Agroindustrial Cooperative Organization: Reappropriation of Power within the Fissures of Neoliberal Hegemony

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With the extension of neoliberalism throughout Mexico and other Latin American countries, the space now seems open for unfettered private enterprise. Market opening and competition pose a major threat to alternative economic strategies such as cooperatives accustomed to government-conferred privileges (Birgegaard and Genberg 1994). Long dependent on control exerted from above, members of cooperatives must now operate in an environment where governments are unwilling to tolerate the development of strong, independent organizations that may challenge the neoliberal model. Yet, in the state of Michoacán, Mexico, following a wave of privatizations in the early 1990s, a community of cane growers, mill workers, and townspeople formed a cooperative sugar mill. Ingenio Puruarán is the only cooperative sugar mill in the country. As such, it poses a significant research question: Can a cooperative agroindustry serve as a viable alternative within the fissures of neoliberalism?

The Challenges of Global and Local Discourse

Theories that bear on the assessment of globalization and the impact of neoliberalism on local communities increasingly incorporate issues of resistance and "power from below." This paper argues that approaches that bring to the fore the interaction of the global and the local often offer a too facile conceptualization of dominant forces (capitalism, the state, etc.) and an essentialized local entity (the community, a social movement, and so forth). While such approaches may serve as "minority-silencing global agendas" it is important to recognize that "The cultural difference of the margins is a sign of exclusion from the center; it is also a tool for destabilizing central authority" (Lowenhaupt 1993:17, 27). My intent is to depart from the practice of setting up dichotomous poles of the "global" and the "local" in order to capture the complexities of negotiation and struggle that defy homogenization.

This paper presents a more refined approach, according attention to the fissures in capitalist hegemony, constraints to the boundaries of state power, and internal heterogeneity within marginalized localities. To situate local actors at the intersection of local and global histories and processes entails recognizing them as active agents as they respond to and contest the changes that might otherwise overpower them (Roseberry1989). These contestations are best viewed as negotiations for meaning and power. My objective is to situate local meanings and discourse within negotiations for meaning and power at regional and national levels, while remaining attuned to local specificities (Lowenhaupt 1993:9).

I analyze a social movement that emerged in the process of contested negotiations between hegemonic actors, whose hegemony was limited by local strategies of confrontation, and the formation of a cooperative, whose members divided into opposing factions, even as they united in a common effort to ensure the continued operation of the community’s sugar mill. I will point out the contradictions in state policy, the rhetoric of corporate agrobusiness executives, and local growers and workers whose discourse defies neat categories of scientific analysis. An indispensable requisite is to examine the conflicting discourses as they are differentially positioned between and within opposing groups.

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1 For a critique of essentializing and hegemonic theories see Long (1996).
The social movement that emerged following closure of the Puruarán sugar mill in 1992 presented a unified appearance. The unifying goal was to negotiate with the government and the mill owner for its reopening. Yet from its inception, fissures surfaced and threatened disunity. The movement involved contradictory practices of negotiation for the legal means to restore their source of livelihood and invasion of government offices and illegal seizure of the sugar mill. While economic triage\(^2\) excluded growers and workers from the new neoliberal economic order, their challenge to marginalization posed a threat to corporate capitalism and public order. They attained productive independence in the management of the local sugar mill, as well as autonomy from “official” union control. The corporate owners adhere to the neoliberalizing agenda, yet are currently renegotiating their loan with the government for the purchase of the mills. While denying paternalism to growers and workers, private investors continue to rely on state support. The cooperative embraces principles of collective good, yet throughout its struggle to reopen the mill has been beleaguered by *patronazgo* (bossism). Analysis of the social movement and establishment of the cooperative, then, leaves us with a more disorderly, yet more richly-textured account.

**Precedents for Cooperative Organization in Mexico**

Cooperative organization in Mexico tends to follow a rather erratic pattern over the years. It was the 1910 revolution that awakened collective conscience and established the bases for cooperativism. The “Ley de 6 de enero” (1915), provided for the redistribution of hacienda lands to *campesinos* (rural producers) and required cooperative organization for effective application of credit. The cooperative *ejido*\(^3\) would guarantee the recovery of loans for working ejido land, while collective organization was to assure maximum yields and thus ensure repayment. The state expedited the very first law on cooperatives in 1927 (Foglio 1936). The 1929 economic crisis, together with campesino mobilizations, exposed the need for rural collectivization to bring about economic growth and maintain political control. From its inception, then, collective organization carried contradictory aims: social cooperation for production, and political control by the center. "In parallel form, the mechanisms of cooptation and social and political subordination were elaborated, which functioned in articulation especially to the National Peasant Confederation" (translated from Crespo et al. 1990:852).

While some 300 cooperatives became registered by the late 1920s, it was during Cardenismo that cooperative organization reached its apogee; the political strategy of agrarian collectivization in post-revolutionary Mexico received its primary impetus from President Lázaro Cárdenas del Río (1934-40). Cardenismo, in fact, embodies the notion of collectivism. Experiments at collectivization were undertaken in diverse regions of the country: La Laguna, the Yaqui Valley, the Yucatan, Mexicali, Los Mochis, El Mante, and Nueva Italia.

An exemplary case of early collectivization is the Yaqui Valley in the northwestern state of Sinaloa. As a center for foreign investment in capitalist agriculture, the region was distinguished for its concentration of land; 28,000 irrigated hectares were in the hands of 85 members of the economic elite. Cárdenas expropriated, on behalf of campesinos of the region, foreign-owned irrigated lands. As a consequence of land distribution in 1937, 14 collective ejido credit societies were created. That number grew to 52 by 1959, but a shift in the economy led to external pressures for individualization of production, thus reducing the collective organizations to 19. Broad, global transitions contributed to local transformations, which in turn, expressed a dynamic of their own. Internal differences also distinguished the collective organizations, for some ejidos aligned with UGOCEM (Unión General de Obreros y

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\(^2\) Gates 1993.

\(^3\) The ejido in Mexico is a landholding unit held in usufruct by an agrarian community. Following the revolution, communities could petition the government for redistribution of hacienda lands. This right terminated with a modification to Article 27 of the Constitution in 1992.
Campesinos de México), while others affiliated with the state-sponsored CNC (Confederación Nacional Campesina) (Gómez 1981).

Gómez points out that the state imposed these cooperative organizations to respond to the needs of capitalist agriculture that predominated in the Cárdenas epoch. In Michoacán, for example, 28 cooperatives incorporated 2,013 socios (members) in 1935; one year later, 59 cooperatives were registered (Foglio 1936). The Banco Nacional de Crédito Ejidal extended financial and technological support for post-revolutionary revitalization of agricultural production. Organized as collective credit societies by the National Ejido Credit Bank, they often functioned in an undemocratic manner. Members earned an income essentially as wage laborers on their own land. In one such ejido, rising costs, debt, and fraud led to division and some members abandoned the collective. From 1949 onward, the bank began to withhold credit for collectively held land, and the collectives eventually failed. Capitalist agriculture on individual parcels again prevailed until the late 1970s (Gómez 1981).

The mid-1970s witnessed a pronounced economic crisis, unemployment among rural workers, agrarian struggles, and land seizures. The advance of capitalist agriculture had been at the expense of campesino production and campesino movements disrupted the countryside. Before his term as president expired in 1976, Luis Echeverría took a more populist turn. He expropriated 100,000 hectares, leading to the formation of the Coalition of Collective Ejidos of the Yaqui and Mayo Valleys. The formation of 75 collective ejidos carried with it the intent to dismember the movement and to dissolve the vanguard of local leadership. This time, however, the organization resisted the imposition of official bank policy. Otero explains that the highly successful collectives created their own credit union, established efficient productive projects, and maintained political autonomy. Through political organization, a subordinate class "successfully determine[d] the direction of certain state policies in its favor while maintaining its political independence from the state" (Otero 1999:140). These processes illustrate that hegemony and resistance to state control and capitalist exploitation intermesh in complexly unfolding ways and their results are not foreordained.

While the northern region was a center of wheat, cotton, and rice production, sugar cane constituted a primary crop in the state of Morelos. Cane land remained protected from expropriation in the years following the revolution. One of the demands of a 1934 congress of mill workers was the socialization of sugar mills and the development of agricultural cooperatives for the production of cane. The SNTIAAySRM (Sindicato Nacional de Trabajadores de la Industria Azucarera, Alcoholera y Similares de la República Mexicana) materialized in 1936. It was not until 1937 that the Agrarian Code extended the right to obtain ejido land to hacienda peons and workers. Article 131 of the 1937 Agrarian Code specified collective organization for ejidos whose crops required industrialization (Jiménez 1986). Collectivization in post-revolutionary Mexico, according to Jiménez, served merely as a pretext for maintaining an organized production force and to prevent its disintegration through the process of individual distribution of land demanded by campesinos. Yet Cárdenas recognized the need to preserve the unity of agroindustrial complexes, thus the 1937 modification to the Agrarian Code simultaneously protected 300 hectares of cane land surrounding the sugar mills from expropriation (Crespo et al. 1990).

Beginning in 1938, the SNTIAAySRM began to organize cañeros (cane growers) into collective societies. The Los Mochis, Sinaloa mill represents one of the early cases of this organizational strategy (Flores 1987). President Cárdenas established the first cooperative sugar mills at Zacatepec, Morelos in 1938, and at El Mante, Tamaulipas in 1939 (Jiménez 1986). These he envisioned as the future form of organization for the national sugar industry. Forty percent of the sugar haciendas had been

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4 The Sociedad Cooperativa de Ejidatarios, Obreros, y Empleados del Ingenio Emiliano Zapata S.C. de P.E. de R.S., was declared bankrupt in 1992 and sold to Aarón Sáenz. The Sociedad Cooperativa de Ejidatarios y Obreros del Ingenio El Mante, S.C.C., was declared bankrupt in 1992 and sold to Grupo Xafra.
destroyed in the state of Morelos during the revolution, thus an objective of the Cárdenas government was to restore sugar production in the state. Construction of the Emiliano Zapata mill at Zacatepec over the ruins of the destroyed hacienda began in 1936. A cooperative of ejidatarios, workers, and employees of the Emiliano Zapata mill at Zacatepec formed in 1938 and incorporated 5400 campesinos who cultivated 3000 hectares of cane. A decade later, the Zacatepec mill occupied third place in national sugar production and its factory and field yields were among the highest in the country (Crespo et al. 1990:857).

As Cardenista ideology materialized into practice, conflicts between the newly-formed cooperative, led by the democratically-oriented Rubén Jaramillo and the authoritarian mill manager culminated in a general strike in 1942. The army occupied the mill and arrested its leaders, an event that led Jaramillo to take refuge in the mountains (Crespo et al. 1990). As an outcome of this conflict between mill management and workers, cooperativism became transformed into vertical control within an authoritarian system. The cooperativist project entailed divergent ends for entrepreneurial interests and the more socially embedded agenda that demanded a degree of autonomy “from below.”

The dissimilar experience of El Mante, Tamaulipas rests in the unique class formation of its production zone. Large landholding shareholders, small landholders, and ejidatarios formed three groups that supplied the mill with sugar cane, each linked to the mill through a different and inequitable contract for payment of cane. Resistance on the part of large landowners to expropriation forced the government in 1943 to purchase the expropriated mill, sell it to the newly formed cooperative, and pay indemnization to the private landowners. An internal struggle over control of the cooperative commenced, contributing to a decline in production (Crespo et al. 1990). In each zone, a predominant theme triangulates opposing interests of the state, private capital, and campesinos and workers.

The state in post-war Mexico launched an attack on collective organization of sugar mills, including the dismantling of the Los Mochis collective (Flores 1987). The ascendance of neoliberalism in the late 1980s and privatization of sugar mills propelled the Zacatepec mill into the hands of Grupo Escorpión, the largest consortium of sugar mills, affiliated with Pespsi-Cola. Grupo Sáenz, whose owner was one of the original large landowners in the region, purchased the El Mante mill. The government declared both mills bankrupt in 1992 with the intent of putting them up for sale. A leader in the National Union of Sugarcane Growers (UNPCA) in Mexico City reflected on why the cooperatives had failed: “They administered the mills in a centralized manner. We can't say it was the fault of the government. If we say ‘the government,’ we are including people who worked well. More than anything, it was the people who managed them. The greatest success was that all were owners, but unfortunately, they were owners only on paper” (interview, Alejandro Cazarín Cárdenas, Secretario de Asuntos Agrarios, 2000). We may conclude, then, that collective organization, particularly as it relates to sugar mills, has historically been problematical. Uneasy tensions and conflicting goals and ideas fracture not only relations between groups with differential power, but also fracture the fragile relations within the cooperatives themselves.

One other cooperative is worth mention for its current significance to the Puruarán sugar mill. The Sociedad Cooperativa Trabajadores de Pascual, S.C.L. grew out of the intense struggle between workers at the natural fruit drink company and the owner of the company. Rafael Víctor Jiménez Zamudio. Jiménez founded his company in Mexico City in 1940. The Pascual workers’ syndicate failed to defend workers against the abuses of the owner and attempts to organize independently resulted in worker layoffs. The economic crisis of 1982 adversely affected workers, yet Jiménez refused to implement a presidential decree increasing wages. As employees of the factory began to organize, Jiménez laid off 150 workers. On May 18, 1982 a strike broke out; then on May 31, Jiménez and his companions killed two workers and wounded 18 others. The strike continued until August 1984, when workers demanded “That the property of Refrescos Pascual, S.A. be legally granted in favor of the workers and that they agree to work in [a] Cooperative” (internal document, Sociedad Cooperativa Trabajadores de Pascual, S.C.L.).
The struggle was protracted, given lack of credit, resources, and technical and administrative experience, but on November 27, 1985, the Pascual cooperative initiated production. The Secretary of Pascual’s Administrative Council, Leobardo Avila Cuevas, expressed the difficulty of forming a cooperative: “We didn’t know what a cooperative was. We had no capital, it was an economic issue” (interview, 2000). Alfonso Trejo, another cooperative representative, contrasted Pascual’s organization with the Puruarán cooperative that they began to support in 1999. Unlike the cooperative at Puruarán where dissent caused many to lose faith in the cooperative, Pascual did not experience the same disunity: “We united more and very few left.” Today, Pascual is a highly successful cooperative with 4000 members, and in solidarity with the Sociedad Cooperativa Trabajadores del Ingenio Puruarán, supports the latter through financial advances and purchase of its sugar. Unlike other soft drink bottlers that are substituting high fructose corn syrup (HFCS) for sugar, the Pascual cooperative produces natural fruit drinks using only cane sugar. It thus assures a market for the Puruarán sugar mill in a context of neoliberal competition that threatens the future of the entire sugar industry through the displacement of sugar by HFCS. While cooperation ties these two organizations together, it will become clear that different cooperatives experience quite distinct degrees of success.

During Cardenismo, and again in the 1970s, the Mexican government both economically and politically supported cooperatives and collective organization. Neoliberalism theoretically eclipsed any lingering proclivity for alternative forms of productive organization. Yet throughout the region, local struggles for alternative organization are emerging in defiance of the neoliberal agenda. One of these is the Sociedad Cooperativa Trabajadores del Ingenio Puruarán, the only extant cooperative sugar mill in the country. The fledgling cooperative poses an important question for other sectors of the economy: If cooperativism was less than successful in the era of Cardenismo, what chances of success might we expect for a cooperative sugar mill in the age of neoliberalism?

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5 The Pascual company uses Donald Duck as its logo; images of “Pato Pascual” and Betty Boop adorn Pascual drink containers, the company trucks, and the walls of the factory. During the workers’ strike, the workers became known as “patos.”

6 “Ingenio” refers to a sugar mill.

7 Edelman (1999) suggests the generalization of this process. Independent agricultural organizations and cooperatives that emerged to challenge the neoliberal economic model in Costa Rica during the late 1980s became targets of state intelligence gathering.
agenda. Alberto Santos de Hoyos, senator from Nuevo Leon and industrial owner of Gamesa, purchased the group of mills with the objective of using the sugar for Gamesa’s cookie products. After the end of the first harvest, he closed the Puruarán mill, in order to consolidate production into a single supply zone for the Pedernales mill, 11 kilometers from Puruarán. While Puruarán was the smallest of the four refineries, its productive efficiency compared favorably with other mills in the country in 1992:

Table 1. A Comparison of Factory Efficiency of Ingenio Puruarán with National Mills, 1992.

<table>
<thead>
<tr>
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<th>Puruarán</th>
<th>National Average (62 mills)</th>
</tr>
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<tbody>
<tr>
<td>Field Yield (tons/ha.)</td>
<td>91.63</td>
<td>74.34</td>
</tr>
<tr>
<td>Factory Yield (tons sugar/ton cane)</td>
<td>9.70</td>
<td>9.28</td>
</tr>
<tr>
<td>Extraction of Sucrose</td>
<td>13.01</td>
<td>12.36</td>
</tr>
</tbody>
</table>

source: CNIAA

Ingenio Puruarán produced 15,400 tons of sugar that year. Only 14 of the 62 mills surpassed it in field yield, 18 attained higher factory yields, and Puruarán ranked twelfth in the nation in extraction of sucrose. Yet, the owner claimed that the mill was inefficient and that as a businessman, “It has to bring me profits.” Sugar mills held a reputation for overemployment and new mill owners laid off many of these excess workers. Santos selected Puruarán—a larger community than Pedernales—for closure because workers at Pedernales agreed to partial worker layoffs; those at Puruarán demanded, “If you are going to hang one of us, hang us all (fieldnotes 1998).” Their commitment to social justice, in effect, sealed their fate.

A central issue I address in this paper concerns the impact of mill closure on local communities. Corporate consolidation of mills into fewer entities may increasingly become a trend among sugar industrialists, for by 1997 sugar industrialists predicted that 20 sugar mills were destined for closure—a threat that continues to cause concern in 2001. Two major factors contribute to the current crisis in the sugar industry that will further encourage mill owners to close selected mills. Below, I define these for they directly bear on the case at hand.

Dealing With Debt

When the sugar industry privatized (1988-92), the government sold sugar mills in packages of “good” and “bad” mills to rid itself of the responsibility. Selling off sugar mills—a drain on the national budget—to private investors promised to rejuvenate and modernize the sector with new capital. Certainly over-employment and government subsidies had heavily subsidized the sugar industry. The liquidation of workers was key to cost reduction and rationalization of production. The “Ley de Quiebras” (bankruptcy law) allowed for the liquidations of workers at only 50 percent of the indemnization specified by the workers’ contract law; with this in mind, industrialists planned to lay off 8,000 mill workers (Espinosa 1999). The crisis that this caused at the local level, however, remained unconsidered in an industry that directly employs 420,000 people, including 250,000 cane growers, and indirectly supports 2,500,000 employees. The worker layoffs at Puruarán and the nation at large created a situation of unprecedented economic crisis in cane-producing communities.

Private industrialists, according to neoliberal logic, would rejuvenate their refineries with new investments and stimulate economic production. As I have detailed elsewhere (Chollett 1996, 1995, 1994), the majority of investors sought speculative profits and a cheap access to sugar for their soft drink industries. Only in 1997 did the industry as a whole begin to recover from the early 1990s, when cheap sugar was dumped on the Mexican market and investors faced rising interest rates on their

8 See also Chollett 1999, 2000, and forthcoming.
purchase of sugar mills (Butler and Otero 1995). The entry of private capital into the sugar sector did, however, stimulate production; Mexico achieved a record harvest, surpassing 5,000,000 tons of sugar in 1997-98. This achievement is not without irony; market competition, detailed below, undermined the productive efficiency attained under the neoliberal regime.

Despite record production, industrialists accumulated a global debt in the amount of $2,000,000,000 dollars\(^9\) for the purchase of their mills, almost four times the amount ($532,000,000) that they originally paid to acquire their mills during privatization. Rising interest rates, decapitalization, and inability to pay off their loans provoked the failure of FINASA, the government financial institution for the sugar sector (González 2000; La Jornada 2000c). Contrary to expectations under neoliberal privatization, industrialists called on the government to restructure their loans. The government announced a rescue plan on June 8, 2000, administered by Banco Nacional de Comercio Exterior (Bancomext), to provide credit to indebted sugar mills in the amount of $400,000,000 dollars. Mill owners guaranteed their loans with sugar in their warehouses (Muñoz 2000b).

Nonetheless, mill owners were carrying out “ventas de pánico” (panic sales), selling sugar below the cost of production. By mid-August of 2000, 20 sugar mills, in breach of the Decreto Cañero,\(^10\) had not paid cañeros for their sugar cane; their total debt was $1,480 million pesos. Some mills threatened to suspend payment (Muñoz 2000a). Juan Gallardo Thurlow, owner of GAM (Grupo Azucarero Mexicano, including the Lázaro Cárdenas mill in Taretan, Michoacán) and key negotiator in the NAFTA agreement, alone owed $50,000,000 dollars; on May 10, 2000 he suspended his payments. The government offered him the ambassadorship to France (La Jornada 2000b). GAM is associated with Pepsico. Another group affiliated with Pepsico is Escorpión, the largest consortium with nine mills that make up almost one-fourth of Mexico’s sugar production. Escorpión and Grupo Machado both received Bancomext loans, but failed to pay cañeros. Cañeros in the regions of their mills blocked access to SAGAR (Secretary of Agriculture), the Hacienda (Finance), and SECOFI (Secretary of Commerce) to protest. The industrialists began to negotiate with cañeros who had endured 10 months without receiving payment for their cane (Muñoz and Enciso 2000). Grupo Santos, owner of the Puruarán sugar mill, owed a debt of $2,000 million pesos and began to restructure its loan with the government.

Herein lies one of the great contradictions of privatization. Private entrepreneurs were believed capable of investing, restoring profitability, and relieving the government of its financial burden. But, as Enciso explained: “The restructuring of the sugar industrialists’ debt, which reached $2,000 million dollars, constitutes one more chapter to the long chain of government support to private investors who benefited from the process of privatization initiated in the past decade” (translated from Enciso 1999:14). Espinosa provides evidence that industrialists who were most indebted were the ones who most benefited through their vertical integration into the chain of cane-sugar-soft drink production. They also benefited through Mexico’s notorious FOBAPROA (Fondo Bancario de Protección al Ahorro) that transferred their debt to the public. Sugar industrialists who entered into the FOBAPROA rescue program included Juan Gallardo Thurlow (GAM), Enrique Molina Sobrino (Escorpión), and Alberto Santos de Hoyos (Grupo Santos) (Enciso 1999).

Debt was not the only obstacle that the sugar industrialists faced. Initially supportive of NAFTA, they looked forward to profitability as the new U.S. market opened to the import of Mexican sugar. Under neoliberalism, however, “free trade” proved illusive.

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\(^9\) The exchange rate in 2000 fluctuated around 9.2 pesos to the U.S. dollar.

\(^10\) The Decreto Cañero specifies that payment must be made within 30 days of the end of the zafra.
Negotiating NAFTA

The second major factor that jeopardizes the sugar industry is rooted in the North American Free Trade Agreement, which exacerbates the debt problem of the nation’s mills. Since 1994, the United States has exported 1.3 million tons of high fructose corn syrup to Mexico. In the same period, Mexico sold 115,000 tons of sugar to the U.S. (Ortiz 2000). Fructose has displaced almost 600,000 tons of sugar per year since 1998 since soft drink companies can purchase fructose 20 percent below of the cost of sugar. As a result, fructose captured 14 percent of total sugar consumption in Mexico (La Jornada, August 20, 2000). To provide context to this issue, several facts are relevant. The U.S. consumes eight million tons of sugar per year and imports approximately two million tons. Mexico produces almost five million tons of sugar per year. National sugar consumption is 3.7 million tons, leaving a surplus of close to 1,000,000 tons of sugar (Nadal 2000). This surplus must be exported to the international market at a time when overproduction contributes to lower commodity prices.

The original NAFTA agreement provided for a gradual phase-out of trade barriers; in the case of sugar, specified in Annex 703.2, for the first six years, Mexico could export 25,000 tons of sugar to the U.S., and 250,000 tons in years 7-15—as long as its surplus exceeded sugar consumption. If Mexico maintained surplus status (producing more sugar than it consumed) for two consecutive years, no limits were to be placed on sugar exports. The U.S. trade representative, Michael Kantor, intervened in this process by signing secretive side-letters with Mexican Secretary of Commerce Jaime Serra Puche. According to this agreement, Mexico must include HFCS in the calculation of sugar consumption. By including HFCS imports in its calculation, the country no longer fulfilled the surplus producer status. The Kantor-Serra Puche letters limited Mexican sugar exports to 250,000 tons until the year 2007. This agreement was never brought before the Mexican senate for ratification (Enciso et al. 2000). In October 2000, Mexico theoretically had the right to increase its sugar exports from 25,000 to 250,000 tons of sugar (.005 percent of its national production). But for the year 2000-01, the U.S. accepted a quota of only 116,000 tons.

U.S. corporations that refine government-subsidized corn into HFCS constitute a significant global agroindustry. When their HFCS exports to Mexico increased from 20,000 tons in 1992 to 350,000 tons in 1997 (see Chollett 2000), SECOFI imposed anti-dumping compensatory tariffs on imported fructose. The quotas did not abate the entry of fructose, for in 1999-2000, the U.S. exported 490,000 tons of HFCS to Mexico. The U.S. argues that compensatory tariffs act as a protection for Mexican mills that eliminates competition, in contradiction to the rules of NAFTA. The conflict moved...
into the arena of the Dispute Settlement Body at the World Trade Organization. The latter concluded that Mexico’s anti-dumping charges were inconsistent with various articles of the Anti-Dumping Agreement. After much debate the issue has yet to be resolved. Unable to sell its surplus sugar, Mexico stands to suffer losses of $900—1500 million dollars (Enciso and Muñoz 2000). A panel report adopted on February 24, 2000 determined that Mexico must repay provisional tariffs charged from June 26, 1997 to January 23, 1998, with interest (U.S. Trade Representative 2001).

A representative of the national cane growers’ union assessed the situation: “The United States does not want to accept [Mexican sugar]; they are trying to protect their industry. Our country has been hit hard. Each week of the harvest the price of sugar drops” (interview, Pascual Alvarado Martínez, Coordinador de Uniones Locales y Comités, UNPCA, 2000). Santos de Hoyos, owner of the Pedernales, Michoacán mill declared: “The United States unilaterally violates NAFTA.” He reported that the U.S. protects Fanjul, a Florida sugar producer, who also owns mills in the Dominican Republic, and whose quota is 185,000 tons (Enciso 2000). Ironically, the “war of sweeteners” brought industrialists and cane and mill workers together in a common cause. Cañeros and industrialists alike are waging a mutual battle against the practices of NAFTA. While industrialists forged agreements with soft-drink bottlers to limit the use of fructose, applied compensatory tariffs to fructose imports, and challenged U.S. condemnation of the tariffs in the World Trade Organization, cañeros of the CNC, the CNPR, and STIASRM in August 2000, planned protests, including the seizure of the fructose installations in Jalisco and Querétaro (Contreras 2000).

Mexican negotiators are attempting to convince the U.S. to allow Mexico to export to the United States an amount of sugar equal to the HFCS that the U.S. ships to Mexico. Lic. Teodoro Linares, of the CNIAA, commented, “The U.S. will not accept more sugar, even though Mexico had surpluses for two years. NAFTA is a document that nobody wants to respect in the United States” (interview, 2000). Failure to resolve the problem of trade in sweeteners between the U.S. and Mexico presents a possibly ominous solution—to reduce production by closing down more sugar mills. This strategy would directly impinge on the lives of 2.5 million workers, cañeros, and their families who depend on the sugar industry.

Privatization, debt, and market competition contribute to the current process of corporate consolidation and mill closure. Since privatization began in 1988, six sugar mills closed their doors: Ingenio Oacalco, Morelos (1988); Ingenio Estipac, Jalisco (1988); Ingenio José López Mateos Juchitán, Oaxaca (1992); Ingenio Purísima, Jalisco (1992); Ingenio Puruarán, Michoacán (1992); and Ingenio Rosales, Sinaloa (1997). By 1998 the industry predicted the closure of at least 20 more of the existing 60 sugar mills. The government authorized the liquidation of FINASA in the final months of 2000 and threatened to seize those factories that had not paid their debts (USDA 2001). In that year, Consorcio Azucarero Escorpión (CAZE), made a decision to sell its nine mills because of heavy debts and an uncertain market. The largest consortium of the Mexican sugar industry, Escorpión is linked to Pepsi-Gemex, one of the largest soft-drink bottlers in Mexico. ADM (Archer Daniels Midland), an important HFCS producer in the U.S., showed interest in purchasing the nine sugar mills (USDA 2001). Santos de Hoyos, legal owner of Ingenio Puruarán, closed his Cuatotolapam, Veracruz mill, one of his remaining six refineries, before the 2000-01 harvest, but was forced by cañeros to reopen it in January, 2001. Even mills that remained open cut back on credit extended to cañeros, and often failed to cover payment to cañeros for their cane and for benefits such as medical insurance and retirement. In turn, cañeros experienced falling productivity in their fields. La Joya and Santa Rosalia were returned to FIDELIQ (Fideicomiso Liquidador de Instituciones y Organizaciones Auxiliares de Crédito) for the government to rehabilitate and resell in 2000. An UNPCA official expressed the national union’s concern for this crisis:

15 SECOFI (Secretaría de Comercio) established compensatory quotas at the request of the CNIAA.
16 After closing Ingenio Puruarán, in 1997 Santos purchased three additional mills: Cuatotoalpam (Veracruz), Plan de Ayala (San Luis Potosí), and San Gabriel (Veracruz).
This is the oldest industry, with a history of 400 years. It is the only industry that provides employment to so many people in the rural sector. We are trying to protect two million cane growers. We are not going to permit the closing of even one sugar mill. We can’t kill the people; it is necessary to defend them. If we leave so many without employment, where are they going to work? When a sugar mill closes, everything ends. When a sugar mill goes under, the community goes under.... We intend to confront NAFTA. Never before in the history of this country has it been under such threat (interview, Pascual Alvarado Martínez, Coordinador de Uniones Locales y Comités de Producción, 1997).

Forging Alternatives in the Fissures of Neoliberalism

As neoliberalism transformed the Mexican countryside, it marginalized producers, and in turn, stimulated social movements that sought alternatives to the neoliberal model (Rubio 1996). The social movement that emerged in response to the mill closing on May 31, 1992 in the community of Puruarán, Michoacán represents a complexly-textured process symbolized neither by the dominance of private capital or the state, nor a totally unified struggle on the part of the local community. The government aligned with the industrialist to suppress and marginalize the movement, yet the perseverance of the cooperative sugar mill challenges hegemony from above. In response to the crisis brought by neoliberalism, “working at the margins and in the fissures of peripheral capitalism, social actors...take space away from capitalism and modernity” (Escobar 1992:68, emphasis added). The community, in the process of forging a social movement to preserve the sugar mill, constructed its collective identity as a united front against those who would deny them their source of livelihood. Certainly the constitution of collective identities aimed at creating democratic spaces for autonomous action (Escobar and Alvarez 1992). The façade of unity, however, obscured deeper divisions within the community that continue to threaten the survival of the cooperative.

The social movement in Puruarán was one among many that responded to the crisis of legitimacy brought about by structural adjustment and free-market principles (Edelman 1999). Here appeared an exemplary case of a “new social movement” that “challenged the state’s economic and political models and called into question authoritarian and hierarchical ways of doing politics” (Escobar and Alvarez 1992:2). Yet, the articulation of collective politics as a strategy for managing an illegally seized factory redounded in patronazgo. Below, I examine the social heterogeneity and manifold cultural, social, economic, and political expressions as the social movement constituted itself and materialized as a cooperative formation. Because this social movement situates itself at the intersection of local cultural practices and hegemony exerted “from above,” the strategies for struggle are grounded in the community’s history. The community’s sugar mill envelops a long history of class struggle that became the basis for the recreation of collective identity forged in an ideology of community unity and social justice. Upon the notion of a united community, the social movement that would materialize into the Sociedad Cooperativa Trabajadores del Ingenio Puruarán built its rationale for reappropriating the mill from its neoliberal usurper.

Landázuri and Vázquez (1988) point to the first rights granted to construct trapiches in Michoacán in the 1600s. Francisco Antonio de Peredo installed a trapiche at Puruarán in 1747 (Crespo et al. 1988). Puruarán’s hacienda dates to 1772, according to a foundation stone still on the premises. When speaking of the mill closure, residents frequently emphasized their 300-year tradition of cane production, often adding, “this is the only industry here, this is what we know.” Elders in the community trace back a long genealogy of family members who labored for the hacienda, in the mill, and in the cane fields. Aurelio and Gerardo Bastarrachea, owners of the hacienda, named the town San José Puruarán. During the last years of the revolution, Joaquín Oseguera bought the hacienda and held it until 1923, when he sold it to José Gómez Ochoa. Practically everyone in Puruarán recalls, if not from personal experience, then from local community lore, that Gómez treated his workers cruelly.
Gómez, according to local historical memory, was shot by a campesino, Timoteo Pérez, who took revenge after Gómez plowed up his bean field. After Gómez’s fateful end, Guillermo Freytag Gallardo managed the mill from 1937-38. Thomas D. Boyd, an American, and his partner Alfonso Austin took possession of the mill from 1941-61, first renting the mill, than purchasing it (Caso González 1987). In the early 1960s, Federico Ibarra Gómez, Rafael Ambrosi Zetina, and Antonio Reynoso Obregón formed a society to purchase the mill. Reynoso ended up renting the mill for four years, but by 1965 it went bankrupt. When the owner could not pay cañeros, Lázaro Cárdenas, then in charge of the Cuenca de las Balsas, intervened.

The next event in the history of the mill became a key symbol in the community’s struggle to reopen the mill in 1992. As I conducted interviews and engaged in participant observation, people frequently asked me, “Haven’t you see the plaque?” When the community seized back their sugar mill, they retrieved the discarded bronze plaque from the garbage. On January 31, 1966, by presidential decree, President Gustavo Díaz Ordaz rehabilitated the mill through Banco Nacional de Crédito Ejidal, made technological improvements, and declared the factory, “Ingenio Ejidal Puruarán,” to be property of the community. Alberto Monroy Abrego, comisariado ejidal at the time, worked closely with Francisco Merino Rábago, director of the Ejidal Bank. This singular act provided the basis for the community’s challenge to privatization and subsequently, the justification for taking over the mill following its closure. As I discussed the social movement with an informant in 1997, Antonio approached:

Look, I want you to understand that this mill, as I understand it, has never been sold. Never. We are sure that this mill has not been sold—for this we are struggling. We need our source of employment reopened to give life again. They closed this mill only on the whim of a single person. How many thousands of people are suffering here? Imagine, because of the whim of a single person, how many people are suffering here! (fieldnotes, 1997).

A number of residents affirmed that Thomas D. Boyd was the last owner and taxes are still paid in his name. An ex-mill worker said of the sale to Santos de Hoyos, “Then they were committing an error because they sold the mill that didn’t belong to them. Rather, it belonged to the community” (fieldnotes 1997).

The cultural construction of historical memory confers ownership of the mill on the community; the plaque, now attached to the wall of the sugar mill, symbolizes the illegitimacy of its sale to Alberto Santos de Hoyos in the eyes of local residents. Former President Salinas de Gortari carried out privatization of state enterprises on a massive scale. The privatization of sugar mills, part of the larger neoliberal project, brought crisis to cane growers and mill workers throughout the country (see

17 A local authority on Puruarán’s history, Alberto Monroy Abrego related that Rivera de Ríos took over the mill after Gómez’s death; the mill was then being financed by the Ejido Credit Bank. He then rented it to the widow of Cuervo (of the famous tequila industry) and her nephew Guillermo Freytag Gallardo. The mill benefited the Cuerva's tequila production. But Rivera de Ríos, who had loaned money to the family, came to recover the hacienda. The ejido formed in 1938 and because of their debt, the Cuervas did not resist land distribution. Rivera de Ríos then rented it to Thomas D. Boyd. Monroy was comisariado ejidal (ejido president) at the time; he became the first leader of the local cane grower’s union in 1978 (interview, Alberto Monroy Abrego, 1997).


19 Alberto Monroy reflected, “I had relations with the governor, Agustín Arriaga Rivera. I worked with the manager of the Banco Agrario de Michoacán, Francisco Merino Rábago. We were working very well together. When Echeverría entered en 1976, he nationalized the sugar mills and that was the failure of all the mills.” (interview, 1997).
Santos acquired the Puruarán mill for 7.8 percent of its total value, according to locals, because as a compadre and supporter of Carlos Salinas de Gortari’s election campaign, he received the mill as a gift, and then closed the mill on May 31, 1992. Santos, taking into consideration the implementation of NAFTA, never intended to operate the Puruarán mill. His Proyecto Empresarial de Michoacán proposed to create a single production zone by consolidating all production at his Pedernales refinery.

The conditions that prompted initial mobilization at Puruarán originated with the juxtaposition of the national economic crisis and unemployment brought about by the mill closure. Interviews with people from all walks of life—cañeros, ex-mill workers, shopkeepers, and teachers, among others, revealed a global effect on the entire community. The mill directly supported 2,260 cane growers, 800 cane cutters, 244 truck and tractor drivers, and 530 mill workers, yet the indirect benefits extended to the entire community. Deprived of the community’s primary source of employment, poverty, malnutrition, business failures, school dropouts, a decline in health care, alcoholism, and escalating violence became manifest (Chollett 2000). The population of Puruarán declined 26 percent, from 15,000 inhabitants in 1990 to 11,140 in 1996, suggesting a high degree of out-migration. In almost every block, one or more houses bore the painted words, “Se Vende” (For Sale).

Whereas workers were liquidated, as many complained, with only half the amount to which they were legally entitled, and left without benefits such as health care, cañeros could opt to deliver their cane 11 km. away to Santos’ Pedernales mill. Interviews revealed, however, that the majority of these accrued only debts at the Pedernales mill. Some preferred not to deliver to Pedernales because of increased costs of transportation, travel costs, inconvenience, or because it was not “their” zone: “The day that they closed this factory I quit being a cañero because I didn’t want to send my cane to a factory that did not belong to this municipio [county-like division]. It gives life to another municipio when it does not give life to me. An industrialist who isn’t even from the state of Michoacán is owner of that mill” (ex-cañero, fieldnotes 1997). A few cañeros even expressed satisfaction with their new relationship to the Pedernales mill; these tended to be more wealthy individuals with more land. The large majority of persons interviewed indicated that the primary reason they grow sugar cane—whether for Puruarán or Pedernales—is for the medical insurance. Ingenio Puruarán, given its illegal status, was denied inscription into IMSS (Instituto Mexicano de Seguridad Social) until 1999 when workers and cañeros formed the cooperative. This legal procedure then gave them access to social benefits (medical services and pensions) at a quota of $1046 per hectare. Land is so fractioned in the region that cane fields are counted in “tareas” (rows), rather than hectares. The average holding,

\[20\] The sale contract, dated June 20, 1991, specifies the value of the Puruarán mill as $4,620 million old pesos and that of Pedernales, $10,400 million. Santos, in purchasing 51% of the shares, paid $2,356 million for Puruarán and $5,304 million for Pedernales. The total value of all four mills in the package (also including Ingenios Bellavista and Alianza Popular) was $112,000 million pesos; Santos’ contract spread these payments out over seven years. But locals argue that the real value of the Puruarán mill was $55,000 million. (Méndez 1993e). Santos acquired 51% ownership on 6/20/91, leaving 49% with the CNPP; on 8/25/93 he acquired the remaining 49% (Robles 1993b). Jesús González Gortazar, then president of the CNPP, convinced the government to give the CNPP 100% ownership of Ingenio Bellavista (in his home state) in exchange for the 49% in the other three mills. González then sold the Bellavista mill to Santos, without consent of the cañeros, for $20,000 million old pesos. It was transferred on February 12, 1992 (Méndez 1993d). The peso was devalued in 1993; “new” pesos simply deleted three “0”s from the “old” pesos, for example, converting $100,000 to $100.

\[21\] Survey results in 1997 revealed that school enrollments declined approximately one-third. Those businesses still operating had lost, on average, 30% of their income, with many more customers buying on credit. A doctor at IMSS stated that about 30% of children were malnourished; many interviewees complained that they now ate less, and consumed less nutritious meals. The community priest assessed the violence: “Here we say that when 15 days pass without an assassination, it is a long time. The region is violent, but the violence has increased because of the unemployment and the crisis. And the violence continues” (fieldnotes 1997).
according to 1999 data, is .822 hectares. Fifty percent of caneros have only one-half hectare. Nonetheless, common practice is to “divide” the land, putting shares in children’s and relatives’ names so that they have access to insurance. While each field is tiny, a number of plots—technically, if not legally—remain in the hands of a single family, a fact that does not show up on paper. The direct outcome of the mill closure, then, means unemployment and loss of social security for workers and increasing debt among caneros who began to contract with Ingenio Pedernales.

The PRI government responded to the crisis of unemployment by sponsoring 15 microenterprises to take up the slack in employment. These, however, quickly failed for lack of cash flow in the community. Another initiative to provide employment for 200 ex-mill workers actually benefited Santos de Hoyos. The extension of irrigation canals throughout the zone, intended to create jobs, received $15 million pesos in government financing and increased cane production in the region. The project provided jobs for 145 unemployed workers, who earned $40 per day over several years. The overseer of workers involved in cementing canals said of those fortunate enough to find employment in the project, “We canal workers are in heaven.” When workers reopened the Puruarán mill against Santos’ wishes in 1993, those who delivered their cane to Puruarán lost their jobs in the canal project.

The Social Movement Takes Shape

As conditions worsened, the leader of the Unión Local de Productores de Caña de Azúcar, Gregorio Alvarez Vargas, emerged as leader of the social movement that was to come into conflict with not only the Pedernales mill, but the state government as well. Alvarez formed a committee to lead the movement, the Comité Prodefensa para la Conservación del Ingenio Puruarán on November 13, 1992, made up of Leopoldo Torres Botello (president), Trinidad Hinojosa, Rodolfo Almanza, and Alfonso Soto Uribe. The first united act of the community involved a demonstration at Ingenio Pedernales on November 24, 1992. At that time, the group made its first demands that the mill be reopened and run as a cooperative. On November 27, a crowd of 1000 demonstrators returned to Puruarán, raised the national flag at the mill, and determined to harvest and process the 180,000 tons of cane in the zone. Alvarez at this early date framed the risk taken by the movement in terms of social justice for the community: “I do not believe that the private group could put almost two thousand people in jail just for working and making a factory produce, which for them doesn’t even exist…” (Cárdenas 1992).

In 1993, the Comisión Coordinadora Para la Reapertura del Ingenio Puruarán materialized. The group was already considering the formation of a cooperative at this early date, as it continued to pressure the government and owner to reopen the mill. Alvarez and his followers met with SARH (Secretary of Agriculture, now SAGAR), Governor Ausencio Chávez, Santos’ representatives, and the Comité de la Agroindustria Azucarera in Morelia. Next, they sent a petition to President Salinas, asking him to turn the mill over to the workers. After demonstrations and initial petitions asking the Pedernales management and the state government to intervene on their behalf failed, community residents, at a historic meeting in Puruarán on May 2, 1993, decided to put the mill back in operation. Alvarez led the

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22 Data analyzed from the Padrón Cañero show that for 653 caneros, 326 owned .5 ha., 272 owned 1 ha., 25 owned 1.5 has., 24 owned 2 has., 3 owned 2.5 has., and 3 owned 3 has. The mean yield was 72.37 tons per ha. and the average canero delivered 61.60 tons of cane. There were 527 has. of cane in production that year (1999).

23 An irrigation project, begun in 1991, had a total cost of $3,639,387,790 old pesos. The government was to pay 50% of the costs and the mill and caneros would divide equally the remaining 50%. Caneros should have paid $909,846,940 (25%), but in fact were charged $1,500,000,000. A separate project, the construction of canals, began in 1993 in response to unemployment created by the mill closing. Its cost, $15 million new pesos, was paid by the government (internal mill document, Ingenios Santos S.A. de C.V., Sistema de Riego por Aspersión del Río Puruarán).

24 Alvarez was Comisariado Ejidal from 1986-89 and Secretario General of the Unión Local de Productores de Caña from 1989-92.
community in the illegal seizure of the factory. Without the aid of technicians, chemists, or administrators, workers volunteered their labor to repair the factory and on March 5, 1993 they began the illegal harvest. The "minizafra" as it is referred to in local jargon, lasted from March through May 1993, and resulted in the production of 36,000 tons of cane (almost one-fourth of the cane in the zone) and 3,300 tons of sugar. According to Gregorio Alvarez’s data, sugar sales totaled $3,500,000 new pesos and the sugar that remained in the warehouse at the end of the harvest had a value of $700,000 pesos (about $93,333 U.S.). Alvarez made partial payments to an estimated 500-700 cane growers in the amount of $1,400,000 paid workers’ wages of $140,000, and covered costs of fertilizers and field labor costs. At the same time, Ingenio Pedernales, with a production of 30,000 tons of sugar, was unable to pay cañeros upon termination of the harvest (Méndez 1993f). The minizafra thus inverted the state’s and mill owner’s objectives, utilizing the illegal seizure of the factory to subvert regional development schemes in the name of local social justice and autonomy.

Participants circumvented the question of illegality in this act through reference to the plaque, which in community eyes symbolizes the legal document that turned the mill over to Puruarán. Rumors suggest that such a written document exists, but no one has been able to locate it. The plaque, then, embodies the missing legal decree. Another dominant theme punctuates local discourse—the social benefit that the mill brings to the entire community. Almost invariably, when I asked their opinions on the reopening, people spoke of how it would help the youth in the town to have jobs and a future. Antonio, a mechanic in the boiler department for 47 years who helped to repair the mill and also worked during the minizafra, offered a typical response:

> I did not think just in Antonio. I was thinking about my community. That the government was going to leave it a pure ghost town, without employment, without this source of work. Because if you had seen how in the mill all the people were active, the extensive activity, and it made a lot of money flow. Then it ended and look how we are. Never was it like this when we had the mill. The owner came here to end it...he paid the government centavos and it let us fall (fieldnotes 1997).

Santos de Hoyos and the state government, considering the illegal operation of the mill an act of defiant insubordination, used the power of the judicial police to suppress the movement. An autonomous collective strategy in defiance of Santos’ project of regional consolidation was not to be tolerated. “Do you know what the owner did?” Juan asked me. "He sent 290 police, two assault helicopters, one group of firemen, and one group of anti-riot police in order to detain seven people." Judicial police entered the mill and houses in Puruarán, and without warrants for search and seizure, arrested seven of the leaders of the movement. Workers and cañeros had seized “power from below” in reopening the mill, yet they defined their movement as a struggle against injustice; as one of the detainees explained:

> We did not rob, we did not kill, we did not take anyone’s property away from them. The crime was to work. That was the crime. The crime was to work, that is why they jailed us. If we didn’t work, they would also jail us. If we robbed, they would jail us; if we killed, a little bit worse, if we did that, they would assassinate us (taped interview, 1997).

One of those arrested, Juan Reyes, had to be hospitalized; suffering high blood pressure and diabetes, he had not been provided food or water for the entire day. The judge sentenced six of the leaders and set bail at $1,000 new pesos. Three leaders were released on July 19, and the remaining four, on July 23, on $100 bond (Méndez 1993g). It is significant that a PRD (Partido Revolucionario Democrática)
lawyer defended the seven detainees. When asked about political parties and their relationship to the struggle, the majority of interviewees identified the PRD as having helped to defend their interests, for loaning them funds and resources, and for their support. Questions about the PRI simply called forth replies that the PRI had done nothing to help them or that it was the PRI that had privatized mills in the first place. Rodolfo, a cañero and loyal PRD-ista, expressed his wrath for the government’s role with a great deal of sarcasm: “Do you know what our glorious government did? Our glorious government sent pure uniformed police in 1993. They came to teach us vandalism. They stole 8000 meters of copper cable from us. They threw out manometers, there were marijuana growers inside the sugar mill, they stole motors, they shot holes through the roof. We belonged to the PRI—we belonged because they threatened us that they would take away our land if we didn’t vote for PRI.”

The day of the arrests, police and Santos personnel began to remove records and equipment from the mill. Police removed computers, credit documents, regulators, turbines, and other equipment (Méndez 1993h). Using the community’s alert system, the church bells tolled, a huge crowd gathered, and demanded that the police vacate the mill. Under pressure, a caravan of cars and trucks exited the premises. The “Azules” or civil police entered and guarded the mill from 1993-1996. They continued to dismantle the equipment to prevent the community from further operation and to remove selected parts for use at Santos’ Pedernales refinery. For several months following the arrests, 250 police inundated Puruarán.

Because the leaders of the social movement were still incarcerated, from this time forward, teachers from the region became active in leadership of the movement. They took part in demonstrations in Puruarán and Morelia and Raúl Morón Orozco, General Secretary of Section XVIII of the SNTE (teachers’ syndicate), accompanied the group to Mexico City in their unsuccessful bid to speak personally with President Zedillo. When the leaders were jailed, the movement shifted its activities to Morelia. On July 8, while some protested the jailings in Tacámbaro, and one group demonstrated at the Puruarán mill where the town was under heavy police surveillance, others forced open the doors and seized the Legislative Palace in Morelia, using the now well-known symbol of the plaque to demand the return of the mill to the people. On July 14, the occupation of the Palace ended with a signed agreement between the demonstrators and the government. At the end of July, the community again mobilized, blocking the highway to Morelia and demanding an audience with the governor, for the state government had not complied with the July 14 accord.

Carmen, one of the many women who joined the struggle recalled, “We suffered a lot, a lot. Puruarán has two histories—the history of Mexico and then again with the history of the struggle. Over [in Morelos] we were in tents on both sides of the street. There we cried, there we sang, there we enjoyed many things, there we held fiestas, everything—sadness, happiness. The struggle was beautiful and sad at the same time.” These women formed a tight-knit group that remained loyal to Gregorio Alvarez, both during the struggle and after new groups took over the social movement. Women remained at the forefront of the demonstrations. During mill repairs and the harvest, they stood watch at the entry of the mill and prepared meals for mill workers. Lourdes, another woman who invested much energy in the struggle described her participation: “We used to get up without even making our beds and we never earned even five pesos. I dedicated all the time possible. We slept in the street outside of the sugar mill. We went to Morelia and it rained and rained. Not even the rain, nor the wind, held back the movement. The people slept right in the street. I covered myself with my blanket and we slept” (fieldnotes 2000).

When the last of the leaders were released from jail on July 23, in other parts of the country relations between cañeros and mill owners were deteriorating. Cañeros seized the mills of Benito Juárez and Santa Rosalía in Tabasco, and San Sebastián, Michoacán, for lack of payment or low prices for cane. Workers at Ingenios Casasano and Emiliano Zapata were laid off with inadequate indemnization. A number of mills faced bankruptcy. By this time, both UGOC (Unión General de Obreros y Campesinos Popular) and the Pascual cooperative expressed an interest in purchasing the Puruarán
Gregorio Alvarez, who went into seclusion to escape arrest, reappeared after the leaders were released from jail. An influential leader from Puruarán shared a little known fact, that while Gregorio Alvarez led the struggle for the sugar mill, he likewise recognized the need to create alternate forms of employment and began to work through Empresas de Michoacán for the installation of a fertilizer bag factory that would employ 200 persons. The appearance of a rival faction diverted this effort back to a singular focus on reopening the mill.

**Factionalism Within Unity**

A central argument of the paper is that complex and contradictory processes are at work in this social movement, involving both unity and disunity. The community drew on its cultural history of sugar and cane production to create a culturally embedded ideology that justified the seizure of the Puruarán mill. In this action, the community demonstrated its unity of purpose. The seizure of the mill, however, coincided with political opening that had the effect of fractioning the struggle along partisan lines. As class and political differences threatened the former unity, a struggle for control of leadership of the social movement emerged. Local discourse thus reflects a complexly textured struggle intersected by forces for unity and disunity.

Class divisions between workers and cañeros—always present in Puruarán—disunite the community in specific ways. A unique feature in Puruarán is the Colonia Obrera, constructed in the 1980s, where the nicest homes in Puruarán are located. Subsidies to mill workers via INFONAVIT made possible the development of this attractive, modern section of town. Some cañeros expressed resentment at the greater relative advantage of mill workers. Rodolfo, a cañero who nonetheless worked in the mill to repair machinery during the 1993 harvest, remarked, “There has always been a struggle between cañeros and workers.” As we discussed these differences, his compadre elaborated, “The cañero pays the cane cutter, the truck driver, the field inspector, for the roads…. All the transgressions related to the sugar mill are at his [sic] cost.” Cañeros tend to view their contribution of the raw material for sugar production as primary: “Without the cañero, there would be no sugar.” At the same time, they often recognize that the combined labor of cañeros and mill workers is essential to the sugar industry, thus, ideology may be divisive, but in practical terms, a united effort is essential. It is also worth note that many mill workers are also cañeros and within any one household there may be a mix of workers and growers. As they engaged in the movement to reopen Ingenio Puruarán, both cañeros and workers united in a struggle that would benefit all within the community. Once reopened, cañeros experienced a relatively better outcome. They were paid for their cane, but many of the mill workers contributed their labor without pay.

Early on, even before the end of the minizafra, divisions became apparent within the movement. A public assembly on May 9, 1993 voted to depose Reyes Morales Vázquez, then comisariado ejidal. Cañeros blamed him for obligating growers to deliver their cane to Pedernales and for the sale of 10,000 cubic meters of wood belonging to the ejido to an individual in Tacámbaro. He was accused of personal profiteering from the sale (Méndez 1993a; Robles 1993a). Alvarez’s conflict with Reyes Morales encompassed a number of issues that, taken together, may be interpreted as a struggle for power within the social movement. On March 11, Alvarez had led a march of 400 people in Morelia to protest the suspension of medical benefits by IMSS; those who did not deliver to Pedernales had their benefits terminated. Cañeros had paid quotas through June 30. Alvarez also complained that Reyes Morales was distributing medical permits to his personal friends (Cuadras 1993a, 1993b). The contentious relationship between Gregorio Alvarez and Reyes Morales marked the apogee of factionalism within the social movement.

By August the focus of protest shifted to the national level and Mexico City. Following a march from the Monument to the Revolution to the Secretaría de Gobernación, the Secretaría de Hacienda, and SARH UGOCP offered $2,365 million toward the purchase of the Puruarán mill.

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29 UGOCP offered $2,365 million toward the purchase of the Puruarán mill.
cañeros met with government representatives in the first of three meetings with Santos de Hoyos on August 21. Silvino Nieto Almonte served as representative for the cañeros. Members of the Pascual cooperative and UGOCP were present at the meeting. The Puruarán commission proposed to purchase 49 percent ownership of the mill. Santos, who had paid $15,020 million for the two mills, offered to sell both Puruarán and Pedernales for $100,000 million pesos, arguing that global competition required fusioning into fewer, more efficient mills—and he could not compete with a cooperative at Puruarán (Robles 1993b). In what would become a recurrent theme, the negotiators again pleaded that the 1966 decree giving the factory to the community be honored. The second meeting took place two days later, when Santos provided proof that he had indeed purchased 100 percent of the mills. Santos then lowered his offer to $14,620,000, plus $8,200,000 for the amount that he had paid for credit to work the fields, and $2,822,000 for improvements he made to Ingenio Pedernales (Méndez 1993e). At the third meeting with Santos one week later, a date was set to finalize the sale at the negotiated price of $19,045,000, which was to be financed by FINASA.

Shortly thereafter, a new commission formed, revealing cracks in the seams of the former social unity. Cañeros voted in an assembly to replace Gregorio Alvarez with comisariado ejidal Reyes Morales as leader of the movement. While the original group held their meeting at the STIASRM office on September 19, the “new” commission, headed by Reyes Morales, Ignacio Castañera, and Alfonso Sosa, met at the casa ejidal. The latter cited Alvarez for dishonesty (Méndez 1993c). Fracturing of the movement that was to become characteristic as the struggle for the mill evolved revealed the underlying tensions of division within the larger forces for unity. Alliance with outside groups entered into the picture, for Alvarez's group worked with Pascual on acquiring the mill and the new commission allied with UGOCP. Some individuals accused government officials and CNC leaders of supporting Reyes Morales in order to create divisions: "Yes, but not the government, not anyone, can create a division there because all the ejidatarios and the cañeros, workers, and the community in general, in their minds hold the idea that they have to save this source of work. Nobody, whether Gregorio exists or he doesn't exist, whether they change leaders or they don't change them, the people are going to continue with this struggle and they aren't going to lose it, and neither is it going to be headed by UGOCP” (Méndez 1993a:2).

Significantly, it seems that the political divisions at Puruarán dampened Pascual’s interest in purchasing the mill. In a public assembly on September 26, Gregorio Alvarez announced that negotiations on purchase of the mill were stalled. He pointed out the excessive price demanded by Santos, in contrast to Santos’ original sale contract: "Here are the prices of the sugar mills; we did not invent them” (Méndez 1993b:20). Alvarez’s commission at this meeting accused the comisariados of Puruarán, Turicato, Cahulote, and Tavera of causing obstacles, pressuring cañeros to deliver to Pedernales, and acting in favor of the industrialists. When a number of people demanded that the comisariado of Puruarán be dismissed, Alvarez reminded them that that motion had already been decided on May 19. The degree of hostilities already present at the preceding meetings reappeared at this meeting with countercharges that Alvarez had profited from the collection of IMSS funds. In his own defense, he explained that deductions had been made to pay for agricultural inputs and labor in the cane fields (Méndez 1993b). At this point, the struggle for leadership of the social movement threatened to eradicate any former unity presupposed in local constructions of “community” and its collective defense.

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30 The commission was made up of Alfredo Alcaraz Nuñez, Gregorio Alvarez, Luciano Arias, Nicanor Echeverría, Raúl Guido, Ramiro Pérez Muñiz, Efraín Parra, and Luciano Villegas.
31 Alvarez explained that the discount of $27,000 was approved in an assembly in order to finance the 1993-94 cane crop. The total amounted to N$945,000, but cañeros received credit in the amount of N$1,840,000. A quota of $7 per ton was deducted for IMSS, but that institution refused to accept payment due to the extra-legal status of the mill (Méndez 1993a).
Nonetheless, in the midst of internal struggle between antagonistic factions, the common struggle to reappropriate the mill for the community continued. Members of Alvarez’s group met with Andrés Treviño Moreno of FINASA the following month to resume negotiations. Santos de Hoyos, however, did not attend the meeting. A parallel effort led by Reyes Morales, still calling himself “comisariado ejidal,” and whose companions were now referred to as the “followers of UGOCP,” met with Governor Aucencio Chávez. Eulalio Marín, who claimed to represent UGOCP and to have opened negotiations with Santos, pleaded with the governor to stop the escalating violence in Puruarán provoked by the “cacique” Gregorio Alvarez. They questioned the Governor’s acceptance of Alvarez as representative of cañeros, arguing that their group represented 80 percent of the cañeros and workers. The newspaper Cambio de Michoacán printed that the UGOCP group, unlike Alvarez, had the support of the governor (Avalos 1993).

By the end of October, Governor Chávez verbally assured cañeros and workers of Puruarán that the sale, with his approval, would materialize at any time. But with the harvest season approaching, impatient residents of the community initiated another series of demonstrations in Morelia. Antonio Soto Sánchez, PRD representative from Puruarán, contributed his support, arguing that the original sale contract violated Clause VIII, requiring the industrialist to maintain the factory as a source of employment and to modernize the mills. The general director of Ingenios Santos, Tomás Garza Guillén, issued a statement reverting back to the original price of $100 million new pesos. A demonstration ensued in front of the government palace in Morelia. That night, as two of the demonstrators returned to Puruarán, they were fired on, detained, and their vehicle confiscated. The battle continued on multiple levels—within the community, between the community and state government, and through meetings at SARH, Secretaría de Gobernación, Secretaría de Hacienda, FINASA, and President Zedillo’s office in Mexico City. The process of negotiation and struggle reveals itself to be much more complex than two opposing political and ideological interests. Within the social movement were divisive threats that traversed a common goal of reopening the Puruarán sugar mill. The industrialist both negotiated with and posed barriers to the community’s efforts to purchase the mill. The government position largely supported the industrialist, yet the state governor and agencies of the federal government engaged in the lengthy process of negotiation that would have placed the mill in the hands of the community. Ultimately, the governor’s promise to give a definitive answer to the contentious issue on December 8, 1993 failed to materialize. This period also ushered in challenges to Gregorio Alvarez’s leadership that would transform the social movement.

The Demise of Gregorio Alvarez

Disagreements concerning Gregorio Alvarez divided the community. Loyal followers continued to praise him for his leadership in carrying out the minizafra; others condemned him for confiscating funds they had entrusted to him in good faith. Rumors took various forms: that Alvarez personally profited from the cañeros’ social security funds; that he appropriated ejido resources for his own benefit, that he sold himself to the government and split the money with the state governor; that he had led the seizure of the mill to gain support for his own political ends—to become local PRD representative; and so on. Some local people said that he was involved with narco-traffickers, while others credited him with blowing the whistle on narco-traffickers. A cañero who helped repair the mill accused the women who supported Alvarez of personally benefiting from the struggle. He complained of one of the key women who prepared food for the mill workers: “She was the chief of the demonstration. Then it was pure business,

32 Clause VIII reads: “‘La compradora’ se obliga a administrar y a preservar las unidades industriales de las empresas cuyas acciones representativas de sus capitales sociales adquieren en este acto, así como a realizar los proyectos específicos de modernización y rehabilitación de las unidades industriales; y de diversificación, integración y desarrollo agrícola.” [The purchaser is obligated to administer and to preserve the industrial units of the factories whose representative shares of their social capital are acquired with this document, as well as to realize specific projects of modernization and rehabilitation of the industrial units; and the diversification, integration and agricultural development.] It is signed June 20, 1991 by General Director of FINASA Lic. Salvador Trueba Rodríguez and Alberto Santos de Hoyos.
she divided the money. It was no longer a struggle, but a business. I didn’t go there to eat, for the dirty business.”

Leopoldo Torres Botello was an early supporter of Gregorio Alvarez. Leopoldo, born in 1935, completed primary school, then worked in his father’s bakery in Puruarán from 1948 to 1960. In 1960 Enrique Mendoza, the field chief at the sugar mill, invited Leopoldo to work at the mill, where he began as basculero (weighing cane that entered the mill). From there, he entered the personnel office, and finally the social security office of the mill. When the mill manager Francisco Cárdenas transferred to Ingenio Independencia in Martínez de la Torre, Veracruz in 1980, he took with him many of his personnel. Leopoldo began work at Ingenio Independencia in the social benefits office. Veracruz, with 22 sugar mills, is known for the political activism of its cañeros and Leopoldo observed and learned from their organizational strategies. This knowledge he brought back to Puruarán in 1992 when he returned to join in the struggle for the mill. His brother reflected on Leopoldo’s eloquence with words and his ability to motivate people to act: “He was a struggling man, he believed in fighting for the satisfaction that the mill would run again.” He joined his old acquaintance, Gregorio Alvarez, and worked in the minizafra, eating only one meal a day for lack of resources. Leopoldo co-authored numerous letters to the public, to political functionaries, governmental offices, and so forth, imploring their intervention in reopening the sugar mill.

The police arrived at Leopoldo’s home at 4:30 in the morning of July 3, 1993. They broke the chains on the metal gate, entered the house, and armed with AR-15 rifles, arrested Leopoldo. He asked them to show their arrest warrant and received the reply: “Isn’t it enough to see our guns?” Charged at the Procuraduría in Morelia with “despojo” (plundering) in the seizure of the Puruarán sugar mill, he was then transferred to jail in Tacámbaro. The seven leaders were released after people from Puruarán held demonstrations in Morelia and Tacámbaro. Leopoldo was still fulfilling his parole obligations, signing in weekly, when he died on October 24, 1995. He had been ill prior to the jail sentence with diabetes and complications of the pancreas.

When he was most involved in the social movement, Leopoldo turned against Gregorio Alvarez, openly exposing him for what he believed was usurpation of funds. Among the many letters he authored, one stood out. Copies of the letter,33 dated March 27, 1995, stamped with the official seal of the Comisariado Ejidal of Puruarán,34 and co-authored with another leader, went to President Ernesto Zedillo Ponce de León, Governor Aucencio Chávez, General Secretary of UNPCA Manuel Pérez Bonilla, and General Secretary of the STIASRM Salvador Esquer Apodaca. This letter petitioned that the “pseudo leader” Gregorio Alvarez Vargas be made to pay his debts—“amounting to millions of pesos”—that he owed, for “taking advantage of the ignorance, the hunger and the needs of this town that was buried in the greatest misery and poverty in memory…” The letter explained how Alvarez had discounted cañeros $34,000 per ton in the minizafra. It also accused Alvarez of paying $70,000 per ton for cane when the price should have been $92,000; moreover, it continued, the workers who labored in the mill had received no compensation and were not receiving social security benefits for which they had paid quotas. The letter charged Alvarez with appropriating funds from the ejido as well. The political dimension in this letter also stood out, for the authors accused Alvarez of spending the community’s money in a political campaign for local representative of an “opposition party.” The letter concludes, “...it is better to die reclaiming what legitimately and by rights belongs to us, than to die of hunger under the cacique dictatorship of “Collas.”35 When Leopoldo made public Alvarez’s appropriation of funds and openly renounced him, the union leader and comisariado—both with more or less equal political power—parted ways.

Several points are of significance in Leopoldo Torres’ letter. First, the depth of animosity reflects the sharpness of the factionalism that divided the social movement. That movement encapsulated mult-

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33 Information is taken from a copy of the original letter provided by a family member.
34 Reyes Morales was the Comisariado Ejidal at the time.
35 “Collas” was the nickname by which Gregorio Alvarez was known.
stranded elements of moral indignation, fervent concern for social justice, an appeal for the collective
good, rejection of caciquismo (bossism), and appeal to those in vertical relations of power relative to the
community to intervene on their behalf. The political nature of the power struggle between local groups
cannot be overlooked. Reyes Morales still served as comisariado when he was assassinated. People
in Puruarán tended to clam up when asked about public walls painted with the words “Collas y Pedro
Reyes mandaron a matar R. Morales” [Collas and Pedro Reyes ordered the killing of R. Morales].
Following Gregorio Alvarez’s prolonged career as leader of the social movement, he became candidate
for local representative on the PRD ticket in 1995. On October 23, 1994, a group of 12 men made a
first assassination attempt on the leader. In 1996, shortly before his own death, a second attempt on
the life of Alvarez resulted in the death of his brother, who was mistaken for Gregorio by the would-be
assassins. His life now in danger, in early 1996, Gregorio Alvarez left Puruarán, purportedly taking with
him funds that cañeros had paid for the social security fund. Shortly after, on September 6, 1996,
Gregorio Alvarez was, in fact, felled by five bullets. A few days later, his uncle, Guadalupe Pérez was
killed. In a three-year period, 15 people were killed in violence related to the sugar mill.

The Mediation of the Priest

Local power struggles and fear-instilling violence clarified the need for a mediating influence in Puruarán.
Sr. Jesús Díaz Barriga Quiroz, the parish priest, arrived in 1994, two years after the mill closed. The
social movement lacked effective leadership, yet the common desire to reopen the mill remained. At a
public meeting on May 13, 1995—at the request of the majority—the priest agreed to become the moral
leader of the social movement. He recalled, “Since the beginning I said [to the Comité Pro-Apertura]
let's fight, not by violent means, but by legal means, in a civilized manner” (taped interview 1997). The
choice of the priest served as a mediating effect following a period of the sharpest divisions within the
movement. The parish priest explained the seeming incongruence of a religious cleric as leader of a
social movement that stood in opposition to the state government and the private industrialist:

First, you have to fill the stomachs of the people, before talking to them about God. If they
have hunger, how am I going to speak of this? Jesus Christ came to bring us health, life, but
a well being integrated with the person, because the person is both body and spirit. And we
can't go only to the spirit, the body will waste away, and in the end, what we see is the body.
Then, I am sensitive to the needs of the people, if I can help them to procure employment, I
will help them.... It gives me pleasure to be able to open doors.... This is not so I can gain
glory, but for the satisfaction that I have in being able to open doors (taped interview, 1997).

One of the doors he opened involved a meeting with Santos de Hoyos in 1995, but Santos showed no
interest in reopening the mill, “because there is no profit.” In the meantime, unemployment and
poverty remained unabated. Embitterment enveloped some who were forced to continue delivering
their cane to Ingenio Pedernales. The comisariado, Rafael Cruz Villaseñor, in a 1997 interview
lamented, “We have not found a response. We went to the governor, to the government, and they did
not respond. So many people depended on the sugar mill. The people became desperate, there was
nothing to do.” He detailed the changes since the mill closed: costs at Pedernales increased
dramatically, but it no longer gave credit for production costs, fewer available trucks meant that the

36 When Gregorio carried out the minizafra, an agreement was reached to discount cañeros to create a fund for social
security. But IMSS would not accept them for lack of legal ownership of the mill. Gregorio returned 65% of the money to
cañeros, but the other 35% was not seen again.
37 Some 500-600 people attended this meeting. Officials elected to the Comité included: President, Dr. Gabriel Ruíz;
Secretary, Jorge Sáenz; Treasurer, Ramiro Piña. Others comprising the Comité were: Hector Chávez, Eric Alcaraz,
Antonio Bermúdez, Eusebio Durán, and Manuel Guido. The priest chose Gabriel Ruíz as president because he was
neither cañero nor mill worker (his father Pedro Ruíz was a cañero); as community dentist, the priest believed he would be
more neutral to all sides.
harvest proceeded more slowly, 40 percent of the land was not being cultivated, and bad fertilizers caused the harvest to fail. Many cañeros found themselves in debt to Ingenio Pedernales (fieldnotes 1997). Acknowledging the deepening poverty, the hunger, and associated social dislocations, the priest agreed to work for reopening of the community’s sugar mill through legal means. Nonetheless, on May 3, 1995, members of the newly formed Comité de Lucha Pro-Apertura del Ingenio Puruarán determined that they would once again seize the mill. Sr. DíazBarriga looked the other way. He reflected on the event:

The people were exasperated, because there had not been a positive response from anywhere. Then they decided to take the mill over and repair it without pay. They tolled the church bells, the police were given orders to vacate peacefully within 15 minutes, and they left, with their ‘R-15 automatic rifles, without violence. But all the people of the town united, they entered through the window. They told me they were going to do it but I told them, ‘I’m going to back out. I cannot stop or prohibit you, but neither will I be responsible.’ They did it, then the government handed it over in custody of the town, through the Comité Pro-Apertura. That is when I returned and entered. I was suspended for three days from my duties, you could say! (taped interview, 1997).

Thus, on a Sunday afternoon, June 30, 1996, men and women, children and elders, entered the mill. Working with the government, an agreement was reached to allow a group of 30 individuals to guard the mill against further pillage. Through the priest’s mediation, members of the Comité Pro-Apertura launched a legal campaign to negotiate with the government and the mill owner for reopening the mill. The Comité proposed several alternatives, all of which Santos rejected: 1) that he sell the mill to the community; 2) that he rent the factory to the community; 3) that he remain owner and let the community operate the mill; 4) that he reopen the mill and operate it himself. Santos’ reply, when asked to respond to the social needs of the area remained firm: “The social aspect, the development, to remove so many people of the region from the poverty, that is not my responsibility. As a businessman it as to be a business that brings me profits.”

In fact, the possibility of reopening the mill seemed rather slim. The group of ex-workers that tended to congregate around the mill, even when not on guard duty, guided me through a tour of the factory in 1997. They pointed out all the equipment that had been destroyed by the police guards and Santos’ workers. Major cables necessary for electrical supply were cut. The regulators that make operation of the factory possible were missing. Key pieces of equipment that made the machinery function were destroyed. Truly, the factory gave the appearance that it would never again be possible to fabricate sugar from the sugar cane in the surrounding fields. Moreover, there was no money to make repairs and credit was unavailable due to the “illegal” status of the mill.

The state government of Michoacán was unwilling to aid the cañeros and workers in their struggle to reopen the Puruarán mill. Instead, the government initiated a series of microindustries to provide alternative forms of employment. CIDEM (Centro De Investigación del Estado de Michoacán) presented a broader strategy of fomenting alternative forms of employment in May, 1997. The state government created a trust fund of $2 million pesos to study potential projects. The plan was to create several rural production societies for cattle breeding, a gas station, a factory to produce fertilizer bags, a trapiche, and a maquiladora to manufacture clothing. CIDEM rationalized these alternative forms of employment based on several factors: importation of HFCS, a drop in the price of sugar, the fusion of sugar mills into fewer zones, worker layoffs, and mill closures—all of these made continued sugar production a less rational strategy.

Journalists and TV Azteca captured a very tense meeting in Puruarán on June 2, 1997. The Comité Pro-Apertura presented its alternative projects and Juan Benito Coquet, CIDEM representative, presented the Regional Development Plan. A small group in attendance disagreed. The priest responded to them, “If you want to lead the movement, we will give you room.” It was after this meeting that this small group,
aligned with the PRD, entered the movement. While the Comité Proapertura continued their work on the CIDEM projects, a new faction was emerging.

It is particularly important to note that broad criticism directed toward the Comité Pro-Apertura for abandoning the sugar mill in order to focus on alternative employment projects merely extended the earlier effort of Gregorio Alvarez in his initiative to open the bag company. As explained by Sr. DiazBarriga in a September 1997 assembly, “We can not sacrifice the people who need work to sustain their families, when we continue to run up against a wall with the attempt to reopen [the sugar mill] and we have the opportunity to resolve their problem without abandoning the initial ideal”. In a 1997 interview, the priest explained, “The government has always sent people to propose empresas, but at first the Comité Pro-Apertura did not accept them because the people did not want anything else. And we had to be loyal to the people who elected us for this purpose. But now, seeing that [reopening the mill] is not totally impossible, but almost impossible, given the globalization of the economy, now that with the high fructose, the sugar is failing, we have to accept it and accept other businesses to give other types of work.”

In 1997, to pave the way for the new microindustries, courses were taught to groups of about 20 men—all ex-mill workers (no women were observed). The main theme consisted of how to organize collectively. Group leaders worked with workers to address organizational and management problems such as lack of unity and how to achieve unity within a non-hierarchical organization. The objective was to train these individuals to be “socios” in cooperative microenterprises. Those who participated received certificates from CIDEM. Locals frequently complained, though, that these proposed projects would employ few people, in contrast to the economic spill-over effects of the sugar mill. Some people did in fact form cooperative societies and paid quotas, but lost their money when the projects were never brought to fruition. Even certain leaders in the Comité Proapertura admitted that the government never intended to install the projects, rather, they were a means to divert the community’s attention away from the struggle for the sugar mill.

Finally, in 1998, the first project was initiated. The maquiladora did receive its sewing machines and women entered into employment. I visited with these women in February 2000. The group began with 34 cooperative members, each of whom paid $500 pesos to join. Only 17 remained two years later. The women sat at new Brother sewing machines with high-powered motors, making contracted clothing. One woman was making a shirt that would take her eight hours to complete; for the shirt she would earn $4. The women joked that all they earned was enough for soft drinks.

As early as 1997, murmurrings that the Comité de Lucha Pro-Apertura del Ingenio Puruarán was no longer interested in reopening the sugar mill and that they had been “sold” to the government were afloat. Commentaries on the September meeting and activities of the Comité tended to focus solely on the presumed rejection of reopening the sugar mill. Observations of the regular Comité meetings in 1997 and 1998 provided evidence that the topics for discussion revolved principally around the CIDEM

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38 In a letter to State Representative Carmen Escobedo in October, 1997, a key leader in the Comité stated: “Como recordarás entregamos copia del expediente que orienta a buscar el camino legal adecuado, que podría ser la demanda civil de rescisión del contrato de compra-venta o la decisión gubernamental del proceso de expropiación [del ingenio] por causa de utilidad pública; pero también explicamos el tiempo de lucha y de gestión así como las barreras encontradas y la desesperación de la población ante el problema de subsistencia. Por estas causas dijimos que convenimos pasar a decisión de la asamblea una propuesta gubernamental sobre otras alternativas productivas que resolverían el problema del empleo, que esa asamblea acordó aceptar pero sin recibir ninguna condición de dejar la lucha por la reapertura del Ingenio. La asamblea soberana dispuso que su Comité continuará encabezando ambas gestiones.” (Bermúdez, n.d., emphasis added).

39 The cattle project was to include production of animal feed and would have employed 30 individuals; the gas station would have employed few people but the nearest gas station is in Tacámbaro, 30 km. away; the maquiladora targeted 60 women for employment; and 80 were to have been employed by a trapiche, yet local people asked why a trapiche should be constructed when they already had the sugar mill.
projects. Comité Pro-Apertura members, however, expressed annoyance at the delays on the part of the government to bring any of the projects to fruition and their determination to put more pressure on CIDEM to comply. Individuals serving on the Comité became the object of criticism. One of the Comité Pro-Apertura leaders became overseer for the canal project that not only benefited Santos’ Pedernales mill, but also provided one of the few sources of temporary employment in the zone. By this time, many migrants to the U.S. were sending money back to Puruarán to support reopening of the mill. Locals began to suspect the Comité, asking what had become of these funds.

Yet another transition in relations within the social movement surfaced in 1998. Locally, those affiliated with the Comité Pro-Apertura were known as “PRI-istas,” and their opponents referred to as “PRD-istas.” Nonetheless, one of the key leaders in the priest’s Comité was loyal to the PRD. According to the latter, the official Comité sought and obtained financial and political support from both the PRI and the PRD. In part, further divisions within the social movement derive from political opening throughout Mexico. As the PRD strengthened its hold in Michoacán, partisan politics sharpened. Some grants of money were given to the Comité, especially by the PRD (for example, to purchase tanks of petroleum for the mill, and so forth). These political funds paid off, for the support of the PRD for the mill swayed many in Puruarán to abandon PRI for the PRD. A former member of the cooperative committee (discussed below) remarked after switching to the PRD in 1996, “My heart is with the official party, but while the PRD supports the sugar mill, I am going to support the PRD. The official party shut us out and the PRD helped us. Here, everyone is voting for the PRD.” Seeing that the priest told them in the public assembly that it was no longer possible to reopen the mill, many PRI-istas became PRD-istas.

In that year, leaders of the Comité Pro-Apertura ran for municipal and local government offices. Principle among these was the president of the Comité who ran for Presidente Municipal on the PRI ticket and won the election. In 2000, the new Presidente Municipal and former president of the Comité Pro-Apertura worked out of the newly remodeled Presidencia Municipal in Turicato. Each office was now equipped with new furniture, desks, filing cabinets, computers, and each had its own air conditioner. Dissidents in Puruarán complained of how these members of the Comité used the “struggle” to gain political offices, while supporters laud the benefits they have brought to Puruarán in the way of infrastructural improvements.40

In another respect, like the period during Gregorio Alvarez’s participation in the struggle, battle lines were drawn on the basis of leadership of the social movement. A member of the priest’s Comité reflected, “The community was so divided that there were divisions in the same family—even within families, brothers against brothers.” He elaborated that the Alvarez-Reyes factions had been more or less equal in strength, but now, the new faction, which had traveled to Mexico City in September, 1997 to request Cuauhtémoc Cárdenas’ help in reopening the mill, had much more support than the priest’s Comité: “We are unequal. Time is going to tell who is right. While they are shouting, we will not answer.” Division and unity thus became entangled themes in local consciousness. Antonio’s commentary expressed the profundity of this incongruency:

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

40 The Síndico explained the various projects in Puruarán, which amounted to $4,000,000 in improvements in 1999 (one-fourth the amount spent in the entire municipio).
Emergence of the Cooperative, Forging Alternatives

The first attempt to form a cooperative sugar mill in Puruarán came in 1998. As members of the “official” Comité de Lucha Pro-Apertura del Ingenio Puruarán guarded the mill, an opposing group coalesced around SG, a former accountant in the mill. In September, 1997, SG, along with a small group, forced the Comité’s guards out of the mill and entered, determined to put it back in operation. The group, referred to at this time as the Consejo Coordinador Para el Desarrollo de Puruarán, early on received the support of the Presidente Municipal. The latter publicly rejected the accusation that they opposed the priest’s Comité: "Well, it is simply that we picked up the flag that the priest Jesús Díazbarriga threw down" (Cruz 1997:2). Even so, the Presidente Municipal became a vocal critic of, and antagonistic toward, the Comité. That SG was working for Ingenio Pedernales at the height of the struggle—when Gregorio Alvarez was leader—is a factor that some in the movement criticized. A member of the “official” Comité commented, “In the most important moment of the struggle, they were against us.” The Comité offered, if they wished, to divide the struggle, with SG’s group repairing the mill and the priest’s group seeking alternative forms of employment. This opposing faction always viewed the division as being sharper than did the Comité, as illustrated by the President of the Comité: “There are differences of opinion but that does not mean that there is division among the people.”

The influence of the PRD in the SG faction crystallized with the involvement of key PRD representatives in promoting the organization of the cooperative. In 1998, Gonzalo de la Cruz Elvira, federal representative of the PRD, secretary of the Comisión de Fomento Cooperativo of the Cámara de Diputados and native of Zacapu, Michoacán, along with federal PRD representative Mariano Sánchez Farias, began working with SG and his group. On May 5, 1998, in a special assembly, they formed the Sociedad Cooperativa Lázaro Cárdenas del Río (Vázquez 1998). Gonzálo de la Cruz emphasized the significance of the cooperative:

…it is the development alternative for the poor, for those without capital goods but who possess the force of their skilled work, well it is the legal form that avoids excessive payment of taxes, guarantees earnings and is a heritable patrimony…the spirit of a cooperative is in the union for production and it does not allow for faults that propitiate internal lack of confidence; only this way is it possible to win the unequal struggle against the federal government that has shown itself to be friend of the masters and enemies of the people (Vázquez 1998:17).

After six years of struggle, SG proved to be the one individual who was able to reopen the sugar mill, resume operations, and forge the cooperative sugar mill.

The President of the Cooperative

SG’s father was both a mill worker and cañero; he had worked in the mill since age 13. SG emphasizes that he was from a humble, campesino family. His father wanted him to follow in his footsteps, but SG wanted to study. He was able to complete his studies because his father acquired a scholarship for him through the workers’ syndicate. He completed his obligatory social service in the sugar mill and the manager at the time, Crisófer Monter León hired him; he remained 16 years. SG saw a series of strong and inept managers come and go. The last manager he worked with was Ing. Raúl Cárdenas. Of his administration, SG remarked, “But like any manager of public administration, really these are positions

41 Henceforth, I will use the initials SG to refer to the leader who became president of the cooperative.
42 The Presidente Municipal in a public assembly asserted: “…the Comité that the priest headed formed to support the campaign of Valentín Rodríguez and of Tinoco… I would never give support to that group as long as the priest and L.B. are there because the latter wants to be PRI representative in a District of Morelia and to use you…I invite you to not let yourselves be deceived by this Comité” (Bermúdez n.d., personal letter, October 1997).
43 The following section is based on a taped interview conducted on August 23, 1998.
[in which] they have little interest in good production. Being a parastatal industry, it is difficult because its objective is not economic; it is social—to support the governor, to support presidents, because it has the objective of a parastatal. The 1986-87 harvest reached a record of 20,000 tons of sugar; from there, it dropped dramatically and began to operate in the red.” From these comments it is apparent that SG has years of experience in observing mill management and formulating ideas about how the mill should be run.

When Ingenio Puruarán—where SG worked as an accountant—closed, the management transferred him to Ingenio Pedernales. There, he fell into arrears with the manager. SG returned to Puruarán at that time and opened a public accounting office in the community.

I asked SG about the importance of Ingenio Puruarán to the community. He emphasized local cultural understandings of the social benefit the mill provided to the people:

It was able to give employment in this region. The well being of the families depended directly on this source of work. Up to 2,200 cañeros and 300 factory workers were able to contract with the mill, 35 seasonal workers, 76 office employees. The truth is, it was a huge source of work. For that, the people had money, there was cash flow, there was economic development in this sense, right? Well, it was a parastatal enterprise. If before the government was willing to work the mill with red numbers, well, all this was a collective benefit. There was a lot of income for people, they didn't suffer hunger and misery. It was a pueblo that had a huge development.

Next he shared his thoughts on the privatization of Ingenio Puruarán, again expressing community ownership of the mill—Puruarán’s symbolic patrimony, which stands in contradiction to the understandings of the industrialist and the government:

Well, I see the sale as a great fraud because the mill wasn’t even property of the federal government. It has always been considered as the patrimony of the pueblo. Then at that moment the mill was ripped from the hands of the pueblo. Because in 1965, General Lázaro Cárdenas, in plain view that the mill was abandoned and that there were no resources for the campo, decided to hand it over to the cañeros, to the ejidatarios for them to rehabilitate with credit that the bank was going to give. At that time, the mill now was property of the ejidatarios, of the general pueblo. Then, one can’t explain for what reason it came to be property of the federal government. What we can say about the famous sale contract, is that all the parts are violated. In the VIII clause it obligates the purchaser to preserve the industrial unit. We believe that it was a gift of then-President Carlos Salinas de Gortari to this senator. Santos de Hoyos was one of the businessmen that collaborated and economically cooperated in the campaign in 1988 in which Carlos Salinas de Gortari was elected president and [that was] full of fraud. He passed a platter to collect funds in the amount of $25 million dollars for the campaign. And one of those who gave money was Santos de Hoyos. After that he was given the mills in 1991.

SG’s understanding of events subsequent to the purchase of the Pedernales and Puruarán mills coincides with that of many others that were interviewed:

His plan was to come to this place and take away bags of money, not to employ the people. With his famous ‘Proyecto Michoacán,’ he closed the Puruarán mill. From there the struggle was born, to sustain this source of work. Unfortunately, the mill closure provoked divisionism. Many conflicts arose, divisionism among cane leaders.

SG’s thoughts on the early stages of the struggle are significant for it is he who eventually took up the mantle of Gregorio Alvarez. At the same time, it was the enemies of Alvarez who integrated themselves into SG’s faction.
Well, then you could see the misery and the poverty among the people. It was a very important initiative because the people participated. There was no division yet, because there was a necessity. The power groups had not arisen. We say that [the minizafra] wasn't illegal because there was nothing that was harmed--it was not a violent takeover or anything. We believe that really it was done with the approval of the government of Michoacán. After they jailed the people, the people united. You could see the force, you could see there was really interest in the pueblo to rescue the mill. All this was in 1994, 1995. For that reason, I entered in the movement, at that time, because I believed it was in good faith. But unfortunately, the movement became derailed.

Gregorio Alvarez deceived the people and began to rise up politically. He was lying to the people, making deals. There were elections in 1995 for representatives and he wanted to become local representative of the PRD party because the PRD at that time was supporting the opening of the mill. We are sure that he got concessions for taxis; the position of local representative, also, supposedly, he was going to win. Really, the path for reopening the mill was lost because each time it was negotiated, the people were lied to and the people became disillusioned. And thus passed the year 1995. And in 1996 is when we appeared as a group.

In speaking of the 1996 mill takeover, although he was not a member of the Comité Pro-Apertura, SG places himself at the center, and possibly over-emphasizes the opposition of the priest's Comité to the 1996 mill seizure:

It came to light that the police were destroying the mill. We had to conscientize, it took a lot of time to convince the people that we had the obligation and the right to take over the mill because they were dismantling it. From there, we had an assembly and the priest and his group were totally opposed to the mill takeover because they never supported illegal acts of a violent nature that were against the government. Well we were insisting on a takeover. We worked with the bases and then on June 30 we decided to take over the mill. We tolled the bells, there were about 500 people taking the mill, jumping over the gates.

At this point in his account of the social movement, SG revealed his attitude—and that of many others in Puruarán toward the priest’s Comité:

This is when the group of the priest emerged with more force and they worked so the mill could be opened, but always by legal means, always by peaceful means. They were negotiating for over a year so the mill could reopen. Then there was another very large deception—the time passed, the days passed, months, and nothing. They didn't achieve anything with the government. Well, really, the people felt cheated and demanded an assembly. How can they be negotiating for the mill and it doesn't open? And really, there were lies. The 30th of June 1997, they publicly renounced in an assembly the struggle for the reopening of the mill. For that reason the people became disillusioned again. And that is when we split.

SG spoke of new political winds that seemed to influence his own group into taking action, an action that brought about a transformational change, from unemployment and subjugation to the Pedernales mill, to an alternative development strategy based on cooperativism:

I never belonged to PRI. I haven't participated in any political party. I am sympathetic to the PRD, for its program, for its change of government, because I believe it is with the poor. I believe that it is the government program that we all want, to improve, and for a better distribution of income. I am with its struggle for change because, really, what better way than through a democratic process? --through a political change, and a change without violence.
On September 5, 1997, we went to Mexico City to talk with the national leaders of the PRD, to request their political support for the people to be able to struggle again for the sugar mill. September 13, we returned and held an assembly and the Consejo Coordinador Para el Desarrollo de Puruarán was named that initiated again the struggle for the mill, to open the mill and work it. This is actually the birth as a group, to represent the new struggle, so the mill would work, because we had already taken [the mill] over. But the objective was that it work, not that it be guarded forever, because we had no objective in guarding it if we were not going to work it.

In November we held an assembly in which, now with the support of the party—that now after the elections were in power, in the federal district and also in 14 federal representatives here in Michoacán—we felt fortified. And we reached an agreement in the assembly of cañeros to begin the repairs to the mill, the purchase of the regulators, the electrical cable, it was necessary to sell the product that remained from the 1993 harvest.

What is important in the preceding paragraphs is first, SG’s construction of an account that renders it congruent with the collective good of the community. Through the sale of the community’s source of employment upon which thousands of families depended for their survival, the government supported the industrialist and neither comprehended the historical right to the mill conferred upon the community under a more populist political regime. Second, those who came before had abused the common good through personal enrichment, political goals, or diversion of the primary goal of reopening the sugar mill. All of these efforts constituted an abuse to those who remained loyal to that objective. Factionalism disrupted the initial unity of the community’s inhabitants. Third, SG’s new faction received significant reinforcement from the PRD with the growing oppositional politics in the nation and the state of Michoacán. Finally, SG justifies the sale of the sugar produced in the 1993 minizafra, emphasizing, in particular, that it was approved in the public assembly so that the mill could once again provide employment to the community. SG’s leadership, beginning in 1998, brought to the surface a number of crucial issues: the legality of the community’s operation of the mill; the new group’s capacity to successfully manage the harvest of cane and processing of sugar; whether the group could sustain financial viability; the ramifications of continued factionalism and patronazgo; and the potential of an agroindustrial cooperative as an alternative socioeconomic strategy.

The 1998 Harvest—A Test of Faith

On April 23, 1998, SG and his group began to process sugar cane that was delivered by 103 cañeros that year. Some 120 workers contributed their labor to repair the mill, working for very minimal wages. Without resources to pay for repairs and operate the factory, SG sold the remaining sugar from the 1993 minizafra to purchase electrical cable and cover costs of repair. Ex-mill workers and others from the community who volunteered their labor produced the sugar, filled left-over “Ingenios Santos” sugar bags, blackening out the Santos name and writing on the bags, “Zafra de Justicia y Libertad” (Harvest of Justice and Liberty). During the 1998 field investigation, workers scavenged old machinery and equipment that could be sold for cash. An engineer from Veracruz loaned three regulators (worth $25,000 dollars each) to replace those removed by Santos and assisted with the repairs. Many workers dedicated themselves to the goal of reopening the mill for the community good, while others in Puruarán came to oppose the new group and their “illegal” methods.

Many mechanical problems plagued the 1998 harvest. The mill had not been operated for five years and even with the sale of sugar and old parts, there were insufficient funds for repairs, thus mechanical failures frustrated the processing. The results of the 1998 harvest were poor. Cañeros delivered 5000

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44 The questionable legal status of the mill made it ineligible for credit from either government or private banks.
45 The mill had six regulators. The engineer brought three regulators and three more remained in the warehouse. After the 1998 harvest, his own three regulators were stored in the house of a local cañero for security. When payment was made for their use in the following season, he returned them to the mill.
tons of cane, but workers were able to produce only 20 tons of sugar during this unusually short milling season. SG justified these poor results with the argument that the 1998 season was merely a test, arguing that the mill was now ready for full operation the following year. Very divergent accounts of these meager results surfaced, one contradicting the other. The engineer from Veracruz provided a detailed account of “sabotage” by SG’s enemies, naming those who he claimed were responsible.

J.M., he claimed, left a valve open and 3000 liters of sugar cane juice ran into the river. On another occasion, someone inserted an interrupter in the switch to cable #8 that operates the pumps that bring water to the factory. This caused a short and started a fire, causing damage to the centrifuges, petroleum, and cane juice. The person who did this was an electrician, he claimed. Another individual purposely threw screws and metal scrapings into the 4th molino (where juice is extracted from the cane), causing damage to the mazas (which squeeze out the juice). Yet another error occurred when 3500 tons of cane were processed in vain, without making sugar, because the raw juice passed to the clarifier and pre-evaporator without boiling. More sugar was lost when 1530 tons burned in two templas (where thickened juice is boiled), causing a loss of 600 bags of sugar. After $300,000 worth of sugar was lost when it burned in the #3 tank (where the thickened juice is brought to the point of crystallization), they discovered that someone (“manos negros”) had loosened all of the regulators from their bearings.

Some men working in the mill agreed that there had been sabotage; others denied it. S.R. retorted, “How could we sabotage the mill? My heart is in that mill. My father worked here and died in this mill!” R.M., who concurs with the sabotage account, exclaimed, “He is the damned bastard who threw out the 3000 liters of juice! He should know better because he has 15 years of experience.” He believed, however, that the Superintendent of the factory, who was not present at the time, was still responsible. R.G. claimed to be working in the mill at the time of the fire, along with another respected mill employee. According to his account, no sabotage occurred, but rather, there were errors by those who don’t know the factory well. Inexperience did prove problematical and caused a number of errors during the season. Some people believed that the cooperative administrators fabricated the story of sabotage to cover up their poor management of the mill. I asked Miguel why some people reported sabotage and others denied it: “Some say that they saw the virgin and others say they saw San José.” With little trust between those with opposing ideas, accusations fed paranoia, creating a very uncooperative environment.

Fractioning of the social movement peaked at this time, dividing the town with suspicions and mistrust. The results of the 1998 harvest were indeed meager. Cañeros (N=103), delivered a total of 5029 tons of cane to Ingenio Puruarán, averaging 49 tons each, although there was a wide range from individual to individual. In terms of costs, the advantages of delivering cane to Puruarán rather than Pedernales were tremendous. At Pedernales, the value of cane is reduced by charges for machinery, labor, fertilizers, herbicides, harvest costs, transport of cane, penalties for poor quality cane, collective costs for roads and similar works, local union fees, national union fees, and high interest rates. The liquidation data for 1997-98 from archives at Ingenio Pedernales reveal relevant data for comparing the relative benefits of the two mills. In that year, 1466 cañeros from Puruarán delivered cane to Pedernales. Of these, 934 earned profits, with a mean of $6323.38 per cañero ($74.80 per ton). For these cañeros, the costs of production amounted to 69 percent of the value of their cane. The total value of the cane they delivered was $19,179,073, while their profits, after costs, were $5,906,032.46 Thirty-six percent (532) of the 934 cañeros from Puruarán were left in debt to Ingenio Pedernales at the end of the year. The total debt, after deducting credit for cane, amounted to $3,173,072.57, with a mean of $5964 per cañero.

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46 In 1997-98, Ingenio Pedernales received 392,779 tons of cane, derived from 4,126 hectares. The global value of this cane was $95,347,075. Across the zone, after deducting costs of $67,381,056, cañeros who delivered to Pedernales realized clear profits of $27,966,018. For the Pedernales mill as a whole, the total debt among cañeros was $9,394,009.
In contrast, cañeros who delivered to Puruarán paid, on average, $11.10 per ton for cutting, $9.95 for lifting cane onto carts or trucks, and $103 per ton for delivery to the mill. They contributed a mean of $1.66 per ton for general costs. Each grower had the option to purchase sugar at $220 per 50-kilogram bag. The management made loans to 56 cañeros (ranging from $220 to $10,000), but cañeros paid no interest. Some cañeros purchased fertilizer and herbicides on credit through the mill and others did not. Hence, they avoided the multitude of charges deducted from the payment of cañeros who delivered to Pedernales. Many people expressed satisfaction with being relieved of paying union dues, since they saw no benefits of union membership and preferred autonomy for these union organizations. In sum, the mill financed $528,158.84 in costs for production to cañeros. They were disadvantaged in the price paid for cane, $210 per ton at Puruarán, versus $242 per ton at Pedernales. Since they lacked credit to purchase fertilizers and inputs, SG worked out an arrangement with an agricultural chemicals store, for cañeros to purchase fertilizers and chemicals on credit, after which the cost was deducted from their pay.

Mill workers mostly volunteered their labor to repair the mill. During the harvest wages were so low that a number of them began to work two shifts (16 hours) in order to make ends meet. The majority of the workers who repaired the mill and operated it complained that they had contributed their labor without pay. SG also lacked funds to pay cañeros until August 1. Whether for cañeros or workers, it required a matter of faith to risk delivery of cane to Puruarán and contribute their labor, in hopes that better years would follow.

The Sociedad Cooperativa Trabajadores del Ingenio Puruarán

As seen above, the formation of the Sociedad Cooperativa Lázaro Cárdenas del Río brought in outside support from the PRD, including Mariano Sánchez, Gonzalo de la Cruz, and Manuel López Obrador (national leader of the PRD). The cooperative, however, never functioned. Again contestations over power and position split the members. SG elaborated on the disaccord that ensued from these political aspirations:

We fell into disaccord again because the people integrated into the Coordinating Council wanted to use it as a political platform. There were power groups that wanted representation and they didn't see that the struggle was for everyone. They were people who didn't participate in the struggle or work in the mill; they only wanted the representation. Their end was to have the title of President of the Council. Within the Council, seeking title, was the Presidente Municipal of Turicato. He wanted to do it for the political power. And the other boy was from Morelia. The people here didn't know him. We want friends and companions, but his aim was political. He treated it as a political platform to launch himself—he wanted to be local representative [of the PRD]. But since the people saw that they weren't working and struggling with them, well, they didn't vote for them. They renounced in an assembly. For that reason the Sociedad Cooperativa Lázaro Cárdenas del Río has not functioned (taped interview, SG, 1998).

At a meeting on November 15, 1998 in the Casa Ejidal of Puruarán, an assembly approved constitution of the cooperative that SG came to lead. The Sociedad Cooperativa Trabajadores del Ingenio Puruarán S.C. de R.L. came into being under articles 3 and 4 of the General Law of Cooperative Societies on December 11, 1998. The fifth clause of the act constituting the cooperative defines the rights of members: to participate in decisions of the general assembly, to elect officers, to receive profits in proportion to the work done, and to be informed of the financial status of the cooperative, among others. Each member paid a quota of $2500 to join.\(^{47}\) The supreme authority, according to the law, is the general assembly. The law also requires of the administration to submit

\(^{47}\) Cañeros were to make an initial payment of $500 and pay the remainder in installments. Mill workers had quotas deducted from their paychecks.
the budget and balance of accounts to members at the general meetings, at least once per year. All of these mandates became significant as the Puruarán cooperative managed subsequent harvests.

The 2000 Harvest—In the Fissures of Neoliberalism

Theoretically, the cooperative sugar mill represents an alternative to Santos’ Pedernales refinery; the former involved a community that appropriated “power from below” to wrest the mill from the hands of an investment strategy based on private initiative, productive efficiency, and capital accumulation. In essence, those in the cooperative demanded economic and political autonomy from standard neoliberal practice. As they formed the only cooperative sugar mill in Mexico, growers and workers incorporated innovative strategies, claimed resources formerly denied to them when subordinated to traditional mill management, and as such, asserted their unique place in a social space where they had previously been marginalized.

This challenge posed a competitive threat to Ingenio Pedernales, which began to lose cañeros to the Puruarán cooperative. As more growers resumed delivering cane to Puruarán, even some from Pedernales and other communities that traditionally delivered to Pedernales began to deliver to Puruarán. The management at the Pedernales mill denied credit to any cañero who delivered their cane to Puruarán; this served as a powerful incentive to deliver to Pedernales. The heavy debt burden held by the majority of cañeros at Pedernales became a further tool to tie cañeros to that mill, as a form of neo-debt peonage. The management pressured cañeros to continue delivering to Pedernales in order to pay off their debts. Many examples are available, but I present one for illustrative purposes.

In a letter dated March 25, 2000, María, a Puruarán cañera since 1968, received a letter from Ingenio Pedernales. It invited her to come to the manager’s office to work out a way to pay off her debt “and thus avoid that we are left with the necessity to undertake other actions…” María, who owned five hectares of cane, delivered 547 tons of cane to Puruarán in 2000, before receiving the letter. From 1994-99, she delivered to Pedernales, accruing a debt of $159,005.83, of which $130,769.41 was for the irrigation pumps that were installed in 1997, in benefit of six potreros (land units). Costs for the irrigation pumps on María’s parcela were to be shared among nine neighbors, yet the Pedernales mill charged all costs to María’s own account. This still left a $28,236.42 debt for the cane alone. In the last harvest (1999) the value of her cane was $129,246.52; the sugar produced from that cane had a market value of $211,642.14. When liquidated, costs for labor, fertilizer, harvest, infrastructure (including the irrigation system), and other fees totaled $288,436.51. Distraught with her situation, she delivered to Ingenio Puruarán in 1999-2000, earning a profit of $68,077.10. Of course from this amount she had to pay out-of-pocket expenses not covered by the cooperative. This case exemplifies the disparities in contracting with the Santos mill and working within the framework of the cooperative. She subsequently visited with the mill manager who pressured her to deliver to Pedernales, arguing that if she had delivered to Pedernales, she would no longer be in debt.

Pedro, another cañero, divided his harvest, delivering 36 tons to Pedernales and 36 tons to Puruarán, from the same parcela (field). At Pedernales he received $9000 for his cane, but after deducting costs, owed $300. At Puruarán, he received $5000 in net profit. Juan realized $1500 in profit for the cane he delivered to Pedernales in 1997-98. The following year he delivered 516 tons, earning $1050. “It was enough only for four weeks of eating,” he commented. Instead, he delivered to Puruarán in 1998-99, earning $72,000 after costs. “Over here,” he said, “we don’t have bosses. Yes, here is the proof.”

Dissatisfaction with their relationship to the Pedernales mill created animosity that flourished throughout the zone. By the end of the 1998 zafra, Pedernales lacked cash flow to make payment to cañeros. Competition with HFCS caused 60 percent of Pedernales’ sugar to be left in the warehouse. In August, two months after termination of the zafra, Pedernales began to make partial payments to
cañeros. Notices posted at the Casa Ejidal in Puruarán informed cañeros when they could recover their payments. People lined up daily, anxiously searching for their names on the list.

Much of the success of the Puruarán cooperative derives from a relationship it forged with another, more established cooperative. A major difference between the 1998 harvest and the 1999 harvest was that the Sociedad Cooperativa de Trabajadores Pascual provided cash advances for operation of the Puruarán sugar mill and purchased all of its sugar production. In 1998-1999 Pascual advanced $2,500,000, increasing that amount to $3,500,000 in 1999-2000. Since the sugar from Puruarán fills only a four-month supply for Pascual, the mill enjoys a guaranteed market. Pascual, then, is a lifeline for the new mill cooperative when sources of financing are scarce and market competition with fructose threatens the economic solvency of other mills in the country. During the 2000 harvest season, the price per 50 kg. bag of sugar dropped from $250 to $190 as a result of this competition. Interviews with Pascual personnel in Mexico City revealed that its members are empathetic toward the struggle in Puruarán, having endured their own battle in the 1950s. Yet, they seemed unaware about how the Puruarán cooperative manages its affairs. A constant concern in Puruarán is whether Pascual will continue to support the cooperative. It is to the support of Pascual that the Puruarán cooperative owes its ability to continue manufacturing sugar. A comparison of data from the 1999 and 2000 harvests reveals the outcome of this support.

Ingenio Puruarán employed 230 workers in 1999, increasing slightly to 237 in 2000. There was, however, a substantial increase in the number of cañeros who delivered in the latter year, from 837 in 1999 to 1,250 in 2000, an increase of 49 percent. If the results of the 1998 harvest were lacking, the mill showed improvement in the 1998-99 and 1999-2000 harvests, as illustrated in Table 2.

Table 2. Production Data for Ingenio Puruarán, 1998-2000.

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Hectares cane</td>
<td>464</td>
<td>550</td>
</tr>
<tr>
<td>Tons cane processed</td>
<td>39,600</td>
<td>60,470</td>
</tr>
<tr>
<td>Tons sugar produced</td>
<td>2,895</td>
<td>5,134</td>
</tr>
<tr>
<td>Factory yield (tons. sugar/ton. cane)</td>
<td>7.31</td>
<td>8.49</td>
</tr>
<tr>
<td>Tons sugar/hectare</td>
<td>6.24</td>
<td>9.33</td>
</tr>
<tr>
<td>Sale of sugar</td>
<td>$10,260,000</td>
<td>$20,219,000</td>
</tr>
<tr>
<td>Tons syrup</td>
<td>1,564</td>
<td>2,576</td>
</tr>
<tr>
<td>Sale of syrup</td>
<td>$125,120</td>
<td>$400,000</td>
</tr>
<tr>
<td>Number of harvest days</td>
<td>76</td>
<td>111</td>
</tr>
</tbody>
</table>

It is important in comparing these two harvest seasons to consider the difference in the length of the harvest in 1999 and 2000 which allowed for greater production and for sugar sales to double. The harvest began in February in 1999 and the following season it began in December. Most significant is the improved factory yield and increase in sugar per hectare; the latter is an important measure of the

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48 Pascual purchases 20% of its sugar from Puruarán, which amounted to 2,700 tons in 1999 and 4,700 tons in 2000 (interview, Alfonso Trejo Avalos, Consejo de Vigilancia, Sociedad Cooperativa de Trabajadores Pascual, 2000).

49 These data derive from SG, president of the cooperative and from weekly production reports.
combined efficiency of field and factory. Nonetheless, Table 3 shows that the costs of production continued to exceed income, leaving no resources for repairs and improvements to the factory.

**Table 3. Income and Costs of Production for Ingenio Puruarán, 1999-2000.**

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Sugar</td>
<td>Repairs $3,300,000</td>
</tr>
<tr>
<td>Syrup</td>
<td>Maintenance 450,000</td>
</tr>
<tr>
<td>Quotas</td>
<td>Petroleum 1,630,000</td>
</tr>
<tr>
<td>Total</td>
<td>Electricity 1,000,000</td>
</tr>
<tr>
<td></td>
<td>Salaries 1,560,000</td>
</tr>
<tr>
<td></td>
<td>Payment for cane 13,725,000</td>
</tr>
<tr>
<td></td>
<td>Total $21,665,000</td>
</tr>
</tbody>
</table>

This is a serious problem indeed, given the poor condition of the factory. During the 1999-2000 harvest, one of the most serious problems involved work stoppages. The mill frequently ran out of petroleum, causing delays until more petroleum could be acquired. Each time the mill stopped and initiated operation again, it required more energy than had it continued to run. The mill has four centrifuges, three of which are automatic, but only two were working properly. A rotor from one of the generators was sent to Ciudad Hidalgo for repairs, but the cooperative lacked the $475,000 dollar cost to retrieve it. This generator has the capacity to generate electricity to run the entire mill; it would be more cost-effective to repair it than to continue to pay excessive utility bills. The machinery that grinds the cane is worn and needs to be replaced or repaired; this would require a minimum cost of $75,000. A steam turbine must be repaired and other equipment would need to be imported. One month before the end of the harvest, one of the steam boilers broke down, causing loss of sucrose. The tubing is encrusted with built-up deposits that must be cleaned out. Lacking money for repairs, key parts of the factory were neglected, leading to over-exploitation of the machinery. Stoppages sometimes left cut cane in the fields and workers without pay for several days. It would be more economical in the long run to make repairs, but the administrative council continues to spend a minimum on factory upkeep. An additional problem is the lack of experience among workers, as worker error caused other losses.

The Veracruz engineer advised the cooperative president to take four measures: 1) to hire an electrician to reduce energy use; 2) to hire a mechanic to make the molinos (that grind the cane and squeeze out the juice) extract more sucrose and to prevent the motors from failing; 3) to hire an azucarero to increase yield and ensure that the sugar is of good quality; and 4) to repair the boilers. SG claimed there was no money to pay new technicians, upon which the engineer informed him that at $20,000 each, they would save the cost of their salaries by reducing repairs and costs of electricity and petroleum. He complained that those running the cooperative were unknowledgeable about the factory.

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50 These data were given by SG, president of the Administrative Council of the cooperative.
51 During 73 days that I observed the 2000 harvest, the mill shut down 21 days (28.77% of the time).
52 The engineer from Veracruz reported that the cost of electricity is $300,000, but should be only $110,000. The mill consumes 120,000 liters of petroleum per week at a cost of $150,000.
The poor state of the factory is replicated in the run-down mill offices, which contrast sharply with the Pedernales mill, described above. Windows are broken, furniture is scarce, and equipment old. The president of the administrative council’s office contains one desk with an old, non-electric typewriter and a few shelves along the walls that hold miscellaneous papers. All operations are make-shift except for one computer and printer in the main office. The other computers were removed to Ingenio Pedernales in 1993 and most records are kept by hand. The accountant sits hour on end hand writing all of the data that in other mills would be computerized. Watching him fill out page after page on old Azúcar, S.A. forms (the management organization of the sugar industry that became defunct after privatization), I asked why they were using forms for an organization that no longer exists. The cooperative president explained, “It looks more official,” but it also saves having to purchase new forms.

Given the historical relationship between growers and mill owners, analysis should detect a clear distinction between the operation of a sugar mill based on capitalist entrepreneurship and one that functions as a cooperative. The former is recognized for contentious, hierarchical relationships between mill management and workers and cañeros:

During centuries, historically, the cañero had the idea that the industrialist wanted to pay him [sic] less. In the historical struggle between cañeros and sugar mills, the cañero never said, ‘They pay me fairly.’ We are brothers [the cañeros and industrialists], but we are always brothers that they want to screw. Historically, the cañeros have been exploited (Pascual Alvarado Martínez, Coordinador de Uniones Locales y Comités, UNPCA, interview, 1997).

How well the Puruarán sugar cooperative transcends exploitative relations is thus a significant test of its capacity to form an alternative development strategy. In an assembly held by the cooperative on March 5, 2000, a cooperative organizer from Tacámbaro spoke of the advantages of cooperative organization:

Señores, as socios you do not receive salaries. The importance is that in one or two or three years more, the cooperative will be working. We are already beginning to see the benefits. In the cooperative, since we are the owners, we do not have the costs like at Ingenio Pedernales. This is the great advantage. It is difficult because we are in an environment of capitalism. But here in the cooperative we all put on our pants or none of us do. This is the cooperative—not capitalism (fieldnotes 2000).

While conducting interviews in 2000, a predominant theme emerged—a theme shared by many supporters, as well as opponents of SG. There is strong consensus that the mill is not being run as a cooperative. Rather, the president of the Sociedad Cooperativa Trabajadores del Ingenio Puruarán manages the mill like a patrón, making all decisions himself, and failing to inform the socios about the financial state of the mill. SG tends to have exclusive access to mill data, but most production and financial facts remain unrecorded. Throughout the 2000 harvest season, people complained that no assemblies had been called.

On Sunday, March 5, SG, acting on many complaints about lack of meetings, called a general assembly of the cooperative. Less than one-fourth of the 233 members attended. The main topic of discussion focused on what actions should be taken against those socios who had not paid their quotas—whether to leave them in the cooperative or not. Members of the administrative council argued for leaving those who had not paid out of the cooperative. An interesting difference between cañeros and mill workers emerged. Workers’ quotas were automatically deducted from their pay, while cañeros must be responsible for paying their quotas. It was decided to allow cañeros three months to pay their quotas. The cooperative president then presented his report on mill finances.

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53 Thirty percent had not paid the $500 owed; this amount is only 10% of the total quota.
The data were incomplete in that they did not provide an account of income, expenses, and current balance of accounts. The tone of the meeting was one that set the administrative council off from the membership, reflective of a tradition of active leadership and passive followership. Questions raised in conversation outside of the assembly remained unbreached at this meeting. Yet another faction began to organize to challenge the administrative council’s control over the cooperative.

**The Credit Society: Financing Production**

For the 2000 harvest at Puruarán, unlike other mills where cañeros obtain credit for their costs of production, the cooperative offers no credit, although, as noted above, it does make some loans. This poses a severe hardship since each producer must save from her or his previous year’s payment for the costs of the next season. Viewed alternatively, this is an advantage because no cañero ends up in debt to the mill at the end of the year as they do at Pedernales. Neither do cañeros pay interest at Puruarán; inordinately high interest payments are a major complaint among cañeros who deliver to Pedernales. Ironically, some growers obtained credit from Pedernales, then delivered their cane to Puruarán, thus Ingenio Pedernales was financing at least a portion of the production of the Puruarán mill.

In 2000, three individuals, including the comisariado ejidal and a former cooperative member, formed an independent society from which growers could obtain credit. As the comisariado explained, SG told them there was no money for fertilizer. Cañeros were facing the next season without funds for fertilizer and would be left with their hands crossed. Their plan entailed a contribution of three tons of cane per cañero to create a trust fund. Lázaro Cárdenas Betel (at the time candidate for state senate), through the PRD, committed $1,000,000, and these funds would be deposited with FINCAÑA, a new program of FIRA (Fideicomiso Instituido con Relación a la Agricultura). For each million pesos that the PRD puts in, FIRA will loan $2,000,000. The $3,000,000 will be put in a trust fund via FINCAÑA, earning 18 percent interest. This fund would earn $180,000 for each million pesos in one year and will grow annually. The three organizers stressed that this money will be managed by the bank, not the cooperative. It became obvious that this credit organization is an oppositional force to the cooperative. One of the three leaders in the credit society was initially a member of the cooperative council, but claims to have been dismissed in January 2000, because he was working on the credit project. Their objective was to provide credit without the intervention of patrones. Here then, was yet another division within the movement, supportive of the sugar mill, but against its management by the administrative council of the cooperative.

On April 2, 2000, the credit organizers held a general assembly to inform community members of the plan. They informed people that representatives of FIRA would be present. The meeting, however, was presided by PRD representatives who, rather than enlighten people about how the new credit system would work, presented their political platforms. Attendees were angered and one of them stamped out of the meeting, complaining that the meeting was purely political. One person in attendance enquired why they were not working with the cooperative. The comisariado indicated that the new credit society would have more transparent relations. Thus, within the cooperative, a new initiative emerged to circumvent the cooperative’s control over financing of cane production.

**Assessing the Cooperative Sugar Mill**

It is relevant to conclude this paper with an analysis of members’ attitudes concerning the cooperative. The aforementioned internal struggles are ongoing. In recent years, the extremely low pay in the mill dampened the spirits of workers for the cause. Many left their jobs and others threatened to do so. The issue of wages for mill workers raised the question as to whether the social movement continues to exist. Those who believe their earnings should be more point out that “The sugar is coming out, we are no longer struggling.” Others, however, maintain that “We are still
struggling” to justify low wages. The secretary of the administrative council rationalized the low wages paid to workers thus, “We can’t pay a dignified salary because we are still in the midst of the struggle.” Scanty wages led some to turn against the administrative council of the cooperative.  

As in former years, a number of people in Puruarán disapprove of the cooperative because it is based on the illegal seizure of the mill. These individuals are adamant—no one has the right to operate the mill, since it was taken over by force. There is a highly moral dimension to this argument. Yet, even some of these see the common good provided by the mill. Rafael, a former mill worker who chose not to join the cooperative, reveals the ambivalence that is often present: “A cooperative has to be well-formulated legally. Even though it is not working legally, it is a support for the community.” Moral persuasion also lies on the side of those who believe the community has the right to operate the mill and that people in Puruarán have the right to employment. Although emotional investment in the social movement is less intense than in former years, great pride is taken in the fact that the mill is running: “Have you seen the ingenio?” “What do you think about the ingenio?” “Have you seen all the sugar in the warehouse?” “Did you see all the cane in the patio?” and so forth.

The foremost problem with this fledgling cooperative lies in the fact that a deep chasm exits between the cooperative management and the socios. As the 2000 harvest ensued, further divisions occurred due to dissatisfaction with the current leadership, which manages the mill as patrones, rather than as a true cooperative. People increasingly complained that they were not informed about the mill’s finances. How much was being taken in from the sale of sugar? Where was the money going and why wasn’t there money for paying workers? Why weren’t there assemblies to inform people about the status of the cooperative? Raúl, who was still owed $3800 for the cane he delivered in 1998, explained, “Twelve Boing55 trucks arrived last week; 45,000 bags of sugar are leaving the warehouse. That’s a lot of money. It is a cooperative—it is not just for one person.” Lourdes, whose husband lost his job when the mill closed, remarked, “For the workers, it was hard because they knew how to work there and they didn’t know how to work at anything else. Now, who knows? There is a lot of doubt that they aren’t managing it well. There is doubt that it is functioning legally—this is the lack of confidence.” Pedro, another cañero, expressed dissatisfaction: “The cane is ours, but it isn’t for us—it is for the bunch of rats. They don’t give information. The comité [of the cooperative] has one harnessed—like the yoke [of oxen]. SG is the chief of this comité but he is not the only one. The meetings are to offer opinions. From there, you have to select the best opinions. That is the reason that they are taking us for a fucking.” I asked why the members don’t challenge this situation; Pedro offered a response similar to others I had heard: “One is accustomed to being screwed. When they no longer fuck us, we are not content.”

The discourse of the cooperative’s administrative personnel is often patronizing toward socios. Few of these representatives are campesinos and they then use a distancing discourse that sets them apart from the socios to whom they attribute lack of consciousness. SG expressed these words:

We were in a seminar on cooperativism; experts, even from Brazil, came to explain to us what a cooperative is, how to form one, how we ought to work. What should we say to the people who do not understand and who reject cooperativism? Then, I think that in this struggle we have to plant the idea of cooperativism in the people. The people are not prepared for a cooperative. They do not accept that they should form a cooperative, with all its benefits and work, because they are not prepared. They have no culture for understanding what a cooperative is. First, it is necessary to educate them so that they really see the path to form a cooperative and to move ahead. Cooperativism is nothing more than an association, a relation between workers who

54 Workers in the cane fields earned $50 per day, but Ingenio Pedernales lured cane cutters who earned $36 per ton at Puruarán away from the latter with higher wages. Shortage of cutters continued to be a problem during the harvest. Those who delivered cane averaged five loads per day, earning only $30.

55 “Boing” is one of the trade names of the several fruit drinks made by Pascual.
have a firm commitment and a firm conviction to help each other. The word says ‘cooperate’ for the common good, and in our case it would be to have a factory for collective benefit and that brings the worker from the campo and the factory what they really deserve, to achieve satisfaction of the basic necessities of the family. We believe that the solution to this crisis that we have in Mexico is to take into account the social aspect, the human aspect. We believe that this is one of the alternatives, that cooperativism gives us a better distribution of wealth in this country (taped interview 1998).

There is lack of consciousness regarding the cooperative. This wanting to take and take and take is what brings us to bankruptcy. Let’s have a conscience about the cooperative. We are the owners. What is the most basic problem in being a cooperative? A member who is of bad faith in the factory is not a socio—he is damaging [the cooperative] for lack of honor, responsibility. Here there are no leaders (SG, meeting of the cooperative, March 5, 2000).

**The Fate of the Cooperative?**

Puruarán is a community whose source of employment met its demise under the neoliberalizing policies of privatization and the unequal competitive relations brought by free-market globalization. Supposedly “hegemonic” actors such as private mill owners shared the consequences of this transition with those who could only lay claim to “power from below.” Mill management at Ingenio Pedernales responded to the greater power of their northern free traders as they chose to neglect the social injustices of the mill closing. Residents in Puruarán mobilized across class and occupational lines to confront their marginalization and the crisis of reproduction affecting family and community forms of survival. The community repossessed the sugar mill, claiming rightful ownership and demanding justice even as they initiated power struggles for leadership among contending local factions. By creating the symbolism of the sugar mill as community patrimony, the community united in a common cause; torn by traditional patterns of caciquismo and patronazgo, the community fractured again and again. Yet, in defiance of the government’s program to promote private interest and the industrialist’s aim to consolidate for economic efficiency, the people of Puruarán created an oddity—a cooperative agroindustry, hardly noticed outside the region of Michoacán. In doing so, they subverted the aims of state and industrialist in an audacious demonstration of local autonomy. Hence, I argue that this transformation in the global-local nexus of relations among entrepreneurs, workers, and cane growers obliges us to examine the uneven nature of hegemony and power as it is constituted in local communities.

After the Puruarán sugar mill reopened in 1998, there was no sudden burst of economic rejuvenation. Very slowly, life is improving. It was customary, when asked whether the economy had improved, for people to reply, “It has improved a little,” “It has improved, but not 100 percent,” or “Not real, real good, but it is better.” Still, more income enters from the U.S. in the form of remittances, than from the mill. Cane growers, in general, appear to be more content than mill workers. The former receive payment for their cane, yet wages at the mill remain meager and factory inefficiency ensures that work is irregular. Pascual avows that it will only purchase sugar and will not offer aid in the event of major mechanical breakdowns. Running the mill without essential repairs jeopardizes the machinery on which the community depends.

But the problems faced by the community are not merely mechanical and financial. Severe divisions continue to disunite, weakening the basis of cooperativism. Those who put their faith in a cooperative strategy are becoming disillusioned with an organization run on the time-worn principles of patronazgo. The administrative council and vigilance council of the cooperative consist almost entirely of individuals who were never involved in the original struggle. Some of those who were most involved, have lost hope and left the movement.
The priest, no longer involved in the movement, assessed the situation: “Yes, it has improved the economic level, but not substantially. I want this mill to work. The whole world wants the sugar mill. It is working as a cooperative but is not legal. Until now it’s not known who it belongs to—the government is looking the other way. The cooperative is nothing more than to give an appearance. The people work with pride, but it is nothing more than personal advantage. Me, I already withdrew. The government was only giving pablum with the finger...for electoral ends. All the sugar mills have the same danger, even this one. The principal key is that the sugar mills have no future” (taped interview 1997).

Both the state and national governments carried out measures to contain the social movement and reopening of the mill, yet the community’s perseverance served as a destabilizing factor to political control from the center. Moreover, the continued operation of the mill subverts the Pedernales owner’s efforts to consolidate production into a single zone. Yet, without outside sources of credit, the cooperative’s only source of support is from the Sociedad Cooperativa Pascual, without which it would not survive. The support of more established, successful cooperatives for those that are struggling may prove to be one strategy for alternative organization within the fissures of neoliberalism.

Nationally, with PRI’s loss of power, UNPCA may further lose control over local unions, where cañeros resent paying national dues for which they perceive no benefits. Nor is there much support for cooperative organization at the national level. An UNPCA official explained that they had been willing to support the Puruarán mill, but “The problem for us was Gregorio Alvarez.” Gregorio wanted to assume control himself. “The cooperatives in Mexico have destroyed all the capital that fell into their hands.... Look at those famous ‘casas populares.’ They are organized vertically. If we all run in a sugar mill, it is anarchy. If everyone orders in a family, the daughter orders, the son orders, the father orders, it is the same. It’s that you have to understand the Mexican patrón. Understand this fucked class. No one here in Mexico would dare invest in Puruarán. The Mexican does not invest in Mexico because he is screwed on all sides” (interview, Alejandro Cazarín Cárdenas, Asuntos Agrarios, UNPCA, 2000). An obvious problem the national union has with such initiatives not only concerns corruption and patronazgo, but local autonomy, and Ingenio Puruarán claims no links to workers’ syndicates or growers’ unions.

On an international scale, President Vicente Fox promised to fight U.S. restrictions on sugar imports as defined by NAFTA. SECOFI denies that the government agreed to the terms of the Kantor-Serra Puche side agreement that limits Mexico’s sugar sales to the U.S. until the year 2007. On March 5, 2001, as Mexican minister of the economy Luis Ernesto Derbez met with George W. Bush’s new U.S. Trade Representative, Robert Zoellick, these commitments seemed compromised. The latter made clear that Mexico’s request to resolve the problem of sugar exports to the U.S., to be considered, must include access to the Mexican market for U.S. HFCS producers. The former Clinton administration gave Mexico a tariff rate quota of 116,000 tons of sugar for 2001, but the U.S. has not provided the necessary documentation for exports of Mexican sugar to the U.S. It does not seem likely that the Bush administration will honor Mexico’s right to export all of its surplus, duty free to the U.S. as specified by NAFTA. The meeting concluded with no clear agreement on the issue (Inside US Trade 2001).

Meanwhile the divergent understandings of the neoliberalists and the cooperativists were curiously juxtaposed in a local Michoacán newspaper. On the front page appeared two articles, one titled “Reconoce la IP a Tinoco Rubí Como un Auténtico Promotor del Progreso en Michoacán” and the other, “En Puruarán se Está Realizando la Zafra 1999-2000.” The neoliberal version reported:

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56 The two titles translate: “The IP [private investors] Recognizes Tinoco Rubí as an Authentic Promotor of Progress in Michoacán” and “In Puruarán the 1999-2000 Harvest is Being Carried Out.”
Those who integrate the entrepreneurial leadership of the State, recognized here today in Governor Víctor Manuel Tinoco Rubí, the exercise of power in a strictly humanist manner, that is reflected above all in the social peace that reigns in the State and guarantees that for much time have been offered for investors of all sectors (Tacamba, January 29, 2000, P. 1).

On the same page, the second article illuminated the cooperative’s alternative strategy, to create an autonomous movement for the reconstitution of community, within the fissures of the neoliberal agenda.

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57 Governor Víctor Manuel Tinoco Rubí supported Santos de Hoyos in his attempt to prevent the Puruarán mill from reopening.
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