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International Commitments and Domestic Pressure

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Managing the Challenges of WTO Participation: Case Study 28 Mexico's Agricultural Trade Policies: International Commitments and Domestic Pressure

*Isidro Morales-Moreno**

In april 2003 the Mexican government reached an agreement with more than twenty-five organizations of small-scale farmers through which a restructuring of agricultural policies was envisioned. The so-called agro-pact came after many months of peasant mobilizations in which market liberalization –scheduled to coincide with the tenth anniversary of the North American Free Trade Agreement (NAFTA)– and electoral campaign became intertwined. The flagship of peasant mobilizations was the renegotiation of NAFTA's agricultural chapter. The Mexican government did not accept this demand, but agreed to undertake a comprehensive reform of domestic agricultural policies and activated trade remedies as part of an armour plating in defence of agricultural interests. In parallel to this, Mexico joined the G20 group within the WTO and began actively to call for the suppression of export subsidies and the reduction of domestic supports within agricultural markets. This study shows how agricultural trade policies in Mexico have been modified in response to peasant mobilizations and international commitments. It also shows how Mexico's position within the WTO has maintained an equilibrium between domestic constraints and international imperatives.

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1. The peasant mobilizations and their claims back to top

After the coming into effect of NAFTA the Mexican rural sector and land tenure system were supposed to enter into a transition period of around ten to fifteen years, during which tariffs and quotas would be completely phased out. However, sensitive basic staples were protected under tariff-rate quotas (TRQs), to be progressively eliminated over ten years. In January 2003 most agricultural trade within NAFTA had already been liberalized and Mexico maintained TRQs for only three products: maize, beans and powdered milk –to be ended completely in January 2008.

During the 1990s a restructuring of the rural sector was anticipated through a progressive privatization of the *ejido* plots.¹ A shift from non-competitive maize or bean production to more competitive harvests, such as vegetables and fruit, was expected, as well as an increase in land productivity. Policy reforms were also implemented in the 1990s in order to dismantle price supports and protectionism in this sector. New programmes were implemented in order to cushion the impact of policy reform and trade liberalization –targeted supports for the commercialization of domestic crops through a government trading board, income supports for encouraging crop substitution for competitive farmers, income transfers for farmers producing importables in sensitive staples, and credit subsidies and official credit coverage through a development bank (Yúnez, 2002: 1-8).

After ten years of trade liberalization and policy reform, two-way trade between Mexico and the United States increased at higher rates compared with the pre-NAFTA period. As expected, Mexico's comparative advantage encompasses vegetables (fresh and frozen) and fruit, where gains in land productivity are manifest. Grains and other basic crops, although their production has not collapsed, have not increased their productivity, except in plots that are irrigated.

Government supports, although they have cushioned the impact of trade liberalization for importable staples, failed to change the crop mix. Furthermore, Mexico's financial crisis of 1994-5 cancelled the availability of credits to Mexican farmers, while growing imports compensated for the shortfalls in specific products (Yúnez, 2002).

Hence ten years after Mexico liberalized its agriculture no serious restructuring in this sector had been achieved. The historical divide between irrigated land and rain-fed production persists, as well as between commercial production,

¹ State-owned lands that were privatized in 1992 in a major constitutional amendment. 2 'The countryside cannot take any more'.

mostly located in the north of the country, and local crops, most of the time for subsistence purposes, located in the south. A main problem is that most of the rural population (around 18% of total) still depends on rain-fed small plots and grain-based (mainly maize and beans) traditional production.

It is in this context that major peasant mobilizations took place in the country, from mid-2002 until the first quarter of 2003. Two major reasons propelled grassroots peasant activism. The first was the enactment of the so-called 'Farm Bill' in the United States, in the first quarter of 2002, through which more than US\$70 billion would be disbursed in support for US growers during a ten-year period. The Mexican government immediately responded by launching a so-called 'agricultural armour' package which increased domestic supports already implemented by government agencies and activated the imposition of safeguards, anti-dumping (AD) or countervailing duties (CVD). In autumn that year around twelve independent grass-roots organizations formed a bloc, El Campo no Aguanta Más (CNAM),² whose main target was to stop the liberalization of basic staples, scheduled for 2003 under NAFTA.³

They also demanded the renegotiation of the agricultural chapter of this agreement in order to reverse the liberalization. It made other important requests including an increase in the agricultural budget for the years to come, a restructuring and widening of agricultural funding, the prohibition of importing genetically modified staples and the levelling of the playing field with developed partners in terms of standards and sanitary and phytosanitary (SPS) measures (El Campo no Aguanta Más, 2002).

Since the rise of this movement, the position of the Mexican government was to refuse any renegotiation of NAFTA. However, Mexican officials recognized that Mexican farmers needed further supports within the 'agricultural armour plating'. After the radicalization of peasants during the first two months of 2003, president Vicente Fox signed, in april that year, the so-called 'National Agreement for the Countryside' (ANC –Acuerdo Nacional para el Campo), through which the government was committed along with major peasant organizations to a comprehensive review of agricultural policies. The ANC includes a subsection dealing with international trade negotiations, through which the Mexican government agreed to the following commitments (see Secretaría de Economía, 2003):

² 'The countryside cannot take any more'.

³ The staples included barley, malt, wheat, rice, copra, soybean and sunflower. Poultry and pork also became fully liberalized in january 2003.

- i. To make an assessment of the impact of both NAFTA and the US Farm Bill on Mexico's rural sector.
- ii. To consult with the United States and Canada on the possibility of creating a permanent mechanism for administering trade exchanges on white maize and beans.
- iii. To implement and enforce all trade defensive mechanisms contained in Mexican legislation, NAFTA and the WTO.
- iv. To plan, implement and supervise the allocation of TRQs, in consultation with peasant organizations.
- v. To reinforce, with the support of peasant organizations, SPS measures aimed at guaranteeing risk-free and healthy food.
- vi. Within WTO agricultural negotiations: to defend Mexico's position as a developing country preparing for the abatement of export subsidies and domestic supports; to claim the right to impose quantitative or tariff restrictions on the basis of 'food security' or 'food sovereignty'⁴ concerns, as well as the protection of rural employment and natural resources when alleging domestic injury.
- vii. To recognize the multi-functional aspects of Mexican agriculture, featuring a cultural, ethnic, social and economic mosaic.

The ACN ended the radicalization of peasant mobilizations and opened a new stage of political and institutional negotiations in order to craft a new policy approach to Mexican agriculture, including trade positions vis-à-vis its NAFTA partners and WTO negotiations.

2. Interest groups, policy and political actors involved

The different actors and their respective positions vis-à-vis the pact negotiations and its aftermath were as follows.

2.1 Peasant organizations

Four groups could be discerned among peasant organizations: two radical groups and two rather moderate groups. The CNAM bloc, formed by twelve grass-roots

⁴ According to Art. 178 of the Mexican Law of Rural Sustainable Development (December 2001), food security is understood as the permanent supply of 'basic and strategic staples' for the population (mainly poor), and 'food sovereignty' is understood when priority is accorded to national production for supplying those staples. Maize, sugar cane, beans, wheat, rice, sorghum, coffee, eggs, milk, poultry and meat, and fish are considered by this same law as 'basic and strategic staples' (Cámara de Diputados, 2003: 96).

organizations and representing mainly the interests of around 500,000 small farmers producing basic crops in non-competitive conditions (small plots, no irrigation, no credit, poor marketing conditions), was the most important of the radical groups. Their movement reached its climax when 100,000 farmers took part in a rally in downtown Mexico City at the end of January 2003. When interviewed, key leaders of this group acknowledged that the agro-pact incorporated most of their positions. In fact, concepts such as 'food sovereignty', the multifunctional nature of agriculture, a managed-trade agreement on maize and beans and the necessity of harmonizing SPS measures were part of the banners of this group. However, its most radical claim, the renegotiation of the agricultural chapter of NAFTA, was not incorporated in the agro-pact. The other radical group was El Barzón. This association, grouping different types of members and activists (peasants and urban professional groups), supported the first group politically and ideologically by using provocative means of attracting the attention of the press and federal deputies.

The moderate peasant organization, the Permanent Agrarian Council (CAP), was founded in the 1980s and regrouped twelve organizations, including the National Peasant Confederation (CNC), which had been influential when the Partido Revolucionario Institucional (PRI) was in power.⁵ Neither the CAP nor the CNC supported the tactics and some of the demands of the two radical groups. The first organization represents private growers and traders who supported pro-NAFTA reforms during the Salinas years (1988-2004), while the second represented most of the peasants who benefited from agrarian reforms under various PRI administrations.

2.2 Government agencies

The Ministry of the Economy, in charge of foreign trade negotiations and agreements, became very active following the launching of the 'agricultural armour plating'. From mid-2002 up to the present they have activated and supervised trade remedies as part of the agricultural package. The ministries of the Economy and Agriculture became the two agencies that started direct talks and negotiations once peasant mobilizations became apparent. Once the movement became politicized, it was the Ministry of the Interior, or Secretaría de Gobernación, that mediated between the executive and the peasant organizations.

⁵ The Partido Revolucionario Institucional (PRI) was founded in 1929 and ruled the country with no serious electoral challenge (except in 1988) until 2000. CNC became its principal organization for controlling peasant demands.

During february and march 2003, Gobernación organized a series of round tables with the different blocks and groups in order to reach a consensus for an agreement. Although key actors representing grass-roots organizations recognized tensions and impasses during the negotiation process, the four blocs were able to reach common positions in order to craft the essence and major parts of the agro-pact.⁶ As some leaders phrase it, the ANC became a document in which a comprehensive restructuring of agricultural policies was drafted.⁷

Once the ANC was signed, a cabinet-level commission was created in order to supervise and follow up what was agreed.⁸ However, this high-ranking commission disappeared in September 2003, and the supervisory functions were moved to the National Council for Sustainable Rural Development (NCSRD), an agency regulated by the Ministry of Agriculture.

2.3 Congressional bodies

Congress members became major actors once the institutional phase of the negotiation process started. During 2003 they put pressure on the government to collect tariffs for above-quota staples entering the country.⁹ At the end of 2003, congress members agreed that those tariffs were to be compulsorily collected. They also agreed to create a special commission for supervising the enforcement of the mandates covered by the ANC. The special commission was eventually established in march 2004, and embodied seven legislative committees geared to assess and enforce the different goals of the agro-pact. This special commission opened a dialogue with grass-roots organizations in addition to those already established between them and the executive branch.

Congress members began preparing new agricultural planning legislation and creating a research centre on rural studies geared to prepare background material for further legislation.¹⁰ As for the demand for renegotiating the agricultural chapter of NAFTA, there was no consensus on this among the different legislative

⁶ Interview with Max Correa, representative of Central Campesina Cardenista (CCC), Mexico City, 19 may 2004.

⁷ Interview with Isabel Cruz, general director, Asociación Mexicana de Uniones de Crédito del Sector Social (AMUCSS), Mexico City, 30 june 2004.

⁸ Besides the Interior, Agriculture and the Economy, the ministries of Environment, Agrarian Reform, Treasury and Social Development were also involved.

⁹ Since the coming into force of NAFTA the Mexican government did not collect those tariffs recognized by the agreement during the transition period (Yúnez, 2002: 9), alleging the protection of consumer interests.

¹⁰ Interviews with Cruz López, PRI deputy president, Comisión de Agricultura y Ganadería, Mexico City, 7 june 2004, and Victor Suárez, PRD deputy secretary, Comisión Especial para el Campo, Mexico City, 17 june 2004.

factions. Only the PRD supports this demand, but their members recognize the lack of political capital in boosting this claim within the national legislature.

PRD congress members consider that NAFTA has mainly benefited the agribusiness vegetable-exporting sector, which represents only a minority of Mexican growers. Other farmers, including grain, fruit, beef, pork and dairy producers, were 'sacrificed' during NAFTA negotiations. That is why PRD congress members oppose a further liberalization of agricultural products within the WTO. Rather they advocate a state-led policy, whose goal would be to enhance food security, 'first of all to avoid Mexico's dependence on US food markets; this dependence could threaten Mexico's national security in the case of an embargo or a conditional restrictive access to the international food market.'¹¹

2.4 Other actors

2.4.1 Private growers and traders were also involved in the negotiations

They either participated through the CAP or through the Business Board on Foreign Trade (COECE). COECE was actually founded during the NAFTA negotiations and brought together the most important business associations of the country in order to interact with government negotiators. Government officials either gathered proposals from this organization or asked for its opinion. Its members participated in all the negotiation rounds and fora of the agro-pact, but they were not signatories of its final version, since the government preferred to include only the so-called 'social sector' of agriculture, that is small farmers and *ejido* tenants.¹² Nonetheless, the relationship between the COECE and the government has remained active, mainly within the Doha Round negotiations.

Finally, US agricultural growers also expressed their concerns from the start of the mobilization of Mexican farmers. In August 2002 the American Farm Bureau Federation sent a letter to the US Trade Representative (USTR) asking for a tough line to be taken vis-à-vis the 'armour plating' put into place by the Mexican government, judging it as protectionist. Once the agro-pact was signed, associations such as the US National Corn Growers and the Grains Council openly opposed any renegotiation of the agricultural chapter of NAFTA (IUST, 2003e; see also IUST, 2002 and 2003c).

¹¹ Interview with Suárez.

¹² Interview with Luis Ceja, board member of COECE and vice-president of CNA, Mexico City, 3 July 2004. El Barzón vetoed the participation of those organizations as not being members of CNAM, CAP and CNC. The government probably excluded COECE from the final signature of the agro-pact in order to underline the popular profile of the agreement.

3. Challenges to the Mexican government and the outcome

The first important challenge faced by the Mexican government was to cope with the principal demand of radical peasants to renegotiate the agricultural chapter of NAFTA. Since the beginning of the peasant mobilizations the Mexican government refused to accept this radical demand, arguing that it carried high costs (both economic and political) for the country and for US-Mexican relations. It was not easy for Mexican officials to maintain this position, due to the context in which peasant mobilizations took place. In the midst of the enactment of the US Farm Bill, and of the phasing-out of tariffs and TRQs for most agricultural products coming from the United States and Canada, poor uncompetitive farmers, comprising most of Mexico's rural population, had a powerful flagship for gaining the support of other non-agricultural political organizations. CNAM for instance was skilful enough to gain the support of unions, the media, church members and university students. Furthermore, January-July 2003 was the run-up to elections to the Chamber of Deputies. Since the radicalization of the movement took place in the two first months of 2003, political parties, mainly opposition parties, and other political organizations had the opportunity of emphasizing the peasants' demands as part of their electoral campaigns.

In order to tackle the growing politicization of agrarian claims, the Mexican government activated a two-tier strategy: it reinforced remedies in support of key products and it started negotiations with the four blocs involved in the peasant mobilizations. During 2002, AD and CVD measures were imposed on live swine, beef, apples and rice. The government also imposed SPS on pork, poultry and apples. At the end of that year, Mexican trade law was modified in order to reduce timeframes for investigations, accelerating the imposition of duties and lowering the threshold for an injury finding.

The new law also reduced the time needed for safeguard investigations.¹³ In January 2003 Mexico imposed a safeguard on poultry, a few days before the ANC was announced, which ended up as a private undertaking to impose a five-year tariff-rate quota. At that point SPS restrictions were also imposed on beans.¹⁴ All these trade remedies were enforced in parallel to government negotiations with the different mobilized groups and were part of the armour plating announced in mid-2002. The government's position was consistent with its refusal to renegotiate NAFTA's agricultural chapter without at the same time renouncing the enforcement

¹³ IUST, 2002 and 4 April 2003.

¹⁴ Poultry was supposed to be fully liberalized in January 2003. However, Mexican and US producers agreed an 80,000-ton duty-free quota with a 98% above-quota tariff. Above-quota rates will be phased out at a rate of 20% a year (IUST, 2003, 2003b).

of AD, CVD measures and other remedies in order to support Mexican farmers. This position has been maintained up to the present, while domestic supports for farmers have been widened according to the commitments of the ANC.

Once the ANC was signed, the second challenge was to give a satisfactory answer to the demands for a review of the impact of NAFTA and the US Farm Bill on Mexican agriculture. It took almost a year to do so, and on 5 April 2004 the government announced the final assessments carried out by independent institutions. Experts of the International Institute for Agricultural Co-operation (IICA), an organization linked to the Organization of American States (OAS) system, undertook a thorough study of the Farm Bill. It concluded that the competitiveness of US agriculture was rather grounded in the institutional setting in which agricultural policies are crafted, and that domestic transfers in Mexico were higher (except in cotton) than the US equivalents (IICA, 2004).

As for the NAFTA assessment, a well-documented study by academic experts from leading Mexican universities arrived at the conclusion that the Mexican rural sector needs a long-term state policy. The main goal of which is not protection but to increase the share of agricultural output in the country's GDP. The Mexican experts recommended an increase in direct investments in this sector, combined with the provision of 'public goods' targeting market development. Supports and subsidies ought to be better targeted, because they benefit commercial farmers more than small, subsistence-oriented farmers or rural workers. The study proposed better co-ordination of rural policies aimed at increasing productivity, income distribution and transfer efficiency for this sector. The demand for a long-term, state-based policy is grounded on the premise that trade liberalization is not enough to make Mexican agriculture competitive. The study recognizes that 'efficiency gains' have been concentrated within fruit and vegetable growing, but that an important segment of grain and oilseed farmers has not yet reaped any benefits. The productivity gap between Mexico and its NAFTA partners has also widened, in spite of some productivity gains witnessed in Mexico. Hence the study also concludes that policy mechanisms must be put in place in order to reduce the costs for adjusting to trade liberalization, and that all relief mechanisms envisaged by NAFTA must be activated (Romero and Puyana, 2004).

The two major independent studies ended by discussing renegotiating the agricultural chapter within NAFTA,¹⁵ but framed the ongoing debate within the need to maintain a long-term state-led agricultural development policy.

¹⁵ The possibility of eventually imposing a bilateral safeguard on beans and maize has not, however, been discarded; Mexican officials have explored the possibility (see IUST, 9 may 2003). According to Art. 801.3 of

The third challenge for the Mexican government was to articulate a position on subsidies and domestic supports within the WTO consistent with the ongoing domestic debate on rural development. Mexican officials recognize that export subsidies as well as domestic supports targeting the prices of staples are the most distorting in agricultural trade and affect the income of Mexican growers. They recognize, however, that the reduction of these subsidies and supports is one of the most difficult negotiations within multilateral and regional forums.¹⁶

Domestic supports, for instance, were accepted within the agricultural agreement of the Uruguay Round, even those that are actionable but remain below an agreed-upon threshold. This is so in the case, for instance, of the supports allowed by the US Farm Bill. One of the major mandates of the Doha Round is precisely to negotiate a further reduction of export subsidies and domestic supports.

The Mexican position was clearly stated in 2003. In agricultural negotiations Mexico will go for the whole package, wherein market access agreements shall be subordinated to the commitment of developed countries to phase out export subsidies, to 'substantially' reduce domestic supports, and to accept a special and differentiated treatment to the country due to its level of development. Although Mexico has negotiated market access in agriculture within its manifold bilateral trade agreements, disciplines on subsidies will only be negotiated within the WTO.¹⁷ In order to strengthen its bargaining capabilities, Mexico also joined the G20 club of developing countries, as it has been able to place the issue of the abatement of subsidies and domestic supports at the forefront of the Doha negotiations.

Mexico's position on agricultural negotiations under the Doha Round has thus become distinctive for two reasons: it has made the opening of its market conditional on the abatement of export subsidies and the reduction of domestic supports and it joined a bloc of developing countries in order to increase its leverage and negotiate a differentiated treatment as a developing country. The first issue is distinctive because Mexico had not made that type of linkage in previous trade negotiations, either bilateral or multilateral. The second is worth noting because by joining the G20 Mexico is returning to a North-South agenda that inspired its own positions when it first joined GATT, in 1986. As an official of the Ministry of the Economy put it, 'Within the WTO, Mexico participates, has participated and will

NAFTA, a bilateral safeguard can be imposed if the party affected has agreed on this and there is a satisfactory trade compensation.

¹⁶ Interviews with Ana Aguilar, general co-ordinator, Unidad de estudios agroalimentarios y apoyo a las negociaciones comerciales internacionales, SAGARPA, Mexico City, 4 June 2004, and Héctor Hernández, director, Negociaciones Agropecuarias, Secretaría de Economía, Mexico City, 27 May 2004.

¹⁷ Interview with Hernández.

keep participating as a developing country; we are not renouncing that right'.¹⁸ To claim developing country treatment means that market opening and the enforcement of disciplines will not be symmetrical, and that the country will benefit from larger timeframes for reducing tariffs, or differentiated thresholds (in the case of the reduction of domestic supports) for reducing non-tariff barriers. This type of treatment was absent from NAFTA negotiations.

Even though Mexican officials recognize that Mexico's position under the Doha negotiations was crafted prior to the domestic peasant mobilizations and the signing of the agro-pact,¹⁹ they acknowledge that joining G20 was a 'tactical' success: it increased Mexico's leverage in multilateral negotiations and it gained the support of disaffected peasants and PRD congress members.²⁰ In other words, Mexico's position in the Doha agricultural negotiations has been beneficial so far in political terms, both internationally and domestically. It is not clear, however, to what extent Mexico will be successful in negotiating its agricultural package within the WTO, but this will depend on the evolution of current alliances and the position of the United States, Europe, Japan and key developing countries currently grouped under G20. Up to now, public officials consider Mexico's participation in G20 to be beneficial; however, this partnership will last only as long as Mexico's interests coincides with those of the club: 'Mexico joins a group (within the WTO) when its points of view coincide with those of the group and it ends this association when Mexico's interests do not coincide with the group any longer. This explains Mexico's position within the G20. The group has worked exclusively on matters related to market access for agricultural products and it has proved very beneficial to Mexico's concerns vis-à-vis those countries whose huge subsidies highly distort markets'.²¹

4. Lessons for other countries

Mexican public officials are convinced that NAFTA has been beneficial for Mexican agriculture, since market shares in competitive products increased once the agreement came into force. Domestic production of sensitive products (mainly grains) has not fallen and imports have balanced the growth of national consumption.

¹⁸ Interview with Hernández.

¹⁹ Mexico's position on agricultural negotiations for the Doha Round was crafted by COECE in consultation with the Mexican government (interview with Ceja). According to Hernández, from the Ministry of the Economy, 'In fact, before the signature of the Acuerdo Nacional para el Campo, Mexico had decided to join the G20, because in principle and in general terms, the general goals pursued by the G20 are the same ones pursued by Mexico'.

²⁰ Interviews with Aguilar and Suárez.

²¹ Interview with Gerardo Traslosheros, general director, Secretaría de Economía, Mexico City, 30 June 2004.

Hence, they consider that there was no need for any renegotiation on the terms on which agriculture was opened vis-à-vis the United States. However, they recognize that trade liberalization is not tantamount to structural reforms. Trade openness is not enough to boost Mexico's competitiveness in lagging sectors, such as that of grains. Long-term domestic reforms must go hand in hand with the liberalization of agriculture, but must not become a substitute for the former.²² Mexico also needs to develop its own quality standards, similar to those prevailing in developed countries, to ensure that only healthy and top-quality food and agricultural products enter the country. Standardization measures should be levelled off to US practices. 'We need to develop the institutional and legal frame for enacting so-to-say "mirror policies" related to standards, infrastructure and financing. This is not banned either by NAFTA or WTO. [Their absence] only shows that during the transition period opened by NAFTA; most of the efforts of the country went into dealing with adjacent agricultural or financial problems (e.g. the peso crisis of 1995) instead of devising and implementing long-term policies for boosting the income and competitiveness levels of Mexican growers'.²³

Opening agriculture to the rest of the world is, however, a different matter. Mexico has hitherto preferred to negotiate à la carte market access under bilateral terms, seeking to enhance the market shares of agricultural products. When the opening-up of trade seems not to be so favourable, as for example with most of the Latin America countries, sensitive agricultural products remain outside the negotiations. In this respect, Mexico prefers to liberalize these products within WTO negotiations, because the phasing out of barriers is longer and more gradual. Mexico also prefers the WTO forum for negotiating 'horizontal' disciplines such as subsidies and domestic supports. To negotiate them on a bilateral basis, apart from the inherent difficulties, would help outsiders to become free riders.²⁴ Thus, a major lesson Mexicans can offer other countries is to make the right mix between bilateral deals and multilateral positions.

Market access can be negotiated faster and more efficiently with key economies under bilateral agreements; in contrast, sensitive sectors and horizontal rules and disciplines can be better negotiated within the WTO. Finally, public officials have recognized the importance of grass-roots peasant mobilizations, since they have enlarged the domestic coalition promoting and defending policy reform in Mexico's agriculture.

²² Interview with Gerardo Traslosheros, general director, Secretaría de Economía, Mexico City, 30 June 2004.

²³ Interview with Aguilar.

²⁴ Interview with Hernández.

Leaders of organizations of small farmers concur that their mobilizations and demands relating to the signature of the ANC were a victory for the peasants. They learned that they could put agricultural interests at the forefront of the national debate, in which public officials, academics and congress members have a say. They still perceive the ANC as the general framework for a long-term restructuring of agricultural policies. Even though they consider that trade openness has not been the cause of the lag in productivity and competitiveness in agriculture, they believe that trade liberalization has worsened the situation regarding sensitive products. Hence they call for the liberalization of sensitive products, in Mexico and elsewhere, not to be included in any bilateral or multilateral deal. They also agree that agricultural liberalization should be carried out under the basis of defending 'food sovereignty', in the sense that countries should not compete but rather complement each other and give priority to national growers.

Some leaders have recommended emulating the European example by restructuring the agricultural sector and promoting integration, giving priority to national growers, providing structural funds for reducing asymmetries among economies, sticking to imperatives such as food security (avoid dependence on imports) and 'land multi-functionality'.²⁵ As one of the leaders stated, 'we have to recognize that agriculture embodies a value-added benefit for any society; it is not only the market value of its products, but it is embedded within the cultural values, the environmental quality, social stability and cultural differences that make a society recognize itself as a nation. This becomes the backbone of a country, and thus has more than a market value'.²⁶

Other leaders suggest that Mexico should take a more aggressive position within WTO negotiations. Mexico's trade negotiations agenda should put at the forefront the establishment of a 'global agrarian pact, anchored on the principle of defending the food sovereignty of nations. Each nation should be able to produce domestically its strategic staples in order to become self-suppliers. Free trade should apply to the rest of "luxury" staples. This must be the strategy to follow in order to abate famine in the world'.²⁷

²⁵ Interview with Federico Ovalle, general secretary, Central Independiente de Obreros Agrícolas y Campesinos AC (CIOAC), Mexico City, 19 may 2004.

²⁶ Interview with Cruz.

²⁷ Interview with Correa.

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