people even prior to the drop in international petroleum prices in 1980. Many could not find employment and inflation, including a sharp rise in land prices arsing from the substantial in-migration, produced a rise in poverty and an increase in out migration to Mexico City (Davis and Eakin 2011). The pressure on essential services, which had always been difficult for the Indigenous population to access, increased

Petroleum development also produced increasing inequality among the local Indigenous population. A minority of those within that population, who had been able to obtain fairly well-paying jobs in activities linked to energy development, were able to marshal their increased wage earnings into other commercial enterprises or into increases in agricultural production. Meanwhile, the majority among the Indigenous population in Chiapas experienced increased hardship as circumstances forced them to give up their land to their better off neighbours. Diminishing agricultural prices made farming increasingly unfeasible, particularly with the inflationary pressures noted above for most. However, those who had the resources were able to acquire the land of their poorer neighbours and increase production through purchasing Green Revolution technology (Collier and Quaratiello 1994: 102-105, Burbach 1994: 121). In 1982, the government briefly introduced a program to re-establish agricultural self-sufficiency. The program, however, accomplished little and probably only benefitted the better off farmers (Gates 1993, 296).

**Immiserization under Neoliberalism**

Mexico’s economic development prior to the mid-1980s had provided generally minimal benefits to the Indigenous poor of southern Mexico, particularly when compared with the gains made by other social groups. With the turn to neoliberal reforms, the minimal supports hitherto provided Indigenous farmers were now abandoned, although, as noted below, there were some attempts at inclusion through targeted programs. The traditional mechanisms of political control continued to operate, although the incorporative nature of those mechanisms began to fray, and they eventually unravelled. The main exclusionary aspect of the neoliberal period has been the pursuit of an economic strategy destructive to the welfare of poor farmers producing traditional crops, a direction consistent with neoliberal technocratic reformers tendency to regard Indigenous communal producers as unproductive and congruent with the hitherto predominant ethno-cultural ideology, which excluded Indigenous farmers from the nation building project.

At the same time as neoliberalism operated to deepen the social challenges faced by the Indigenous population, the state agencies involved in Indigenous relations (particularly the National Indigenous Institute) now advocated a more participatory process. The 1992 constitutional reform acknowledged for the first time the Mexican state’s ‘pluriethnic composition’, an explicit recognition of the legitimacy of Indigenous identity. However, this concession occurred within the context of another constitutional reform (explained further below) that substantially eroded Indigenous land rights. A skeptical view might see this foray into identity recognition as an attempt by the country’s rulers to win international approval in the midst of negotiating the all-important NAFTA agreement and as part of an ongoing effort to bring Indigenous communities into the market (Overmyer-Velázquez 2010: 173).
I identify two main immiserizing periods during the neoliberal era. A brief period occurred between the debt crisis and the 1995 peso crisis, which involved average annual growth in per capita income of only 1 percent. A second period comprises the period 1997 to about 2000. However, I also suggest that there are reasons to extend this period beyond 2000. Between 1997 and 2000, there was an average annual per capita growth of 4 percent and a reduction in overall poverty from 52.9 percent to 41.1 percent while extreme rural poverty declined from 31.1 percent to 28.5 percent (ECLAC 2015: Table 4). On the surface, this period does not look like it would entail immiserization; but I argue that it did for the Indigenous of southern Mexico. First, it is important to bear in mind that nation-wide extreme rural poverty was declining from the rapid rise occasioned by the 1995 peso crisis. While the drop in rural extreme poverty was significant from 1997, in 2000 the level was still considerably higher (at 28.5 percent) than the figure for 1992 (at 25.7 percent). Secondly, and more importantly, is the likelihood (given the evidence presented below), that this ‘reduction’ in extreme poverty did not benefit the Indigenous south, given the particularly negative impact of trade policy on southern rural producers and the consequent adoption of out-migration as a survival strategy. Significant out-migration (detailed below) reflects both immiserization and structural exclusion.

Slower growth of only 2.4 percent occurred from 2000 to 2008 (Aparacio Cabrera 2010: 23, ECLAC: Table 4) and while overall poverty declined from 39.4 percent to 34.8 percent, extreme poverty in rural areas stagnated at 19 percent during these years (ECLAC 2015: Table 4). Through the entire period between 1996 and 2008, the bottom two deciles lost their share of national income by 3.2 percent (UN-WIDER Data Base). This has important implications for the Indigenous poor because, as Servan-Mori et al. point out, that bottom decile is disproportionately comprised of the Indigenous population and the proportion of the Indigenous population
increased within the bottom decline after 2002 (2014: 5). Nevertheless, Servan-Mori et al. argue that poverty levels declined significantly between 2002 and 2010, a finding that might be seen at variance with ECLAC’s figures, which suggests that extreme poverty reduction increased very slightly. However, as the remainder of this section will argue, the story of the evolution of Indigenous welfare since the debt crisis is a complicated one that cannot be gleaned by a static statistical characterization of Indigenous households in southern Mexico in a single decade. A broad conceptualization if immiserization and of the political process that engendered it, as discussed in the Introduction, suggests that, on balance, the neoliberal period has been an immiserizing one for Mexico’s Indigenous population.

While the debt crisis of the early 1980s and the peso crisis of 1995 produced a sharp increase in poverty nation-wide, the consequences were most devastating for the Indigenous population given their pre-existing vulnerability. Poverty in the south and southeast of the country, where the Indigenous population is concentrated, rose during the early 1990s even as economic growth in the early 1990s produced a decline in poverty elsewhere in the country (Lustig 1998: 205, ECLAC 2015: Table 4). Furthermore, inequality increased in southern Mexico after 1990 as well, while it stabilized or diminished in the rest of the country (Woden et al. 2003: 13).

While the rise in poverty in the south in the early 1990s was in part due to the decline in international coffee and cocoa prices, the government’s market liberalization reforms aggravated the situation substantially for southern Indigenous farmers. These reforms excluded consideration of the welfare of southern farmers. Indeed, the objective of policy appeared to be to force the non-competitive farmers of southern Mexico from the market if they could not achieve greater levels of productivity. Hence, southern Indigenous farmers now lost the minimal
state supports of earlier years. In the 1980s and early 1990s, the government removed guaranteed prices and import licenses for most agricultural products (Martínez and Fárber 1994). Government policy first reduced credit from the bank providing funds to the communal landholding sector (BANRURAL); it then eliminated the bank altogether resulting in communal producers losing any access to credit. The government also abolished marketing boards. The 1992 constitutional reform that privatized the ejido, with the aim of stimulating investment and export competitiveness, declared the end of land redistribution and effectively put an end to communal land holdings of the Indigenous peasantry—a profound threat to a central component of Indigenous culture. Lustig (1988: 209) concludes that the dismantling of state support for farmers during the early 1990s likely left many Indigenous communities worse off than before.

The period from 1996–2000, involving the implementation of the North American Free Trade Agreement (NAFTA), reflected the vigorous application of the ideological and policy exclusion of the country’s Indigenous farmers. For the country’s proponents of market liberalization, small and communal farmers and Indigenous people continued to be seen as unmodern obstacles to economic growth and export expansion. Neoliberal policy reforms and the economic opening through NAFTA brought by far the greatest harm to the Indigenous producers in southern Mexico. The products cultivated by these farmers (corn, beans, coffee) were the hardest hit by the new policy direction. Since southern Mexico had not benefitted from state investment in irrigation and other support programs, as had the north, Indigenous producers were unable to withstand the competition brought about by the liberalization measures and were less able to shift to other products.

Although NAFTA provided for a 15-year phase-in period for the removal of tariffs and import quotas for beans and corn (produced by Indigenous farmers), the Mexican government
accelerated the liberalization process (Acuña Rodarte 2003: 135). Between 1996 and 1999, the Mexican trade minister authorized a total of 8.3 million tons of corn imports above the tariff free quota established by NAFTA (Appendini 2003: 266). The consequence was a rapid rise in much cheaper imports between 1996 and 1999 with devastating consequences for southern farmers.\textsuperscript{16} Farm employment dropped dramatically as millions of rural jobs were lost and day laborers faced deterioration in pay and worsening working conditions (Fox and Haight 2010: 29, Polaski 2003: 17, 29). Agricultural subsidies, established to compensate farmers for the reduction in state support with economic liberalization, mostly went to the top 10 percent of producers (Scott 2009: 15). By 2000 it was evident that municipalities with high proportions of Indigenous populations experienced declines in agricultural employment, with the three bottom deciles of the rural population losing an estimated one quarter of their incomes (Puyana and Murillo 2012: 723).

Mexican policymakers may have assumed that with the dismantling of state support for small and communal farming, Mexican peasants would follow market signals and attempt to move into the production of more profitable crops.\textsuperscript{17} However, there is little evidence that they expected the country’s Indigenous farmers to become successful participants in agricultural growth and development. Like their predecessors, Mexico’s political leaders had a preference for big mechanized commercial farming, and saw very little role for the country’s Indigenous communal farmers in a modern and prosperous Mexico. The government failed to provide these producers with sufficient resources that would have allowed them to move into alternative crops. With the exception of movement into drug production, many peasant farmers addressed their deteriorating economic situation by intensifying production. Without the resources to move into alternative crops or find alternative employment, older farmers continued to grow corn
At the same time, the decline in farm income forced their unpaid family labor (sons and daughters and other extended family members), to leave in search of new sources of livelihood. Family members leaving farming probably formed the bulk of the rural unemployed (Fox and Haight 2010: 33). A great many of them migrated to Mexico City, northern Mexico and then to the United States. Between 2000 and 2005, 2 million Mexican migrants arrived in the United States; from 2006 to 2010, the figure was 200,000 (Zong and Batalova 2016). The immiserizing conditions of these newly unemployed out-migrants would not be captured by household surveys of southern Mexico.

The Mexicans seeking entry to the United States were overwhelmingly poor, and have increasingly come from Mexico’s poorest southern and southeastern states (Terrazas 2010). The increased deprivation occasioned by market liberalization from the early 1980s has coincided with migration to the U.S. and the acceleration in remittance payments. Mexicans working in the U.S. sent home an estimated $23.1 billion in 2006 (Cañas et al. 2007: 2) and almost $25 billion in 2015 (NBC News 2016), with most of this money going to support the most basic needs of the poorest Mexicans. Migration from Chiapas to the United States (which unlike other poor Mexican states had been sparse before the 1990s) rose from 2,500 to 120,000 individuals (Davis and Eakin 2013: 132). Between 2003 and 2005 remittance transfers to Chiapas nearly doubled, increasing from $361 to $655 million US. There has also been very substantial outmigration from Chiapas to other states in Mexico (an estimated 8 percent of the population).

The importance of remittance payments makes rises in household income a problematic measure of immiserization if we are to link the term to domestic economic growth. According to the Inter-American Development Bank, for the poorest rural areas of Mexico (where the Indigenous population is concentrated), remittance transfers account for 19.5 percent of income,
a percentage double that attributed to government poverty reduction programs, including *Oportunidades* (Brito et al. 2014: 2). Servan-Mori et al. (2014) do not mention remittance payments as a possible source of improved household income between 2002 and 2010. Instead (in line with the government position on this issue) they attribute this improvement to the government’s conditional cash transfer program, *Oportunidades*.

If remittances, which are not resources generated by domestic economic growth, are largely responsible for improved income, it is likely that in their absence, the income of Indigenous households would not have improved or could have even worsened. More importantly, the economic dislocation experienced by Indigenous farmers resulted in the increased deprivation and physical insecurity of those forced into out-migration. Severe disruption to family and community life were also features of this process that should reasonably be considered as integral to immiserization.

As for earlier historical periods, Mexico’s authoritarian politics played a powerful role in the deprivations suffered by the Indigenous population—it effectively excluded Indigenous claims from consideration during the economic restructuring and during NAFTA negotiation process. However, the withdrawal of the minimal state support provided for Indigenous farming underway in the 1980s began to negatively impact the traditional mechanisms of political containment. By the early 1980s, the state’s withdrawal of support for poor rural farmers had produced a decline in their electoral support for the PRI and a rise in electoral absenteeism (López Gámez and Ovallo Vaquera 2001: 109). Peasant, including Indigenous, support for the official peasant organization, the CNC (National Peasant Confederation) also evaporated. Faced with the decline of these traditional forms of political control, the regime increased the level of
violent repression against independent peasant organizations after 1990, a tactic that further spurred Indigenous mobilization.

As peasant organizations became increasingly unable to defend peasant interests in the face of rising state repression, support for the insurgent Zapatista National Liberation Army (EZLN) grew—support that would be sufficient to launch an armed uprising by 1994 (Harvey 1998: 197). When the Zapatista rebellion burst forth in January 1994, its declaration reflected the profound disillusionment among the country’s Indigenous peasantry and their inability to have their interests included in the neoliberal model. The Zapatistas demanded a ‘radical transformation of the national pact’ that would include regional/local political autonomy for Indigenous communities (EZLN 1995). They also declared resistance to all aspects of the country’s neoliberal development model (EZLN 2005). More recently, the EZLN and the Indigenous Council of Government selected María de Jesús Patricio Martínez, an Indigenous women from the Nahua community of the state of Jalisco, to run as their presidential candidate in the 2018 election. Her objectives are radical: to raise national awareness of the suffering of Mexico’s Indigenous people, to work for a substantive form of democracy in which Indigenous voices are heard, and to build a national political coalition to end a capitalist system that has been destructive to ‘all that gives life’ (Huffpost 2017)

A long history of categorical exclusions and unequal incorporation, built into political institutions, policy, and practice, was instrumental in shaping the particularly negative impact of market liberalization reforms on the poor Indigenous farmers of southern Mexico. The lack of cultural and social capital, arising from this group’s long historical experience of political and economic exclusion, has been instrumental in reinforcing deprivation and immiserization in the 1990s and 2000s. The Indigenous population not only lacked the economic resources to achieve
higher living standards, but it has also lacked the education, knowledge, and contacts that might have made it possible for Indigenous people to shape and grasp opportunities. Historically and currently, successful entry into the market and upward mobility in Mexico has required acculturation, involving the adoption of the broader Mexican cultural attributes of language, dress, and higher levels of formal education (Stavenhagen 2013: 30–41). The fact that the poorest and most deprived Mexicans are those who speak an Indigenous language while those who do not do so, (but also identify as Indigenous) are better off materially (CONEVAL 2012a: 99) is consistent with the role of cultural capital in entrenching immiserization. Moreover, while corn farmers lacked the resources to switch to alternative crops, the central place of corn in Indigenous culture may also have been a factor in rendering Indigenous producers unwilling to abandon corn production and switch to alternative crops— even had they sufficient resources to do so. Subject to a distinct experience of socialization, Mexico’s Indigenous population do not share the vision of modernity so strongly supported by political and economic elites and the country’s middle-classes.

Below, I bolster my argument regarding the role of categorical stigmatization in immiserization by a comparison with the case of South Korea, a country that avoided immiserization during its rapid twentieth century growth spurt.

**Mexico and South Korea Compared: Understanding Categorical Exclusion in Comparative Perspective**

The early historical categorization and stigmatization of the Mexican Indigenous population as unworthy of inclusion in early development efforts contrasts sharply with the South Korean case where the brief nature of Japanese colonial role (35 years) did not afford sufficient opportunity to create distinct social categories through miscegenation. Hence, Korean society, at the moment of
the departure of the colonial power at the end of the Second World War, was largely homogeneous. Indeed, Japanese colonial domination had allowed for the emergence of only a small, weak, and discredited landed class (given its collaboration with the former colonial power), so that neither ethnic divisions nor vast discrepancies of wealth divided Korean society. With the division of North and South Korea, the South Korean population became even more homogeneous, characterized by a population of poor peasant tenant farmers, given that Korea’s industrial base, its working class, and mineral deposits were located in the North.

Land redistribution, which occurred between 1948 and 1952 provided small plots of land to the country’s peasantry, creating a large smallholder population accounting for over 70 percent of those involved in agricultural production, (Mason et al. 1980: 238), cementing the homogeneity of the country’s rural population. While 1950s was a period of political turmoil and stagnant economic growth, 1961 witnessed the rise to power of a military leader, Park Chung-hee, ushering in a period of economic growth and social progress. As the country rapidly industrialized between 1965 and 1970, the GDP per capita average annual growth rate was 7.2 percent (Heston et al. 2001). There is no evidence of immiserizing growth.

Inequality, as measured by the Gini coefficient, at 0.45 in 1960, declined to 0.34 by 1965, rising to 0.39 in the late 1970s but declining again to 0.35 by 1984 (UN-WIDER Data Base). Poverty declined steadily from 41.4 percent of the population in 1965 to 14.6 percent of the population by 1988 (Kwon 1993: 96). Poverty rates showed a steady decline in the rural sector: from 35.8 percent of rural households in 1965, to 27.7 percent in 1970, to 11.7 percent in 1976 (Kwon 1993). Importantly, rural and urban poverty both declined with rural poverty lower than urban poverty by the mid 1970s (Teichman 2016: 138). Between 1965 and 1988, the bottom three deciles increased their proportion of national income from 11.03 percent to 14.07 percent,
with the bottom decile increasing its proportion from 1.05 percent to 3.06 percent (UN-WIDER Data Base). Unlike Mexico, educational spending did not discriminate against rural dwellers. With an overall illiteracy rate of 78 percent in 1945, rural illiteracy declined to 10 percent by 1970, an illiteracy rate even slightly better than the urban rate (Teichman 2012: 187).

The government achieved growth without immiserization among rural dwellers (so often the social casualties of rapid industrialization) through support for increased rural productivity among small producers. Policies to achieve this end included debt relief, generous credit support, subsidized fertilizer and pesticides, assistance in marketing, storage and transportation facilities, technical advice, access to cheap consumer goods through special stores established for this purpose, and increased access to education (Jacobs 1985: 201, Mason et al. 1980: 223, Ban et al. 1980: 274).

In contrast with the Mexican case, there is no evidence that Korea’s postcolonial rulers held negative attitudes toward the peasantry, or any group within it. Neither General Park nor his close cohorts ever saw the peasantry as a backward, ignorant class, antithetical to modernisation and national development. In fact, one of the hopes behind Park’s support of the peasantry (admittedly, not entirely realized) was that the peasantry would be an integral part of Korean modernisation and that there would be a substantial improvement in their productivity. Indeed, General Park and his cabinet’s peasant origins linked the regime closely to rural welfare (Mason et al. 1980: 461).

On the threshold of the Park modernisation drive, following land redistribution, the high degree of equality among rural farmers meant that the policies of benefit to the rural areas (agricultural supports, education, etc.) would produce similarly equal benefits among the population. Hence, Korea’s drive to increase agricultural productivity did not produce a notable
rise in inequality in the countryside nor between the countryside and urban areas. Furthermore, Korea’s emerging urban middle-classes, unlike the case of Mexico where urban middle-classes were mestizo rather than Indigenous (and therefore culturally distinct from social category experiencing immiserization), arose from, and identified closely with, the country’s small farmers. Hence, the South Korea’s urban middle-classes strongly supported the state’s support for improvements for the rural poor even through the 1990s and into the 2000s (Teichman 2015). In short, in the absence of a historical legacy of categorization and stigmatization, urban Koreans were supportive of measures to ensure the welfare rural dwellers.

It might be argued that land redistribution was the most important feature in mitigating the possibility of future exclusion and immiserizing growth in South Korea. Had land redistribution not occurred, it is arguable that economic growth would have provided less benefit to South Korea’s poor tenant farmers than was the case. While the absence of land redistribution would surely have meant much slower improvements in rural social welfare and could well have resulted in greater poverty in rural areas than in urban, it is unlikely that immiserizing growth of the kind that occurred in Mexico would have transpired. Recall that the key factors in the Mexican case involved an exclusionary ethno/cultural elite ideology, social categorization, and stigmatization, supported by government policy. Furthermore, it is important to recognize the way in which Mexican elite ideology and stigmatization shaped resistance to land redistribution in Mexico and the operation of institutions and policies that reinforced the deprivation faced by Indigenous farmers. Land redistribution was resisted in the immediate aftermath of the Revolution. The post-1940 economic strategy that supported commercial export agriculture, secured the dismantling of the redistributive achievements of the country’s brief land reform period, 1934-1940 (particularly the *ejido* favoured by the Indigenous population), despite
substantial evidence these that communal landholdings could be just as productive as privately held ones (Hewitt de Alcántara 1976: 210).

While the roots of Mexico’s categorical immiserization lie deep in history, a look at developments over the last two decades in South Korea suggests that recent economic developments may be contributing to increasing social divisions that could eventually produce the immiserization of specific categorical groups. The 1997 Asian crisis was followed by legislation providing for labor flexibilization, including new measures making it easier for employers to hire and fire. In their efforts to become more competitive, firms reduced costs by laying off highly paid workers and by hiring cheaper and more easily dismissible new employees. Since 1997 irregular employment has increased steadily; in 2015, it was nearly one-half of regular employment and over 30 percent of the total labor force (Yonhap News Agency 2016). Irregular workers receive only minimal social protection and much lower pay (about half that of regular workers). The majority of irregular employees are women and migrant workers; the latter constitute a growing proportion of the labor force in agriculture and such activities as construction and are often subject to particularly harsh working conditions and discrimination.

Conclusion

In the Mexican case, immiserization has involved a long-term path dependent political process. This political process occurred in conjunction with, and is closely intertwined with, an exclusionary ethno/cultural ideology. Politics ensured the predominance and perpetuation of this ideology, an ideology that has seen the excluded category as unworthy of inclusion in whatever modernisation program was in effect. The political arrangements by which this exclusion was perpetuated over many decades involved mechanisms of co-optation that accorded selective benefits to co-operative Indigenous peasant leaders and more widespread benefits to other social
groups, particularly middle-classes and working-class groups in strategic sectors. These arrangements were essential in entrenching immiserization. However, repression was also exercised against recalcitrant rural movements.

Unequal political inclusion and exclusions in various forms restricted upward mobility, confining the country’s Indigenous population to farming activities that have yielded only the lowest of incomes. A lack of cultural and social capital was ensured through highly unequal access to government services, particularly education. In this way, even in times of economic growth, the possibility of reduction in deprivation through improved employment opportunities was discouraged.

From the beginning of modern Mexican history, the country’s rulers have defined the Indigenous population as an obstacle to development. From the Porfiriato of outward export-led growth, though import substitution industrialization, petroleum export-led growth, to the period of neoliberalism, the Mexico’s Indigenous population have consistently lost out. However, the arrival of neoliberal reform and economic globalization in the form of NAFTA, with its vigorous encouragement of state withdrawal, set the stage for an unprecedented level of abandonment of Indigenous welfare as even the minimal supports of the earlier era were dismantled and even as (for the first) time an nationalist ideology of Indigenous inclusion was proclaimed on paper. Economic liberalization and the signing of NAFTA, involving the rapid removal of protection afforded the agricultural products produced by Indigenous farmers, deepened the already substantial inequalities between southern Mexico, where most of the Indigenous population is located, and northern Mexico, a region that has become tightly integrated with the U.S. economy. Mexico’s experiences of immiserizing growth contrast sharply with the case of South Korea where, in the absence of a long history of categorical exclusion/unequal exclusion based...
on ethnic, language or cultural distinctions, immiserization was avoided, even during the country’s rapid industrial growth phase.

**Endnotes**

1 If the criteria for indigeneity is all those who consider themselves Indigenous, the 2010 census puts the number of Indigenous people at 18 million, or 16 percent of the total population (CONEVAL 2012a: 14). If a much narrower definition is used (those speaking an Indigenous language), the figure is about 7 million (CONEVAL 2012a: 36). The majority of Mexicans are *mestizo* (or mixed Indigenous and European) with about 10 percent of the population being of European decent. Mestizos are found among the rural poor, although the proportion of mestizos who are among the rural poor and extremely poor is lower than the Indigenous population. Mestizos also constitute the urban poor, the working class and middle-class. The white population is found largely among the economic and political elites.

2 The concept of social exclusion has its origins in the 1970s when it emerged to refer to those excluded from the benefits of the welfare state in developed capitalist countries due to the rise in labor precariousness and unemployment, a situation that was seen as also producing exclusion from the normal activities of citizens (Saith 2001: 2).

3 Cultural capital involves socialization of the child within the home in ways that determine patterns of speech, accent, values, and desire for formal education. Inherited cultural capital could be manifest in one’s last name

4 The authors of the article are affiliated with the National Institute of Public Health of Mexico, an institution established within the Mexican Ministry of Health—the Institute is, in effect, a Mexican government agency. While the National Institute is an academic institution insofar as it
provides graduate training, it is also a policy arm of the Mexican government. Its academics probably cannot be expected to provide analyses critical of government policy. As I argue later in this chapter, there is much that their analysis has left out.

5 Between 1900 and 1910 real GDP per capita grew at an average annual rate of 2.2 percent (Aparicio Cabrera 2010: 23).

6 Mestizos generally occupied an intermediate level in the social, economic, and political hierarchy, although many were poor urban and rural dwellers. A small white population of around 10 percent occupied the highest levels of economic and political power and resided in the urban centers.

7 However, categorization (between Indigenous and mestizos) was probably determined more by language, dress, and social organization than by skin tone. An Indian, able to speak Spanish, and who dressed like a mestizo, could probably pass as one.

8 Székely (1998) claims that poverty overall declined by 28 percent during the miracle years while Hernández Laos’ figures for urban poverty reduction (1992) are provided below.

9 Hernández Laos’ poverty levels are considerably higher than ECLAC’s because his definition of poverty (including extreme poverty) is expanded beyond the income necessary to purchase a basic food basket. He also includes income necessary to access education, housing, health care, and other basic necessities. ECLAC does not provide figures before 1984.

10 While I cannot offer a specific explanation for the particular deterioration between 1950 and 1957, this section does provide an explanation for the general hardships faced by the Indigenous population during the Miracle years; these factors would certainly be operative during the 1950s.

11 Nevertheless, by 1970, the country had achieved self-sufficiency in food as exports of agricultural products (sugar, cotton, henequen, coffee, and cotton) increased (Hansen 1980: 45).
Big commercial export agriculture played an important role in promoting industrial growth in this period since the growth in commercial export agriculture provided the foreign exchange to import inputs that helped industry to expand.

12 For a fuller discussion of the reasons for the decline of the CNC, see Harvey 1990.

13 The conditions of the Indigenous population were also worsened by the construction of two major dams along the Grijalva River, resulting in the displacement of some 90,000 people. In addition, government promotion of cattle raising increasingly displaced traditional peasant agriculture (Burbach 1994: 117).

14 In that year, real GDP per capita declined by 8 percent, the biggest decline since 1932 and poverty shot up (González Gómez 1998: 52).

15 Communal farmers acquired the legal right to hold title to land and therefore the right to sell or rent the land, and to form joint ventures with private agribusinesses. It therefore became possible for owners to use their land as collateral in order to borrow from private banks. The new law, in combination with the increasing hardship faced by farmers (explained above), was instrumental in convincing the mass of poor Indigenous peasantry, long hopeful that the state would fulfill the peasant aspirations of the Mexican revolution, that the state had abandoned them.

16 With much higher levels of productivity and subsidies amounting to almost 13 billion dollars (U.S.) (MacDonald 2005: 210), the U.S. farmers produce corn at roughly 40 percent of the cost of corn produced in Mexico (Acuña Rodarte 2003: 135).

17 They also assumed that market liberalization would stimulate investment and employment growth in the urban setting.

18 The fair trade small coffee producers of southern Mexico might be considered an exception. However, they have been helped considerably by international organizations.
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