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TRANSNATIONAL DEVELOPMENT: LIMITATIONS AND POTENTIALITIES OF A MODEL FOR 'MIGRATION AND DEVELOPMENT'. CASE STUDY CAXCANIA

THESIS PRESENTED BY

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DEDICATION

To Camila

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LIST OF ACRONYMS

AD	Alternative Development
COMERCAM	Consejo Mexicano Regulador de la Calidad del Mezcal (Mexican Council for Mezcal quality regulation)
CONAGUA	Secretariat of Water
CONAPO	Consejo Nacional de Población (National Population Council)
COVAM	Comité de Validación y Atención (Validation and Atention Panel)
CNC	National Confederation of Peasants
EAP	Economically Active People
ECHO	Humanitarian Aid and Civil Protection department of the European Commission
ECLAC	Economic Commission for Latin America and the Caribbean
FDI	Foreign Direct Investment
FCZSC	Federación de Clubes Zacatecanos del Sur de California
FEDZAC	Federación Zacatecano
FIOB	Frente Indígena de organizaciones binacionales
GDP	Gross Domestic Product
GO	Grassroots organization
HD	Human Development
HDI	Human Development Index
HDR	Human Development Report
HES	Higher Education System
HSD	Human Scale Development
IAASTD	International Assessment of Agricultural Knowledge, Science and Technology for Development
ICA	International Co-operative Alliance
IDC	International Development Cooperation
IEM	Instituto Estatal de Migración
INEGI	Instituto Nacional de Estadística y Geografía

IRCA	Immigration Reform and Control Act
ISI	Import Substitution Industrialization
LAC	Latin America and the Caribbean
MNC	Multinational Corporation
MND	Migration-Development Nexus
NAFTA	Nord American Free Trade Agreement
NG	Neoliberal Globalization
NGO	Non Governmental Organization
NSP	New Social Policies
NWO	New World Order
PCD	People Centered Development
PD	Participative Development
PO	Participative Observation
PRA	Participatory Rural Appraisal
PROCEDE	Programa de Certificación de Derechos Ejidales y Titulación de Solares Urbanos (Certification program of Ejido rights and titling for urban terrain
PWC	Post-Washington Consensus
OECD	Organization for Economic Co-operation and Development
LEF	Living Economies Forum
RP	Real Participation
SAGARPO	Secretaria de Agricultura, Ganadería, Desarrollo Rural, Pesca y Alimentación (Secretariat for Agricultura, Livestock Farming, Rural Development, Fisheries and Food)
SAP	Structural Adjustment Program
SD	Sustainable Development
SSD	Social Sustainability in Development
SEDARGO	Secretaria de Desarrollo Agropecuario (Secretariat for Agricultural Development)
SEDEZAC	Secretaria de Desarrollo Económico de Zacatecas (Secretariat for Economic Development in Zacatecas)
SH	Structural Heterogeneity
SEMARNAT	Secretaria de Medio Ambiente y Recursos Naturales (Secretariat for Environment and Natural Resources)

SEPLADER	Secretaria de Planeación y Desarrollo Regional (Secretariat for Planning and Regional Development)
SSD	Social Sustainability in Development
TD	Transnational Development
TNC	Transnational Corporation
TO	Transnational Organization
TRIPS	Trade-Related Aspects of Intellectual Property Rights
TS	Transnational Studies
TSS	Transnational Social Space
UAZ	Universidad Autónoma de Zacatecas
UNO	United Nations Organization
WB	World Bank
IMF	International Monetary Fund
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNICEF	United Nations International Children's Fund
WDR	World Development Report
WTO	World Trade Organization
WECD	World Commission for Environment and Development

ABSTRACT

Transnational development: Limitations and potentialities of a model for 'migration and development'. Case study Caxcania

In previous public and academic discourses the perception of migration and development has a varied trajectory; in general, the understanding of the linkage was often unbalanced, because of an overemphasis with regard to the scope, meaning international labor migrant's contribution to development. To address this shortfall, this work proposes a different access to the linkage between 'migration and development': Transnational development and its respective potentialities and limitations. The model's major focus is on the agency sphere, in which alternative development approaches and concepts regarding studies on migrant's transnationality are linked, to mutually enrich both spheres. To contrast theory with practice, a case study (Caxcania) with appropriate characteristics was chosen, in which qualitative research was carried out, with a particular focus on multi-sited ethnography and cross-border units of analyses. By employing a range of methodological tools, the potentialities and limits of transnational development were revealed.

The main results are that there are institutional, sociocultural, –but above all– structural limitations that currently make transnational development difficult to achieve. In turn, there are also potentials visible in Caxcania, such as strong migration ties, which are multiple and show possibilities for the constitution of a strong transnational subject of development, induced by real participation, social empowerment and by the appropriation of agency for the purpose of achieving participative development, as well as social sustainability, in the process of societal advancement. The existing transnational subjects and their transaction and action strategies show significant elements of transnational development strategies, but these need to evolve in order to reach their potentials.

Keywords: *Agency of development, transnational development, potentialities, limitations*

RESUMEN

Desarrollo transnacional: Limitaciones y potencialidades de un modelo para el enlace entre 'migración y desarrollo'. Estudio de caso Caxcania

La percepción de la migración laboral internacional y desarrollo tiene en los discursos públicos anteriores una trayectoria variada. En general, con respeto a los alcances el entendimiento de la conexión era desequilibrado por ser muchas veces sobrevalorado refiriendo a la contribución de los migrantes laborales internacionales al desarrollo. Para resolver este déficit el presente trabajo propone un acceso diferente en la conexión de 'migración y desarrollo': Desarrollo transnacional y sus potencialidades y limitaciones. Atención particular en el modelo teórico recibe la agencia, en lo cual se conectan aproximaciones y conceptos del desarrollo alternativo con conceptos y acercamientos de los estudios del transnacionalismo de migrantes con el objetivo de fortalecer los dos ámbitos mutualmente. Para contrastar la teoría con la práctica se ha elegido un caso de estudio (Caxcania) con características apropiadas, en la cual se ha realizado investigación cualitativa, dando enfoque particular a la 'multi-sited ethnography' y a unidades de análisis transnacionales. Por medio del uso de un rango de herramientas metodológicas, en la práctica de desarrollo las potencialidades y limitaciones se han descubierto. Los resultados principales indican la existencia de limitaciones socioculturales, institucionales, y sobre todo de estructurales, las cuales dificultan actualmente la viabilidad de desarrollo transnacional. Por otro lado también están visibles potencialidades en Caxcania, como enlaces fuertes con migrantes, los cuales son múltiples y demuestran una posibilidad de constituir un sujeto migrante solido, inducido por la participación real, empoderamiento social y por la apropiación de la agencia por dicho sujeto, con la finalidad de lograr un desarrollo participativo y también sustentabilidad social en el proceso de progreso societal. Los sujetos transnacionales existentes demuestran en efecto signos de estrategias de desarrollo transnacional significativos, sin embargo- requiere evolucionarse para poder aprovechar de su potencial.

Palabras claves: *Agencia de desarrollo, desarrollo transnacional, potencialidades, limitaciones*

KURZFASSUNG

Transnationale Entwicklung: Begrenzungen und Potenzialitäten des Models zur theoretischen Verbindung von 'Migration und Entwicklung'. Fallstudie Caxcania

In vergangenen öffentlichen und akademischen Diskursen waren die Auffassungen über ‚Migration und Entwicklung' abwechslungreich; allgemeiner gesagt, war das Verständnis über die Verbindung in Bezug auf die Reichweite, d.h. der Beitrag den internationale Arbeitsmigranten für die Entwicklung leisten können, oftmals unbalanciert und überbetont. Um dieses Problem anzugehen, wird in dieser Dissertation ein unterschiedlicher Zugang zur Verbindung zwischen ‚Migration und Entwicklung' vorgeschlagen: Transnationale Entwicklung, ihre jeweiligen Begrenzungen und Potentialitäten. Ein besonders analytisches Augenmerk wird dabei auf den Agency Kontext gelegt, in dem Ansätze und Konzepte der alternativen Entwicklungstheorie mit Ansätzen und Konzepten der Transnationalismusforschung verbunden sind, mit dem Ziel, beide theoretischen Bereiche gegenseitig zu ergänzen. Um die Theorie von der Entwicklungspraxis zu kontrastieren, wurde eine Fallstudie ausgesucht, in der durch qualitative Forschung, insbesondere durch die 'multi-sited' Ethnographie und transnationale Anaylseeinheiten, Informationen gesammelt worden sind. Im Einklang damit wurde versucht, durch die Anwendung von unterschiedlichen qualitativen Instrumenten die Begrenzungen und Potentialitäten von transnationaler Entwicklung in der sozialen Realität zu erforschen. Dabei kam heraus, dass unterschiedliche Begrenzungen vorhanden sind, wie z.B. institutionelle und sozio-kulturelle, insbesondere aber strukturelle, welche die transnationale Entwicklung gegenwärtig nur schwierig realisiebar machen. In diesem Kontext existieren aber auch Potentialitäten, wie z.B. die starken Migrantenverbindungen, die vielfältig sind und klare Möglickeiten darstellen, um, durch reale Partizipation, sozialem Empowerment und durch die Selbstkonstitution des Agencykontextes einen soliden transnationalen Akteur der Entwicklung zu gestalten, der in der Lage ist, partizipative Entwicklung und soziale Nachhaltigkeit im gesellschaftlichen Fortschrittsprozess einzubringen. Die vorhandenen transnationalen Agenten, ihre Transaktionen und Handlungsstrategien weisen zwar signifikative Komponenten von transnationalen Entwicklungsstrategien auf, müssen jedoch einen evolutiven Prozess durchlaufen, um ihr vollständiges Potenzial zu erreichen.

Stichwörter: *Agency, transnationale Entwicklung, Potenzialitäten, Begrenzungen*

Chapter I

1. INTRODUCTION

1.1. The linkage between 'migration and development'

For over six decades, economists, migration scholars, politicians and development agents have discussed, in their respective circles, the nature and scope of the complex linkage between migration and development.

The discourses on the scope, or more precisely on the development outcomes that migration can have, were far from conclusive: In migration theory, policy and practice we do not find a concrete model that responds to this conceptual vacuum, one that considers broader societal advancement in the economic, political, institutional, cultural and social dimensions, and which leads to broad participative development and social sustainability in all relevant transnational realities. In other words, there is no model that highlights a linkage between "migration and development", one that ideally leads to synergy effects in the societal development process.

Faist (2008) distinguishes and illustrates three historical phases of discourse, in which the linkage between migration and development spawned; these are characterized by a limited perception of the nexus in the political and academic sphere. The same scholar differentiates between the first phase around the 1960s, where the political emphasis was put on closing labor gaps in the global North and on development in the global South (Faist, 2008). In the second phase – the 1970s and 1980s – in certain academic circles, attention was given to (neo)-Marxist viewpoints or dependency perspectives with regard to the relationship of migration and development. In this vein, Wallerstein's world systems theory was a representative attempt to analyze the linkage of development and migration, intending to formulate a Marxist explanatory model for the roots of the capitalist world system. According to Faist, the third phase began in the 1990s and was based ideologically on the political assumptions of the first period of the nexus in the 1960s, with the difference that this time the rhetoric was underpinned empirically in the enormous international financial remittances occurring all over the world. This fact led international organizations, such as the World Bank (2008), to discuss and promote international migration as a realistic pathway for development in marginal regions.

Faist & Fauser make three main claims regarding this "new enthusiasm". First, remittances of a financial nature "(…) carry a huge potential for poverty reduction and local business and infrastructure investment" (Faist & Fauser, 2011: 2). Second, beside financial remittances and human capital, a "(…) strong emphasis has been placed on the transfer of skills, knowledge, and social remittances from the North to the South" (Faist & Fauser 2011: 3). Finally, "(…) the desirability of temporary labour migration based on the expectation that temporary migrants will constitute no loss in human capital and furthermore transmit a higher percentage of their income than permanent immigrants" (Faist & Fauser, 2011: 3).

As I anticipated, the claims associated with the three phases of the 'migration-development nexus' are limited in their perception of the linkage between migration and development. For that reason Faist & Fauser (2011: 11) suggest the employment of a 'transnational perspective', because "(…) new forms and assessments of transnational circulations reaching across state borders have emerged" in recent years. They believe a transnational focus is useful to connect development and migration studies. In this vein, the transnational focus "(…) is suitable for looking both at new social formations *sui generis*, such as transnational social spaces (…) and at how old national institutions acquire new meanings and functions in the process of cross-border transformation" (Faist & Fauser 2011: 12). Pries (2002: 8) defines transnational social spaces (TSSs) "(...) as dense, stable, pluri-local and institutionalized framework composed of material artifacts, the social practice of everyday life, as well as a system of symbolic representation that are structured by and structure human life". Within TSSs, the intensity of transactions and activities can be determined by migrant's transnationality, which we can define as a continuum of cross-border social, political, cultural, institutional and economic practices from a low to a high degree.

There have been many academic attempts to focus on cross-border ties as well as practices by employing transnational approaches with the intent to analyze the fruits that these bonds and practices have on local and / or regional development. In other words, these approximations aim to analyze the scope of the linkage between migration and development. However, this kind of transnational research is too-often (over) focused on cross-border ties and activities, particularly in the attention given to transnational migrant organizations (TO) or to migrant-led social-development projects. This context is termed

and discussed under ‘groupism’ and essentialism of migrant groups (Faist, Fauser & Reisenauer, 2011). Hence, the theoretical link to development falls short, because limiting factors in the structural sphere of migration and development are non-critically or only marginally considered and the agency sphere is often overemphasized. *How we can overcome this problematic and carry out a more balanced analysis*?

1.2. Transnational Development (TD)

Transnational development is conceived as a theoretical frame for introducing a meso-level analytical category in order to broaden and balance the discussion on the relationship between migration and development.

By proposing the model, I consider in the analysis of this relationship on the one hand the potentialities that exist due to a multitude of agents and agencies, and on the other hand I focus critically on limiting factors in the process of development.

Methodologically, I proceed in the following way: *First*, there is the aim to establish a new theoretical framework (transnational development). Therefore, respective literature on development and on migrant’s transnationality was critically revisited and reconstructed in the model of TD. In concrete terms, this means to develop a theoretical model by taking in account central concepts of both the alternative development (AD) perspective and the transnational perspective. This also includes a theoretical discussion of potentials and limits of the model. *Second*, I contrast the theoretical model with the development reality by field research in a case study, which represents a “cutting edge” experience. The field research serves for contextualizing and assessing the theoretical considerations, and in particular for identifying the limits and potentials of transnational development. The key issue to resolve is based on the following questions:

1. *In what way can TD represent a useful linkage between migration and development?*

2. *What are the limits and strengths of the model of transnational development in theory?*

3. *In what way are limits and potentialities of transnational development visible in development practice?*

I propose that TD can represent a particular modality in the theoretical connection of migration and development, which can compensate for the existing deficiencies in this discussion. To construct the model, theoretical elements of alternative development theories, of transnational studies and of critical development studies are used. On this basis, an analytical groundwork regarding the agency focus in the research on international migrants' development scope can be enhanced, offering a more balanced discussion concerning the linkage of migration and development.

In development practice, TD drafts a modality of alternative development that is characterized by the participation of agents, resources, economic transactions, knowledge, technologies and institutions, and which transcends the local and regional scope. This can mean a significant improvement in the socio-economic circumstances of all relevant geographical and social spaces of international migration (which exhibits a high degree of transnationality) over time. In this fashion, TD is conceived as a kind of human progress that eventually generates broad societal advancement (i.e. on economic, political, institutional, cultural and social levels), has synergy effects and leads to social sustainability in development. This panorama opens a field of greater possibilities than most alternative theories assume and could transcend some structural limits imposed by neoliberal globalization, such as conditions of unequal competition given to power asymmetries and weak state representation. This is possible when interlinkages in TSSs are utilized in all their dimensions to benefit local and regional improvement, as well as development in the transnational space. In practice the model is not understood as a context that is only supported by transnational agents (organizations, actors, etc.), but by a range of central agents (transnational and non-transnational). Therefore, the consolidation of relevant forces of societies seems to be crucial in order to find and carry out particular strategies for TD.

The concept includes and must take into account two important realms of analyses:

a) Structural, institutional and sociocultural limitations: Structural aspects are the most significant constrains and therefore represent historic or contemporary political and

economic conditions and constellations (e.g. colonialism, imperialism, neoliberal reforms, free-trade markets) that are adverse to participative development and to social sustainability in the process of societal progress. In the political realm of development, international organizations at the macro-level or (neoliberal) states and their representatives at the meso-level can be responsible for (structural) limitations in the local sphere.

Strongly related to these are institutional limitations, which give particular emphasis to bodies at the state level and their cooperation with other institutions and civil society organizations. Finally, sociocultural limitations are defined as constraints that emerge within social contexts, based on the historical or present experience of communal life and expressed in human relationships, interaction (among each other and with formal institutions) and social action.

b) Action strategies are part of the agency realm and are understood as planned types of action in order to promote development processes that are propelled by a range of transnational and traditional (non transnational) agents and agencies (transnational organizations, state institutions, representatives of the higher education system, NGOs, etc.).

The outcomes of transnational development efforts ideally reach cross-border actors on both sides simultaneously, signifying human progress in local and regional development in the sending, as well as growth in the migrant communities in the receiving countries.

In sum, the aim of constructing the TD model is to go beyond the creation of a theoretical model that links 'migration and development', in order to address the theoretical discussion of the limits and potentials of the model. An empirical examination is required out in order to contrast the theoretical model with the reality of transnational development. To this end, it was necessary to select an adequate case study, one that could serve to empirically analyze the limitations and potentials of TD.

1.3. The Caxcania case study

Mexico is one of the largest exporters of international labor in the world, and within Mexico, the state of Zacatecas constitutes the longest tradition in international migration and exhibits the highest index in migration intensity in the country (CONAPO, 2010). Furthermore, in terms of migrant's social organization, investment and initiatives, the state

shows very advanced features, displayed, for example, in its manifold and mature transnational organizations (e.g. FEDZAC) and public initiatives (e.g. the Migrant Law, and the migrant program 3x1).

a) Why study Caxcania?

In this social and geographical panorama, Caxcania is the most advanced bi-national project for productive development. This project emerged around 2000 in the southern part of the state of Zacatecas, in the region known as Cañon of Juchipila, as an effort of local and to promote regional development. A range of players (state actors, small-and medium-scale agricultural producers, consultants, etc.) saw an opportunity to fill a niche and make "easy money" by starting agricultural enterprises geared towards cultivating and selling agave plants or "blue gold" to the tequila industry. For that reason, 359 agricultural producers began to cultivate agave and organize themselves into 26 producer organizations. *But what makes Caxcania an interesting case in a transnational perspective?*

Caxcania can be considered an avant-garde case, because there is no other agave and mezcal-producing project in Mexico with the same encouraging development characteristics. In particular, we can highlight the following aspects: a) existing productive organizations in Mexico; b) strong migrant ties (migrant networks, social capital and TSSs) – around 70% of the producers are located in the USA or have family members who are living a transnational migrant life that gives Caxcania a transnational character; and c) simultaneously-existing multiple cross-border ties (transnational organizations, transnational circuits, transnational families).

The project possesses adequate features for a larger development scope encompassing local, regional, as well as migrant communities, because migrant transactions in different TSSs by partners of Caxcania are clearly visible and active. There is also evidence that multiple migrant networks, groups and organizations operate in parallel in Caxcania, which indicates that within TSSs 'traditional (social) institutions' have been transformed. These aspects indicate that the high degree of transnationality of Caxcania partners can foster action strategies within TD and demonstrates a very high potential to implement successful transnational development in practice.

There is also evidence that structural and other types of limitations inherent in TD are observable in this case. For example, the production of an alcoholic beverage is a highly

regulated process, characterized by national and international norms, tight state control, unequal competition and asymmetric power constellations in the dominance of transnational corporations in the sector, which are indicative of barriers to economic and social development, especially limiting for the implementation of TD. This discussion leads to the following research questions with regard to the case study, which I will revisit in Chapter Six:

1) *In what ways has the Caxcania project contributed to social and economic development among its participants, in its base communities in Zacatecas, and in migrant communities in the US?*

2) *What are the concrete limits and potentials of the Caxcania project with regard to TD?*

My working propositions, to be subjected to systematic empirical inquiry, regarding the case study are as follows:

1. Caxcania represents a case study located in a relative advance transnational endeavor engaged in a pioneering transnational development experience, given its involvement in a collective productive initiative that transcends traditional social development initiatives, such as the three for one program, and implicates an ample variety of stakeholders directly or indirectly engaged in cross-border relations and interactions.

2. The experience of Caxcania exhibits several important limitations derived from the context in which it is embedded and shows different deficiencies in the conception and implementation of the project.

Regarding the context, the main limitations are related to the unfair competition faced by actors in the mezcal sector vis-à-vis large players in the tequila industry, which are operating at a global level. This inequality in competition is due to asymmetric power constellations, reflected in financial resources, marketing power, and influence in public policies and regulations regarding the characteristics of the product.

In reference to the project, its emergence responded to a window of opportunity on the lowest echelon of the productive chain: the agave plantation was carried out with

support in the framework of a governmental initiative rather than through a strategic development plan promoted by the agriculture producers of the region. Thus, different types of shortcomings have prevailed. In particular, without experience in the cultivation of agave, without the proper knowledge of the industry, regarding the upstream activities of the productive chain, and without adequate coordination between the different stakeholders who are participating in the project, Caxcania has evolved slowly and relatively late under a weak institutional framework and scarce transnational engagement.

3. Caxcania shows a broad range of untapped potentialities that could be exploited in order to vanquish the limitations of the productive project and induce a fertile and socially sustainable transnational development process. *First,* to reinforce the transnational agency with an appropriate institutional framework capable of reducing structural heterogeneities, it is essential to actively incorporate migrant participants, to gain entrepreneurial capacities, and to broaden their activities in the cross-border context. *Second*, it is necessary to establish a strategic development plan in order to foster the suitability and sustainability of transnational development in Caxcania. This plan should allow the most effective use of the productive initiative and its potential multiplier outcomes at a transnational level, in coordination with NGOs, higher education systems and the migrant federation agents involved in the project. *Third*, in order to avoid unfair competition induced by the emergence of large corporations in the tequila industry, the project must take advantage of the niche of local/global or fair-trade markets. These interstices are potentially accessible for Caxcania partners within transnational social space, because they are incorporated and controlled to a significant degree by transnational stakeholders.

To respond to these questions empirically requires qualitative information about social motives: "structures of relevance" (Luckmann & Schütz 1979) that Caxcania partners possess with regard to the establishment and the upkeep of their development project. The identification of these motives, in turn, can give further insight into the social reality of Caxcania partners, such as an understanding in greater depth of the way social and economic development is conceived, interpreted and carried out, comprehension of the internal reasons why TD is seen to have potential, all of which are based on collective awareness and on coordinated cross-border practices.

b) Methodology: qualitative research, "multi-sited" ethnography and cross-border units of analyses

The aim of qualitative research is to comprehend and describe lifeworlds from within, which requires a reconstruction of the viewpoint of the agents. We then expect to achieve a better understanding of social realities, such as perceived interpretative patterns, flows and procedures (Flick, von Kardorff & Steinke, 2000). This kind of analysis requires a reflection on the research field, especially in cross-border research, which encompasses more than one research site. Schütz (1971) argues that, particularly within social science, theories and models are constructions of the second degree, whereby everyday constructions are of the first degree. To follow the postulate of "adequacy" requires particular care in reflecting on the research field by the researcher in order to avoid the reconstruction of a fictional social reality. Therefore, the researcher needs to engage in "positional reflexivity" (Marcus 1995) that is, his / her role in the field. Importantly, the research undertaken requires taking into account the cross-border character of the research field. For that reason, I employ the "multi-sited ethnography" approach proposed by George Marcus. The supposition is that the researcher needs to trace and literally "follow" the social practices of international migrants across borders in a globalized world context (Marcus 1995).

In addition, cross-border research requires the specification of an adequate unit of analysis. Before the globalization and transnationalism debate began in the 1990s, social research was often based on units of analysis within the framework of the nation-state, because it represented a homogeneous unit of shared history, a set of values and social norms, but also coherent customs and societal institutions (Pries and Seeliger 2012). This perception is known as the "container model of society" (Wimmer & Glick Schiller 2003). In international migration studies this critique is discussed as "methodological nationalism". The term calls attention to the fact that cross-border phenomena cannot be analyzed adequately if we do not change our focus from nationally-framed units of analysis to transnational ones. To focus on cross-border units of analysis, it is useful to employ TSS as a frame of reference, in which we can detect different cross-border ties and activities. TSSs are the spheres where transnationalism takes place. In international migration different types of social spaces exist, such as transnational relations of small groups,

transnational issue networks, etc. (Faist, 2000). These TSSs can exist simultaneously and work complementarily or to the contrary, they can mutually limit each other's efforts. An analysis of social formations within TSSs units, and also a focus on the certain interplay of these transactions and action strategies within the transnational framework, is crucial to understand transnational practices and outcomes. To vanquish "methodological nationalism", I focused on units of analysis within TD: TSSs, such as families or multiple types of TOs that are inherent in the economic cross-border enterprise of Caxcania. I also addressed the transnationality of these agencies within the TSS, including an analysis of the degree, intensity and durability of cross-border transactions and activities. Furthermore, I revised explicitly limiting (structural, institutional, socio-cultural) factors in the transnational context, as well as enforcing factors in the agency sphere in Caxcania.

To carry out research in Caxcania, to respond to the previously noted questions, and to obtain the needed information, I have employed different qualitative research techniques, such as interviews with different relevant social actors (agaveros, organization leaders) as well as with experts and politicians; group discussions with members of the producer organization; participant observations in different kinds of events; and the collection and analysis of documents.[1]

1.4. Analytic procedure

This thesis is organized as followed. After this introductory chapter, which is meant to present the problematic and provide a general overview, I build a theoretical framework.

Thus, *Chapter Two* deals exclusively with development theory. The starting point is the analytical distinction between structure and agency. I discuss the former by highlighting the historical trajectory of structural focuses on development. I address agency by discussing first calls for alternatives development approaches, which represent mainly a search for a response to economic crisis and political transformations in the international development context. The post-Washington Consensus represents a turning point, where social liberalism (a guiding model) emerges and leads to an extension in the perception of development (the social and ecological dimensions of development). The perception of

[1]These techniques are discussed in detail in Chapter Six.

alternative development in this present work is in many ways different from this mainstream conception: real participation, social empowerment, and the appropriation of agency in all dimensions of development by the subject of development, leading to participative and socially sustainable development and concretely expressed in collective initiatives and relatively autonomous economic enterprises that are "people centered", small and human in scale, and that bring away the freedom to collectively choose an adequate "satisfier" in order to meet basic human needs and sustainability (above all social) in the process of societal progress. Focusing on the particular agents and agencies, we can find principally the community as a suitable agency and its population as agents of development, which represent a form of thinking on classical actors within the container model of society.

Chapter Three deals with the agents and agencies in the context of globalization (understood as national boundary-breaking, emerging economic, political and social transaction and (social) action patterns). Before addressing this topic, I discuss public discourses regarding the 'migration-development nexus' focusing mainly on political and academic perceptions of the linkage between migration and development. The 'transnational perspective' represents a reply to the mainstream perception and is appropriated, beside the previously noted AD-concepts, for constructing a theoretical model that seeks to explain the links between migration and development. I first outline the original discussion on transnationalism and the critique of it, and then I sketch out central concepts such as adequate units of analysis, transnational social spaces, migrant networks and forms of social capital. Finally, I discuss how recent agencies emerging from this perspective are perceived and addressed, and I propose a different approximation employing alternative approaches and concepts of development within the transnational perspective.

Chapter Four is dedicated to the construction of transnational development, its definition, the analytical framework, potential outcomes and different types of limitations and concrete potentials of the model regarding both theoretical considerations and development practice. I discuss potentials by addressing relevant agencies and ideal types within transnational development.

Chapter Five is devoted to structural limitations, which are seen as major factors. I follow capitalist development after the 1970s and narrow down the analytical focus, first to

Mexico's development, especially under neoliberal globalization and free trade under NAFTA (labor export-led model and rural transformation), then to the rural development trajectory of Zacatecas, which is historically marked by development issues, such as agriculture and mineral extractivism. Free trade under neoliberal globalization in general brings about, for example, the absence of an agency of development, and with that the impossibility to enforce civil society, as well as to overcome underdevelopment. Lastly, I analyze the product chain of agave and mezcal, whereby these product chains are strongly influenced by production chains in Jalisco, where large corporations dominate the tequila branch and utilize different strategies to make mezcal less attractive vis-à-vis tequila and thus less competitive.

Chapter Six provides a general appraisal of the limitations and potentials of transnational development based on research concerning Caxcania, located in the southern region of the state of Zacatecas. In this case study, a broader context of constraints and potentials is identified and categorized in order to respond in *Chapter Seven* to the central research question regarding the viability, limits and potentials of transnational development. This chapter also includes a discussion regarding a series of challenges for policymakers and development practitioners in order to implement transnational development in practice.

CHAPTER II

2. ALTERNATIVE DEVELOPMENT (AD)

The context of development can be considered as a multidimensional and multidisciplinary field of economic, political, institutional, cultural and social practices, and its respective historical and/or contemporary studies. Within these dimensions and disciplines the specific theoretical access depends on the understanding of what *development* means, as well as the chosen analytical focus.

In this Chapter I position my specific conception of development, on which the theoretical model of transnational development is based: the alternative development perspective.

In order to embrace the dialectical relationship of migration and development it is indispensable to take into account both, structure *and* agency-oriented approaches to development. This can be translated on the one hand to adverse structural conditions that represent root causes for past and present emigration processes and bring forward the idea that migration is embedded in the development problematic. On the other, it can shed light on the potential that transnational agents hold for societal advance.

In order to embrace both analytical foci, close attention is paid to the historical trajectory of development and its academic perceptions. In concrete terms, this means to consider a) unequal development, which is principally based on unequal exchange between different regions as a main factor for international labor emigration and its continuance, and b) alternative development, which can be seen as a type of response for adverse structural circumstances in the process of advance. By addressing initial calls for alternative development, as well as by critically reviewing public discourses within PWC this agency-oriented context can be approached adequately. On this basis, important theoretical elements are retrieved and built up at a meso-level, constituting the first part of the conceptual framework oriented towards the theoretical construction of a model of transnational development.

As a definitional starting point for this analytical focus that also represents the main attention within this thesis, development can be described as a complex process of power relations among regions and countries on the one hand, and as a "(…) desired and defined

improvements in the human condition together with the changes needed to bring them about" (Veltmeyer, 2010a: 10). Desired and defined enhancement refers therefore to the consciousness of what development means, the particular form it should take, and that not only by external actors carrying out projects or analyzing processes with regard to development, but above all by the 'subject' of development – all of which represent however one perspective to development.

Theoretical perspectives: Structure and agency

According to Veltmeyer (2010a) there are two principal matters on which to focus in development theory: *the structure* and the *agency*. The former describes "(…) the outcome of the workings of a system, understood as a set of congealed practices that make up the institutional structure of the system" (Veltmeyer, 2010a: 11). It is assumed that the particular system's structures "(…) work on people —and countries—according to their location in the structure, creating conditions that are 'objective' in their effects" (Veltmeyer, 2010a: 11).[2] As a result, established institutional structures determine or limit the potential action repertoire of social actors, whereby the freedom of action and choice is retrenched.

In contrast, *agency* offers a people-oriented perspective to the development context: "(…) the strategic view of development, which assumes that development is the outcome of actions taken or policies implemented as a means of achieving a predefined or defined goal—a matter of goals, means and agency" (Veltmeyer, 2010a: 11). In this fashion, "(…) development is basically a matter of action on ideas", which can be traced to the Enlightenment and French Revolution of the 18th century, where the search for "(…) progress, equality, freedom and fraternity (solidarity)" (Veltmeyer, 2010a: 11) signified advance in society. Agents and agencies of development are not homogenous in their perspectives, interests and action repertoire, and can refer to "hegemonic and dominant" players, as well as to "exploited, subordinated and excluded" ones (Veltmeyer, 2010b). Thus, the spectrum of social constitutions of agency is broad and located in different

[2]According to Veltmeyer (2010a) with the theoretical focus on structure the aim is to illuminate the "'great transformation' of a pre-capitalist, traditional and agrarian society into a modern industrial capitalists system", which include three central metatheories a) industrialization, b) modernization and c) capitalist development.

societal contexts, such as social classes, the state, international institutions, political parties, social movements, etc. (Veltmeyer, 2010b).

This conceptual distinction does not mean that action strategies carried out by actors are made in absolute freedom from the limiting factors (e.g. the structure). Rather than thinking of the existence of *perfect* access, one must consider the existence of *uneven* access, which means that the social exclusion of some actors in a given development context may mean inclusion for other actors (and vice-versa) (Veltmeyer, 2010a).Social exclusion is, therefore, a significant social mechanism and represents a parallel theoretical tool to comprehend and display societal dynamics of the opening and closing of access to public resources. In contrast to marginalization, where only objective factors that influence opportunities for participation are focused, social exclusion refers to the interplay of objective (e.g., income, profession, education, etc.) and subjective (e.g., institutional accessibility, family integration, social relationships and contacts, etc.) factors that give arise to disembeddedness of excluded segments of population from the society. Consequently, the combination of objective and subjective aspects is negatively influencing civil society, meaning especially a diminished willingness to participate, and less social commitment and empowerment of social actors within the development process. In turn, these have important impacts in the weakening of social cohesion[3], in societal groups and/or entire societies (Bude & Landermann, 2006). For that reason, in the context of social research, it requires special analytical attention in order to detect social exclusion, as well as social cohesion.

In this vein, to detect the relevant social dynamics, theoretical efforts within development studies should instead set a perspective priority, but principally consider both realms in the analysis in order to understand the particular relationship of agency and structure.

In this thesis, theoretical approximations based on alternative development (AD) approaches are employed in order to set this perspective priority on agents and agencies of development, whereby central ideas, concepts and the historical trajectory of AD are

[3] Social cohesion is here understood as societal integration of the people of entire societies, or particular social groups, whereby the degree of integration gives information about commitment in different spheres of society (economic, political ecological, cultural or social) and the formation of civil society. Accordingly, high levels of social cohesion can be translated into high levels of popular participation and empowerment and the strengthening of civil society.

highlighted with emphasis. Also, the following chapters are built upon the theoretical groundwork of alternative development of this present chapter. In Chapter Three I discuss the 'transnational perspective' within international migration and in Chapter Four I work out the model of transnational development by synthesize central ideas of AD with TS concepts.

Before addressing AD, it is necessary to briefly discuss in the following section existing structural perspectives in development studies. This is continued more deeply in Chapter Five and Six, by focusing empirically on current global trends, which are transforming also concrete local contexts. This is necessary because the initial calls for alternative development emerged mostly as an immediate response to theoretical shortcomings of development theory at that time, meaning that a profound understanding of AD approaches can only be reached by comprehending to what these first calls for alternative development were referring.

2.1. An overview of structural approaches

Modernization theory[4], in development discourse and scholarship, was the first explicit development paradigm focusing on the endogenous factors of underdevelopment. In this context, primary attention was given to the history of successfully developed (industrialized and mostly European) countries, which were seen as paramount examples with regard to development, as we see in the citation of one of the avowed proponents of this paradigm:

> Historically, modernization is the process of change towards those types of social, economic, and political systems that have developed in Western Europe and North America from the seventeenth century to the nineteenth and have then spread to other European countries and in the nineteenth and twentieth centuries to the South American, Asian, and African continents (Eisenstadt, 1966: 1).

The core of development was seen as economic growth, which requires, according to proponents, parallel transformation in the cultural, political and social structure (e.g. change in institutionality, labor relations, technologies, etc.) of backward economies. Economic

[4]Modernization theory is a western-dominated paradigm (in scholarship and politics) that began in the early 1950s. With this theory, an explanation, as well a guide, for developing economies is derived from transformation processes from 'traditional' to 'modern' societies. By duplicating that experience, developing countries could overcome poverty and underdevelopment in general terms.

growth is measured, among other instruments, by the Gross National Product (GNP). In order to achieve modernization in marginalized regions, beyond cultural, political and social change, processes of mechanization and industrialization (such as in the case of modernization of European countries) are indispensable (Gilman, 2003). According to this theory, economic growth, and therefore "progress", is perceived as a top-down process, with benefits the spread through the "trickle down" effect[5]. The history of industrialization in Europe has shown that economic growth was characterized by long-term societal processes. This is an idea shared among modernization theorists, including Rostow (1960) who formulated the "stages of growth"[6] approach.

Modernization theory was developed in academic and political circles. In practice, modernization theory manifested itself in, for example, international development cooperation (IDC)[7]. Accordingly, in the 1950s and 1960s, development and in particular IDC were perceived mostly in terms of technical assistance. The perception of development cooperation, especially projects for progress within the logic of modernization approaches, were exclusively "(…) conceived and implemented from the top down, based on policies drawn up and implemented by national and international technocratic agencies, without consulting the community affected by those policies" (De Sousa & Rodriguez, 2006: xxxiii). This common perspective was accompanied by the prevailing focus on economic development and the acceleration of economic growth through industrialization (Cypher & Dietz, 2004). The emphasis that was placed in the 1950s and 1960s on the idea that development should primarily encourage economic growth and "(…) an associated structural change (industrialisation, capitalist development, modernization), which was reformulated in the 1980s in the context of a 'new world order' in which the forces of

[5]The trickle-down effect is an economic process, whereby it is believed that economic growth began at the top of society and seeped downward to the economically lower levels until the poor eventually benefited. Concretely, the trickle-down effect is embodied in the idea that society members with greater assets and ample profit will invest more, while poorer society members receive more labor orders and with that larger salaries and prosperity.

[6]According to the scholar the first stage is the "traditional society", followed by the "preconditions for take-off", where economic growth is only visible among a few entrepreneurs and trickles down gradually to a broader base of entrepreneurs. This is reached in the stage called "take-off", followed by the fourth stage in which growth spreads to society members in the "drive to maturity" and reaches all society members in the final stage termed by Rostow as the "age of high mass consumption" (Rostow, 1960)

[7] IDC involves three main spheres of action: a) projects for progress mostly at the local or regional level, b) foreign aid or Official Development Aid and c) a range of agents and agencies for directly and indirectly realizing these efforts.

economic freedom were released from the regulatory constraints of the welfare-development state" (Veltmeyer, 2010a: 14).

The societal consequences of a predominantly economic growth focus on developing countries (including Latin American countries) was profoundly analyzed by Prebisch and by Singer, who established a critique which came to be known as *Latin American Structuralism*. These scholars carried out a historical analysis, whereby they intended to explain the economic structures of LA countries in relation to industrialized countries. The scholars developed the Center-Periphery model: countries of the Centre are industrialized (manifested in the exportation of manufactured goods) and hegemonic. In contrast, peripheral countries have an agro-mineral character (manifested in the export of natural and agricultural resources). The result, from this view, was an asymmetric economic relation, particularly with structural and institutional differences, unequal exchange and a deterioration of the terms of trade as a long-term impact on developing countries.

This contribution, based on the structural particularities of the LA countries, was not only established in LA structuralism, but also spawned the theoretical approaches associated with the dependency school, which is in turn based on the fusion of LA-structuralism and Neo-Marxism (Parpart &Veltmeyer, 2009).

In general terms, it can be argued that within the dependency school, theoretical responses to the arguments of modernization theories were sought and these were built upon the foundations of the Center-Periphery model of Prebisch and Singer and on central elements of Marxist theory. One important proponent, Wallerstein, argued that in a historical process (beginning in Europe in the 16th century) a global capitalist economy (capitalist world system) was established, integrating different states (developed and developing countries) and manifold cultural systems (Wallerstein, 1979). The establishing conditions and economic dynamics in this world system resulted in a dual structure: The centre and the periphery[8], which:

> (…) inhibited the capitalist development of economies on the periphery, resulting in an 'underdevelopment' of these economies, including a disarticulated structure of capitalist production, a deepening of social inequalities worldwide and a growing

[8]Wallerstein argues that it results in a third section, including the semi-periphery, which stands between centre and periphery (Wallerstein, 1979).

> social divide between the wealthy few (within the transnational capitalist class) and the many poor (the direct producers and the working class) (Kay, 2009a: 89).

According to Wallerstein and a range of other dependency theorists, capitalist world economy is based on relations of economic exploitation (trade, capital investment and labor force) or 'unequal exchange' (Emmanuel, 1964), which generates unequal development[9]; advance for countries of the centre and backwardness for countries in the periphery. In this vein, "(…) development and underdevelopment were [seen as] two sides of the same coin—[meaning] that a country's socioeconomic conditions were inextricably linked to the position it occupied in the 'world capitalist system'" (Parpart &Veltmeyer, 2009: 33).

2.2. Theoretical approximations on agents and agencies of development

As noted, focusing on the agencies and agents of development offers a view of strategies of human action and the respective outcomes of these actions strategies. But, *who and what are considered as the main driving forces in the sphere of agency*?

2.2.1. Agents and Agencies of development

a) *The state* represents a crucial and special role in development thinking and practice. Evan (1995) distinguishes among three different types of states a) the predator state b) the semi-developmental state and c) the developmental state. The first type of state is weak, because the responsibility, such as for development planning and regulation, is not fulfilled by the state. The semi-developmental state can represent some features of an active state, but does not encompass all requisite roles. This is, for example, the case of a regulatory state, were regulation exists, but no intervention is made. The last kind of state is marked by strong intervention. Broad planning measures are also taken, as well as regulation and protection of infant industries. With these tools, state representatives have broad

[9] The concept of unequal development has its roots in dependency school thinking and was mainly developed by Samir Amin, following the classical dependency differentiation between center and periphery. According to Amin, in post-imperialistic times peripheral capitalism emerges, which is instead based upon the historically generated imperialistic relationships, but is not equal. In this framework, the position that peripheral economies occupy is marked by a tremendous dependency on external economic demands, which displays the societal outward-orientation and by backward and uneven development trajectories. To break down these structures, it requires, according to the scholar, a vanquishing of the existing peripheral relationship that developing economies occupy and in which they function within the capitalist worldsystem (Amin, 1976).

possibilities to steer development in a national context. Generally speaking, the role of the state as agent is changing over time and is marked by a positional character according to geographic location, which determines its character as an agent for development or for underdevelopment.

Subsequently, within the Bretton Wood System (1944-1980) "(…) the agency of development, understood initially as 'economic growth', was the state in its administrative apparatus (the government)" (Tharamangalam and Mukherjee, 2009: 244**).** In countries of the 'Global North' the state fulfilled the role of a "capitalist state", while in Latin American countries, such as Brazil or Mexico (LA developmental states) which implemented import substitution industrialization (ISI) politics until the beginning of the 1980s, as well as in the context of the Asian Tigers (e.g. Taiwan or Malaysia) the state served predominately as the main agency of growth and progress. According to Petras (2009) in this context of ISI policies implemented in the Global South, the state fulfilled its role in carrying out reforms for the poor (e.g. access to productive resources), the nationalization of strategically important sectors at the economic and institutional level (e.g. State-led enterprises), protection of domestic industry and economy in the face of external economic forces, redistribution of "market-generated growth" manifested in social development programs for vulnerable society members, and finally, fulfilling its "responsibility for social infrastructure" (Petras, 2009: 178).

This position changed at the beginning of the 1980s, when the neoliberal states emerged. Thereafter, the developmental state was gradually dismantled under the 'new world order' (NWO) and at the mercy of SAPs.[10] In this period, "[t]he state retreated from its responsibility for the growth of economic production (and capital accumulation), turning it over to the 'forces of economic freedom'" (Petras, 2009: 178). The main function of the central state, namely that of national welfare and progress in society, was transformed into a decentralized one in which the state was "(…) reassigned to local government under

[10]The mutable character of the state can be demonstrated in the case of Mexico with regard to the rural ambit. Until 1965 the role of the state in rural Mexico was very strong. The paternalist state represented the only and most powerful agency of development: a developmental state. This changed in the decade of the 1970s and in a more radical manner after 1982, when Mexican rural politics made an about-face: Privatization, deregulation and liberalization. The radical transformation from a strong paternalist state to a weak state, in which a free trade context is required led not only to the abandonment of a national development project, but also to social-cultural conditions that hamper civil society stabilization and a development that is people-led.

conditions that allowed for 'popular participation', and shared responsibility with 'civil society'" (Petras, 2009: 178).[11]

This change in agency led to a framework of international cooperation targeting new agencies of development, which is discussed below.

b) *International organizations* or multilateral players also cooperate directly (in a different manner than bilateral players) in international development as agencies. There is a range of multilateral agencies, such as the Bretton Woods institutions, [12]the World Bank (WB), the International Monetary Fund (IMF), the World Trade Organization (WTO), diverse regional development banks, a range of institutions of the United Nations Organizations, such as the UNDP, UNICEF, UNCTAD, and development institutions of the European Union (e.g. ECHO, EuropeAid).

The WB and IMF, to which I will address in this section, mainly "(…) served as an institutional framework for the process of capital accumulation and economic growth that unfolded from the late 1940s" (Bello, 2009a: 149). The crisis of overproduction, which loomed already at the end of the 1960s and manifests in the beginning of the 1970s, signified a rupture in this economic growth. Therefore strategies were required in order to overcome the crisis of the industrialized countries. According to Bello (2009a) these strategies were based on a) bank capital exports, in the form of loans (i) to finance their particular development programs in different states; and (ii) to address the "crisis of overproduction and underconsumption"; b) removal of certain industries in order to focus on natural and human resources; c) technological transformation, "of the global production apparatus", based on the emerging (post-Fordist) labor regulation modus; and d) "a 'new

[11]Local and community-based development was broadly advocated as "the best alternative to the state-led or market-oriented approach," for example, driven by different international organizations such as the World Bank (Veltmeyer, 2001: 25). This was influenced by the neoliberal experience in Chile since 1973, where measures of decentralization of the government were implemented. In this vein, the central government reduces "(…) its role in the economy, and turn toward more decentralized and community-based form of development" (Veltmeyer, 2001: 24). The agents and agency of local and community-led development were seen as "local groups, voluntary associations, and NGOs" (Veltmeyer, 2001:24) also known as 'the third sector'. The neoliberal 'counterrevolution' preferred the "(…) free market as the most efficient means of allocating resources across the system and bringing about economic development" (Veltmeyer, 2001: 25). Accordingly, development at local and community levels was seen as the ability to produce under comparative advantages and under conditions of free competition with other producers.

[12]In 1944, a conference at Bretton Woods resulted in a new international economic architecture, or in other words, a new institutionality of world order with the formation of new power constellations. The organizations of WB, IMF and International Trade Organization (ITO) emerged.

world order' of neoliberal globalization", in which markets and their forces are unconstrained.

The WB and IMF were charged to carry out these strategies, which led to a changed in the agenda of the institutions towards the international promotion of neoliberal globalization. The changing role of these agencies in the global development process is clearly visible in the implementation of structural adjustment programs (SAP) and stabilization programs promoted by the WB after 1982 and IMF in the aftermath of 1983. In this context, these organizations designed and established the new rules of the game of the global capitalist system, and designed the structure of international relations (Veltmeyer, 2010b), which foreshadowed the promotion of globalization in the 1990s. In the *World Development Report* (WDR) 1995, the World Bank highlights that globalization is unavoidable, desirable and "the only pathway to general prosperity (…)" (World Bank, 1995).

c) *The private sector and its respective players* refer to a range of enterprises, which are operating in local, regional, national or global markets. Through capital accumulation, but primarily in their contribution to society (e.g. employment, payment of taxes), these players are seen, generally speaking, as agencies of development. Within neoliberal globalization, transnational and multinational corporations' (TNC and MNC)[13] activities, which I discuss thoroughly in Chapter Five, become a central characteristic of neoliberal globalization; gaining importance by dominating global markets. The main features of this economic model are centralized accumulation at global levels and the parallel internationalization of capital. After the 1970s this trend led to an enormous increase in TNCs, concentrating and centralizing capital worldwide (with major repercussions in developing economies). Accordingly, TNCs consolidated themselves as agencies within the industrial, finance and trade sectors, with a modus operandi critically characterized as monopolistic and oligopolistic (Veltmeyer, 2010b).

[13]The discussion around large international corporations is broad. It is evident that we can identify different types of large corporations with different juridical and entrepreneurial starting points, which lies beyond my analytical focus. Hereinafter I will discuss these enterprise forms as Transnational Corporations (TNCs) or large corporations, following the terminology of the *United Nations Conference on Trade and Development* (UNCTAD).

d) Civil society can be defined as a space where various kinds of self-organization and administration are shaped. Forces of civil society do not belong to the governmental nor the private sector. Before the 1980s, civil society forces were only marginally accepted as agencies of development. They were predominately indentified as "churches, university groups and government-assisted and externally financed rural assistance extension programs" (Veltmeyer, 2001: 23). Societal forces in the 1960s were promoted, for example, under the program Alliance of Progress in Latin America. In the 1970s, when the calls for "another development" emerged, civil society gained prominence in the respective discourse, although mostly in alternative circles. As previously noted, the state was traditionally seen as the only agency of development. I distinguish here between non-governmental organizations (NGOs) and grassroots organizations:

i) *NGOs*–also known as the 'third sector'– are civil associations that operate in many cases without financial reward. NGOs are distinguished from other civil society forces (e.g. grassroots organizations) by their social objectives within development, with which these organization are seeking to attack global issues and reach more general aims (e.g. poverty reduction, environmental protection, and gender equality) than is usual in other elements of civil society. NGOs have the advantage of being (mostly) independent from the state, but ideologically often are indistinguishable from their donor organizations (e.g. foundations). Generally, their independence from the state led to broader possibilities in local development, and they can for that reason promote projects for societal advance that may complement state initiatives. In their historical trajectory, NGOs had no weight in IDC and little relevance as agencies of development. Within the Post-Washington Consensus', which is discussed below, NGOs obtained an important role in IDC. This was due to the paradigmatic change in the IDC context, the search for evidence of the broadly discussed negative impacts of SAPs and stabilization under the "Washington Consensus". NGOs were commissioned to assess these impacts in different countries and regions. In the aftermath, NGOs were awarded a central role as agencies in development practice in their new functions as "(…) intermediaries between the central government and community-based grassroots organization" (Veltmeyer and Petras, 2000: 13).

ii) Grassroots organizations (GO*)* or "grassroots operation agencies" are created in specific localities or communities. For that reason, their objectives focus on community-based issues and address concrete development problems (e.g. the improvement of socioeconomic

conditions in a particular region) that those members of GO want to overcome. It is common for the issues to be related to the sphere of (agricultural) production: such is the case in the context of peasantry. In comparison to NGOs, members of grassroots organization are mostly homogenous, and are interested in a transformation in local and regional development (e.g. peasants who are part of a GO and search for improvement in agricultural production, which is a self-serving goal); in this way, they constitute agents of development. Within the development vision of GOs, members have a concrete development project, which is often accompanied in development practice by confrontation, for example, in the form of social movements. In IDC, grassroots organizations have no long-term role to play. In the aftermath of the 1980s, with the demand for withdrawal of the state from performing a central development role in society "[t]he responsibility for and the agency of development shifted from the state to grassroots or community-based social organizations, empowering the poor to act for themselves" (Petras, 2009: 178). In the 1990s and 2000s, particular emphasis was given to grassroots organizations, within the framework of the 'Post-Washington Consensus' with the difference that this time and in comparison to the 1980s, human development was focused on and given emphasis in participation of grassroots organizations as authentic agencies of development accepted in international development discourse.

e) *Social movements* can be defined, according to Tilly (2004), as a range of contentious practices, displays, as well as campaigns by which regular people can impress their collective demands upon others. Furthermore, social movements are seen as a crucial tool for people to participate (by contention and protest) in public politics. Its actors are characterized as opponents of existing economic, political, social or ecological rules and structures, such as those associated with neoliberal globalization and its concrete impacts in the local context. The resistance that is inherent to social movements makes them counterweights, which can influence public opinion and policies, and therefore development in certain contexts (e.g. the case of the Zapatista National Liberation Army and its effects on public opinion and local/regional policies). In this vein, social-movement actors can become social transformation agents.

The portrayal of these agencies shows that there is a range of actors that can induce and promote development, but also underdevelopment. In the course of this work, I will

discuss these actors (i.e. agents and agencies)[14] in different chapters and contexts. This does not mean that there are no other organizations and subjects that can constitute agencies and agents of development. Neither does it mean that these agencies are functioning in development practice separately. On the contrary, we constantly see newly emerging agents and agencies, especially if we focus on emerging agencies in the context of globalization, which influence traditional agencies or transforms them. In Chapter Three, I will discuss these aspects and examine one such emerging agency.

2.2.2. Alternative development approaches. *Why search for other pathways?*

There are diverse approaches and schools of thought united by their shared commitment to an alternative form of development (Veltmeyer, 2001). With these multiple forms of alternative development, people should have the choice to "(…) construct their own development on the basis of autonomous action of community-based local or grassroots organizations" (Veltmeyer, 2001: 5). In contrast to the perception of development within modernization theory, most theoretical approaches within alternative development emphasize agent and agency of development, meaning that scholars search for a development initiative that emerges from below and from within. There are scholars who intend to define "another" development" as a response to capitalist development. But how we can understand the concrete reason *why the search for alternative pathways was in certain circles meticulously traced out?*

There are different motives why scholars and players in development were and are searching for other pathways of human progress. As previously noted and as is discussed thoroughly in Chapter Five, the development process under capitalist development[15] – particularly with regard to societal transformation within the NWO within neoliberal globalization– spawned different social processes that in turn affected and continue to negatively impact marginalized regions in their particular development trajectory.[16] In this context, one can see a deepened and exacerbated crisis in different spheres of society

[14] I use the term actor as a synonym for agent and agency

[15] In Chapter Five I use the term *development process* as an historical and contemporary course of economic (capitalist development) and political (neoliberal reforms in national governments or in IDC) character.

[16] Among other aspects, we can highlight unequal development and underdevelopment in certain regions, polarization of power in the hands of few players (e.g. TNC), rising unemployment, flexibilization of the labor force and with that the aggravation of labor conditions, increasing social inequalities and poverty due to social exclusion.

(financial, political, ecological and social).[17] Due to these circumstances, "(…) conventional development has failed and (....) officially favored prescriptions disempower and impoverish the majority of people and destroy the environment" and result in "human crisis" characterized by "increasing poverty, environmental destruction, and social disintegration" (Korten, 2012). The People-Centered Development (PCD) forum emerged in 1987, as a concrete case of searching for other pathways of societal progress. Subsequently, within the perspective of PCD, known as the Living Economies Forum (LEF), the idea prevailed that development goals (economic growth), as well as the current production structure must change toward something that is more realistic and viable for vulnerable society members (the real subjects of development). Also, the framework of international development cooperation (IDC), which mainly includes development projects and foreign aid, represents a sphere in which socioeconomically adverse effects for the 'subjects' of development can be detected. Max-Neef (1989) focuses within AD on this issue in particular with his approach to "human scale development". Consequently, there exists the perception that mainstream development initiatives are mostly obsessed with size and focused on the large scale, as well as obsessed with "quantification and measurement", tend towards " (…) mechanistic and technico-managerial approach to theoretical solutions based on (…) scientific rationality", and have the "(...) tendency to oversimplify and objectify the critical conditions of the development process" (Veltmeyer, 2001: 7). The rise of the search for alternative development approaches, in alternative academic circles in the 1970s and later in the 1990s within the Post-Washington Consensus, must be seen as a search for a response to the shortfalls in development discourse and practice of the 1970s and 1980s. The following section will show that the efforts of the 1970s (within the first calls for alternative development) and 1990s (within the post-Washington Consensus) were not only carried out in different circles and initiatives, but also the understanding of AD and its concepts are differently conceived.

The rise and course of alternative development

Different attempts to search for another development have emerged in the last four decades. The range of these efforts is evidently broad and temporally and spatially

[17]There is clear empirical evidence for this statement, addressed in Chapter Five.

dispersed, well-elaborated and partly enforced in development practice and theory or in combination. In theory, alternative development has constituted a school of thought, with a multitude of academic analysis and propositions, based on several criticisms of existing maxims and yields in development politics and cooperation. The genesis of AD represents a time where intellectuals worldwide began to view capitalist development as problematic (e.g. encouraged by the dependency theories, as well by the Cuban Revolution).

In the 1970s, alternative development gained its main foundation as a school of thought. Within this school was an effort to work out approaches that led to a "(…) form of development that was people-led, human (small) in scale, participatory in form, and responsive to social mobilization from below" (Veltmeyer, 2001: 17). The emergence of AD as a school of thought is based on different international events in the decade of the 1970s. De Sousa & Rodriguez identify these events as:

> "(…) the Stockholm Conference on Human Environment (1972), thanks to which the United Nations Environment Program (UNEP) came into being, and the seminar on "Patterns of Resource Use, Environment and Development Strategies," held in Coyoyoc (Mexico) in 1974, organized by the United Nations Conference on Trade and Development (UNCTAD) (…) [as well as] the Swedish Dang Hammarskjöld Foundation (1975) in the mid-1970s, leading to the creation of the International Foundation for Development Alternatives (IFDA) (1976), whose members included many of the participants in previous events, and whose publications summarized the basic tenets" (De Sousa & Rodriguez, 2006: xxxiv).

This first wave of the search for alternative pathways for human progress was based on academic conferences and on the emergence of institutions and organizations. A broad agreement existed that the main agency was the state and its diverse institutions, influenced by the aforementioned critical studies of Prebisch and Singer within Latin American Structuralism, its policy recommendation of a state-led development model and the approaches based on the dependency school.

Despite the spectrum of approaches that exist, we can identify, according to De Sousa and Rodriguez (2006), some common threads of these approaches that hold them together as a school of thought. These include the following:

a) Redefining the weight and role of economy in society. According to neoclassical theory and neoliberal logic the sphere of the economy is superordinate to other societal spheres. AD approaches reject this logic. Rather it aims to focus on the economy as only one realm

among others of human society. This includes the idea to subordinate economic goals to other (e.g. social) aims. Existing AD approaches do not reject the importance of the economy in society, however, they are convinced that concrete limits must be established in order to ensure social inclusion of a broad segment of society in economic projects and in the process in general, which shall lead to "(…) a clear improvement in the conditions of life and livelihood of ordinary people" (Friedman, 1992: 9).

b) Encouraging 'bottom up' projects. To reach "counter-hegemonic social action", development initiatives, but also political decision-making processes, must rise up from below (instead of come from above) and must be promoted. This in turn requires the creation of *collective* and *conscience* agents of development. This configuration "(…) helps build a community power that can create the potential for popular economic initiatives to expand into the political sphere and thus generate a virtuous circle that can counteract the structural causes of marginalization" (De Sousa and Rodriguez, 2006: xxxv).

c) Focusing on micro-level projects. There are alternative development projects that are based on regional or national development aims. However, in most cases AD is characterized by giving priority to local or community-based projects in "both object of reflection and of social action" (De Sousa and Rodriguez, 2006: xxxv), which accentuates the focus on agents and agencies. Small-scale projects are emphasized, because, located in particular geographical contexts, they are financially and organizationally easier to carry out, as well because change at a small-scale is more realistically achieved than on a national or macro-regional level.

d) Emphasizing collective initiatives by agencies of development. The exigency of activities that are based on collective efforts is a further characteristic of AD approaches. This in turn gives special emphasis to the agencies and agent of development. The focus is placed upon group-owned and managed enterprises or organizations. These companies depend on the maxim of solidarity, which aims to counteract the division of capital and labor, while liberating itself from the dependence on state aid. Societal reproduction can be partly supported by subsistence production and social relationships can be founded on reciprocity.

e) *Searching for independent economic strategies.* Most AD approaches are searching for "autonomous economic strategies", with reference to aspects of autonomy, such as self-management and empowerment of communities by agents and agencies of development.

These particular commonalities within alternative development studies strengthened its standpoint in development theory. The first search for alternative pathways reached a turning point in development thinking in the 1970s, and proceeded towards a paradigm search in the 1990s within the Post-Washington Consensus.

2.2.3. The search for alternative paths within the Post-Washington Consensus

In the mid-1980s, various critiques arose due to the fact that macroeconomic measures –a range of policies that Williamson (2004) has summarized as the Washington Consensus[18]– did not fulfill the expected results; instead, they manifested in economic stagnation in LA and Sub-Saharan countries.[19] These critiques led in the late 1980s to a repositioning of the World Bank with regard to SAPs. Simultaneously, among international institutions it led to an amplified concept of development by opening new discussions and by creating new concepts, which led also to the search for new (alternative) mainstream development paradigms. This was later termed the "Post-Washington Consensus" (PWC). I will highlight by addressing two expansions in the mainstream development discourses at that time, which are contemporarily represented by different multinational players of development:

Sustainable Development (SD)

Sustainable development represented an expansion in development thinking, which gave particular emphasis to ecology within the development process, perceived as interrelated with the economic and social sphere and concerned with unequal conditions

[18]Discussed in Chapter Six, the intent was to carry out such policies in order to promote development by macroeconomic stabilization in developing economies with emphasis on Latin American countries (Williamson, 2004).

[19]According to Parpart and Veltmeyer, this was due to increasing unequal distribution of income, wealth and of productive resources, which "(…) led to a new policy agenda and the search for a more sustainable form of structural adjustment" (Parpart &Veltmeyer 2009: 36).

for growth. The concept of SD is based on the 1987 "Brundtland Report" and was stimulated by the following observation and circumstance:

> The Earth is one but the world is not. We all depend on one biosphere for sustaining our lives. Yet each community, each country, strives for survival and prosperity with little regard for its impact on others. Some consume the Earth's resources at a rate that would leave little for future generations. Others, many more in number, consume far too little and live with the prospect of hunger, squalor, disease, and early death (WCED, 1987: para. 1).

There are four main issues that encouraged the Brundtland Commission to promote the model of SD:

i. Poverty, which not only is represented by increasing numbers of rural and urban people that cannot satisfy their basic needs and rising social inequalities, but also by methods of reproduction that stress the ecological sphere (WECD, 1987).
ii. Growth within industrializing and industrialized regions is another issue that has indeed improved standards of life, but had and has high societal costs, because "[m]any of the products and technologies that have gone into this improvement, are raw material- and energy-intensive and entail a substantial amount of pollution (WECD, 1987).
iii. Survival, with reference to the increasing population. The secondary effects lead to higher demands for goods, increasing levels of production, and as a result, to more environmental pollution (green house effect, desertification, etc.).
iv. Economic crisis, particularly with regard to "(…) the ways in which environmental degradation can dampen or reverse economic development" (WECD, 1987: para. 4).

SD was the product of the report, shaped by a broad theoretical discourse established and amplified by applying different perspectives to the topic. A common denominator, according to Kraft (2009) is the conviction that SD includes three main pillars, or consists of a "three-bottom-line" approach: a) economic viability; b) ecological resilience; and c) social equity, which are profoundly interconnected. The concept refers originally to a form of economic practices and growth with explicit consideration for the protection of the environment, whereby each pillar reinforces the others. The intersection of these is understood as the area of sustainable development, which consists of ecological, economic and social sustainability as subareas. The deepening interconnection of the three spheres is

discussed in the next section.

Human Development (HD)

The discussion on 'human development' is strongly marked by the mainstream quest for a broadening the understanding in development, adding emphasis to the social dimension in a perspective known as New Social Policies (NSP). From this perspective the economic realm was overemphasized in the late 1970s and 1980s. According to Ziai (2004), this issue was addressed by the *United Nations Development Program* (UNDP) by launching the *Human Development* (HD) concept. The departure of this vision to the existing dynamic is visible in its definition of HD offered in the first Human Development Report, 1990:

> People are the real wealth of a nation. The basic objective of development is to create an enabling environment for people to live long, healthy and creative lives. This may appear to be a simple truth. But it is often forgotten in the immediate concern with the accumulation of commodities and financial wealth. (…) The term human development here denotes both the process of widening people's choices and the level of their achieved well-being. It also helps to distinguish clearly between two sides of human development. One is the formation of human capabilities, such as improved health or knowledge. The other is the use that people make of their acquired capabilities, for work or leisure (UNDP, 1990: 9).

Consequently, development is "(…) defined and measured in terms of an increase in the capacity of society to provide their members the capacity of choice and freedom (and opportunity) to realise their potential" (Veltmeyer & Petras, 2000: 13). In other words, it is understood as the expansion of selection options within the neoliberal framework. This is only possible via participation or in the words of the institution: "The important thing is that people have constant access to decision-making and power. Participation in this sense is an essential element of human development" (UNDP, 1993: 21). The participation and selection options for "enlarging people's choices" (UNDP, 1990) do not refer only to economic, social and political opportunities, but also to exclusively humanistic spheres, such as the capacity to act, self-respect and the sense of identification to a community (Ziai 2004). HD is operationalized in the HD Index (HDI). The HDI is a measurement for the development status of a state or a special region and is composed of three indicators, which

make the HDI a broader methodological tool for measuring development than solely the focus on economic indicators. The indicators are: life expectancy, educational level and real per capita income. In the view of the UNDP, economic growth is the foundation or a "very important medium" (UNDP, 2009: 13) in order to reach human development. This is also expressed in some scientific publications, including Amartya Sens´ (1999) conceptualization of "Development as Freedom". He advocates for a "(…) freedom-centered view of development" (Sen, 2001: para.4), because a) "it provides a deeper basis of evaluation of development" (para. 4), b) it "(…) offers instrumental insights" (para. 5), c) it allows to focus on distinguishing roles of the state (i.e. the "repressive interventions" and the "supportive role") and d) it "(…) captures the constructive role of human agency as an engine of change" (Sen, 2001: para. 7).

The paradigm change toward 'social liberalism'[20] was based on a range of issues with implications for social development, such as: i) encouraging popular participation with a special focus on poor segments and women as target groups; ii) "decentralization of decision-making processes" to encourage political processes that are close to people at local and community levels, which include the implementation and management of public policies in collaboration with municipal institutions and civil society forces (e.g. NGOs); iii) emphasis on issues and circumstances of extreme poverty and its elimination, reflected in different anti-poverty programs; iv) social policies related to societal spheres of education, health and employment; v) reforms in order to generate favored "new social policies (NSPs) and a social development process" (Petras &Veltmeyer, 2000: 11).Subsequently, participation and decentralization became crucial pillars of social liberalism. The concepts were included in the first wave of discourses on AD, but transformed from their original meanings toward concepts that are more in tune with the mainstream institutional ideology.

Decentralization was promoted in earlier calls for bottom-up and local or community-based development. As noted, already in the 1980s the concept was also used in order to promote neoliberal reforms in developing economies. Local and community-based development was broadly encouraged as "(…) the best alternative to the state-led or

[20]This framework of social liberalism is characterized by searching for alternatives within the neoliberal capitalist system; as well, giving emphasis to the social dimension of development within the economic and political frame was based on concepts of Alternative Development theorists (Veltmeyer & Petras, 2000).

market-oriented approach" (Veltmeyer, 2001: 25). In this way, there was a convergence on the desirability of decentralization, from both alternative development scholarly literature and the neoliberal perspective, latter with strong references to the experience of Chile since 1973, where measures of decentralization of the government were undertaken. In this context, the central government reduced "(…) its role in the economy, and turn[ed] toward [a] more decentralized and community-based form of development" (Veltmeyer, 2001: 24). Within social liberalism, "(…) the strategy for decentralization was the 'collaboration with local institutions' (…)" (Veltmeyer, 2001: 24) such as municipal governments and NGOs, which, as noted, mediate between central and local state representatives.[21]

Participation was reconceptualized by ECLAC scholars (1990) within the PWC framework in order to make it more compatible with the idea of social liberalism. In this view, participation is an indispensable element in the development trajectory of peripheral economies. Theorists of this institution proposed a "productive transformation with equity". This could be carried out, according to ECLAC, by promoting higher levels of participation, which was previously not an objective. With the "missing link" of participation, which lies between the noted "productive transformation" and "equity", bottom-up development projects could promote their objectives with more emphasis. On the other hand, with participatory methods, poverty should be combated by enhancing forces of civil society, in particular grassroots organizations, which led to a perception and promotion of development that is "market friendly", simultaneously "participatory" and "empowering" (Veltmeyer, 2001).

In the course of the following decades (1990 until the present), the mainstream interpretation of the concept of participation was solidified within the development community (governments, development employees, NGOs, scholars, etc.) in practice and theory. This proceeded however with different perceptions and forms of implementation in development practice. According to Blaikie (cited in Veltmeyer, 2001) the World Bank, for example, utilized the concept in development practice to evaluate projects (Rapid Rural Appraisal). Sato and Smith (1993: 3) similarly argue that often development practitioners in international development cooperation "(…) see participation as another implementing technology: a subcomponent of resource allocation". In this view, higher participation

[21]The context of decentralization will be critically discussed below.

means higher levels of efficiency and cost minimization in both designing and implementing development projects. Consequently, concrete projects are already defined and organized "(…) and solutions envisaged long before local people have an opportunity to begin participating (Veltmeyer, 2001: 13).

The initial calls for a form of alternative development were conceptually loaded, but specific policies and procedures were scarce. Thus arose the question: *What are the concrete development outcomes within the paradigm of the PWC?*

Alternative development-related concepts were promoted in a different manner in a political context dominated by the Post-Washington Consensus and represented a search for a new development paradigm. Therefore, I will briefly review the results of the previously noted amplification in the perception of social and sustainable development within international discourses in the framework of the PWC.

New social policies in the development process

The PWC led to a change in focus in the international development discourse, cooperation, policies and theory toward an emphasis on social development. The perception of an expanded understanding of development was reflected in the particular ideas on progress, which should take in account human development in society, meaning more inclusive and equitable forms of development carried out by decentralized governments at the local level. Similar to the first calls of AD, the new conception was defined as community-based development that empowers above all the poor segments of society.

The paradigm change was an important step to a more humanistic view of development. It had however, from a critical development studies perspective, a distorting effect in the search for real alternative pathways based on ideas of the early 1970s. Furthermore, the reorientation and search for new development paradigms were based on the same neoliberal maxims that existed before the PWC, with the difference being that social and ecological dimensions were given more emphasis. However, economic restructuring processes and neoliberal policies were not cancelled, reformed or changed and continued to negatively affect developing economies and vulnerable people, although social development was promoted. These reforms under the PWC are seen critically as "Structural Adjustment with a Human Face" (Veltmeyer and Petras, 2000). According to

these scholars "(…) NSP [have not] affected the underlying structure of poverty" (Veltmeyer and Petras, 2000: 12), because they do not attack the root causes of underdevelopment and its particular forms of expression, such as poverty. With regard to the application of policies geared towards the main pillars of social liberalism (decentralization, participation, privatization, targeting the poor and vulnerable groups, and fiscal discipline) the results were also very modest, if not contrasting.

The promotion of decentralization had in this context the role of a double-edged sword. It was promoted as a political tool to increase participation in local decision-making processes. However, due to the fact that it was promoted and implemented from above the neoliberal state and international organizations dampened and diluted the participation of social actors and civil society forces: *First*, its top-down implementation weakened oppositional forces (e.g. the Left, or resistance in the form of social movements). *Second*, it did not empower (marginalized) society members, because in fact decentralization led to the weakening of community-based and class-based organizations. *Third*, the intermediating NGOs (a central part of the decentralization process within the PWC framework) led to a further weakening of grassroots organizations. This meant that NSPs bore some superficial fruit, but did not result in the development process, nor did it lead to the social empowerment of the target groups.

The claim of ecological sustainable development

In the previously noted debate on sustainable development, which gained precedence in 1987, three pillars (poverty, growth and survival) refer to factors that provoke ecological unsustainability (i.e. environmental damage) in society, and one aspect refers to the consequence of ecological degradation (i.e., economic crisis). The report popularized the mainstream debate on sustainable development, whereby the discourse, which continues today, has similarities to the early debate among modernization and dependency theory approach proponents regarding the dualist perception of triggers of underdevelopment.

In this vein we can identify environmentalists of the 'Global North', and international organizations, such as institutions of the UNO and World Bank, who gave emphasis to the debate on poverty and population pressure as a main issue for ecological destruction, and accordingly the central refrain of ecological sustainablility in development (Ramachandra and Alier, 1997; Foladori and Pierri, 2005). In this context, mainstream

debate turned especially to developing countries by addressing poverty and population growth / pressure, the lack of appropriate technologies, and broad awareness in society and public policies as crucial issues and catalysts of unsustainable development in marginalized regions.

This was enhanced by the argument that in industrialized countries awareness in civil society, political rulings (ecological norms and policies) expressed in the regulatory policies and the promotion and application of technological alternatives to destructive methods in the production sphere are mostly advanced. Similar to modernization theory logic, further societal and technological advances would reduce this pressure on the environment in these regions. Poverty and population pressure were/are seen as the main factors for degradation, which represents an exclusively ecological view of the context that does not consider the concrete problems in the social relationship of capitalism that provokes exclusion and inequalities. In this vein, instead it can be argued that poor people will supposedly exploit more natural resources in order to meet their human needs, and accordingly it can be argued that the greater the number of poor people, the more intensive the environmental destruction and unsustainability in the region. However, this context needs to be examined closely with the economic and political circumstances (capitalist development and its particular effects in peripheral regions) in which marginalized people live.

On the other hand, and this opens a window to the poor-people depredation-argument, is the emphasis on growth as the main factor for degradation and unsustainability (economic, ecological and social). Along these lines, McMichael argues "(…) the North accounts for about 80% of CO_2 build-up in the atmosphere" (McMichael, 2009: 248). This topic is ultimately discussed under 'global inequalities' and refers to the argument that degradation is mainly caused by the unsustainable industrial practices (because of its high CO_2 output) of developed countries' production and its particular effects (global climatic change, expansion of dry zones in the rest of the world, etc.), with fatal impacts on marginalized regions, because of their weak capacity to adapt. While CO_2 emissions of developed countries – and international policies on this topic within neoliberal globalization known as "market environmentalism" (McMichael, 2009) – represent an important factor for climatic change and unsustainability at the global level, in this thesis more emphasize is given to the global infrastructure of international markets,

which provoke contradictions in society (McMichael, 2009). Barkin describes this context in the following manner:

> A small number of nations dominate the global power structure, guiding production and determining welfare levels. The other nations compete among themselves to offer lucrative conditions that will entice the corporate and financial powers to locate within their boundaries. Similarly, regions and communities within nations engage in self-destructive forms of bargaining –compromising the welfare of their workers and the building of their own infrastructure– in an attempt to outbid each other for the fruits of global growth (Barkin, 2001:187).

There are concrete reasons to support Barkins perspective, which follows the classical ideas of Wallerstein's world system theory. *First*, as Chapter Five discusses, imperialism and capitalist development practices are the main impetus for productive transformations in developing economies, which operate in the framework of rural production and extraction forms that are clearly economic-driven, not ecology-driven (e.g. the green revolution, cash crops and monoculture). Ramachandra and Alier (1997) discussed under the title "Export-Based Economic Growth" the historical trajectory of Costa Rica, and came to the conclusion that cash crops and monoculture production (for example in coffee and banana cultivation or large-scale meat production) led clearly to environmental degradation, such as soil damage by intensive agricultural methods (excessive pesticide or fertilizer use) and deforestation. The reason for this productive transformation lies in the need to meet the demand in developed countries: to satisfy "export pressure on resources" (natural or agricultural) (Ramachandra and Alier, 1997: 48/9). Particularly after the 1980s in most LA developing countries, the rural integration in 'global capitalism' led to Export-led Development (Bulmer-Thomas, 1996). According to Robinson (2008: 54) "(…) favored new circuits of production and circulation linked to the global economy (…). The same author calls this "Nontraditional Agricultural Export" that transforms local forms of production into types that fulfill production standards of international demand, without taking into account economic, ecological or social sustainability.[22]

Second, as previously noted, TNCs –especially agrobuisness– are searching for countries and markets where production and disposal brings greater benefits to these

[22]Non-traditional agriculture is, for example, maize cultivation for biofuel.

corporations. This is not only due to a cheap labor force and proximity to natural resources, but also due to few judicial obstacles (lax or nonexistent ecological laws; corruption which makes the possibility of abuse of the government administration easier).In this vein, Bernstein (2010) distinguishes in the rural context between upstream – that is "agri-input capital"– and downstream, namely "agro-food capital" forms of multi- and transnational enterprises. The economic practices based on these forms of capital are, generally speaking, unsustainable, because in the short-term they have a negative economically, ecologically and socially impact on the development process of marginalized countries. This form of production is forced upon small-scale agricultural producers. "Agro-input capital", "agro-food capital" and nontraditional agriculture for export forces farmers to follow a production scheme with high (rational) efficiency, reached through the use of large quantities of fertilizer and herbicides. This, in turn, leads to "unsustainable food and resource exploitation" (Moore, 2008: 57), which is threatening the relationship between humans and ecology (Foladori & Pierri, 2005; Delgado et. al. 2010). This is what scholars have called the "metabolic rift" (Foster, 1999; Moore, 2008).

In this latter viewpoint, structural aspects are stressed, which are addressed as triggers for social and for ecological unsustainability in marginalized societies. This is due to different aspects: a) the unequal development by economic polarization and the resulting polarization of power[23] in the hand of few TNCs and national large-scale producers, b) the weakening of local markets and economic and social exclusion from global markets (by large-scale agri-food and agri-input production forms), c) the dependency on the import of goods (due to the embrace of monoculture agriculture) instead of sustainable / appropriate domestic production. In turn, this leads to a vicious circle, which results in increasing poverty and the need for a massive use of natural recourses (ecological destruction), because of the imperative of capital to maximize profits. However, in this perspective, environmental destruction by the poor must be seen as a secondary effect of a broader economic and political context that is related to a lack of social sustainability and a deficiency of social justice (e.g. the un-competitiveness of small-scale producers in the face

[23] Economic polarization is here defined as the result of asymmetries in economic relationships, which manifests in competitive situations in the market. Economic polarization intensifies when economic relationships in competitive situations become more uneven and inequitable, such as in the case of free trade markets. Not only does economic polarization increase, but also, as an evaluative step, power in society divides and concentrates in a different manner. This is in contrast to economic polarization and the concentration of power, which also includes the political and social dimensions of society.

of TNCs and the absence of other opportunity structures leading to higher unemployment and marginalization). In the context of marginalized regions and their populations, the lack of social sustainability leads first to certain social action strategies that provoke secondary effects based on social practices that do not take into account ecological stewardship, but emphasize social reproduction and human survival strategies (e.g. depredation). Consequently, in the local contexts of marginalized regions, priority must be established to change political and economic configurations that lead structurally to unsustainable forms of production (nontraditional agriculture, TNC activities); a theme that I address in the following sections.

2.2.4. Alternative development beyond Post-Washington Consensus

The insights brought forward in the previous section encourage more critical thought on a social and ecological expansion of alternative paths within PWC, marked by the search for a mainstream development paradigm. The search of both a more humanistic and sustainable development, must be more sensitive with regard to marginalized regions and vulnerable population segments, by proposing and promoting socially sustainable transformation, beginning with development issues at global levels that are based on the contradictions that the particular social relation of capitalism produces.

Thus, it makes sense to take up again original ideas of AD scholars, discussing and re-theorizing these ideas, without losing sight of the present development context, which is marked by unprecedented transformation processes which began in the 1970s with the economic and political restructuring of the world economy. Such an attempt follows in the next sections.

Accordingly, I will discuss theoretical components of AD with regard to alternative economic enterprises. Along this line, I will employ classical approaches to (alternative) development and discuss these traditional approximations with recent economic, political and social trends to encourage a different perspective on the existing discussion. Before discussing alternative economic enterprises, the question arises: *Should alternative economic development be carried out within or beyond the current policy framework for capitalist development?*

The previously discussed alternative development approaches emerged in an historical context marked by the Cuban Revolution and an overproduction crisis. In this

context, scholars searched for ‘bottom-up’, local or community-based, collective initiatives. These initiatives are aimed at creating independent economic strategies, or in other words, a development strategy that is agency/agent-led, where the social actors are seen as the ‘subjects’ of development. In this line, these traditional approaches seemed to offer ideas and tools for changing the system gradually by local or community-based efforts (from below).

In contrast, within social liberalism the search for alternative development is clearly viewed as alternative paths *within* the current development model, without considering (in the long-term) significant system changes in order to battle central issues of underdevelopment. Furthermore, it is not considered that this search could lead to locally and regionally autonomous entities, which can later spread to other societal spheres.

In this dissertation, international migrant’s transnationality and their development efforts via economic enterprises remain at the center. In this approach, the discussion of the location (within or beyond) and how alternative development strategies should be carried out is important to resolve in order to analyze and propose appropriate theoretical models. In reflecting upon and resolving this question, it is central to consider the context, in which international labor migrants transact and act. International (economic) migration as a social phenomenon occurs in the framework of capitalism; people move frequently in national and international contexts for socioeconomic reasons. They migrate to capitalist centers and subordinate themselves in capitalist labor conditions. They also confront issues that are inherent to capitalist working conditions (e.g. super exploitation): in short, they are essential parts of the capitalist society model.

For that reason alternative development is understood in this dissertation as a search first for interstices of development within the actual capitalist development model, because migrants are embedded in this context and can act in this context more easily. This in turn does not mean –as in the case of AD within the PWC– that these efforts within the system, where these actors are moving, cannot and should not work to change neoliberal systems. In contrast, it should and can lead in the long-term to transformations originating from below in the current model of development. The search for alternative development should instead begin within the current development model, because of the closeness and concomitant higher efficiency of action strategies of international labor migrants within the system. In a long-term panorama, however, these action strategies, when more

institutionalized and advanced, could lead to gradual changes in society (particularly in the economic and political spheres), beginning from below and pushing upward with regard to the challenges of neoliberal globalization.

2.2.4.1. Small-scale economic enterprises

As noted, small-scale production forms are considered within alternative development approaches as more efficient than large economic enterprises. The idea to emphasize small-scale production and organization forms based on a multitude of small-scale rural actors also has roots in the productive and social structure in rural societies among developing countries in Latin America.

As Chapters Five and Six revealed, there are differences in development levels among agricultural producers due to the historically generated structural context; conceptualized by the Economic Commission for Latin America and the Caribbean (ECLAC) as *structural heterogeneity* (SH), which is defined as technological, productive and social breaches that represent development deficiencies "(…) among sectors, within sectors and among companies within a given country" (ECLAC, 2010: 16). In particular, it refers "(…) to marked asymmetries among segments of enterprises and workers and the concentration of employment in strata characterized by very low relative productivity" (ECLAC, 2010: 16). Structural heterogeneity is a typical phenomena and issue of developing and emerging economies, where the technological, productive and socioeconomic conditions are very distinct from region to region and from social class to social class. Economic activities and market forces in a certain productive sector bring together these different actors (through competition or through product chain dependency), as in the case of the agave-tequila product chain.

In this vein, the Latin America and the Caribbean Report (2009: 8) in the framework of the International Assessment of Agricultural Knowledge, Science and Technology for Development (IAASTD) refers to SH and creates a typology for differently positioned agricultural actors. Consequently, there is on the one hand an "indigenous / traditional system", which I term peasant or small-scale production forms, represented by the majority of the rural populations in developing countries. This category often includes production

forms that are mostly based on subsistence production,[24] with very low levels of technological input (e.g., irrigation) and low levels of agricultural outputs.

On the other hand, the report highlights the "conventional / productivist system", which I associate with the activities of middle- and large-scale producers, with relatively high technological input, and production that is mostly export-oriented.

It is evident that in this context social inequality,[25] exclusion and polarization of power are central issues. Small-scale producers represent the more vulnerable segments of the rural population, as well as the most marginalized and poor segments of national societies in developing economies. Under neoliberal globalization, with emphasis given to competition in a free trade context, this structural heterogeneity increases as do social inequalities, exclusion and polarization of power. This is because the gates of national economies are opened for new economic players, represented mostly by TNCs, which bring greater financial power than national small- or middle-scale producers. Accordingly, in the process of opening local, regional and national agricultural markets, vulnerability increases among small-scale producers because of uneven competition. This process is known as all-around capitalization in rural ambits, referring to current economic and political dynamics in developing economies countryside; processes of privatization, expropriation or the 'dispossession' of the means of production and with that the proletarization of small-scale agricultural actors within neoliberal globalization.

Consequently, besides focusing on viable development paths, alternative development approaches were elaborated in response to the need to take this background into account and search for and offer effective theoretical and practical solutions in order to respond to the predicament of rural populations, and give practitioners and social actors theoretical tools with which to combat underdevelopment. In examining small-scale production forms from this perspective, I consider the question: *Which theoretical elements*

[24] Subsistence production in this context is understood as a combination of agricultural production for social reproduction, meaning satisfying human needs, and for limited local markets. In this configuration the relevant social actors are small-scale producers or peasants. Here both terms are used synonymously.

[25] Social inequality is a central sociological concept, which can be defined as a phenomenon that occurs when "some people get frequently more from the valuable goods of society then others due to their social position in the relational structure" (Hradil, 2001: 30). According to Korte (2004), the study about inequalities in society was for the first times carried out by Marx (social class analysis) as well as by Weber, who focused especially on social classes, including its earnings and possessions, and on social ranks in society, which were strongly related to power and sway in society. Currently, the study of social inequality is continuing and can differentiate among structural levels, such as the determinants, dimensions (social, economic, political, and institutional) and impacts (Hradil, 1993).

must the discussion about economic enterprises contain in order to be an alternative to the trend of neoliberal globalization?

The starting point for resolving this question is the contextualization of structural heterogeneity within the framework of neoliberal globalization. Neoclassical theory represents the theoretical foundation of contemporary neoliberalism. One central pillar of neoclassical theory is the law of comparative advantage[26] developed by David Ricardo in 1817. This approximation is today used to promote (global) free trade as the best vehicle to overcome underdevelopment, because, as the argument goes, there are *comparative advantages* in terms of the product price at which underdeveloped economies can export their products to other countries and step forward in their development process (Chang and Grabel, 2007; Vasapollo, 2009). Accordingly, global free trade is assessed by its proponents as more efficient for growth, as well as leading to a lowering of international prices over time.

Currently, global free trade is dominated by large corporations (TNCs) based on foreign direct investments (FDI), which profoundly influence national economies' development trajectories.[27] Large corporations represented by TNCs are not new phenomena (Novy, Parnreiter and Fischer, 1999), but in an era of restructuring the globe's economic and political framework and especially in a context of free trade within defined regional trading zones, this kind of enterprise has a lot o power to invest in and to exploit developing society resources. Max-Neef theorizes this context and argues:

> By giving greater priority to large scale production for export purposes, instead of small and medium scale production for local needs; and by generating competitive pressures that confront communities with communities the world over, the prices of consumer products may decrease, but at an enormous social and environmental expense (Max-Neef, 2010: 202).

The same scholar discusses this trend within global free trade towards large-scale modes of production as a "myth" that "sustain[s]the dominant model" (Max-Neef, 2010:

[26]In the publication *On the Principles of Political Economy and Taxation* he refers to the aptitude of an individual, an enterprise or a country to fabricate or make particular products or services in comparison to other persons or countries, at a lower differential and opportunity cost. Even in the case where one country has an absolute advantage, both states will still profit through carrying out trade with each other, as long as they have dissimilar relative efficiencies (Ricardo, 1817).

[27]A critical and thorough review of multinational and transnational corporations and its consequences to development is carried out in chapter five and needn't be revisited here.

202). This is considered accurate because, in the first place free trade under the aegis of large corporations brings huge profits to TNCs and often has fatal societal impacts (social and ecological) in developing economies. Furthermore, the neoclassical assumption that comparative advantages are resulting in economic development advantages for all are not valid for marginalized regions and countries in this emerging context. As Bray noted:

> When capital is (transnationally) mobile it will seek its absolute advantage by migrating to countries where the environmental and social costs of enterprises are lowest and profits are highest. Both in theory and practice, the effect of global capital mobility is to nullify the Ricardian doctrine of comparative advantage. Yet it is on that flimsy foundation that the edifice of unregulated global free trade still stands' (cited in Max-Neef, 2010: 202).

Due to economic asymmetries among TNCs, on the one hand, and local, regional or most national enterprises in developing countries on the other, this global trend towards free trade leads, for example, to the unequal competition and the failure of small-scale production forms. The resulting systematic failure associated with the un-competitiveness of these enterprises and the parallel domination of large corporations leads to the demise of such enterprises and to dependency of local, regional and national economies on imports and on goods and services that are produced and offered by TNCs (e.g. in agriculture: fertilizer, seeds). Furthermore, TNC activities are marked by the search for absolute advantages, which signify the extraction of benefits (by extracting natural resources, exploiting cheap labor forces, taking advantage of lax environmental and labor force regulations etc.), with very few short-term benefits for the domestic society (e.g. local enterprises, communities, local workers etc.) and long-term negative impacts, such as environmental destruction or the weakening of labor rights on a national level, revisited empirically again in Chapter Five.

This requires re-thinking and searching for alternative organizations / forms of production and labor, which give domestic entrepreneurs fair opportunities for production and business. In development theory these alternative economic forms are, for example, discussed under "fair trade"[28] (Vasapollo, 2009) and are strongly related to critical thinking about the form in which the economy in society is organized (Friddel, 2007). Korten, within the PCD perspective, proposes such a social reorganization of the economy by a

[28]I discuss this concept in the following section.

transformation of the production methods, which includes production "(…) on the community level, away from specialization and integration into the world economy of diversity and self-reliance" (cited in Veltmeyer, 2001: 17). From this perspective, part of the solution is to create local, agent-led, small units of production, because, of their higher efficiency in contributing to local, regional and national development processes. In the words of Korten:

> Similarly, the preference is to organize economic affairs on the basis of large number of relatively small enterprises owned by local stakeholders such as worker, managers, suppliers, customers, and members of the locality in which the business is located (Korten, 2012: para. 2).

According to this scholar, small enterprises should be connected to a broader economic context that is a "village and neighborhood cluster" as well as to "town and regional centers". This process should be accompanied by people's participation, manifested in decentralization measures, in the political sphere of society, in order to allow agents (individuals) and agencies (communities) to assert more control over their economy and public policies and accordingly, over their lives. The question is centered on how to satisfy human needs: a point that goes along with the understanding of "human scale development" (HSD) proposed by Max-Neef (1989) and later refined by Max-Neef, Elizalde & Hopenhayn (1991). These scholars postulate, and set within the foundation of HSD, that "development is about people and not about objects" (Max-Neef et al. 1991: 16). In contrast to the human development concept, where development is tightly defined and focused (education, health and income), the aim in HSD is to search for and carry out the "(…) greatest improvement in people's quality of life" (Max-Neef et al., 1991: 16). This, in turn, can be achieved by "satisfy[ing] their fundamental human needs". Max-Neef et al. distinguish therefore between human "needs" and "satisfier". The former are understood as a system, which is characterized as "interrelated and interactive" and the latter as "(…) among other things, forms of organization, political structures, social practices, subjective conditions, values and norms, spaces, contexts, modes, types of behavior and attitudes (Max-Neef et al., 1991: 24). It is important to highlight that human needs are conceived, in contrast to most approaches, as "(…) finite, few and classifiable" and as "(…) the same in all cultures and in all historical periods (Max-Neef et al., 1991: 18). In contrast, satisfiers are constituted in every economic, political and social system in

a different manner and are strongly related to the cultural sphere of each society, or: "[w]hat is culturally determined are not the fundamental human needs, but the satisfiers for those needs" (Max-Neef et al., 1991: 18).

Having control over one's own life means to have the liberty to choose how to satisfy human needs. In the context of global free trade people do not have this liberty to select their satisfier, because the rules of the game within the global economy are set outside of the scope of one's own choice. Bottom-up projects based on collective initiatives and independent economic strategies provide pathways around these limitations that the economic and political context under NG explicitly imposes. This can be carried out, among other ways, by creating producer cooperatives / cooperative unions.

According to the International Co-operative Alliance (ICA), cooperatives are defined in the following way: "A cooperative is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise" (ICA, 2012). Although this form of organization is criticized as inefficient, because it does not lead to "radical institutional change or social transformation", due to its nature to act in the interstices of capitalism (Veltmeyer, 2001: 11), there are several examples to show that producer cooperatives can be successful in both, conventional local/global markets (e.g. Mondragon in Spain, Pascual Boing in Mexico), and in fair trade markets (coffee fair-trade).

Network companies constitute another alternative form of organization. A network company is a type of cooperation and entrepreneurial organization that is characterized by the association of a multitude of microenterprises. Even though collective initiatives and autonomous economic strategies (for example, manifested in producer cooperatives or network companies) are an important initiative for change, productive transformation cannot be carried out easily through the will and collective action of some local actors. It requires, particularly where trade is dominated by large and powerful corporations (i.e. TNCs) with strong influence in international and national policy, support at the institutional level by protecting "infant industries" (Chang and Grabel, 2007) and by creating a foundation where small-scale enterprise forms have the possibility to collaborate or compete with global players in order to avoid (to some degree) unequal competition under uneven conditions.

Heterodox scholar Cardoso considered foreign direct investment to be a potential (although limited) means for developing countries. In a historical review he discusses the three stages of development in marginalized countries: the agro-export-stage, the stage of developmentalist alliances and the phase of the authoritarian-corporatist regime. The last period is characterized by the entrance of large corporations. However, in contrast to the agro-export- stage, these corporations are not only interested in the extraction of raw materials, but also in secondary sector activities (Cardoso, 1982). The distinguishing feature of these new forms is the "(…) joint venture enterprise, comprising local state capital, private national capital, and monopoly international investment (…)" (Cardoso, 1982: 118). This scholar argues that there is potential to develop marginalized economies through the creation of corporations composed of local and global (transnational) players. He calls this potential model "associated-dependent development", whereby local participation in the global economic context is due to economic alliances. These resulting alliances are based on a mutual necessity: on the one hand, actors from developing countries need foreign technological input in order to achieve an increase in the productivity of the labor force and in order to achieve efficiency in industrial production, which also leads indirectly to less dependency on the import of manufactured commodities. On the other hand, large corporations need local economic enterprises, not only as a source of cheap labor, but also as a way to access consumer markets in developing regions and to expand there (Cypher & Dietz, 2004). Cardoso argues that this kind of development can lead to the expansion of "internal colonies", that is, the expansion of marginalized regions within countries. At the same time there is potential for advance in peripheral regions and local small- and medium-scale enterprises through effective utilization of this circumstance and through the intervention of the state as an agency of development by using its power and capacity to "(…) bargain with the TNCs and the advanced nations (…)" which in turn has the disadvantage of "(…) limited opportunities to develop their own technological capabilities" (Cypher & Dietz, 2004: 182).

This conception of development takes place within capitalist development, and requires capable and responsible state functionaries in order to realize strategic negotiations with foreign corporations (Cardoso, 1977; 1982). It requires also the particular protection and support of small and medium-scale domestic economic player. Thus, a process can set to work that could lead to long-term development based on broad national participation,

collaboration and mutual benefits, meaning that small- and medium-scale enterprises of developing countries could access the needed technological inputs.

The 'associated-dependent development' model puts, however, the main responsibility of bargaining with TNCs and the administration of equal contribution of the fruits of joint ventures in the hands of state institutions and its functionaries. This is similar to the theoretical view discussed under 'desarrollismo' or recently under 'nuevo desarrollismo', where the state is considered to be the principal agency to promote local, regional or national development. Unquestionably, the state, as previously discussed, can be seen as the agency with the main power and resources to be conducive to national and regional development.

However, the state propels a kind of development that it marked by top-down initiatives and can result in unfavorable conditions for societal development. Because it reflects certain political interests, and there are important limits to its role as promoter of local and regional development, and as defender of national concerns in the face of TNCs. Therefore, it must be viewed critically, for a number of reasons. *First*, although countries that promoted state-led development within "desarrollismo" have experienced a clear improvement in the general conditions of socioeconomic progress, there have also been negative secondary effects. Paternalist policies and the strong management of the agricultural section, for example, had the advantage that in Mexico, countryside productivity rose astonishingly, often referred to as 'Mexican miracle'. However, after 1965, when state paternalism and support began to diminish and the countryside slowly fell into crisis, rural actors could only adapt with difficulty to the gradual transition of the role of the state, what we may call *the long-term trap of temporal state paternalism*. Along this line Mexican agricultural actors could not rally together in the absence of the state, nor achieve economic, political or social emancipation. This can be seen, for example, in a general lack of entrepreneurship, of collective initiatives and of autonomous (from the state) enterprises. Likewise, a weak civil society (urban and rural) was only slightly able to defend the interests and demands of rural society.

Second, paradoxical political postures in the frame of neoliberal globalization, are characterized on the one hand by the "minimal state" (Nozick, 1974) –marked by the trend of a withdrawal of the state from traditional central public services, opening of national markets, and promoting privatization– and on the other hand by the disguise of these

postures through parallel discourses on wealth and political actions to supposedly strengthen social development.

Third, other limiting aspects of the state as agency lie in the nature of politics, such as a legislative-period vision, unfavorable governance for alternative economic enterprises, corruption, and lobbying for political parties. In this view, the financing of community-based small-scale production forms or "microfinance"[29] (De Soto & Schmiedheiny, 1991) is one such illustrative example. Funds (subsidies and credits) that some state institutions possess to finance such enterprises are, when not abolished (e.g. BANRURAL), often based on certain conditionalities for this support (e.g. political conditionalities), which is frequently at odds with the interests of alternative *autonomous* economic enterprises.

These points lead to the fact that the state as agency inadequately represents alternative small-scale production forms in the face of large corporations and limits the autonomy of economic enterprises in a certain manner. Effective protection and promotion of local or regional autonomous economic enterprise and confronting the growth of TNCs activities within 'global capitalism' can be carried out by considering additional societal forces. Thinking along this line is not only a proposal, but also a need, because in a context of globalization and 'time and space compression' technologies, the exclusive focus on the state as principal agency of development is an inflexible vision and a shortfall. Likewise, communities cannot be seen in this framework as static or closed entities or groups. Action strategies or economic strategies must be able to adapt to emerging conditions. The emerging agents and agencies of development cannot only support small-scale production forms and collaborate with existing traditional agencies, but also monitor and transform such traditional agencies as civil society forces.

As Chapter Three, Four and Six discuss, new emerging agents and agencies and their particular influence in state institutions and other agencies of development must be taken into account. This includes the manifold forms of international migrants' social spaces. In the special case of international migration and transnationalism, alternative methods of technology transfer (beyond joint ventures with TNCs) could be carried out; different kinds

[29]Enterprises that can operate financially in the 'margins of the state' are important to consider. These can be obtained by external financing (e.g. international funds based on foundations and NGOs) or by financing that is based on certain group loyalty, namely "solidarity-lending ", where "(…) a community group provides security for the loans taken out by individual entrepreneurs with ties of solidarity" (Veltmeyer, 2001:19).

of microfinance (beyond bank or state lending) could be executed by transnational organizations for members of the diverse transnational community that is spread across most developing countries. These in turn could bring about the different forms of development opportunities than "associated-dependent development" offers, leading to a development process that rises up from civil society and makes development less dependent on negotiation and collaboration among the state and TNCs. Although the state is indispensable for controlling and extracting social benefits from TNCs activities (e.g. laws that protect human and natural resources, income from taxation policies for large corporations), development should not be based solely on the responsibility, voluntary and will of state functionaries and nor be determined by political interests, which are aspects that drive the topic of real participation and participatory development.

2.2.4.2. Real participation (RP) and participative development (PD)

There are distinct ways of understanding the concept of participation, which depends clearly on the context, of where and when the discourse is carried out. Focusing on alternative interpretations of participation opens possibilities that go beyond the PWC. In this present context, it is defined as a process, where people have the right to participate actively and decisively in *all* decisions that affect their lives, especially valid for marginalized members of society, such as poor people (Elwert, Heidhues & Sauter, 2002). This is what I call *real participation*.

Real participation with regard to collective initiatives and autonomous economic enterprises means that vulnerable societies, and within them, social groups, have the opportunity to decide the form of enterprise that shall guarantee the reproduction of human needs by the free election of their satisfiers. This implies the decision about the most appropriate type of organization and production (cooperatives, network enterprises or individual enterprises), as well as the marketing (fair trade, local, regional, national or global sales, etc.). In other words, it is crucial that the recipients of benefits are not only constituted as objects of the development process, but at the same time are self-constituted agents of the process. This means that they should represent the central subjects in the development of the community in all of its dimensions. This in turn requires society members that are aware of the threats and obstacles in the development path, and are conscious about the strategies that they need to take up to overcome these threats, on an

individual level, but also on a collective level based on a consensus, from where real popular participation springs up.

The role that corresponds to the state, but also to other related traditional agencies (e.g. the higher education system) is to enforce this kind of participation in collective initiatives and autonomous enterprises (cooperatives, network enterprises, etc.) effectively and usefully. Therefore, space must be provided for the growth and expansion of such enterprises by laying the institutional foundation. This can be done by providing temporary 'infant industry protection'; and by encouraging entrepreneurship. It also implies the control of large corporation activities through regulation, taxation and directed negotiations over technology transfer. Finally, it implies recognizing, supporting and collaborating with new emerging agents and agencies of development with the ultimate aim of encouraging the self-reliant capacity of people and communities, based on their ability for real participation.

Achieving this kind of participation with regard to societal progress (with the appropriate support of traditional agencies) can be termed participatory development (PD). Transformation in society that leads to social empowerment (Chamber, 1997) is achieved, for example, by the consolidation of capacities, the generation of knowledge and the encouragement of entrepreneurship within a long-term development trajectory. Thus, development strategies emerge (and alternative economic enterprises as well) from below and from within, where the different forms of "grassroots social organizations" (Veltmeyer, 2001: 14) can constitute potential agencies and participate actively in the development process. In PD the immediate goal is to achieve more (social) efficiency in the implementation of development projects, which include the creation of autonomous economic enterprises, especially in the sphere of poverty reduction. This can only be achieved when awareness exists that is based on the consensus of the collective, with the aim to formulate and enact concrete development strategies. The final target consists ideally of creating human progress that is based on "responsible well-being by all" (Chambers, 1997: 11). Participatory development is geared towards attaining adequate satisfiers in the realm of social reproduction and improvements in areas such as human rights, better access to education, health, housing, water, etc., as well as access to democratic decision-making processes (Chamber, 1997). This, in turn, is achieved by a "(…) decentralized, non-authoritarian, and humanistic form of society that is

environmentally sustainable and based on a sense of real community" (Veltmeyer, 2001: 14). This lays the infrastructure for real participation embodied in the thinking and creation ('subject' of development) of collective initiatives and autonomous economic enterprises.[30]

2.2.4.3. Social sustainability in development (SSD)

Sustainability is becoming a crucial aspect of development thinking, ever more valid in times when the ecological unsustainability of the past manifests in the present, for example, in diverse effects caused by climatic change (especially for highly marginalized regions and vulnerable segments of society). Therefore, there is the need to establish development concepts that focus differently on this context with what I will call, in contrast to 'sustainable development', *social sustainability or social sustainable development.*

In a previous section, I addressed SD; its particular perception in the aftermath of the Brundtland Report, and the relevant three 'bottom lines' and their interrelations. In this framework it can be argued that the mainstream perception within the discussion of sustainable development has clear shortcomings. This gives rise to the idea of focusing on social sustainability as the core element of discussions on sustainability in development, meaning that through social sustainability, ecological and economic sustainability in society can be achieved.

These can be carried out, for example, by political reforms that promote alternative and autonomous production methods, which are appropriate for producing culturally and collectively defined satisfiers that assure human needs are met and lead to social sustainability in the development trajectory. Once balance is achieved between the economic and social spheres, for example by increasing social equity, ecological sustainability can be improved in development. In the alternative perception that emerged in the early 1970s, there was an effort to resolve in particular the issue of ecological destruction or unsustainability by searching for economic alternatives that are based on

[30]To initiate this societal process, especially in the rural context, the tool of Participatory Rural Appraisal (PRA) was developed. The idea behind this methodological instrument is to activate a group process, whereby social actors are enabled to utilize their local knowledge, deploy their capacities for problem analysis and self-organization, as well as develop a proper vision of possible solutions (Ziai, 2004).

principles of socially sustainable development, or in the words of Veltmeyer, a form of development that is "(…) based on a balance between and integration of human values and natural limits (integral ecological humanism)" (Veltmeyer, 2001: 8). Sustainability is also a theoretical pillar in the previously described People-Centered Development approach, which emphasizes the context of "(…) people's use of their resources and the consequences of that use" (Veltmeyer, 2001: 18).

Giving enough access to technologies, knowledge and resources, "(…) people will be a lot less likely to entertain destructive practices" (Veltmeyer, 2001: 18). Development or human progress is then understood in a totally distinct way than that of top-down development, namely that given "(…) the opportunity people come up with diverse and innovative ways of solving local, specific problems and thereby complement the diversity that is inherent in nature and necessary for persevering its health" (Veltmeyer, 2001: 18). People could in this way introduce into the development context their local knowledge, which is produced and tested over generations.

This can be achieved in different ways, for example, via collective initiatives, resulting in autonomous economic strategies, based on producer cooperatives that seek to distribute their products in international fair trade markets, or by network companies that seek entrance into national and international markets. This depends on collective decision-making processes and business priorities, in order to ensure the production of needed satisfiers for social reproduction.

Decisions regarding the kind of market in which to participate (markets based on solidarity or on competition) depend first on the awareness of the 'subject' of development. A further important aspect is whether such collective initiatives can reckon with the need for protection and further promotion that can be carried out principally by the state through the creation of appropriate and effective institutions, but also by other agents / agencies of development. This issue I discuss in detail in the following chapter.

In summary, the vision for alternative development that is proposed in this dissertation refers to approaches that are located analytically on a meso-level and are based on the original calls for the search of another path to development. In contrast to alternative concepts adopted within the Post-Washington Consensus period, I refer to real participation that gives social actors a viable opportunity to take part in economic, political, institutional, and social development processes, leading to participative development and social

sustainability in development. The latter are desired and targeted outcomes of this perspective, since both concepts are conducive to long-lasting and balanced development. This kind of development can be materialized through collective initiatives and independent small-scale enterprises within free trade by searching out the interstices of the current economic model of neoliberal globalization. Collective initiatives and independent small-scale enterprises can also be carried out within fair trade and a social economy context by searching for alternative markets beyond free trade markets. Evidently, this is only possible when 'objects' of development generate the power to convert themselves autonomously into 'subjects' by appropriating the agency sphere of development. Similarly, this is also the case when thinking of cross-border activities with regard to development; a theme that is addressed in the following chapters.

CHAPTER III

3. THEORIZING 'MIGRATION AND DEVELOPMENT'

After discussing alternative development with regard to collective initiatives and paths for autonomous economic enterprises, based on concepts of AD, I will approach in the next two chapters, the specific relationships that exist between (international) migration and development, and which are currently discussed in different ways depending on the respective analytical focus.

Migration is a process, which has accompanied human beings since their appearance. Migration scholarship, compared to this process, is a relatively recent enterprise. One of the early classics in migration studies was written by Ravenstein, who developed the "laws of migration". For him, migration was determined by certain regularities, for example, that the majority of migrants only practice short-distance migration or that the majority of migrants move to urban centers and leave gaps, which are filled up by people from more peripheral zones (Ravenstein, 1885). These laws represented for the scientific world of his time an explanatory model for the causes, effects and characteristics of migration. Ravenstein had theorized aspects that today are discussed particularly within the linkage of migration and development.

Generally speaking, this context represents multidimensional fields of analysis. Studying both themes and their relationship to each other requires taking into account the specific linkages between the two issues, which have a dialectical character. This dialectical relation is focused in distinct ways in different times and academic contexts, or in other words, according to the school of thought and decade, scholars have emphasized the *structure* or the *agency* realm of 'migration and development'. In discussing these different panoramas, I will introduce the "migration-development nexus" (Faist, 2008) and its different historical phases, in which the linkage was differently understood mainly by economists, migration scholars, politicians and development agents of international organizations. Then, I will discuss the 'transnational perspective' that emerges as a response to the shortfall of linking migration and development to the prior phases. In the last section, I will discuss exclusively the emerging agencies and agents of development, as

well as a useful connection of international migration's transnationality and alternative development. In so doing, I will pave the way simultaneously for the next chapter's topic: transnational development.

3.1. The migration-development nexus

Perceptions of the linkage between migration and development are mainly outlined in the dominant perspective on (international) development. As noted, the development discourse evolved over the past six decades, including with regard to the appropriate agency of development, especially in the framework of agents and agencies that are part of civil society and their active participation in development. The central forces of civil society were principally seen as the community or community-based organizations and its crucial characteristic was represented by what Max Weber has called *Vergemeinschaftung*; a concept that Weber defined as a kind of social relationship, which rests on the subjectively perceived cohesiveness of participants (Weber, [1922] 1978: § 9). This cohesiveness in the community (*Gemeinschaft)* was seen as an internal power for successful bottom-up and small-scale development, which should include high levels of participation from below. According to Faist, "[m]igrant transnational associations constitute the newest expression of this trend, as evidenced by the evolution of the migration–development nexus" (2008: 23). Therefore, the migration-development nexus (MDN) analysis can be defined as an historical review of the evolution in thinking about particular linkage between two complex social realms of action (migration and development), within international political and academic discourses.

In the following sections, I will discuss international migrants' transnationality with regard to these bottom-up and small-scale development projects, both in its mainstream perception and in its alternative conception known as the 'transnational perspective'. Before, carrying out this task, I will reconstruct critically the previous period of the nexus. This is, in my opinion, indispensable, because on the one hand the actual debate is partly built on earlier discussions, since the discourse on the linkage of migration and development represents a gradual process of evolution; and on the other hand, prior discussions, for example in the second phase of the nexus and its subsequent discussions in the present, offer different insights to the nexus (i.e. a structural perspective of the

contemporary economic context), which should be taken into account to understand the linkage.

3.1.1. Return migration and financial remittances in the 1960s

The first phase of the nexus was marked by public policy formation and a range of recommendations from the Organization for Economic Co-operation and Development (OECD) during the 1960s. This opened a discourse that was guided by the idea that international labor migration can have positive results on two counts: *first*, to fill the labor gap in the Global North, where the destructive consequences of WWII resulted in a reduction of manpower, requiring a new labor force in Europe. At the same time, European countries, as well North American countries, introduced after 1945 a new production system and development model known as Fordism, characterized by an inclination to follow a national development strategy. The emerging model required additional labor from peripheral countries, such as in the classical case of the so-called *Gastarbeiterprogramme* and which officially ended with the ban of recruitment in 1973. It remains clear that this kind of labor transfer was considered as a stimulative development option for developed countries, because of the exiting unequal exchange and unequal development between sending and receiving countries.

Second, it was thought that international labor force mobility would lead to development in the Global South via the migrants' financial and through the transfer of human capital by short-term migration (Faist, 2008). The so-called Kindleberger report, which was an updated version of the previously noted recommendations by the OECD, saw the benefits of South-North migration for the sending countries' migrants in improved possibilities for higher incomes, a better opportunity structure for employment and human capital training. The exposure to a new culture was seen as a cost.

From a modernization theory perspective benefits for the sending country included: increased foreign currency earnings (through financial remittances), leading to capital formation, meaning the rising per capita production, because of the net reduction in unemployed, and the decreasing demands on public capital stocks. In return, for receiving countries, the profit was seen at the individual level as cultural exposure. At the national level, benefits were seen in a form of economic growth with low inflation, rising labor mobility by decreasing costs of a unit of labor, and higher output per capita for the domestic labor force (OECD, 1979: 31).

This perception of the connection between migration and development that saw benefits for both sending and receiving countries is criticized by both dependency theorists and Neo-Marxist scholars for not taking in account structural aspects that confront international labor migration and sending countries. This is discussed in the following section.

3.1.2. Dependency and Neo-Marxist perspectives after the 1970s

In the second phase of the nexus, in certain academic circles attention is given to (neo)-Marxist viewpoints with regard to the relationship of migration and development. Most proponents of this view are subsumed under dependency theories. These approaches emerged in the 1970s and 1980s, as a critical response to the discussion that links migration and development in the context of modernization theories with emphasis on Latin-American countries.

This perception is mainly based on the general theory of capital accumulation developed by Karl Marx. Marx theorized about how accumulation in the capitalist system steadily produces a redundant labor population (Marx, 1974, Kap. I, MEW 23: 658). Further, Marx argues that this redundant labor population is not only the product of capitalist accumulation, but also necessary condition of the capitalist mode of production. In this vein, the redundant labor population constitutes a parallel "operational industrial reserve army" of capitalist production. The reserve army serves, according to Marx, as "constantly exploitable human material (…) by the changing utilization necessities" (Marx, 1974: 661) within capitalist production.

Wallerstein follows Marx's ideas on capital accumulation, when he discusses labor migration as a phenomenon that is present during the transition from colonialism to the process of integration into the world economic system. He understands capitalism as a "(…) system based on endless accumulation of capital" (Balibar &Wallerstein 1991: 180). The accumulation of capital is thereby ensured by "(…) the transformation of all things into commodities" (Wallerstein 1983: 42), including the labor force.

Portes and Walton discuss this framework under the concept of "structural imbalancing": the invasion by several developed economies' institutions towards the more vulnerable societies of the south. One response to structural imbalancing is the "unlike labor migration" (Portes & Walton, 1981).

In other words, all of these approximations observe that labor migrants in the periphery become flexible and could / can be moved to the centers of production, because of a surplus workforce in combination with conditions of underdevelopment, which represents an unequal exchange context. This leads to the emergence of a reserve army of labor. Members of this labor 'overpopulation' are forced indirectly to migrate to other regions and states. This leads to the siphoning off of the productive stratum, as well as to brain drain, which results, in turn, in more underdevelopment.

Today, this (structural) perspective on migration and development is revisited and applied to current economic and political frameworks by development scholars of the Global South and can be seen as the fourth phase of the MDN. Delgado, Marquez and Puentes (2010) discuss the "dominant approach to the link between migration and development" (examined below), promoted by governments of central receiving countries and certain international organizations. They argue that the viewpoint of these agencies "(…) posits a positive link between international migration and development in countries of origin" (Delgado et al., 2010: 8). This perspective is, however, little reflected in the actual economic and political context of neoliberal globalization. There is no concrete empirical evidence of such an assumed positive result in development generated by international migrant efforts. In fact, according to the counter-argument, NG is leading to unequal exchange and consequently to unequal development. This concept is defined in the following terms:

> The concept of unequal development encapsulates this dominant trend [neoliberal globalization] and refers to the historical, economic, social and political processes of polarization (among regions, countries and social classes) derived from the dynamics of capital accumulation, the international division of labor, the new geographical atlas, and class conflicts across space and hierarchies (Delgado et al., 2010: 12).

Unequal development, understood as a direct result of unequal exchange is, according to these scholars, manifested by "[d]eepening asymmetries within countries and between countries and regions" on the one hand, and by the "increase in social inequalities" on the other (Delgado, et al., 2010: 12).

In the framework of neoliberal globalization, a 'new international division of labor' emerges, which is manifested clearly in the context of NAFTA[31]. This context was viewed by Delgado and Márquez (2007) as the 'labor export-led model', discussed in section 5.2.

Increasing international outmigration is therefore one crucial aspect. Similar to the concept of "structural or indirect violence" proposed by Galtung (1969), unequal development forces society members to follow certain development pathways, including different forms of exodus labeled as *forced* migration by Delgado and Marquez (2009) and Delgado et al.(2010).

Forced migration can have different forms. The aforementioned scholars discuss four kinds: *first*, migration can occur due to natural disasters, conflicts and direct violence in general; *second*, it can occur due to "smuggling and trafficking"; *third*, due to different forms of indirect violence, such as "dispossession, exclusion and unemployment" (Delgado et al., 2010:14); and *finally*, it can appear as brain drain. In the third type of forced migration, there are social mechanisms, such as the "exploitation of the workforce" which become crucial within NG (Delgado et al., 2010: 12). These are explored on empirical level in Chapter Five.

Unquestionably, structural factors exert influence on a society's progress and subsequently on people's mobility, particularly when conditions of underdevelopment and marginalization exist in certain regions and countries. These structural factors represent an explanatory pillar in this work. However, these structural aspects need to be seen as concrete limits of human agency. In other words, the structural realm does not totally determinate human action; rather it restrains the course of action, whereby action strategies are shifting. This however does not imply that migrant's transnationality cannot have any progressive result in local and regional development, nor does it mean that there cannot be advancement in transnational communities.

3.1.3. Mainstream rediscovering of migrant's potential in the 1990s

The third round in the migration-development nexus begins in the early 1990s. In this phase, at different institutional levels and through distinct discourses, migrant-led local and regional development is postulated and promoted. This coincides with a paradigmatic shift

[31]NAFTA: North American Free Trade Agreement, signed between Mexico, the United States and Canada on 1 January 1994.

in development discourses towards a more social kind of progress, including more participation of civil society and bottom-up development projects, like the ones emphasized under the PWC.

This was carried out with strong references to the political and academic statements that where promoted in the first phase of the nexus in the 1960s. The dominant panorama of the 1960s was mainly based on theoretical and ideological assumptions of economic scholars and politicians. In the 1990s, the idea and belief that migration can lead directly to development remained, with the difference that the "new" round was additionally grounded on empirical evidence, especially with regard to the high levels of financial remittances by migrants all over the world, which appeared to indicate that migration can lead to development. This empirical proof and enthusiasm is seen in the World Bank (2006b) report, *Do Workers' Remittances Promote Financial Development?*, where it is argued that migrants financial remittances are"(…) the second largest source of external finance for developing countries after (FDI), both in absolute terms and as a proportion of GDP" (World Bank, 2006b: 2). The authors argue that remittances "(…) tend to be stable and to increase during periods of economic downturn and natural disasters" (World Bank, 2006b: 2). Also, in the rural context, financial remittances are seen as a universal remedy. The *World Bank's World Development Report* 2008 (WDR) *Agriculture for Development* is a case in point. The authors behind this report discuss three "pathways out of poverty", which they identify as "farming, labor and migration" (World Bank, 2008: 73). The World Bank theorists argue that migration is a potential way out of poverty: "Income from remittances sent by former household members often increases the land, livestock, and human capital base of rural household members who stayed behind. Remittances can also offset income shocks, protecting households' productive asset base" (World Bank, 2008: 82).

In sum, with ideological discourses, organizations such as the World Bank (2006b; 2008) argue that migrants are the emerging agents of economic development and that they are able to induce development in the sending countries. In this view, this is possible through remittances. This is what Kapur (2004) has called the "new mantra" of migration and development. In this framework, there is the belief (and the desire) that temporary, instead of return migration has the greatest impact in sending countries, "(…) because of the hope that temporary labour migrants transmit a higher percentage of their income than permanent immigrants, and the belief in circulation of ideas and knowledge, which is

connected to short-term visits of migrants as development agents" (Faist, 2008: 22). In contrast to the first phase of the nexus, this time there are additional aspects, beyond financial remittances, such as "knowledge flows (…) and social remittances" (Maimbo & Ratha, cited in Faist 2008: 26) serving as further tools for development. Additionally, new "(…) issues come up, such as formalizing the migration-development nexus by strengthening remittance channels through involving banks, and diaspora knowledge networks, which are not built upon the 'return option' but the 'diaspora option'" (Faist, 2008: 26).

However, this conception was criticized broadly by migration scholars, because of several shortcomings, of which I will discuss only two aspects. *First*, mainstream development discourses attributed a role to international labor migrants as the new and replacing agents and agencies of development. However, placing the onus of development promotion on the shoulders of migrants relieves the (neoliberal) state from its central and indispensables exercises in the development processes (Delgado & Marquez, 2009). *Second*, besides promoting short-term development processes, financial remittances make families dependent on such resources and emigrants dependent on continuous migrant labor opportunities (Kay, 2009b). In the context of international migration, the latter is less problematic when migration is documented and widespread opportunity structures exist. In the case of undocumented migration in combination with increasing security measures and economic crisis with low opportunity structures, the situation can turn unfavorable, marked, for example, by the violation of human rights and overexploitation of the migrant labor force.

The deficiency in the mainstream perspective of the third phase of the nexus does not mean that international migrant's efforts (represented by transnational ties and practices) cannot induce a certain form development. Therefore, Faist & Fauser (2011) propose a transnational focus that opens a broader panorama on the context of migration and development, based on the transnationality of international migration, manifested, for example, in hometown associations or in different migrant knowledge networks:

> Such transnational social formations mobilize very diverse forms of resources in the name of development: financial capital such as money in the form of remittances and/or investments; knowledge and professional experiences; and political ideas,

> such as ideas on forms of government, rights and responsibilities, and democracy (Faist, 2008: 27).

I will now describe this perspective on transnational formations and activities in detail and in the conclusion to this chapter, discuss the particular agents and agencies of development that emerge and are taken in account in the transnational understanding. With this theoretical repertoire I will propose in Chapter Four the broadening of this perspective by the consideration of alternative development concepts.

3.2. The 'transnational perspective'

Recent decades have exhibited profound processes of transformation throughout the world and in different realms of societal life (e.g., economic and political practices, technological advances, etc.), which had and still have important effects upon society (Harvey, 1990), as well as in academic contexts (postmodernity discourse). This is also valid for the analyses of migration and the studies of this phenomenon. The classical models no longer properly explain the new migratory trends nor the emerging formations and activities of migrants in these new patterns (Isotalo, 2009). In order to "(…) capture distinctive and characteristic features of the new immigrant communities that have developed in the advanced industrial nations at the core of the capitalist world" (Kivisto, 2001: 549; see also Glick Schiller 1997, Vertovec 1999), it was and is necessary to rediscover transnationalism as a concept and approach. In the 1980s and 1990s this perspective change in migration scholarship was in a certain way a response to the aforementioned theoretical deficit. We can define Transnationalism in the following way:

> Transnationalism describes a condition in which, despite great distances and notwithstanding the presence of international borders (and all laws, regulations and national narratives they represent), certain kinds of relationships have been globally intensified and now take place paradoxically in a planet-spanning yet common – however virtual- arena of activity (Vertovec, 1999: 1)

This citation points to an important circumstance, which can be seen as a facilitating factor for increasing transnational formations and activities: 'time and space compressing' technologies. The advances behind these technologies have had a great impact, because new "technological conditions" make it possible to create and maintain transnational ties in

a more efficient manner (Portes, Guarnizo & Landolt, 1999; Vertovec 1999; Faist, 2006). To use the terminology of Guarnizo (1997) and Smith & Guarnizo (1998), this is not only valid for a type of "transnationalism from above", namely TNC activities, but also for transnationalization in the context of international migration, even in the context of grass-root initiatives, such as formations and diverse practices of migrants. Portes et al. (1999), find that technological use depends on access to it, which is often related to knowledge and financial resources. According to these scholars, the higher the human capital and economic resources of a place and their actors, the higher the level of transnational activism will be. Related to the latter is the matter of distance between two or more geographic spaces which also influences transnational practices, which means: The longer the distance between sending and receiving regions, the fewer these kinds of activities will be, which has to do with the costs involved in long distance transactions (Portes et al.,1999).

3.2.1. Theoretical foundations: Transnational communities and Transmigration

One of the early attempts to analyze transnationalism was undertaken by Kearney & Nagelgast (1989). They tried to analyze, with an anthropological focus, transnational communities in the rural south of Mexico and migrants working in rural California in the United States. In general terms, the authors define transnational communities in the following way: "Transnational communities are formed by movements of people among international locations as they respond to the imperatives of labor markets and their own economic life conditions" (Kearney & Nagelgast, 1989: 1). According to these scholars, theoretical approaches on international migration that focus on the "socio-spatial entity"(e.g. the assimilationist theory or the cultural nationalism approach) create limitations for research, characterized by "(…) a bounded space inhabited by more or less coherent core population with ongoing social relations, a (…) shared way of life (…) [and an] (…) internally consistent set of beliefs, values and rules which govern the lives of all (…)" (Kearney & Nagelgast, 1989: 1). The scholars find however, that these kinds of explanations and their units of analysis are not adequate to analyze the emerging patterns of movement in different geographical and social spaces by rural Mexicans. There is the belief that contemporary social processes are more heterogeneous and complex than the former explanatory models supposed. One reason for this complexity is related to economic and

political practices on the macro-level. The same scholars note that "(…) the transnational community is an analog to the transnational corporation" and that both emerged and grew up with the internationalization processes of capital in the global economy. This means, in other words, that if we want to comprehend the entire context of these new migration patterns, it is essential to consider not only macroeconomic processes, but also social action and relationship patterns at the micro level as a response to the effects of macroeconomic changes. A transnational focus, the authors find, has the advantage of facilitating the analysis of unbounded space, in this case, the Mexican rural community, as well as the migrant community in rural California (Kearney & Nagelgast, 1989).

The theoretical approach of Glick Schiller, Basch & Szanton Blanc is similar attempt to that proposed by the study of Kearney and Nagelgast in that the analytical focus takes into account the global economical structure, which influences from above migration and migrant formations. The main contribution of Glick Schiller et al with regard to migrant's transnationalism is the elaboration of a conceptual framework of transnationalism in order to systematically describe properly emerging patterns of migration. In two publications (1992, 1994) they argue that there is a historically observable transformation in the macroeconomic structure, as well as in national public policies and migration patterns, which explain why immigrants establish and maintain transnational ties:

> A global restructuring of capital based on changing forms of capital accumulation has lead to deteriorating social and economic conditions in both labor sending and labor receiving countries with no location a secure terrain of settlement. Racism in both the United States and Europe contributes to the economic and political insecurity of the newcomers and their descendants. The nation building projects of both home and host society builds political loyalties among immigrants to each nation- state in which they maintain social ties" (Glick Schiller, Basch & Szanton, 1997:123).

In comparison to earlier phases of migration, where migrants had broken all ties and relations (social, cultural and economic) to their home countries in order to assimilate (socially, politically, economically and culturally) into the host country, the new patterns of migration show different attributes: "(…) now; a new kind of migrating population is emerging, composed of those whose networks, activities and patterns of life encompass both their host and home societies" (Glick Schiller et al. 1992: 1).

They call the resulting configuration "transnational migration" and define it as "(…) the process by which immigrants forge and sustain simultaneous multi-stranded social relations that link together their societies of origin and settlement (Glick Schiller et al. 1995: 48). The respective emerging actors in this context are referred to as "transmigrants". It is important to emphasize that Glick Schiller an her collaborators identify the place of transnational formation and action in a transnational social field characterized by "(…) a set of multiple interlocking networks of social relationships through which ideas, practices, and resources are unequally exchanged, organized, and transformed" (Levitt & Glick Schiller, 2004: 605).

Without a doubt, the study approach utilized by Glick Schiller, Basch & Szanton Blanc on transnational migration and transmigrants laid the groundwork for comprehending and describing migrant ties within a wider context in the beginning of the discussion around migration and development. It was, in this vein, an attempt to analyze an entire context composed of structural aspects that affect (potential) migrants and cause transnational migration to respond in a certain manner to these challenges.

From a contemporary, critical view the approach has some important deficiencies. *First*, the scholars identify the structural context, in which transmigration proceeds, but they do not discuss the manifold concrete impacts implicit in such macroeconomic structures and the respective action strategies of cross-border actors. In this vein, migration and practices of transmigrants represent one kind of response based on action strategies. Social movements, for example, could be an alternative reply not considered by Glick Schiller and her colleagues.

Second, according Kivisto (2001) and Faist (2010a), transnational ties of migrants are not new; these linkages are observable since the industrial époque and were not qualitatively different to current processes of transnationalism, as Glick Schiller, et al., 1992 argue. This is consistent with the critique put forth by migration scholars who argue that new migration patterns and the resulting ties and practices should not be analyzed by establishing new terms and concepts. Rather, established concepts (e.g. circular migration) should be discursively differentiated and located theoretically (Faist and Fauser. 2011).

Third, the concept transmigration proposed by the authors fails to delimit the boundaries between transnational migration and other types of human mobility. Glick Schiller et al. do not raise important questions such as: *Are all current labor migrants*

transnational in character? How long can transnationalism endure? Is transnationalism a never-ending process or limited in time? How intense are transnational ties within the migration context? How can we determinate this? And on what are high degrees of transnational ties and practices depending? These kinds of questions are very weakly considered by the authors, but are important to answer in studying transnationalization in relation with development, because if transnational ties are short-term phenomenon, it is of little use to analyze them as agents of development and change.

Early attempts in transnational study provided important insights for studying migration and development, but they fall short of analyzing the degree, intensity and durability of transaction and social action strategies. This is a crucial task to perform in order to link transnationalization with other approaches on development.

Instead of spawning more terms to describe circular migration and its secondary effects, Faist, Fauser and Reisenauer propose the utilization of the concept of transnationality, which they comprehend as "one of a variety of heterogeneity features" (Faist, Fauser and Reisenauer, 2011: 201). These authors define transnationality as a characteristic that refers to "(…) overarching state boundary and relative continuous social and symbolic transactions, visible in the tie and practice of persons and groups" (Faist, Fauser and Reisenauer, 2011: 201). In this vein, researching the transnationality of migrants implies the need to focus on the degree, intensity and durability of these transactions. This is necessary in order to establish a meaningful link to other theoretical approaches and theories, thereby avoiding stagnation in the analysis of formations and activities.

Finally, in line with this last idea, Glick Schiller, et al. (1992), focus tightly on formations and practices of transmigrants within a structural framework, but they miss addressing also other emerging aspects then immediate results of social and symbolic transaction and action strategies, such as emerging institutions and effects of transaction and social action on traditional institutions (Faist, 2008).

This first conceptualization of transnationalism by Glick Schiller and her colleagues represent an important initial groundwork. Their research begins the consolidation of a different focus to analyze migrant's activities and formations. From this starting point, the theoretical discussion advanced and began to differentiate. In the following sections I will refer to transnationalism or more precisely to international migrant's transnationality by addressing the discourse of recent work on the topic.

3.2.2. Beyond methodological nationalism

One of these recent discussions concerns the methodological strategies employed to capture transnational formations and activities. This point, discussed under methodological nationalism, refers to traditional units of analysis that are insufficient to adequately analyze migrant's transnationality.

Modern social science research

Modern social science and empirical research is mostly realized in the context of the nation state and their societies. Focusing on incidences and social phenomena within nation state boundaries and national societies has been considered as an obligatory task in order to carry out research in social science over the 19th and 20th century, or in the words of Pries and Seeliger:

> In the course of the 20th century, the term society gained its scientific meaning as the unit of analysis for phenomena like social inequality, demographic change, or societal integration, intrinsically tied to a certain understanding of the territory to which this specific spatial extension would refer (Pries & Seeliger, 2012: 341).

These scholars argue that the nation state and national societies have four main features that have encouraged their use as central units of analysis in modern social science research:

> (…) the nation state comprehends a certain fixed territory, governed by a sovereign state with the monopoly of legitimate power (…) a shared reference point for citizens and inhabitants is a common or dominant language, spoken within this territory(…) nation states are integrated by a shared understanding of a common history, often closely related to a certain (imagined) ethnic background(s) (…) a particular national culture is constituted by a specific set of values, traditions and significant symbols" (Pries & Seeliger, 2012: 341).

Furthermore, historically developed, the nation state and national societies were seen in the political sphere as the exclusive framework of societal order. In this context, a paradigm arose, which determined that "(…) within a geographically coherent territory there is only 'space' for one social space, and each social space requires exactly one geographic space" (Pries & Seeliger, 2012: 342).

In the course of the time, particularly at the beginning of the 21st century, this classic modern perception of nationally bounded units of analysis changed, adjusting to the need of new perspectives, reflected in approaches on structuralism, dependency theories and in international migration studies. Within these new perspectives, there has been a change in focus with regard to the conceptualization of space, including distinction between "geo-spaces" and "social spaces" (Pries and Seeliger 2012).

The exigency of analytical units beyond nation state boundaries

In the classical theories of migration, scholars suppose that the society of a nation state represents a homogeneous unit of shared history, a set of values, social norms, and coherent customs and societal institutions. This perception is known as the so-called container model of society (Kivisto 2001; Glick Schiller & Wimmer 2003; Glick Schiller 2009). For that reason, before globalization and transnationalism debates began to arise in the 1990s, social sciences research was often based on units of analysis within the framework of the nation state and national societies. This was closely related to the social science paradigm of modernity, which was challenged by the postmodern discourse. Along these lines, it has been argued that the nation state and the context of national society are insufficient to exhaustively describe emerging social realities. This critique was taken up by Wimmer's and Glick Schiller (2003) in the context of international migration studies by defining this deficiency and weakness as "methodological nationalism".

The problem of methodological nationalism in transnational studies is closely related to the discussion about adequate units of analysis. Portes, Guarnizo & Landolt's publication, *the study of transnationalism: pitfalls and promise of an emergent research field,* is an early attempt to theorize adequate units of analysis. These scholars argue that social practices are proceeding on distinct societal levels, including with regard to migrants' transnational practices. However, their critique is that most publications on transnationalism tend,

> (…)to mix these existing various levels, referring at times to the efforts and achievements of individual migrants, others to the transformation of local communities in receiving and sending countries, and still others to the initiatives of home governments seeking to co-opt the loyalty and resources of their expatriates

> different levels of transnational practices are (Portes, Guarnizo & Landolt, 1999: 220).

In order to avoid confusion and define concretely an adequate unit of analysis they propose to utilize individuals as units of analysis in researching transnationalism:

> For methodological reasons, we deem it appropriate to define the individual and his/her support networks as the proper unit of analysis in this area. Other units, such as communities, economic enterprises, political parties, etc. also come into play at subsequent and more complex stages of inquiry. (…) we believe that a study that begins with the history and activities of individuals is the most efficient way of learning about the institutional underpinnings of transnationalism and its structural effects (Portes, Guarnizo & Landolt, 1999: 220).

Glick Schiller (2009) is also convinced that it is necessary to alter the unit of analysis in the context of transnationalism research. She finds that the transnational approach requires focusing on different units of analysis than the nation state in order to detect transnational ties and activities (e.g. families, economic enterprises, institutions etc.). That means changing the focus from the nation state through a rejection of methodological nationalism, without negating the importance of the nation states. She proposes to focus more on a "global power perspective" in order to identify such units beyond nation states (Glick Schiller, 2009). A global power perspective on migration could facilitate the description of social processes by introducing units of analysis and research paradigms that are not built on the methodological nationalism found in much migration discourse. It would allow researchers to make sense of local variations and history in relation to transnational processes and connections (Glick Schiller, 2009: 17). Glick Schiller argues that the global power perspective is an adequate perspective to analyze "(…) forms, spaces, ideologies, and identities of resistance to oppressive and global relations of unequal power" (Glick Schiller, 2009: 17), in which transnational migration is also embedded. But, transnational migrants are not seen as passive actors in this global process. On the contrary: they are strategically constructing hybrid identities that demonstrate resistance to "(…) the global, political and economic situation that engulf them (…)" (Glick Schiller, 1997: 164).

There are many paths to determine the adequate units of analysis in order to carry out research on transnational spaces. Focusing on the urban context and on the transformation

of social relations in it, as well as to the power structures, such in the analyses of Glick Schiller (2012) is one way to surmount methodological nationalism.

In this dissertation I will not limit myself to one unit of analysis, but focus on the particular transnational spaces, in which a range of transactions and transnational action strategies are proceeding and influencing each other. These transaction and action strategies can exist simultaneously and work complementarily, or on the contrary, they can mutually limit each effort and cause social conflicts. To vanquish methodological nationalism, I will focus on transnational development in the frame of cross-border economic enterprises. There are some key concepts in transnational studies that are currently highly discussed and represent important and useful tools for the identification and analysis of transnational formations, such as transnational social spaces, social capital, migrant networks and migrant civil society. These are addressed in the following section.

3.2.3. The Transnational Social Space concept

As previously noted, Glick Schiller and her colleagues concluded that transnational formations and activities are carried out in social fields that are interlocking networks based on the social relationships of transmigrants. There are also transnationalism scholars who are convinced that the 'space' concept is more appropriate then the 'field' concept, because in the context of space we can explicitly distinguish between spatial and social space. The latter space is the place where transnational activism happens. This space is distinguished from spatial space and activism in this context. Ludgar Pries is one of the first scholars, who theorized the concept of transnational social space. Pries differentiates between seven types of internationalization processes: "Internationalisation (as bi- or multi-nationalisation), Supranationalisation, Renationalisation, Globalisation, Glocalisation, Diaspora-Internationalisation and Transnationalisation" (Pries, 2002: 17).

As previously mentioned, in the case of transnationalism, there is a debate among scholars about where the transnational practices occur or how we can locate its context. This leads to a discussion regarding the relation between geographical and social space in the context of transnational migration. While the meaning of geographical space is well known, Pries defines social space, with reference to the concept of space of experience. This is a space in which members of society move in a physical and mental manner without

profound reflection on its particular structure, classification or social agreements. The author describes it in the following manner:

> One could distinguish different levels or scopes of spaces of experience, which quite all people know and live: the family, the community, the society, and perhaps the global world. For the majority of people these four levels of experienced spaces represent a sort of concentric circles in which their social existence spans spatially. We will coin these experienced spaces of everyday life (Schütz 1993; Berger/Luckmann 1980) and of the world of living (Habermas 1981) as social spaces (Pries, 2002: 3).

In the case of international migration, Pries finds that transnational social spaces are important to consider, because the spaces of experience exist and manifest in de-territorialized contexts, without geographical proximity. He defines transnational social spaces in the following manner:

> At first sight, we could define transnational social spaces as dense, stable, pluri-local and institutionalized framework composed of material artefacts, the social practice of everyday life, as well as system of symbolic representation that are structured by and structure human life (Pries, 2002: 8).

According to Pries, international migrants are forming new social realities (e.g., norms of action, cultural milieus, and local economies of social networks). In this process, conventional linkages are transformed qualitatively in the country of emigration, the country of immigration and in the migrant's transit context. In this frame, new social spaces are emerging that are spanning between and above the old ones (Pries, 1996). Pries argues that, although transnational social spaces are not a totally new phenomena, one can observe in recent decades an increasing flow of people, goods, and information. According to him, this process is expanding and deepening, which leads to the development of permanent and dense pluri–local and national boundaries, crossing linkages of social practices, systems of symbols and artefacts. Pries argues that these kinds of transnational formations and practices have economic, social, cultural and political dimensions, and in most cases the dynamic is characterized by complex interdependency (Pries, 2002).

Thomas Faist argues in this line that transnational social fields and spaces are alike in that they "(…) call attention to the ways in which social relationships are structured by power" (Faist, 2010a:1673/4). He argues that the concept of transnational social space is built on this idea. He adds to this the notion of the spatial aspect of social life (Faist, 2010a)

and he notes that there are three aspects indicated by transnational social space: a) processes of "migration and re-migration may be not definitive, irrevocable and irreversible decisions" and that transnational formations can be used as an action strategy for survival and for improving socio-economic positions; b) long-term migrants or refugees maintain a strong connection in the transnational sense to their homeland; and c) this relation may include family ties with an informal character and in the case of political organizations it can have the character of formal, even institutionalized transnational links (Faist, 2006: 3).

The concept of transnational social space is a tool that explains a kind of social phenomena that occurs (currently more intensively) in the context of cross-border migration processes. There are scholars who attempt to disaggregate the components of transnationalism in subfields. Smith (2002), for example, tries to construct a typology of transnational social space, because he is convinced that there are different modes to being a transnational actor. According to this scholar, these modes are connected to distinct forms of social space.

> For instance, different kinds of transnational practices are enacted in domestic space by women's household consumption practice at both ends of a trans-local migrant circuit and by social actors, often men, in the public space of political diasporas. The discursive space of the global human rights arena is another distinct site where differently situated social actors enact different kinds of transnational practices. The same is true for the transactional spaces of trade diaspora, labour recruiters, and cultural and religious brokers; the institutional spaces where NGO politics are enacted; and the global media space which local and trans-local actors seek to appropriate in their struggle for life, livelihood, and political empowerment (Smith, 2002: xii).

Faist (2000; 2006) proposes a distinct model of differentiation for transnational social spaces. In his view, there are four different transnational types, which move and act in this space:

a) *Transnational relations of small groups are* links within households and "kinship systems". This kind of transnational tie represents a lot of cases, where family members or whole families migrate to work abroad, as "contract worker" or "employees within multinational companies" (Faist, 2006: 4). In this context, households and families maintain a strong link to their homelands. A classic example for this relation is the

transnational family that conceives itself as both an economic unit and a unit of solidarity and that keeps, besides the main house, a kind of shadow household in another country (Faist, 2006: 4).

b) *Transnational issue networks*: Faist defines this type as a "set of ties between persons and organizations in which information and services are exchanged for the purpose of achieving a common goal" (Faist, 2006: 4). Their activities can be concerned with topics such as human rights, discrimination, ecological protection etc.

c) *Transnational communities*: This form of transnational social space is marked by "dense and continuous sets of social and symbolic ties, characterized by a high degree of intimacy, emotional depth, moral obligation and something even social cohesion [sic]" (Faist, 2006: 5). Community is conceived in this type as an unbounded place. Faist defines it as "communities without propinquity" (Faist, 2006: 5). Further, our author argues this kind of community can have distinct levels of aggregation. The simplest type consists of village communities in interstate migration systems, whose relations are marked by solidarity extended over long periods of time (Faist, 2006: 5). However, Faist finds that in the majority of cases, transnational communities are formed by "larger transboundary religious groups and churches" (Faist, 2006: 5). This encompasses, for example, the case of Turkish Islamic communities in Germany. Diasporas are also a type of transnational community, because their members "have a common memory of their lost homeland, or a vision of an imagined one to be created, while at the same time the immigration country often refuses the respective minority full acknowledgement of their cultural distinctiveness" (Faist, 2006: 5).

d) *Transnational organization*: Finally, there are transnational organizations which can be created by small groups "by virtue of an even higher degree of formal control and co-ordination of social and symbolic ties" (Faist, 2006: 5). These can be Interstate Non-governmental Organizations (INGOs) (e.g., Red Cross), as well as transnational enterprises, which "are differentiated transboundary organizations with an extremely detailed internal division of labor" (Faist, 2006: 5).

To sum up, emerging social contexts require new analytical units. This change in focus is proposed, *inter alia*, by Faist (2000; 2006), considering different kinds of transnational social spaces, as well as different arenas of interaction and actions of cross-border actors. Distinguishing between different TSSs is useful in order to differentiate the particular interaction and action structure, as well as the targeted outcomes for development in such spaces.

As noted in the introduction to this dissertation, the analysis of transnational spaces requires the detection of different types of migrants' transnationality in particular contexts. In this vein, TSSs can emerge simultaneously in *one* cross-border economic enterprises. This is reflected in the case study Caxcania. It is important to identify different forms of transnationalism, because potentially distinct forms of transnationality (and distinct forms of social interaction and action repertoires) can be expressed due to different levels of institutionalization, maturity of social relationships, as well as different objectives in development. These can, for example, be manifested in different kinds of social ties, and especially different levels of solidarity among different TSSs.

In turn, these parallel existing TSSs with different levels of maturity can limit or enhance collective efforts. Accordingly, the analysis of different TSSs and their impacts on collective cross-border enterprises and in the development process represent an important research objective, because only in this way can we obtain access and gain a deep understanding of the social dynamics in these contexts. This issue will be revisited in the subsequent chapters and contrasted with empirical evidence generated in the case study of Caxcania.

3.2.4. Social Capital and Transnational Networks

Finally, we will discuss two crucial elements of the transnational formation of migration, namely social networks and social capital.

In sociology, the analysis of social structures of relations is an established approach to obtain explanations. These structures of social relations can provide explanations for social action and phenomena. Sociological network analysis is, then, a methodological instrument in order to assess the specific modality of social structures of relations. With this tool we can illuminate spaces of action, which are in most cases only understandable when we consider and focus on the interdependency among social actors. All members of society,

as well as groups or organizations, are integrated in distinct social networks. These networks represent for their members important resources, such as cultural or social capital. In this sense it is obvious that human beings orient their actions to relations in networks, which leads to the fact that networks have an important normative significance in society (Jansen, 2006).

In the specific case of migration, there is the conviction that networks (Castells, 1996), which connect for example the diaspora members, are an important aspect of the migration process. Through analysis of these networks, we can better understand the duration and reproduction processes of temporary migration (Parnreiter, 2000). Boyd defines networks within migration in following way:

> Networks connect migrants and nonmigrants across time and space. Once begun, migration flows often become self-sustaining, reflecting the establishment of networks of information, assistance and obligations which develop between migrants in the host society and relatives in the sending area. These networks link populations in origin and receiving countries and ensure that movements are not necessarily limited in time, unidirectional or permanent (Boyd 1989: 641).

Boyd makes it clear that new technologies have an important role to play, because they facilitate enormously these kinds of transnational networks. She also clarifies that networks facilitate migration (first of all international migration) processes, especially circular temporal types and chain migration. The reason is that this kind of network allows potential migrants to minimize the risks of failure and the costs of migrating, and to maximize the efficiency of migration enterprise, by obtaining relevant information about passage and labor conditions in the host countries before starting the enterprise (Massey, 1993, Faist, 2010b). These kinds of information pools are important for migrants; they are based on resources that humans allocate and solidify through social networks. Scholars like Massey (1987), Portes (1995) and Faist (2010b) call this resource "social capital". Decision processes of migrants are embedded in social contexts (e.g. family networks, kinship networks, or community networks) and social capital is then a product of embeddedness in social relations (Portes, 1995). Or in the words of Faist, migrants and their families are "(…) embedded in a social-relational context" (Faist, 2010b: 72). This context is defined by social ties (e.g. personal contact to friends, relatives, etc.), which are "(…) a continuing series of interpersonal transactions to which participants attach shared interests, obligations,

understandings, memories and forecasts" (Faist, 2010b: 72). Faist differentiates, following Granovetter, between strong ties and weak ties. While the former refer to "face-to-face transactions" between relevant actors, the latter describe "indirect relationships" and transactions. In this sense, social capital is, "(…) those resources inherent in patterned social ties that allow individuals to co-operate in networks and collectives, and/or that allow individuals to pursue their goals" (Faist, 2010b: 73). Faist finds that social capital has two essential functions:

> It facilitates co-operation between individuals (and group) actors in creating trust and links individuals to social structures. Furthermore, social capital severs to mobilise financial, human, cultural and political capital (Faist, 2010b: 73).

The author argues that social capital is principally localized on the meso level of migration analysis, where it is constructed from the social relations of people. However, social actors, for example, potential migrants, can use social capital as a resource through their participation in social networks. Whereas the quantity of social capital depends on social ties, the magnitude of these ties depends on the networks. According to Faist, through social capital and social ties the macro and the micro levels of analysis can be linked. In this line, social networks, potential migrants can gain insight into the opportunity structure in the specific host country. Migrants will also individually decide if a migration enterprise is appropriate following personal expectations and valuations through cost-benefit calculations (Faist, 2010b). There are, according to him, different types of social capital that help in decision-making during the migration process in collectives or in specific networks.

The *first* type of social capital is based on exchange. This means that a social actor migrates when he/she feels deprived of adequate conditions for personal and familial reproduction in his/her living region (e.g., unemployment), as is the case with forced migration. The migrant will select a destination according to the expectation that the reproduction circumstances will be more appropriate and will improve the socioeconomic situation of the person and her/his family. The persons who are supporting the potential migrant expect a benefit for this support in a material or immaterial manner. Social capital that is based on exchange has the character of weak social ties.

The *second* type is based on reciprocity, which is to say that "(…) favours given and received must [not] be of the same value or identical" (Faist, 2010b: 73). The scholar finds that there are two conditions, often taken for granted, in which reciprocity can be considered as social capital. First, the intention to support people that support them and second, there must exist no intention of harming the person that supports them.

The *third* form of social capital is based on solidarity, whereby the group's identity is the central aspect and it "(…) refers to a unity of wanting and action" (Faist, 2010b: 73). Group identity, which is established through a sense of belonging, is the link and the groundwork of aid among the members of a group of solidarity. Like reciprocity, solidarity is considered to be a strong social tie (Faist, 2010b).

Finally, besides the importance that social capital has for cost and risk minimization in the migration context, it can have another potential benefit. According to Vertovec (2002) the activities of networks based on social capital can enable transnational actors to encourage societal transformation processes (e.g. social, economic, cultural and political relationships). There is evidence, according to this author, that through these kinds of practices a form of a transnational public sphere can emerge, as well as new types of solidarity and identity, which I discuss in the next section by focusing on migrant formation and their strengths as emerging agents and agencies of development.

3.2.5. Agents and Agencies within the transnational perspective

In Chapter Two, I distinguished between theoretical approaches that focus on the *structural* and the *agency* spheres of development. As section 3.1 highlights, this distinction is also valid for the analysis of the linkage of migration and development. Accordingly, there exist diverse efforts that try to link both analytical spheres in a structural viewpoint or through a standpoint that gives more emphasis to the agency context.[32]

In this vein, there are particular structural variants that connect migration and development, including Wallerstein's World System theory, and Delgado et al. approaches focused on unequal development, forced migration and the labor export-led model.

[32]There are also attempts to take in account both the structure and agency context in the analysis of the linkage of migration and development. In Chapter Three I addressed these efforts by discussing Kearney and Nagelgasts (1989) and Glick Schiller, et al. (1992). I emphasized that these works are very innovative in their analytical focus; however, they represent initial efforts to conceptualize and theorize transnationalism. There is the need to carry out and update these considerations. Furthermore, alternative development approaches are not considered explicitly in these anthropologic works, which is what I provide by proposing TD.

We also find a multitude of attempts to put the analytical focus on the agency sphere, which is currently strongly linked to the 'transnational perspective' or the transnational subject of development ("*sujeto social migrante organizado*", (Delgado and Rodríguez, 2004: 177) or *sujeto migrante transnacional*); the latter is a discourse concerning the analysis of an organized social actor or organized actors.[33] Both approximations endeavor to theorize transnationalism and the agency sphere within cross-border ties and practices. Since I addressed the transnational perspective above, I do not need to reiterate here the discussion around the transnational subject of development is relevant to the topic if there is the capacity of cross-border agents to establish a proper development agenda and accomplish concrete development on local and/or regional levels. The starting point of the discussion about the subject is that transnationalization processes should manifest in concrete facts and particular social players, and should moreover lead to development and change, which in turn should be thoroughly analyzed. Past research, which focused on this transnational subject, has studied empirically and identified theoretically such agents and agencies of an integral development process, but in fact, these agents and agencies often have limited influence, mostly resulting in development that is based mainly on social organization and social projects, which I will address in the following section. The questions to be resolved within this discussion are: *Who are these migrant subjects? How do these subjects act in order to establish their development agenda? How are these subjects currently perceived in public and academic discourses?*

The following sections will examine these academic and public perceptions, and on this basis I will critique these viewpoints and propose a different position that leads to the establishment of a different theoretical model.

3.2.5.1 The conception of international migrant and respective programs

In section 3.1.3 I presented a historical review of how migration and development were approached in public discourses after 1990. An idealistic perception prevailed, which led to international temporal migrants being viewed as subjects of human progress, especially in their respective organizations, and as agencies of development and change. This mainstream viewpoint has to do with different movements in this sphere: *first*, the

[33] I use the term actor in order to term single persons, but also for term civil society organizations, such grassroots or transnational organization forms.

repositioning of some organized agents and agencies; *second*, the response carried out in public discourses and policies with reference to this repositioning (Faist, 2008) and *third*, the intellectual interpretation of these phenomena addressed by social science academics.

The first point refers to the manifold forms of organization that transnational subjects of development have achieved with the objective of supporting local and regional development in their hometowns. This is addressed on a theoretical level in the following sections and contrasted in Chapter Six with empirical information. The second point was addressed in the section 3.1.3.

I will discuss intellectual interpretations (point three) in the following section and draw particular attention to the perceptional deficiency, which is in turn clearly reflected in the understanding of migrant programs. A famous case in point is the migrant-public partnership program *three for one* (tres-por-uno, 3x1). This program is based on a contract made in 2002 between Mexican representatives of hometown associations (HTA) and the Mexican state. Each dollar in financial remittance sent to Mexico by international Mexican migrants is matched and multiplied by a dollar from each of the three levels of government in Mexico (federal, state and municipal). 3x1 embodies a unique *social* program that has its base among organized migrants, represented by different kinds of migrant Clubs. In the 3x1 program, according to Castro, Garcia& Vila,

> "(…) diaspora organizations are benefited, bridges among communities of origin and destiny are established, the maximization of economic resources is initiated, which the organized migrants are sending for the realization of public task with the aim of collective benefit, finally the migrant organizations exercise a new type of pressure over the distinct governmental levels in order to transparent the usage of public resources, give account and accept the community-based supervision by the realization of public tasks" (Castro et al., 2006).

There is no doubt that 3x1 is an important achievement within the context of migration and development, showing how grassroots organizations in transnational spaces can transform into significant agents and agencies of development based on philanthropic endeavors and how these changes can interact with the transnational lifeworlds of migrants. 3x1 is mainly based on migrants' social capital, characterized by solidarity. There is potential for this to lead to a further strengthening of social organization in a transnational context, as well as to more democratic and effective state practices.

However, 3x1 also has important internal shortcomings. According to Arturo Islas, the coordinator of the 3x1 program in the *Secretary of Social Development* (SEDESOL), these shortcomings include the reproduction of corruption and clientelism; ii) social conflict as a result of varying interests that exists among different TSS configurations, manifested in divergent interests; divergence among migrant organizations and governmental representatives or between transnational actors in different TSS within the same geographical context (e.g. varying interests between transnational families over the collective interest of migrant organizations) (Islas, interview, 2011);iii) development projects limited to social goals; and iv) development benefits that are designated for sending regions with very restricted encouragement of migrant communities in receiving regions.

The non-consideration or underexposure of these aspects in turn often leads to an idealistic and overemphasized perception and representation of this problem within public and academic discourse on migration and development. Its weakness in this regard is not only marked by a kind of adulation, but also by shortsighted critical analysis of international migrant organizations as subjects or agencies of development, which damages the program's sophistication and makes improvement difficult.

Accordingly, in this dissertation, the proposal for resolving the challenge of how to adequately approach the problem without overemphasizing migration and development is undertaken by revisiting the relationship and searching theoretically for a stronger way to understand the linkage. This is achieved by conceptually connecting transnational studies with alternative development, as well as with critical development studies approaches. In particular, by combining elements of transnational study and critical development studies, the model's limitations can be detected. In turn, components of transnational studies and alternative development approaches can theoretically complement each other in order to analyze the model's potentials.

There are at least two crucial reasons why AD-concepts and approaches to migrants' transnationality are complementary, which can enrich the mutually explanatory power of a theoretical fusion:

a) The latest publications in transnational studies conclude that there remains the necessity (understood as a contemporary effort) to focus on distinct features of the phenomena beyond the ongoing study of types of formations and practices and its contribution to social

development at local or regional levels. As Faist argues, a first solid step has been carried out, namely "(…) pointing out that migrants contribute to broadening, enhancing or intensifying transformation processes which are already ongoing" (Faist, 2010a: 1666). For that reason, a theoretical and analytical continuation that focuses on aspects of transnationalization and that goes beyond the common academic and political concerns must be carried out. This is necessary for demonstrating that transnational studies can tie in with acknowledged social theories (Faist and Fauser, 2011). In this way, gaps could be closed and 'theoretical, methodological and empirical transnationalism' (Khagram & Levitt, 2005) could be enhanced with a variety of theoretical inputs.

Specifically, if we focus on the subjects or agents and agencies (here, transnational actors), where the issue is to identify the subject or subjects of development and change, and their particular manners of social transaction (e.g. popular participation) and action strategies (e. g. small-scale enterprises for social sustainability), transnational approaches alone fall short. This can be overcome by addressing civil society as constituted by international migrants, as well as by employing central concepts that alternative development approaches offer, with the difference in the implementation of these concepts in changing geographical and social spaces.

b) Consequently, in the context of globalization, existing forms of interaction and social action proceeded to change society on the local and global levels and recognized classical social theories lost part of their explanatory power. I have previously discussed transnational social spaces and the potential types of agents and agency that are constituted within these spaces. TSSs represent one way to focus on and understand the kinds of activities that diaspora groups carry out. In this context, the type of transnational communities defined as "communities without propinquity" (Faist, 2006: 5) helps us to understand that the emerging agents and agencies cannot be seen as homogenous groups. The 'spaces of experiences' of transaction and action cannot be seen as geographically defined communities that are closed, and this closeness leads to successful alternative (economic) enterprises (De Sousa & Rodriguez, 2006), such as those considered by some alternative development proponents. In turn, this does not imply that the transnationalization of communities and the emergence of new agents and agencies bring about successful small-scale development and social change. As Faist and Fauser (2011)

argue it is necessary to distinguish between migrant's transnationality as an individual or collective characteristic of people and the concrete resources and consequences that this transnationality has in the particular case in order to avoid illusive assumptions that are based more on the personal ideals of researchers than on social facts and realities. In this vein, transnational studies can be helpful to amplify the comprehension of social phenomena and realities (e.g., through different theoretical approaches and methodological foci), and with that, to more easily adapt to the currently changing societal context, which unavoidably influences social theory, including alternative development approaches, concepts, assumption, abstractions and generalizations.

Accordingly, the discussion around migration and development should consider these aspects and analytically balance approaches on transnationalism and on development with regard to 'agency' in emerging social contexts, and utilize them as two theoretical pillars that can work complementarily. In this way, previously discussed theoretical shortcomings can be diminished: on the one hand, the idealistic view of alternative forms of development; and on the other, the unrealistic belief that transnational formations and activities in all circumstances will lead to development and change. Focusing on civil society forces can help in the analytical process to identify different kinds of subjects of development with their respective objectives and distinguish their particular social transactions and action forms more clearly, to enhance studies in migration and development.

A first step for carrying out this task is to analyze in detail the construction of civil society by real participation and social empowerment in transnational contexts. This requires that the 'objects' of development transform into the 'subjects' of development in other words that they become agents and agencies of the development process, which in turn involve society members who are conscious of all dimensions of the development course (i.e., threats and limits, strategies, etc.). This is expressed first of all in the establishment and working of a vibrant civil society. Along these lines, Jonathan Fox discusses *migrant civil societies* and their respective components, understood as alternative forms of social and political development. Groundwork was laid by the heterodox scholar Hirschman, who in 1970constructed a typology to explain human reaction, or rather action strategies in reverse situations. This typology was elaborated by Jonathan Fox in order to

explain the emerging political and social progress within the international migration framework.

3.2.5.2. Exit, Voice and Loyalty: Typology of human reaction forms

The differentiation between *exit*, *voice* and *loyalty* was constructed by Hirschman in order to describe the forms of reaction and response that social actors can potentially when faced with issues that affect their living conditions, for example, situations characterized by the "decline in firms, organizations and states". In this vein, actors can choose between three different action strategies. The first option in response to decline is the use of *exit*. Hirschman explains this case with reference to a decline in quality in firm's products. The response of customers is described as follows:

> Some customers stop buying the firm's products or some members leave the organization: this is the exit option. As a result, revenues drop, membership declines, and management is impelled to search for ways and means to correct whatever faults have led to exit (Hirschman, 1970: 4).

In the case of *voice*, customer reaction is different:

> The firm's customer or the organizations members express their dissatisfaction directly to management or to some other authority to which management is subordinate or through general protest addressed to anyone who cares to listen: this is the voice option. As a result management once again engages in a search for the causes and possible cures of costumers and members' dissatisfaction (Hirschman, 1970: 4).

Hirschman argues that exit belongs to the economic sphere and voice to the political sphere of society. With *loyalty*, Hirschman brings a third concept forward, which according to Fox "(…) cuts across both options, affecting decisions about whether to use exit or voice by making voice more likely" (2007: 266). Hirschman argues that loyalty is present in social actors who have "considerable attachment" to a certain product or organization. These actors "(…) will often search for ways to make himself influential, especially when the organization moves in what he believes is the wrong direction" (Hirschman, 1970: 78). In order to bring the firm or organization "back on track" the actor will try to realize this exercise, when he has the sufficient power to do it. That is the one case when loyalty influences the exit and voice option. Hirschman argues: "As a rule, then,

loyalty holds exit at bay and activates voice" (Hirschman, 1970: 78). Hirschman acknowledges that not all actors, who are "(…) discontent with the way things are going in an organization" (Hirschman, 1970: 78) have relevant influence on firms or organizations. But, he argues that this is does not represent a contradiction. According to the notion "our country, right or wrong", he finds that actors can be loyal, maintaining the "expectation that someone will act or something will happen to improve matters" (Hirschman, 1970: 78).

3.2.5.3. Migrant civil society

Jonathan Fox (2007) tries to connect the exit and voice options by focusing on 'migrant civil societies', arguing that exit can be followed by voice. Fox deviates from Hirschman's ideas that migrants can occupy the position of agents and agencies of development and social change. The central argument of Hirschman is "(…) that easy availability of exit is inimical to voice (…)" (Fox, 2007: 293) because it is evident that voice includes more costs than exit does. This means that the more that society members use the exit option, the less accessible the option of voice becomes. However, argues Fox, Hirschman also recognizes that under particular conditions, the exit and voice option can be mutually enforced: "Exit can encourage voice by revealing grievances in ways that undermine the regime legitimacy, especially if regimes attempt to forbid exit. In this context, "exit signals voice" (Fox, 2007: 294).

In order to apply this typology and its continuation to the subject matter of this dissertation, it is important to recognize that people in most cases have three principal options to respond to a decline in development and the accompanying lack of appropriate public policies, such as the case of rural Mexico under neoliberal globalization. People can use the exit option to migrate or they can use the voice option through forms of protest and other (collective) action strategies. They can also use the loyalty option and in the worst case, wait for change. However, there is the possibility to use the exit option and later use the voice option, for example, through transnational migrant formation and practice in order to respond to underdevelopment and inadequate public policies. This circumstance is the case when public policies turn unfavorable for social actors and when social actors do not find an environment where they can express voice. Carrying out the exit option through outmigration, can lead to a certain level of social organization and political expression, leading to voice after exit, which Fox discusses under "migrant civil society". That is the

case when social actors decide, after using the exit option, to organize themselves in an effort to address the lack of development and inadequate public policies. For example, "(…) when migrants come together in hometown associations to send collective remittance for community projects, they are expressing not only loyalty, but also voice directed homeward– as they participate in debates over what social investments are most important" (Fox, 2007: 297). In other words, "Exit [can be] followed by Voice" (Fox, 2007: 297).

Fox differentiates between two kinds of migrant civil societies. First, there are cross-border migrant civil societies, in which the use of voice is only carried out in the context of the region of origin. Second, there are binational-migrant civil societies that use their voice in an effort to improve conditions in both the sending and receiving country. He also argues that migrant civil society refers to two subfields, namely migrant-led membership organizations and public institutions that are emerging and strengthening through popular participation and social empowerment.

Membership organizations composed primarily of migrants include hometown associations (HTAs), worker organizations, religious associations and indigenous rights groups. In other words, "(…) they tend to come together around four broad collective identities- territory of origin, shared faith, work and ethnicity" (Fox, 2007: 301). This typology can be elaborated in the following terms:

a) *HTAs and Federations* are concerned with migrants who are originally from one specific region. These actors organize themselves together in another country in order carry out a diverse range of activities. This kind of social migrant organization is, according to Fox, in the Mexican context the main form of collectiveness.

b) *Faith-based organizations* refer to social actors who create social organizations through a religious motivation. Fox argues that this type of collectiveness is "(…) among the most widespread form of collective action among Mexican immigrants" (Fox, 2007: 304).

c) *Worker- organizations* refer to migrants who cooperate because they identify with other workers in the same labor context (e.g., UNITE-HERE, which is the organization of garment, textile, hotel and restaurant workers). Fox finds that Mexican workers and their organizations "(…) are an increasingly important part of the trade union movement in those

regions and sectors, where unions are dynamic and organizing new members" (Fox, 2007: 306).

d) *Ethnic organizations* are the mirror of the Mexican population structure, characterized by a "multiethnic society". These kinds of migrants seek to enforce their rights as indigenous people in both countries. The FIOB case[34] is a symbol of one such kind of social organization. Fox comments that there is the possibility that these four subfields of migrant-led organizations will overlap in certain cases.

Migrant civil society activities usually encompass other components, what Fox calls i) migrant-led communication media; ii) migrant-led NGOs; and iii) autonomous migrant-led public spaces. Migrant-led communication media refers to a kind of media representation, such as a Web page, newspaper, magazine, or radio program in the receiving or sending region or in both. Migrant-led NGOs are essentially established nonprofit associations, which not only serve migrant communities, but also migrant group members. They are led by migrants and/or their families. Finally, autonomous migrant-led public spaces refer to "(...) large gatherings, where migrants come together to interact and to express themselves with relative freedom and autonomy" (Fox, 2007: 313).

In sum, migrant civil societies analyzed by Fox pretty much follow the same line as the analysis of TSS, including with regard to transnational communities. However, Fox distinguishes civil societies that work exclusively in sending regions from those that have a binational scope, while TSS analysis and transnational community studies in particular do not consider this aspect. Furthermore, Fox analyzes in detail transnational constellations by focusing within this framework on the social organization and development processes that result in political emancipation of such civil societies. In doing so, he seeks to theoretically link migration and alternative (i.e. social and political) development concretely by discussing civil society in the transnational context and its relevant social components (organizations, mediums, etc.), instead of viewing transnational organizations in a tightly focused manner, which often leads to critical shortcomings in the analysis. As such, the construction of migrant civil society can be considered as a first, but crucial step towards substantial alternative development paths based on real participation and social

[34] Frente Indígena de Organizaciones Binacionales is another transnational organization that is located in Oaxaca, Mexico.

empowerment concerning self-constitution of the subject of development in *all* dimensions. Likewise, migrant civil society can be seen as first step for the above–discussed collective initiatives and autonomous economic enterprises within a transnational framework. This can be understood in this way, because economic enterprises with a transnational scope established in the frame of migrant civil societies create favorable conditions for participative development and social sustainability in this kind of progress.

Fox's conception is limited to social development and political emancipation; a groundwork for thinking on a strong linkage between migration and development. The consideration of the linkage should go further and take into account the productive sphere of development. This refers to the previously discussed collective initiatives and independent economic enterprises as alternative models to the current trend, which is marked by the intensification of TNC activities all over the world. This shall be achieved in the following chapter by proposing transnational development, understood as a theoretical model, formulated on the dissociation of political and academic mainstream perception in linking migration and development.

CHAPTER IV

4. TRANSNATIONAL DEVELOPMENT (TD)

In Chapter Three I described how the linkage between migration and development was historically (in the dominant political context and in certain academic circles) perceived and discussed over several decades. Since the 1990s, within the framework of PWC, a relatively optimistic view was revisited, but this time with more enthusiasm; international migrants were once again constituted discursively as agents and agencies of development. This was due to at least two factors: *first*, there is empirical evidence that financial remittances are increasing all over the world and that they represent the second highest source of foreign cash flow (Aggarwal, Demirgüc & Martinez, 2006). *Second*, as discussed in Chapter Three, social scientists analyzed- empirically and theoretically-social ties and formations based on international migrants' transnationality on different societal levels (families, organizations, communities etc.). In other words, mainstream ideas and discourse about the potential of international migrants to represent the engine of local, regional and then national development, were supported by quantitative evidence, as well as by some alternative scholarly studies on migrants' transnationality. In international political discourses both were arranged to fit into neoliberal ideology and align with international and national institutional interests.

As previously noted, this perception on financial and social remittances must be viewed critically, because it has shortcomings on the linkage of migration and development.

With regard to academic interpretation we can find essentialist studies on migrants' transnationality, where, for example, transnational organizations are seen as the main force for overall development. Much academic discourses regarding the 3x1 migrant program gives this impression, as discussed in Chapter Three. Therefore, there is a need to link migration and development in a broader manner, where not only some (positive) areas that are convenient are included, but all that are relevant. This is what we can term *critical* transnational studies. It can be carried out partly through a solid structural analysis, based

on central ideas of the critical development studies (Chapter Five is dedicated to this topic).

Furthermore, as Chapter Three addressed, alternative concepts of development theory should be approximated explicitly to cross-border studies for placing migrants' transnationality again in the context of development studies within social science. Those alternative development concepts and transnationalization approaches are complementary. As such they can enhance the study of migration and development, and lead to a more *integral* cross-border perspective.

There are approaches that attempt to discuss migrants' transnationality within alternative development approaches, such as those described in Chapter Three under migrant civil societies. These attempts are useful. However, they tend to focus on social development and political emancipation, leaving the productive sphere (that is, economic development) underexposed. In a certain manner this is also valid for the migrant program 3x1. Besides the critique of idealization (essentialization) of TOs in academic and some political domains, the program is very progressive in its application, even though it covers exclusively the social and political spheres of development, based on philanthropic efforts, while the productive sphere is ignored.

In this vein, one of the main aims of this thesis is to adequately contextualize international migrants' transnationality. This means that neither migrants' transnationality (e.g. financial and social remittances) nor the appropriate studies in social science should be (mis)used in order to legitimize certain (socio-) economic conditions and political attitudes. By employing transnational development as a meso-level framework, the objectives are: i) to extend the field of alternative development studies by broadening its units of analysis to the sphere of a transnational social space; ii) to create a theoretical framework that goes beyond the traditional domain of studies on migrant's transnationality; and iii) to suggest a appropriated conceptual map for addressing the dialectical relationship of migration and development from a multidimensional and contextualized perspective. In this way, it opens a rich analytical framework for analyzing the limitations and potentialities of cross-border transactions and action for local, regional and cross-border advancement, bearing in mind the broad range of agents and agencies involved in a given transnational social space. This focus is accompanied by the analyses of the root causes of migration and the structural

constraints to development imposed by the larger context in which the cross-border relations are embedded.

Therefore, as I introduced in Chapter Two as a foundation, alternative development approaches and their respective concepts, discussed with reference to the concepts of real participation, social empowerment, the appropriation of agency, participatory development and social sustainability, are crucial for analyzing collective initiatives and independent economic enterprises. These aspects are not discussed or are given short-shrift in mainstream discourse (international) that presents international labor migrants as the 'heroes' of development. This viewpoint only analyzes certain aspects of labor migrants' participation; the neoliberal state's role is diminished and societal progress is facilitated by financial remittances, innovation and technology transferred by international migrants. Therefore, one may ask: *How can we link migration and development in order to overcome these analytical shortcomings and to simultaneously address the productive and social dimensions of development?*

In this dissertation there is the idea that migrants are able to facilitate certain levels of development. In most alternative development approaches there exists the desire to search for alternative production methods and alternative markets that are beyond the capitalist system, based on strong ties of solidarity. From the perspective of transnational development, an alternative to capitalist development is possible, but it requires change and mobilization in the long-term that are difficult to achieve in the initial phase of the transnational development process and should be seen as future steps to take when basic conditions are met. The first step is to think about alternative paths, such as alternative organization and production forms that can work in the interstices of the current capitalist system, which can be expressed in the integration within the context of local/global markets or within fair trade markets. The aim of these alternatives is to foster a more equitable participation in the economic context of society. In contrast to TNCs, these enterprises emerge from below on a human- and small-scale. Absolute advantages that TNCs seek and employ in the face of such alternative forms of enterprises can be countered by solidarity ties embedded in the social capital of transnational agent contexts. This potential, however, should not be overemphasized. What is also important is the state's bargaining power with large corporations and its ability to protect such alternative

production forms in the context of industrial policies, with particular emphasis on small-scale enterprises.

The theoretical model of transnational development should not be perceived as a simple one-way transfer of cash or technologies. Rather, it should be seen in a broader context with different kinds of limitations, possibilities of real participation and social empowerment, founded on solid transactions and action within cross-border relations. The efforts of development with a transnational scope are based on the relevant agents' self-constitution and consciousness about all dimensions of development, which can manifest in strategic ties that are enhanced over time. I call the model behind this idea "Transnational Development". It constitutes a theoretical linkage between migration and development.

4.1. Defining transnational development

TD is conceived as a specific variant in linking migration and development among an existing variety of endeavors that try to connect two broad analytical spheres. But, *in what way can TD represent a useful linkage between migration and development?*

It is presumed that by approaching the linkage in this manner, cross- border efforts for human progress can be analyzed in a more balanced way. Particularly the empirical analysis of concrete endeavors for advancement, proceeding in all geographical and social spaces where international labor migrants' transnationality is present in a high degree, can be focused more adequately.

Also in theoretical models and approaches a broader focus can be implemented and therewith discourses on migration and development can be continued and enhanced. In turn, this can serve, in development practice, for different starting points regarding the planning, monitoring, and evaluation of projects that are proceeding in transnational contexts. This means explicitly that not only the efforts by the organized subjects of the home and sending region arising in a cross-border context need to be targeted analytically, but also the results of these endeavors that potentially can reach all social actors in the sending and receiving countries, need to be focused.

This seems to be more of a necessity than a desire, because migrants are embedded in a context characterized by unequal exchange and uneven development relations between regions of origin (underdeveloped) and destination (developed). In this vein, there is a need

to focus analytically, as proposed essentially in the transnational development framework, on pathways of development in the region of origin *and* the empowering of migrants in the regions of destination, using their political influence, resources and skills.

TD is approximated as a form of development that spawns advancement in a broader manner than the political and academic suggestions discussed above. This is so because, as an explicative model, it includes a broader range of societal dimensions of development: the economic, political, institutional, cultural and social. Form this view, TD can lead to social sustainability in development and potentially to synergy effects. Therefore, the consolidation of society's relevant forces is crucial in order to articulate appropriate strategies for TD, and for carrying them out in development practice. Social actors should be constituted from all relevant spheres of cross-border relations, which means that development is not only placed upon the shoulders of international migrants, but is representative of a collective concern of migrants, their families and a range of transnational and non-transnational agencies. This process should proceed in the sending countries *and* migrant communities in receiving regions simultaneously.[35]Although transnationalization is always perceived as a simultaneous process, this does not include particular development efforts that are strategically coordinated among *all* relevant agents and agencies. Consequently, concrete outcomes are mostly not examined equally in the sending *and* receiving contexts.

In this scenario, transnational development in practice requires permanent engagement and coordination among transnational actors; a platform for the flow of information (e.g. product information, quality standards or market and marketing information) and for the flowing of specific knowledge (e.g. production methods).

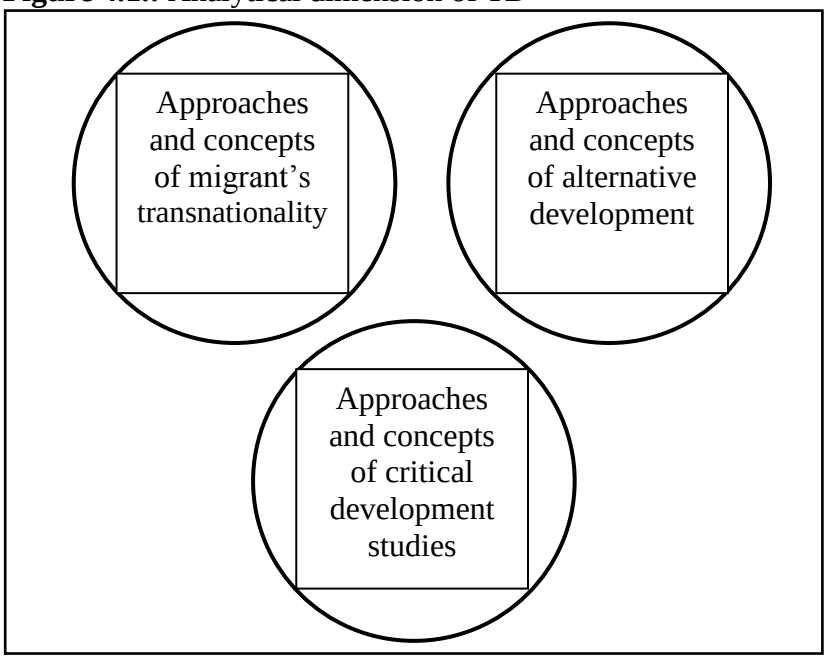
4.2. Analytical spheres of Transnational Development

TD is perceived as a concept that is difficult to understand and to embrace, if we do not broaden the analytical focus. The area of tension, in which TD is also located, is marked on the one hand by extreme structuralist viewpoints and on the other hand by idealized agency perspectives. One-sided views restrict the adequate analysis of migration and development,

[35]I introduce the relevant actors in the following sections.

which is viewed here as a multidimensional process. For that reason it is appropriated to focus on both sides.

Figure 4.1.: Analytical dimension of TD



Source: Author's own elaboration

Figure 4.1 shows the analytical field of TD and its particular components. An agency outlook is applied, whereby human transactions and action strategies are targeted, which includes the employment of two complementary approaches: transnationalization and alternative development. In addition, a structural, institutional and sociocultural critical analysis is employed in order to discern the concrete limits that exist within the context of migration and development.

Action strategies are seen as both independent efforts and as immediate responses to structural restrictions. As previously noted, focusing on transnational agencies requires a methodologically different starting point, namely transnational units of analyses. Accordingly, TD analyses require focusing on existing transnational social spaces and their particular transactions and practice forms. Therefore, we should focus particularly on the variety of TSSs, their manifestations, and how these TSSs influence and transform institutions, interplay with each other, and enhance or hamper development in one specific context. *How are the structural limits, action strategies and societal progress in transnational development conceived?* In the following section I will discuss these spheres and in Chapter Six I will contrast these theoretical considerations in a concrete case study.

Structural and other forms of limitations

There are different types of constrains, which can be addressed as limiting factors. In developing regions, structural factors are the most penetrating ones. It is therefore crucial to focus on them. The structural context is defined as economic and political constellations and circumstances that are generated mostly historically (e.g., through colonialism or imperialism). However, these conditions can also be the product of current restructuration and transformation of the productive spheres and of trade in the global context (e.g., neoliberal globalization). Structural constraints are significantly affecting migration and development and more precisely TD. This is not only because several traditional agencies of development in the national, regional or local contexts are influencing the process, but also because cross-border transactions and action strategies are subject to further influences. In this framework structural limits are expanded to those that emerge in cross-border relations, transactions and actions based on corporate strategies.

In section 2.2.1, I addressed current agents and agencies of development. In the political sphere, international organizations at the macro-level or (neoliberal) states and their representatives on the meso-level can be responsible for (structural) limitations in the local sphere. These non-local influences constrain the potential scope of action. As such, it is important to focus on limiting conditions at the local level and determine agencies (macro and meso-levels) that manipulate and restrain local contexts. I examine this context in this dissertation by focusing on the development process within recent capitalist development, which takes into account and describes historical or actual structural processes that have had and continue to have important effects on marginalized regions of Mexico, particularly the agricultural sector in Zacatecas.

Exit, voice, loyalty and TD action strategies

Action strategies are understood as (collective) forms of action that are aimed at promoting development from within the agency sphere. This analytical perspective, as noted previously, is the common axis in transnational studies. Scholars often focus on one TSS and analyze its potential for local and regional development in the sending country or a kind of cross-border development is examined.

In particular, much of the research based on the migrant program 3x1 concludes that, by engendering certain social cohesion, development in general will occur. In this vein we

can see development in the social, political and partly in the institutional contexts, which have however very limited impact on local and regional (economic) development in the countries of origin of transnational actors. Moreover, 3x1 is conceived as a philanthropic enterprise driven by international migrants who send resources toward their home regions, with no direct impact upon migrant communities in receiving countries. On the other hand, one might expect that it enhances social organization and political emancipation through the foundation of HTAs. Jonathan Fox considers this to be a core element of 'migrant civil societies'. He discusses this within Hirschman's typology of exit, voice and loyalty, suggesting that exit encourages voice and refers to different organizational forms constituted by international migrants' awareness. From this view, the scope of migrant civil societies and its operative elements not only reach communities in the sending countries, but also that fruits accrue to the migrant communities. This is carried out within the frame of social and political development.

In contrast, TD-action strategies are understood as broader societal processes rather than particular migrant strategies and their academic perception (i.e., how 3x1 is conceived and how development is conceived within migrant civil societies). Essentially, it seeks to break down the border between social development projects and productive development projects. Furthermore, within the model of TD, social development, political emancipation and institutional transformation are important elements to attain further development goals within society. However, the creation of economic opportunities, as an additional target in order to stimulate the entire development process, is crucial. Fox has referred to exit, voice and loyalty as cross-border action options located in the social and political sphere of development. By adding TD-action strategies to this pool of action options, I will broaden the analysis of transnational strategies. In other words the productive sphere of development will be taken into consideration by analyzing – besides efforts for social, political and institutional progress–entrepreneurial development in a cross-border context with mutual efforts and developmental fruits. This kind of advancement must be propelled by a range of transnational agents (all relevant actors and organizations in the transnational social space), which move in different TSSs, and which can reciprocally enforce or hamper development processes and change traditional institutions. This strengthens the possibility and assumption that development with a transnational scope represents a collective enterprise of a range of organized subjects. To clarify this point, focusing on action

strategies within the TD model requires first an analysis of the main characteristics of transnationalism (i.e. relevant formations such as groups or organizations), all of which are connected to transnational spaces. Subsequently, we must address transnationality by analyzing the degree, intensity and durability of cross-border transactions and activities within the TSSs. I analyze this context by: a) focusing on AD approaches and central concepts in which TD is located theoretically; and b) addressing cross-border concepts, such as migrant networks, social capital and TSS.

Development outcomes

Development fruits refer to the concrete product that these strategies can have within transnational development; outcomes that are the result of action strategies accomplished through the union of noted relevant agents. The fruits of development efforts ideally reach transnational actors on both sides of national borders, namely the communities and region of the sending country, and the migrant communities in the receiving country. In other words, transnational development is achieved when development agents endeavor concurrently to generate social sustainability in development that signifies human progress for cross-border actors in the sending and receiving context. In this vein, transnational development can have strong and broad impacts on different dimensions of local, regional and migrant communities' development. Therefore I divide development into subfields in order to differentiate the advance in the particular dimensions, as discussed in the following sections:

Figure 4.2.: Dimensions, mediums and outcomes of TD

DIMENSIONS OF TD	**MEDIUMS FOR TD**	**TD OUTCOMES**
social	Progressing in social organization, social development projects and real participation	Awareness, participative development and appropriation of agency
political	Participating in political processes in place of origin and receiving region and concrete demands for political change	Political emancipation

institutional	Cooperating collectively in traditional and nontraditional institution based on awareness, social and political organization, entanglement	Strong institutionality of transnational subjects of development, institutional change
cultural	Defining and articulating identity and values of the community of origin in sending and receiving context, combined with the culturally adequate articulation and demand of required societal transformation	Strong social cohesion in the sending and receiving region Cultural emancipatory transformation
economic	Creating productive projects and collective initiatives for autonomous production enterprises based on awareness, social organization, real participation and empowerment	Economical sustainability in the process of development
all	Advancing in all development dimensions	Socially sustainability in development, Transnational development

Source: Author's own elaboration

Social dimension: Transnational development requires high degrees of awareness, real participation and action strategies that are goal-oriented, socially inclusive and sustainable. It is not very realistic to expect all of this in the beginning: it requires evolution. Therefore, as examples from development practice show, strong efforts are required in order to overcome internal (sociocultural, institutional) and external (structural) limitations. Ideally, it begins with social development, which means that social organization and real participation among actors needs to be enforced. This can be achieved by HTA formation in migrant communities and grassroots organization enhancement in the communities of origin. Social development projects, where all relevant actors are included, are appropriate for the promotion of cross-border transactions and action. In this framework, awareness could be created around issues, fostering social cohesion and giving rise to concrete ideas regarding production methods. Also business ideas and trade strategies could be targeted and developed.

Accordingly, social development in TD takes place when high levels of social organization and real participation occur in the sending and receiving context and when both paths are linked in transactions and action strategies in order to promote development here and there.

Political dimension: As previously noted, development in the political dimension is accompanied by social development. This is because in the process of transition from 'objects' to 'subjects' of human progress, human beings begin to sensitize and become aware of concrete development issues and how they can be eradicated. A general vision is propagated, and within this vision demands on livelihood develop, which politicize over the course of time, because they match up with political demands. In the classical cross-border context, people gathered in HTAs and promoted social organization, and began to think about the societal circumstances in the homeland. This was the view of anthropologists such as Gringrich (2004) in another social context called *Othering*, which refers to distancing and differentiation of the group to which migrants feel that they belong from the other group (the receiving society). A clear political vision and concrete political demands are based on political emancipation strongly related to social development, which can refer to the homeland, but also to the receiving country. It requires, in a further step, the political demand of institutional change. In this vein, political development within TD takes place when there is a high degree of social organization and awareness about societal processes and certainty about collective development paths, leading gradually to political engagement and political participation in sending and receiving communities simultaneously (political emancipation) with a clear demand for political change.

Institutional dimension: Institutions and their support are crucial when thinking of development, and especially in transnational development. TD in the institutional dimension can mean the enhancement of the institutionality of the transnational subjects of development. This is achieved when transnational actors get awareness about their development context, and based on this they can begin to organize themselves on social and political levels. Building on this foundation, collective demands can be articulated and their fulfillment can be claimed on institutional levels. This can also comprise the formal entanglement of traditional (e.g., state departments) and nontraditional organizations (e.g., migrant organizations), which can result for the long term in institutional change.

In the case of Mexico and 3x1, institutional transformations are proceeding and are demonstrating that these changes are viable. This is also visible in the political context of the 'ley de migrantes', where state institutions are legally encouraged to focus via public policies on the protection of migrant's human rights and that of their families.

However, as García discusses, institutional transformation requires the development of new migrant programs that target the productive sphere of development, and at the same time are based on the same capabilities and forms of organization utilized in the context of social projects under 3x1 (García, 2006). This in turn is a question of further institutional change and consequently the generation of adequate public policies that promote productive migrant programs. This means that the enhancement of institutionality of transnational subjects, institutional change and the resulting public policies are crucial for the evolution of transnational development.

Institutional development in TD takes place when high levels of political and social organization in the sending and receiving context exist and when this organizational form brings to bear such changes by public demand.

Cultural dimension: In social science there is large discussion about culture. I will define culture following Delgado and Marquez (2012). They define the concept as,

> (…) a system of practices and values whose sense and meaning is a product of historical evolution of the structural framework of social relations and political and institutional projects in classes, groups and social movements. (…) culture contains ideological, ethical and political guidelines that instruct the actions of the subject, so that devices can be considered as conceptual or symbolic abstractions, while its implementation expresses the social action of individuals (Delgado and Marquez, 2012: 2).

Culture can be defined as a dynamic context. For transnational development it is important not to subsume particular cultural expressions to the dominant culture that is based on and perpetuates the logic of uneven development (values). It is important to highlight key aspects of culture that are based on the identity and values of the communities of origin.

In concrete terms, this means that particular cultural expressions should contribute to different societal transformations, which can strengthen and enhance sustainable initiatives for transnational development. This means addressing the limitations arising from unequal cultural exchange prevailing in the field of transnational relations.

On this basis, it requires a cultural emancipatory transformation, which promotes social cohesion and social progress under principles of equity and common wealth. Accordingly, cultural development within TD takes place when migrants identify

themselves with the same cultural values of their community of origin, and when this feeling of belonging leads to societal transformations, expressed in higher levels of cohesion and social development.

Economic dimension: I have discussed economic enterprises in different sections of this work, with the conclusion that alternative economic enterprises should be based on collective initiatives, and that these enterprises should aspire to be to a certain extent independent from large corporations and from the state. At the same time, they should be protected by the state through more control of TNCs in their economic practices, but also in their influence in public political spheres. Autonomous economic enterprises based on collective initiatives and reflected in productive projects with transnational economic development outcomes need to be enhanced mainly by cross-border collaboration (i.e., by actors of the place of origin and of migrant communities), and other (traditional) agencies of development should support such activities. Therefore, certain advantages in certain regions require appropriate exploitation, for example, by carrying out production in places where it is cheap (e.g., due to better tax conditions or lower costs of labor reproduction), and in contrast, sales should be concentrated on regions were the purchasing power is high. This in turn needs a kind of entrepreneurial organization, as well as strategic transactions and actions that are different from previously-noted social organization forms, but which can profit from the existing migrant networks and social capital. Solidarity can be seen as the groundwork, helpful for motivation, generating trust and addressing financing issues among partners here and there. However, the key pillar must be seen as the generation of clear win-win options between actors in the sending and receiving regions that work as a further motivating factor to enforce other dimensions of development. This in turn can lead to economic sustainability in development, referring to an increase of agricultural demand (or other production forms), and with that, to growth in rural production, which can reduce ecological unsustainability due to depredation.

Economic development in TD takes place when enterprises based on collective initiatives within a cross-border context are created and benefits reach both sending and receiving regions. Economic enterprises can emerge out of social development projects, or can emerge as productive projects, or directly as purely entrepreneurial undertakings. The latter type can, for example, take the form shops and restaurants with productive cross-

border linkages on a family level. These can expand to community levels, or they can be constituted directly as a transnational network company, including already existing shops and restaurants, which require more investment and organizational discipline in the beginning.

Ideally, all dimensions are fulfilled. Generally speaking, this can lead to the possibility that international labor migration be used as a development option, rather than an essential necessity for social reproduction, as is currently the case due to unequal exchange and uneven development among regions.

Within established migration systems the materialization of full TD can mean broad social sustainability in the process of local, regional and migrant community development. As noted above, previous studies on migrants' transnationality and development have resulted in the outcomes that migrant efforts have in the region of origin, which are also critically addressed in this document. With regard to the concrete outcomes for migrant communities and their members, there exist, however, few considerations. Theoretically it can be argued that integral TD in practice can mean an improvement for international migrants in living standards with a positive influence on the social mobility or positioning of migrants. Furthermore, human progress in all TD dimensions can also mean the enhancement of transnational agents' and agencies' institutionality and their broader involvement as citizens (cuidadanización). In times of economic crises and stricter migration policies, this context is weak, particularly with regard to improvements in living conditions in the sending regions. The undocumented entrance, which means insecurity from the beginning of the migration project and strict migration policies lead to social exclusion, and consequently to a diminishing effect with regard to citizen involvement of migrants in the place of destination. In other words, full-fledged TD means also the explicit and extensive development of migrant communities. This is desirable, because of the increasing vulnerability of international (undocumented) migrants. Migrants' institutionality and advances in the process of citizenship, including their active participation, can have in turn further fruitful resonance in development in the regions of origin.

4.3. Potentials and Limits of Transnational Development

After defining TD and discussing its subfields by representing the dimensions of development, now it begs the question of the particular strengths and limits of the proposed theoretical model: *What are the potentials and limits of TD in the development context?*

In order to resolve this question, first I will revise theoretical potentials and limits of the model. Taking the model as a starting point, I define potential types of agencies within TD. Later, I reduce the focus from international historical settings to structural constraints within the specific research context. Lastly, I will contrast discussed theoretical insights with the empirical evidence (e.g. existing agents and agencies for TD) obtained in the case study.

4.3.1. Potentiality: Agents and Agencies of TD

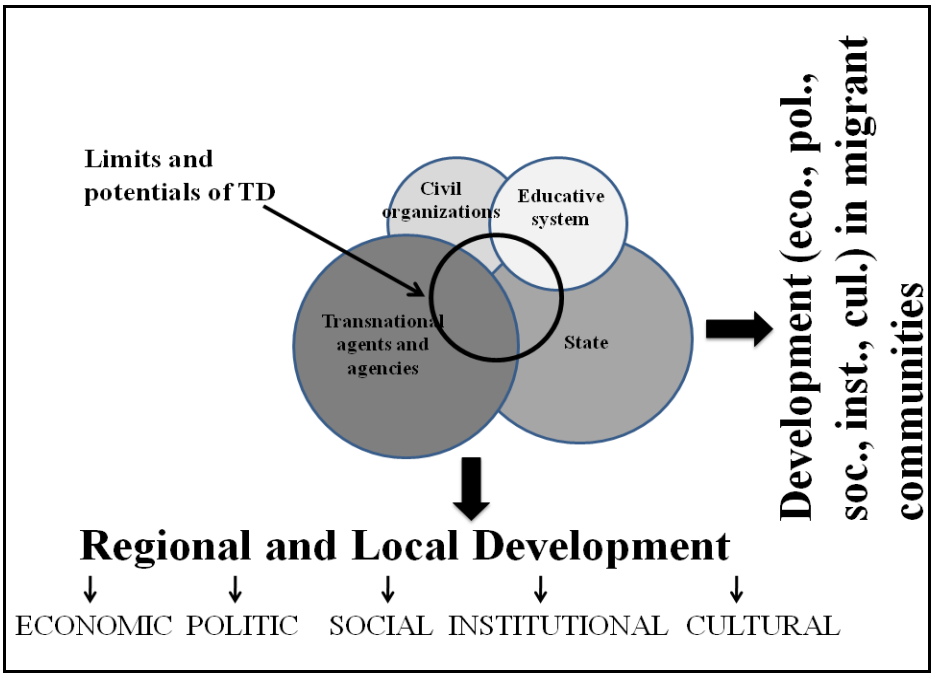
In Chapter Two, I thoroughly discussed traditional agents and agencies of development. These agents and agencies are traditional, since on the one hand, they proceed classically in the framework of the nation-state (with the exception of international organizations).

On the other hand, in times of globalization new agents and agencies emerge. This was covered in Chapter Three in the discussion about migrants and their manifold forms of social organization and political engagement, what Fox calls 'migrant civil society'. I have argued subsequently that the approximation to these cross-border ties and formations is important in order to analyze this context. I also argued that social and political development is a first and crucial step for broader development. At the same time, the productive sphere is underexposed in theory, discourse and practice that link migration to development. For that reason, I proposed to access the link between migration and development through transnational development, which is based on central assumptions of alternative development, the transnational perspective and critical development studies, but which goes further by discussing cross-border progress as a process that is planned, coordinated and exercised in all spheres of TSS. In this way, at least in theory TD outcomes are reaching localities and regions of origin, as well as migrant communities in the receiving region.

The resulting agents and agencies of development and change in the context of TD are coinciding in some agencies (e.g., the state), but collective initiatives within TD understood as broad and border-crossing progress also require other agencies of

development (see Chapter Two). I define and discuss them below by addressing them as theoretically resulting agent and agency forms. Consequently, in this section, I define five types of development agents and agencies that embody the potentiality of TD-strategies (see Figure 4.3):

Figure 4.3: Agents and Agencies of TD



Source: Author's own elaboration

a) *The state* is a significant agent of transnational development. This is because the agency requires the greatest financial and human capacities in order to coordinate and plan the development processes within a national framework. The 'developmental' state, which is constituted by a strong (in the implementation of public policies), protective, politically advocating state, constitutes the ideal type of such an agency in promoting TD. As Chapter Two discussed, the state has the unique power for bargaining and controlling TNC activities, which is the opposite of small-scale productive undertakings, in national contexts. Formal institutions and functionaries can fulfill this expectation, if they demonstrate political will, devote space in political agendas, and collaborate consequently with other relevant state bodies and make in this way available financial resources, in place of constraining the emergence of alternative paths of human progress. This means that the state does not need to be a developmental state in order to be a promoter of TD, but it needs

the will to bring together all relevant forces in order to plan and promote transnational development actively; an aspect that I address particularly in Chapter Eight

b) *Transnational organizations (TO)* are one way in which transactions and action strategies within TSSs manifest. In contrast to other forms, TOs represent the most organized form of TSS and are based mostly on strong migrant ties. For that reason, this organizational form is crucial for the articulation of TD-strategies and to achieve broader development. They represent, in the words of Faist, the missing link between host and receiving region, connecting relevant actors systematically within the cross-border context. In particular, TOs serve to express migrant demands on the institutional level. For that reason they are indispensable when thinking of the transnational development process. TOs are an ideal platform, when we think of the transition from social to productive projects and entrepreneurial engagement, because of their formal character where transactions are actively proceeding and diverse action strategies can be planned, carried out and coordinated. TOs need, however, strong coordination with other forms of cross-border agents and agencies, as well as neutral control mechanisms in order to constrain unfavorable practices. This is crucial, when we speak about productive projects and economic undertakings, because on this basis clientelism and corruption can arise and with that social conflicts and finally the failure of such engagement

c) *Other cross-border links:* As previously noted, TOs are one kind of formation that can manifest in TSS. In this dissertation I assume that cross-border relations are manifold and present in different ways in certain geographical and social contexts. They can manifest in transnational families, communities or issue networks, which can possess different interests and logics. Also, different types of TOs can exist in a single cross-border context, such as the ones that operate exclusively in the social, productive or political spheres of transnational development.

In this vein, these different TSSs with varying scopes are generally conducive to transnational development, with the caveat that interests are negotiated between relevant social actors and action strategies are coordinated among different TSSs, because in this way, in a broader manner, development issues or targeted undertakings can be addressed, and more human and financial resources can be mobilized.

d) *The higher education system (HES).* The education system generally can be seen as part of the state. It serves for the public education of younger people and is principally the foundation for development in a broader sense. The higher education system is also dedicated to public education, but it differs insofar as it has certain autonomy from the state in the educational framework (independent policies, independent education programs etc.). Accordingly, the HES can be seen to be distinct from the state, since it has particular development objectives. In this vein, it is also relevant for TD. However, the HES can also support TD in other ways, for example, by the provision of innovation, knowledge and technology. With very limited capacity to carry out and implement explicit Research and Development (R&D) programs, most economic initiative in developing countries are marked by the scarcity of innovation, technology and knowledge with regard to industrial production forms. Economic undertakings within TD require this kind of input, above all when they find themselves in competition with TNCs. Therefore, besides education in general terms, the crucial contribution and main task of the HES is to facilitate the creation of innovation, and the implementation of adequate technologies and training programs.

e) *Civil organizations* have important influence in the materialization of development projects. Some larger NGOs exert economic power in cooperation with the state, or in spite of the state. There are some scholars who do not subsume NGOs to the forces of civil society (e.g., Veltmeyer). In its ideal type they can be considered as forces that can help social actors to raise awareness of development issues, guide in the elaboration of development plans, support the realization of development projects and economic enterprises, interlace grassroots initiatives with other agencies, as well as promote the search for independent financial resources for autonomous undertakings. In short, NGOs can be a useful counterweight to other agents and agencies of development. For that reason, they represent a central player in the articulation of TD-strategies and in general in the entire TD process.

After introducing different types of agents and agencies in TD, what remains to be discussed in this section is the ways in which these agents and agencies, in particular TOs and other types of transnational formations, can foster development. In addition: *How can transnational development be introduced within contemporary development realities*? Or,

how we can operationalize TD in practice? It is clear that, in order to connect the model of transnational development to alternative or participatory development approaches, one must take into consideration the appropriation of agency by the 'subject' of development. International migrants and their relatives are conscious and able to make decisions, empowered social agents representing concrete potentials of development in cross-border contexts. Therefore, as previously noted, the possibility of participating in the development projects of economic enterprises is crucial from the very beginning. This can be reached through individual/family achievements that also lead to participation and is based on collective initiatives or high levels of social organization. Participation is thereby not only understood as involvement, for example, in social development projects and programs, but also in production and market initiatives in order to pass from social projects to productive projects. This means targeting autonomous economic enterprises in cooperation with relevant actors of international migration. In short, broad collective participation, strong social organization and interest coordination among diverse cross-border agents and agencies are crucial for TD and for the formulation of particular strategies.

The participation of other agencies is also vital. The state, the HES and NGOs, all have important roles to play. In order to achieve results, it is necessary to form a strategic coalition that can bring together efforts under one umbrella organization. I address this in Chapter Eight under policy and development practice recommendations.

4.3.2. Limits of Transnational Development

Limiting factors in transnational development are manifested in different ways. Generally speaking, low levels of social organization and real participation are concrete limitations for transnational development, because both represent the foundation of TD. Without broad popular participation in the development process – that is, the appropriation of agency by the subject of development – social organization cannot advance, nor can social empowerment or social sustainability be achieved in development. These aspects are manifesting in the inside of development projects or enterprises, but have distinct origins. Within the model of TD I distinguish between structural, sociocultural, and institutional barriers that limit the consolidation of broad and solid forms of participation in the development process and strong social organization:

a) Structural constrains: There is evidence for a range of issues which frame structural aspects and power structures that demonstrate clear limitations in transnational development. This can be the result of a historical process, for example, emerging from colonialist or imperialist political links among countries of the Centre and the Periphery, which imply asymmetric exchange relations and structural restrictions.

On the other hand, structural limitations can result from features of the current capitalist system. This theme is of particular interest in the following Chapter. For the moment it can be simply stated that structural limitations relating to FDI and the activities of large corporation, weakly managed by a minimal state (which corresponds to neoclassical theory and neoliberal ideology) and carried out in free-trade zones that let a situation of inequality exist in conditions of competition, are clearly related to low levels of participation due to economic and social exclusion.

b) Sociocultural barriers refer to obstacles that emerge as social dynamics over time in the context of communities. Socio-cultural aspects and barriers emerging from this context are inherent to social life, but are invisible to outsiders without explicit society or social group analysis. They are often based on tradition, that is historically generated customs and practices, which in some facets can hamper development in general and TD in particular: *First*, the weakness of current societal forces (see Chapter Two) for development can be seen as a sociocultural barrier, based on past state paternalism, where the development processes were organized by the state and society members were incorporated into those processes by the state. Generally speaking, this resulted in the fact that the population was not concerned with overcoming development challenges. Consequently, society members could not mature and transform themselves into the 'subjects' of development that is conscious actors who appropriated the agency of development. This is manifested in a variety of aspects, such as the lack of a proper development vision, the ineffectiveness of seeking independence from state institutions, the weakness of actions oriented towards demanding civil rights from relevant state bodies, etc. *Second*, socio-cultural barriers can manifest in the perception of social phenomena and make it difficult to change the perspective in those contexts. Perspective changes are important to induce. This is, for example, given when international migration, apart from TOs, is principally perceived as a family undertaking, where financial remittances and kinship drive short-term development,

instead of focusing on ways in which development could be socially sustainable, for example, by considering cross-border businesses.

Both aspects can result in low levels of social organization and weak participation in development endeavors.

c) Institutional limitations address the sphere of state intervention. The current capitalist system is marked by neoliberal globalization and by a minimal state (referring to a withdrawal of central public services). However, this does not mean that there is no assistance by state institutions. However, these interventions are short-term, often adverse to social sustainability in development and mostly carried out to arrest and prevent social mobilization. State engagement at different institutional levels leads to limitations insofar that on the one hand, short-term development undertakings are carried out, and on the other these are achieved in an uncoordinated manner. Transnational development requires strong coordination, because its respective actors are geographically dispersed. Therefore, it requires solid auxiliary agencies with the state as the strongest one. Institutional limitations are, in this vein, highly adverse to the trajectory of TD and hamper both real participation in all dimensions of development and social organization.

With this theoretical revision complete, I now turn to Chapters Five and Six, in which I will discuss types of limitations and concrete impacts, as well as potentials of transnational development in the context of Mexico, Zacatecas and Caxcania.

CHAPTER V

5. DEVELOPMENT PROCESS AND STRUCTURAL LIMITATIONS

In the previous chapters I have discussed critically and in a more abstract manner the relationship between migration and development, suggesting that this can best be done through the lenses of transnational development, taking into consideration its limits and potentials. In this chapter, I shift the methodological focus to the concrete context in which TD limits are observable.

Throughout the previous chapters I have noted the relevance (historic or contemporary) of structural aspects in the analysis of development. In the context of migration and development, approached here as transnational development, these aspects represent the most powerful and therefore central limiting factors. In this thesis, there exists instead the idea that the analysis of the agency sphere of development has importance, but this area is highly influenced and restricted first by the structure and second by sociocultural and institutional aspects. Therefore, highlighting the structural factors that influence the agency sphere is crucial in order to carry out *critical* migration and development studies. The relevant question in this chapter is: *How are structural factors in neoliberal globalization limiting development and in particular transnational development?* In answering this question I proceed as follows: To reveal limiting structural factors, first I discuss the emergence of an economic model of society that was implemented in the late 1970sand whose principal characteristics are the transnationalization of capital, the predominance of corporations and the flexibilization of the labor force (Robinson, 2008; Kay, 2009b). Next, I empirically discuss neoliberal globalization and the labor export-led model, exemplified in the case of Mexico within the context of NAFTA. Thereafter, I will narrow down the focus according to my research context, to the rural ambit of Mexico, to the state of Zacatecas and to the agave-mezcal production chain.

Transformation in the rural context under neoliberal globalization is crucial to understand why social actors try to respond by searching for economic enterprises other than classical agricultural production forms. On the other hand, a review of these unfavorable transformations for small-scale agricultural producers shows which alternative

theoretical concepts (e.g., real participation and social sustainability) and practical paths (e.g., action strategies for transnational development) for societal progress should and can be followed in order to counter adverse circumstances within rural transformation under neoliberal globalization.

5.1. Globalization and neoliberalism

The crisis of overproduction within the capitalist system that was experienced after WWII led to a gradual transformation toward what has been called "neoliberal globalization" (Delgado & Marquez, Puentes, 2010), "global neoliberalism" (Robinson, 2008) or "new imperialism" (Harvey, 2003). All of these concepts intend to explain critically the transition within societies towards a new capitalist development paradigm and model that occurred in the last few decades worldwide. Within these explanations, we find two central concepts, namely globalization and neoliberalism. I will define these concepts critically before discussing this global transformation and focusing on the main characteristics of neoliberalism and globalization in particular as an explanatory model for current circumstances.

As noted, political and economic transformations under the neoliberal paradigm started in the 1970s, in the most industrialized countries as a response to the aforementioned crisis of the corporate capitalist development model. Latin American countries, with the exception of Chile and Argentina, began to embrace this economic model of society in the 1980s after the debt crisis and the application of SAPs.

Ideologically, neoliberalism has been defined by its proponents, on the one hand, as an intellectual mindset, which can be considered as a resurrection of the older concept of laissez-faire liberalism. It is based on the idea of a liberal market-based economic order with characteristics, such as strong private property rights on the means of production, liberal price formation, free competition and the opening of national markets. In that sense, neoliberalism advocates that the state should only have a "minimal state" capacity (Notzick, 1974) to intervene (mostly by offering a platform for the freedom of markets, protecting individual property rights and assuring the security of society members, etc.), meaning that only the market serves as "(…) a mechanism of regulation for development and decision making processes" (Butterwegge, Lösch & Ptak, 2008).

On the other hand, we can define neoliberalism as a real political program, which often differs from the ideological foundation (Harvey, 2007) in that, for example, the real political trend of neoliberalism is marked by processes of regionalism based on free trade areas.[36] This means that the neoliberal maxims of an opening of national economies and the functioning of governments as "minimal states" are not practically valid for all countries and world regions.[37] There is also the argument that neoliberalism as an ideology or as a political framework differs in the historical dimension[38] and also varies across regional forms of manifestations (Butterwegge, Lösch & Ptak, 2008).

Globalization is a societal process that also received a lot of attention in the last few decades within the sphere of social science. This interest was due to the fact that the societal process of globalization was focused in different areas (e.g. the economic, political and social dimensions) and also used in certain forms, according to the school of thought and world region in question.[39] Economic globalization processes refer above all to the form of doing business, which is changing under globalization.

According to Altvater, globalization symbolizes "(…) a compression of time and space with the end of a global widespread commodification" (Altvater, 2005: 60). In this vein, it is a process of "(…) disembeddedness of the economy from the spatial/ time coordinates of the nature and of the society (…) and the parallel liberation of political regulations including the binding that they present" (Altvater, 2005: 60).

Schirm finds that economic globalization is "(…) the increasing contingent of cross-border private sector activities in the entire economic performance of countries" (Schirm, 2006: 13). Both quotes demonstrate that the trend of economic globalization is to transcend national borders as limits for economic activities. However, it is simultaneously based on political measures in national territories, in the form of SAPs and neoliberal reforms, meaning that economic globalization is not possible without the neoliberal political framework on the national and international levels. The progress in communication

[36] Langhammer and Wöβmann argue that in the period of 1958 to 2001 there were 142 new regional commercial agreements under the WTO, where 65 agreements were realized in the 1990s (Langhammer and Wöβmann, 2002).

[37] The case of the North American Free Trade Agreement (NAFTA) is an excellent example for this argument. In this free trade zone it is notable that in the USA, protectionist government subsidies for agricultural producers continued at high levels, whereas in Mexico subsidies where gradually canceled through exigencies in the context of SAPs and Washington Consensus (see, for example, Quintana, 2007).

[38] See Petras and Veltmeyer (2001) for a historical revision of ideological and political neoliberalism.

[39] For a detailed debate of the theme see Held, 2003.

technologies is a further central element of economic globalization. Schirm argues that this progress led to a transformation of the organizational structures of conglomerates. Indeed, transnational enterprises existed before the technological revolution occurred (Dabat & Rodriguez, 2009), but due to this advance, which led to more efficiency (reduced costs, better and faster communication through Intranets, etc.) (Sassen, 2000) in international businesses enterprises, the magnitude and impacts of this kind of enterprises changed significantly (Schirm, 2006).

David Harvey also gives technology an important place in his discussion of the "new imperialism" in the global capitalist development model. According to him, there are observable processes of transformation ("capitalist imperialism") in the world (Harvey, 2003).

> I here define that special brand of it called 'capitalist imperialism' as a contradictory fusion of 'the politics of state and empire' (…) and the molecular processes of capital accumulation in space and time. (…) With the former I want to stress the political, diplomatic and military strategies invoked and used by a state (...) with the latter, I focus on the ways in which economic power flows across and through continuous space, towards or away from territorial entities. (Harvey, 2003:26).

The "time and space compression" aspect is central in this context because the "(…) general effect is for capitalist modernization to be very much about speed-up and acceleration in the pace of economic processes and, hence, social life" (Harvey, 1990: 230). This speed-up has the aim to accelerate "(…) the turnover time of capital (…)" which is compiled from the "(…) time of production together with the time of circulation of exchange (…)" (Harvey, 1990: 229). Through this procedure, the speed of time curtails, in a certain manner, as well as the barriers of distance created by space. Harvey argues in this spirit that:

> (…) innovations dedicated to the removal of spatial barriers (...) have been of immense significance in the history of capitalism, turning that history into a very geographical affair-the railroad and the telegraph, the automobile, radio and telephone, the jet aircraft and television, and the recent telecommunications revolution are cases in point (Harvey, 1990: 232).

These modernization processes have resulted in the creation of a shrinking world, and have encouraged during the last part of the twentieth century the linking together of

disparate markets, moving towards a world market characterized by global producers and consumers (Harvey, 1990). Harvey suggests that the impacts of these practices, which are amplified through technological modernization, are determined through the following aspects:

> Imperialistic practices, from the perspective of capitalistic logic, are typically about exploiting the uneven geographical conditions under which capital accumulation occurs and also taking advantage of what I call the 'asymmetries' that inevitably arise out of spatial exchange relations (…) through unfair and unequal exchange, spatially articulated monopoly powers, extortionate practices attached to restricted capital flows and the extraction of monopoly rents (Harvey, 2003: 31).

The emerging new imperialistic practices or, in other words, processes of (economic) globalization in combination with neoliberal reforms, led and leads to a 'creative destruction' process of established economic and social life structures. This occurs through different forms of capitalist or "original" accumulation (e.g. dispossession of land by privatization) (Harvey, 2007). This in turn led and leads to secondary effects, such as social inequalities, marginalization, poverty, unemployment, social exclusion and conflicts or new dynamics of migration. There is also a range of scholars who are focusing on the synthesis of neoliberalism and globalization in particular. Along these lines, I will mainly discuss the approach proposed by Delgado, Marquez & Puentes (2010). According to these scholars, neoliberal globalization is marked by several attributes, which I will address briefly:

a) Internationalization of capital flows[40], including the establishment of chains of subcontracting, which are owned by transnational corporations (TNCs) (Parpart & Veltmeyer, 2009). TNCs attempt to "(…) reinsert peripheral countries" (Delgado et al., 2010: 5) in order to ensure access to their abundant natural resources, as well as to guarantee access to cheap and weakly-organized workforces. In this vein, marginalized countries are attractive places for TNCs, especially when they are given tax breaks and not obligated to respect national regulations on labor employment or environmental standards.

[40]The GATT negotiations in the 1980s, also known as Uruguay Round, were a preliminary step to the internationalization of capital. According to Robinson, in the Uruguay Round GATT member representatives decided to establish a set of rules as a foundation for the emerging global economy, such as "freedom of investment and capital movements, (…) the liberalization of services, including banks (…), intellectual property rights and (…) a free movement of goods." (Robinson, 2008: 18).

These kinds of enterprises demonstrate the "internationalization of capital" (Delgado et al., 2010). While scholars discuss the internationalization of capital as a trend evoked by TNCs, there is also a postmodernist position. In this vein, the current capitalist development model is dominated by transnational capital and corporations, which are widely emancipated from their home countries.[41] Robinson describes this trend in the following terms:

> Since the 1970s, the emergence of globally mobile transnational capital increasingly divorced from specific countries has facilitated the globalization of production: that is, the fragmentation and decentralization of complex production processes, the worldwide dispersal of different segments in these chains, and their functional integration into vast global chains of production and distribution (Robinson, 2008: 24).[42]

In order to determine the repercussions of TNCs on national economies we can measure the volume of activities by Foreign Direct Investments (FDI)[43] and Portfolio Investments (PI). In this context I will refer to FDIs.[44] According to UNCTAD, FDI flows are a capitalist trend that has increased with the embrace of neoliberal globalization worldwide. This trend is displayed in the following chart.

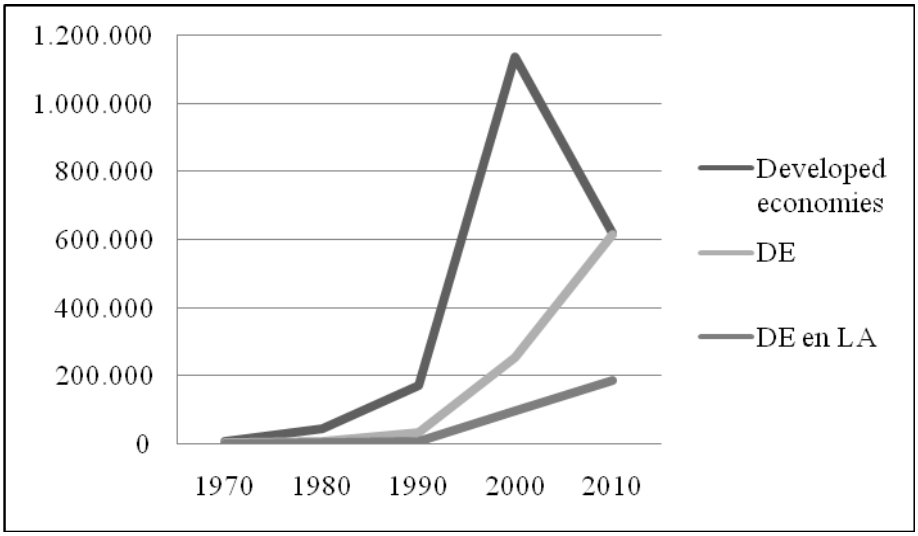
[41] According to the United Nations Conference on Trade and Development (UNCTAD) a TNC "(…) consists of a parent company (based in a 'home country'); and one or more foreign affiliates (in 'host countries')" Thereby the "(…) foreign affiliates may refer to: subsidiaries (majority-owned), associate (ownership share is>10% but <50%)[or] Branch (wholly or jointly *un*incorporated enterprise) (UNCTAD, 2011).

[42] It is important to note here that it is critical to argue that the nation-state becomes less important or dissolves under neoliberal globalization. Although nation-states lose part of their regulatory power, there is considerable evidence that the role of nation-states remains central.

[43] FDI refers to an investment made to acquire lasting interest in enterprises operating outside of the economy of the investor (more than 10 per cent of the equity *or* voting shares). Further, in cases of FDI, the investor´s purpose is to gain an effective voice in the management of the enterprise (UNCTAD, 2011).

[44] In order to categorize TNC practices, UNCTAD typologies FDIs according to the main activity that is realized through the investment. There are "Natural resource-seeking FDI, Market-seeking FDI (national or regional), Efficiency-seeking, export-oriented FDI, Strategic asset-seeking FDI" (UNCTAD, 2011). In this way they are avoiding semantic issues.

Chart 5.1.: FDI inflows 1970-2010 (million US$)



Source: UNCTAD, 2012

In the case of developing countries (DE), FDI increased strongly from 3,854-million US$ in 1970 to 616,661-million US$ in 2010. In Latin American developing countries (DE in LA) in 1970 the inflow of FDIs amounted to 1,599-million US$, increasing until 2010 to 187,401-million US$. The social effects that FDIs can have in developing societies are seen differently among scholars. There is, for example, the critical perspective that FDIs and especially foreign corporations have exclusively negative impacts, such as the (super)exploitation of the labor force, without consideration of national labor agreements, and the overexploitation of natural resources and environmental pollution because of the transgression of ecological guidelines by large corporations (Robinson, 2008; Delgado, Marquez & Puentes, 2010).

As previously discussed there is also the perception that TNCs can have positive outcomes through joint venture enterprises, as Cardoso discuss under the model of "associated-dependent development"

b) *Transformation in the flow of financial capital investment*, which means "(…) new financial instruments [emerged] that offer short-term high profit margins but can entail recurrent crisis and massive fraud" (Delgado et al., 2010: 5).

c) *Increasing environmental impacts* caused by large corporations, who are seeking profits through the exploitation of natural resources and penetrating the biosphere almost without restriction (Delgado, et al., 2010: 5).

d) *Reorganization of innovation systems*, meaning the employment of scientists from development countries by sub-contraction in order to "(…) transfer risk and responsibility, and capitalize on resultant benefits by amassing patents" (Delgado, et al., 2010: 5).

e) *Precariousness in the labor sector*, the consequence of the permanent search for cheap and unorganized labor by large corporations in developing regions, which scholars have called the "new international division of labor" (Fröbel, Heinrichs & Kreye, 1980; Veltmeyer, 2010a):

> The restructuring of the labor process under globalization (…), involves new systems of labor control and diverse contingent categories of labor, the essence of which is cheapening and disciplining labor making it "flexible" and readily available for transnational capital in worldwide labor pools. As the global economy integrates local economies into its chains of production, finance, and distribution, and as more and more work becomes subcontracted, outsourced and flexibilized, workers around the world become appendages of these global networks (Robinson, 2008: 22).

Following Wallenstein's world system theory, Delgado, et al., argue that a "(…) new hierarchical set of racial and cultural divisions at the heart of the working class" (Delgado et al., 2010: 6) serves as a mechanism in order to integrate marginalized countries and regions. Related to this observation the scholars detect under NG an emerging export-led model that is based on direct and indirect cheap labor force exploitation in the current capitalist development model (Delgado & Márquez, 2007), which I will introduce in the following section by analyzing the Mexican case.

5.2. The 'labor export-led' model in Mexico

In the particular case of Mexico, we can also detect under neoliberal globalization processes of societal transformation. This is a broad and complex field of analysis. To reduce its scope, I will focus on the "labor export-led model" that represents an explanatory model for comprehending economic restructuring, emerging migration patterns, and

increasing migrant flows in the region under neoliberal globalization. As section 3.1.2 addressed, this model presents a critical analysis, from neo-Marxist and dependency viewpoints, of current transformation and societal consequences, which I will discuss briefly and underpin empirically.

The labor export-led model (Delgado & Cypher, 2007; Delgado & Márquez, 2007) proposes to explain why Mexico ascended in recent history to be the largest migrant export country in Latin America, and why this happened in the context of free trade (in contrast to neoclassical assumptions in theory and neoliberal standpoints in development policy) did not lead to significant progress in society; on the contrary, the country experienced negative economic development and *permanent* outmigration flows increased in the same period.

In this vein, the labor export-led model is a result of the transition towards neoliberal globalization, which began in Mexico in 1982. It represents a political and economic trajectory of the solidification of neoliberal development that clearly accelerated with the entrance of the country into the NAFTA accords. Delgado and Márquez define the experience in following way:

> (…) the restructuring of the Mexican economy to orient it toward the exterior in response to a strategy of U.S. capital to secure for itself cheap labor for use at various levels of the productive restructuring process in the binational arena (Delgado & Marquez, 2007: 659).

Within the labor export-led model, productive restructuring was and still is geared toward the export sectors of manufactured goods. The increase in exports makes this trend clear. Exports of manufactured commodities increased from 30,700-million US$ in 1998 to 213,700-million US$ in 2005 (Delgado & Márquez, 2007). This notable growth is critically assessed: export–led development can represent instead a strong agenda for societal progress; however, this is not the case in Mexico but rather the contrary. Furthermore, the model does not only perceive of the export of goods, but as a crucial context, the indirect and direct forms of export of human capital (Delgado & Márquez, 2007). To achieve a critical focus and to reveal these distinct types of export the scholars work out within the model three subfields, which are tightly related, with the common denominator being the different kinds of exploitation of the labor force from Mexico:

a) *The maquiladora industry* is a productive sphere that began to be implemented in Mexico in the 1960s. Currently, it provides employment for more than 1.2-million people and in 2004 it produced 55 percent of all exported (manufactured) goods (Delgado and Cypher, 2007). Maquiladoras are promoted by the Mexican government as a sector that is showing the positive economic development effects of free trade, referring to the increase in employment and to the growth of exports. The reality is however different, as Delgado and Cypher argue:

> For the most part, maquiladoras import inputs—components, parts, design, engineering, and so on—overwhelmingly from the United States, combine those various inputs with cheap assembly (pay per day in 2005 ranged from $4 to $10) and a slight element of technical labor, assemble the finished products and reexport the finished products back to the United States (Delgado & Cypher, 2007:125)

In other words, maquila plants are industrial extensions of large foreign corporations, most originating in the USA, which carry out labor-intensive assembly work in Mexico. This sector is mostly disconnected from the Mexican economy, because maquiladora inputs are brought into and bought out of the country, while their output is shipped abroad, mostly to their parent companies. Mexico is therefore an attractive production location, not only for its proximity, which reduce transactions costs, but also because of "(…) fiscal incentives, government supports (…) *workers who are cheap and docile*" (Delgado & Márquez, 2007: 660, [emphasis in original]), as well as lax environmental and labor standards at the political level (Bensusan, 1995). Under neoliberal globalization this kind of foreign capital has increased enormously, as Delgado and Marquez discuss. While in 1982 the maquiladora industry accounted for 96,756-million US$ of all exports based on manufactured goods, this amount grew to 174,521-million US$ in 2005 and has generated more than 500,000 new jobs between 1995 and 2005 (Delgado & Márquez, 2007).

b) *The disguised maquiladora sector* is similar in many respects to a) above, meaning that this sector also benefits "(…) from the subsidies and tax breaks offered by the government's temporary imports program" (Delgado & Márquez, 2007: 661). Although labor incomes in disguised maquiladoras are on average 50% higher (because this sector produces more sophisticated goods and requires highly-skilled labor), this is not expressed

in the working conditions, referring to such aspects as "(…) increasing employment insecurity, diminishing wages, and required higher productivity" (Delgado & Márquez, 2007: 661). Finally, this industrial sector is linked "(…) through intra-firm trade and outsourcing subcontracting methods [which] (…) account for between 65% and 75% of the total" (Delgado & Márquez, 2007: 661). For that reason, this manufacturing branch is called *disguised*, because subcontractors can represent domestic or foreign firms, which are working directly for large foreign corporations and appear to be conventional national enterprises.

Both kinds of maquiladora represent in the labor export-led model the "indirect exportation of labor" (Delgado & Márquez, 2007: 662). In this context labor is not required to move out of the country and the societal development costs that labor migration would otherwise have in the receiving country are nullified or reduced. Manufacture for export is dominated by these maquiladora sectors and its subcontracted firms in Mexico, which is reflected in empirical data. In the years 1993 and 1994, manufactured goods of national firms accounted for 20% of output. This volume decreased in recent years to almost 15%, or in other words, the maquiladora and disguised maquiladora sectors dominated the manufactured exports sector in Mexico with 84.6% of total output in 2004.

It is important to highlight that the maquiladora sector based on foreign capital brings some benefits to Mexico (employment, incomes, foreign investment), but the contribution to the Mexican economy by 'backward and forward linkages' (Hirschman, 1958) is meager, because 'economic surplus' (Baran, 1982) is flowing out of the country (Delgado & Cypher, 2007). As previously noted, this has partly to do with the weak bargaining capacity of the state as the central agency for development. This aspect obstructs broad technology transfers, significant taxable incomes by the state, as well as long-term employment, dignified incomes and adequate labor conditions for workers. In sum, this weakness leads to failure in Mexico's long-term economic development and industrial evolution.

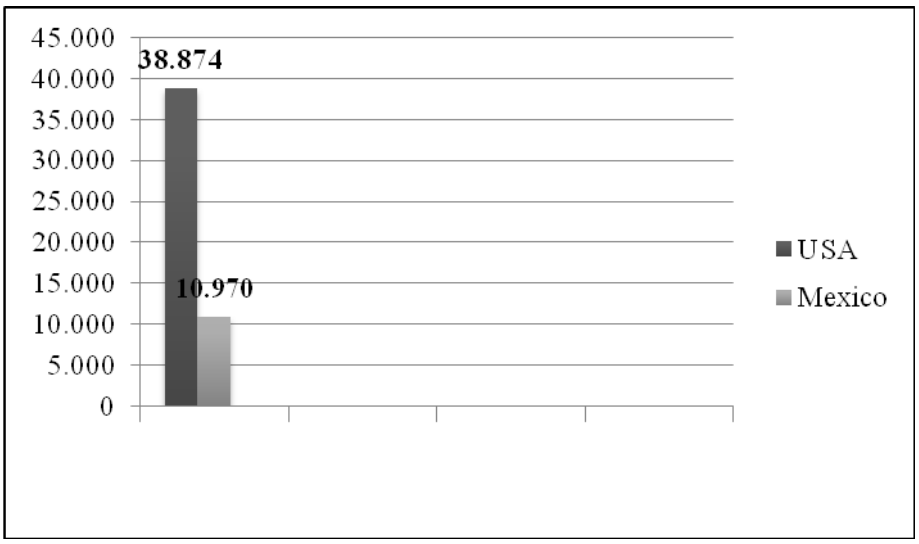
c) Increasing labor migration and new patterns of migration represents the third subfield of the labor export-led model and embodies the "direct exportation of labor" (Delgado & Márquez, 2007). I addressed this previously under 'unlike labor migration' or 'forced migration', which from this perspective, is provoked by labor force necessity in different world regions of capitalist production and parallel labor demand. The 'operational

industrial reserve army' is therefore moving to these centers of capitalist production. In the case of Mexico, this pattern is also seen in the historically established migratory relationship with the United States. Forced labor migration is mainly propelled by economic asymmetries and uneven income structures based on unequal development, which both states in this comparison exhibit, visible in the Gross Domestic Production (GDP)[45].Accordingly, the USA's GDP –based on the purchasing power parity of 15,290-trillion US$ in 2011– represents the country with the 2nd highest GDP. Mexico in the same year had a GDP of only 1,683-trillion US$ (CIA, 2012), where as previously noted, a part of this production is carried out by maquila industries. Mexico has the 12th highest GDP in the world, which shows clearly the existing economic asymmetries among both countries.

Additionally there are income differences in place combined with a low opportunity structure in Mexico. Income asymmetries we can measure by the Net National Income per capita, which is composed of the "(…) gross domestic product (GDP) plus net receipts of wages, salaries and property income from abroad, minus the depreciation of fixed capital assets (dwellings, buildings, machinery, transport equipment and physical infrastructure) through wear and tear and obsolescence" (OECD, 2009: 62).

[45]Gross Domestic Product indicates the value of all final goods and services that were produced within the frontiers of a certain country and within a given time, whereas Purchasing Power Parity serves to demonstrate what each product bought in a certain country would cost if it were bought in the USA. In short, the GDP (PPP) should show the materiel (economically measureable) wealth based on the total production of a country in comparison to other ones. Measuring wealth by employing the GDP (PPP), however, is contentious, because of several issues, the most significant being the exclusive measure of materiel wealth and the parallel fade-out of the immaterial context and wealth that is based on it (Max Neef, 2010). In development countries, where a lot of production is not economically measurable (e.g. subsistence production) and is therefore excluded from the indicators, although that production represents important societal spheres. Therefore, I utilize the GDP (PPP) as a measure to illustrate the economic power and the resulting asymmetry among two different countries, which converge under NAFTA.

Chart 5.2.: Net national income per capita in 2006 (thousand US$)



Source: OECD, 2009: 63

Mexico's net national income in 2006 was only 10, 970 US$ per capita, equal to only 28% of that of the U.S. and equal to only 41% of the Organization of Economic Co-operation and Development (OECD) average in the same year.

This shows clearly the huge income differences among NAFTA partners USA and Mexico, but also the weakness of Mexican economic players and their unwillingness or inability to pay suitable salaries. This latter context is strengthened by geographical (north and south, as well as urban and rural) unevenness of income within the country. Income disparity can be measured by the Gini Coefficient or index, which measure how far the distribution of income among families (or alternatively among individuals) within a certain economy differs from a perfect scenario, which would signify equal distribution (0). The Gini Coefficient in Mexico in 2008 was 51.7 (CIA, 2012), which ranks the country as one of the states with the highest income and social inequality (number 18th in world comparison), and one of the places with the highest inequalities among the OECD members (OECD, 2009: 88).

In other words, Mexico's development circumstances with regard to personal and familiar economic progress are critical, and the few existing labor opportunities are in most cases badly paid. Income opportunities must be seen in the context of unevenness, meaning that incomes are unequally distributed in the country. This represents clear factors for

forced labor migration to the United States, which is reflected in the history and patterns of migration toward the U.S.

According to the *National Population Council* (CONAPO, 2010a), since the beginning of the 19th century labor outmigration toward the US represents a social practice. This not only has to do with the geographical proximity and the annexation of various Mexican states by the US via the US-Mexican War (1846-1848), but also due to historical unequal development, which includes a low opportunity structure in Mexico.

However, a significant turning point in labor migration began within and immediately after World War II, when manpower was scarce in the US labor market; the military intervention of the USA in WWII in Europe required the massive recruitment of a male population to fight, which led in turn to the parallel lack of work forces. This fact resulted in the systematic hiring of labor migrants from Mexico, which was politically manifested in labor contracts within the Bracero program. The hiring started in 1942 and in 1964 a hiring freeze came into force. According to CONAPO, in this period more than 4.5 million Mexican labor migrants were hired legally by the state and a further 4.5 million entered without any migratory documentation. After the program ended in 1965, the United States migratory policies became more stringent. To control migrant flows, reforms emerged that partly legalized further labor migration under a quota system or led to the deportation of undocumented labor migrants. Additionally, the frontier between the two countries was reinforced in order to limit further illegal flows. As the council notes, this measure could not stop continuing undocumented inflows. During the 1970s, a significant number of Mexican labor migrants arrived in selected states and with that diaspora, neighborhoods began to establish. For the most part, labor migration was characterized in that period by "(…) temporal, undocumented, composed of men and singles, with low schooling levels, descendant from rural ambits, who moved [mainly] to selected US states" (e.g. Texas, California, Illinois) (CONAPO, 2010a: 11). This trend took on new characteristics in the1980s. New migration patterns have to do with a range of factors. *First*, changing political and economic conditions, addressed in this chapter under different topics (NG, labor export-led model, transformation in the rural context) led to a deepening and extension of unequal development, structures of social inequality, social exclusion and economic polarization. These trends accelerated after 1994, when NAFTA came into force. *Second*, internal economic crises in Mexico (1982, 1994, etc.) led the country to

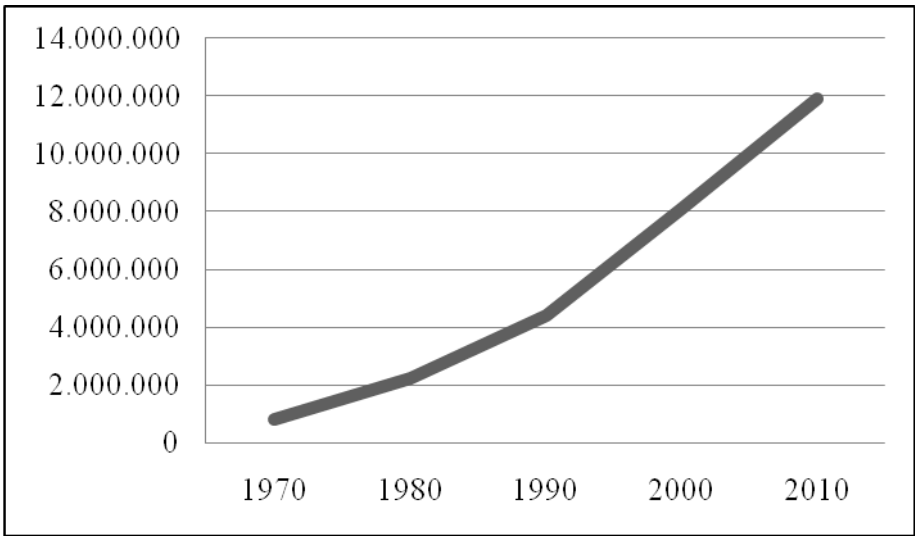
incorporate broader segments of society, which is reflected by changing international migration patterns after 1980, addressed below. *Third*, in the political sphere, the Immigration Reform and Control Act (IRCA), which was implemented to regularize temporary and undocumented labor migration, led to a change in the migration structure (CONAPO, 2010a).

Due to these causes we can highlight, according to CONAPO (2010a), the following emerging patterns within the US-Mexico migration system:

1. *The increasing of flows and intensity of labor migration*

According to the PEW Center (2012), in recent years international migration volumes show a regressive trend (return migration); however the overall development between 1970 and 2010 is characterized by increasing flows.

Chart 5.3: International migrants born in Mexico to the USA 1970- 2010 (# of persons)



Source: Compiled from CONAPO, 2010a

Chart 5.3 shows a clear increase in the quantity of Mexican documented and undocumented labor migrants. In 1970, there were 800,000 Mexican migrants in the US, this number grew to 2.2 million in 1980 and doubled in 1990, reaching 11.9 million resident labor migrants in 2010 (CONAPO, 2010a).

2. *The feminization of international labor migration* is another transforming context. Initially dominated by male migrants, the emerging trend shows that more often women are participating in the exodus. According to the council, while in the mid-1990s female migration accounted for an average of 5% to 10% of migrants, in the period 2007-2010 they represented 26% (CONAPO, 2010a).

3. *The diversification of places of origin and destination* represents a further change in patterns. Traditional starting points for international migration are spreading, meaning that Mexican states with previously insignificant rates of outmigration now see an important percentage of their population leaving. Additionally, while few US states were migrant destinations, currently this tendency is changing.

4. *Outmigration from cities and urban ambits* is another feature. Traditionally, labor migration from Mexico to the US was clearly dominated by rural members of represented by rural society members. This includes not only potential migrants, who first carry out an internal migration and as a second step, labor migration on a international scale, but newly incorporating segments of society that before were not involved, such as migrants from the middle classes (CONAPO, 2010a), meaning that there exists a geographical but now also a social dispersion.

5. *Increasing risks, costs and decreasing undocumented migration*. Economic crisis in the USA in combination with the pitfalls of finding relatively well-paid jobs in migrant labor sectors is one explanation for a decrease in undocumented migration. Another aspect is the higher risks of the frontier (newly emerging patterns of the U.S. immigration enforcement) related to higher costs of illegally crossing the border, as well as the growing vulnerability and insecurity of those who are seeking to cross. Finally, recently emerging and unfavorable 'immigration laws' in the US criminalize undocumented migration and make it a very risky enterprise. Thus, undocumented labor migration is diminishing. According to the PEW Hispanic Center (2012) the number of undocumented migration decreased from a peak of 7 million persons to 6.5 million in 2010 and fell again to 6.1 million in 2011.

6. *The transition from temporal and circular to permanent migration patterns* is closely related to the decrease of undocumented migration. Currently, international migration flows from Mexico to the US are mainly based on undocumented flows. Additionally, the combination of increasing insecurity and social vulnerability on the journey north and within the US are determining issues faced by illegal labor migrants. Consequently, to minimize the risks, there is evidence of a transition towards permanent migration patterns. According to reports by CONAPO (2010a) this is expressed empirically in that in 2007 the average stay in the US was 12 months, and extended to 17 months in 2010. CONAPO also revealed that permanent labor migrants are more often bringing their families, so that we can speak of a type of international labor migrant that is ever more involved in a family exodus.

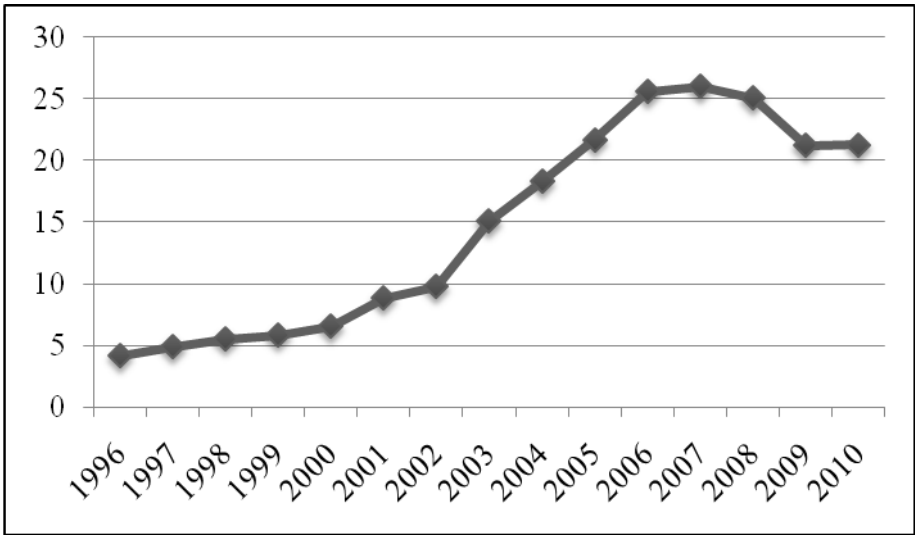
7. *Occupational diversification and downward social mobility* refers to social circumstances that vary from classical patterns that traditional migrants were following over previous decades in their destinations. The migrant labor sector is characterized by a range of aspects, such as societal opening and locking mechanisms that allow labor migrants inclusion in some and exclusion from other labor sectors. A locking mechanism, for example, can be represented by custody and high penalization of employers, who recruit undocumented migrants. Heightened vigilance along the border, newly-enacted laws that seek to identify illegal migrants, more severe penalties (incarceration for migrants; larger fines for those individuals and/or companies who hire them) – all of which weigh more heavily in certain labor sectors and – depending upon the state in question – affect the inclusion or outright exclusion of migrant manpower. Accordingly, in the past Mexican migrant labor was required in the agricultural sector and in the manufacturing industries, which changed in recent years towards the construction and service sectors. In this context, authors of the CONAPO report (2010a) argue that there is evidence that labor migrants of the second and third generation are experiencing a downward turn with regard to vertical and horizontal social mobility, resulting in the concentration of Mexican labor force in occupations that are “less qualified” and “pay less”, without any additional services for their labor. Further empirical research is required to determine, if correlation exists – and if it does, how significant it is – between these emerging migrant labor sectors and downward social mobility. The interpretation of this trend, if the assumption is empirically verifiable,

would lead to the argument that international labor migration has long-term (intergenerational) negative effects on the personal, family, and community development of these actors with significant impact on the home region. This would mean that in particular it is important to think about socially and economically sustainable linkages among international migrants and their families in the place of origin, such as the model that TD proposes.

8. *Rising importance of financial remittances* are not new phenomena, however, the significance of the quantity and with that the dependency on these incomes is a global trend. According to Aggarwal, Demirgüc & Martinez, financial remittances grew worldwide from "U.S. $2.98-billion in 1975 to close to U.S. $90-billion in 2003" (Aggarwal et al., 2006: 2). Manuel Orosco estimated that the international remittances in 2003 were over 180,000-million US$ (Orosco, 2005: 3).

In Mexico, remittances embody a very significant framework and show a quantitatively upward trend. In the following figure we see the evolution of financial remittances:

Chart 5.4.: Financial remittances to Mexico 1996-2010 (million US$)



Source: CONAPO, 2010b

Chart 5.4 shows that in 1996 Mexican labor migrant's remittances amounted to 4,200-million US$ and reached a high in 2007 of 26,000-million US$. This trend declines after

2008 and in 2010 reaches 21,300-million US$ due to the previously noted financial crisis experienced in those years in the U.S. (CONAPO, 2010b).

As Chapter Three addressed, financial remittances represent important incomes and reproduction security for poorer Mexican households. However, it must be critically viewed how migrant remittance flows are discussed in current national politics, particularly when the migrant is glorified as the hero of development, because of his or her permanent cash transfers. However, financial remittances embody an unstable from of progress by making households dependent on these cash flows. New migrant patterns that show a transition to permanent forms of labor migration indicate that in the future financial remittances will be increasingly unstable. Furthermore, they have a high social cost for migrants, particularly when labor insecurity and parallel social vulnerability are growing.

International labor migration has certain negative impacts, in demographic, economic and social terms, on local societies. According to CONAPO (2010a), these include: depopulation and disequilibrium in population volume among men and women, which affect the local labor markets and the societal gender roles and family structures, leading to a type of transnational family. According to Delgado and Márquez (2007), with indirect (maquiladora, and disguised maquiladora) and direct labor force export (labor migration) "(…) the true content of Mexico's [labor] exports is revealed". As mentioned above, this has been termed the "cheap labor export-led model" (Delgado & Márquez, 2007: 662).

The model reveals critically what state representatives and some economists portray in a rather superficial and optimistic way: the real labor circumstances. From this view, the aggravation of labor conditions is a main societal problem within neoliberal globalization in Mexico. This is due to foreign enterprises' dominance of local and national productive sectors and the parallel reluctance of state representatives to bargain with large corporations with regard to broader and long-term development. This not only has negative impacts in the socio-economic sphere, but also in the social and political spheres of development, because the existence of direct and indirect forms of labor export as a development agenda lead to less participatory development, difficulty in achieving social empowerment and the impossibility to foster social sustainability in the process of progress.

5.3. Rural transformation under neoliberal globalization in LA

In the previous section, I examined the labor export-led model in order to demonstrate how large-scale (industrial and economic) development in Mexico is achieved through direct and indirect cheap labor exports, whereby the profits remain in the hands of a few large corporations, leading to 'economic polarization', and a 'polarization of power.' The industrial or manufacturing sector and its strategy for development is one sphere of transformation and unequal development where growth of a small segment results in mass underdevelopment. In the rural context, there are also radical transformations visible under NG, some features are similar to those described in the labor-export model and in a certain manner large-scale development is interlinked with social dynamics in rural ambits, as I explore in the following section.

According to Bernstein (2010), the first significant rural transformations took place during the 'long durée' of colonialism and imperialism in various colonized regions, such as in Latin America, whereby colonists cultivated land by "(…) forcible dispossession of indigenous peoples" and resolved the problem of labor supply by importing slaves (Bernstein, 2010: 44). This system later led, increasingly when slavery was prohibited, to the emergence of the hacienda system in the late 17th century in Latin American countries. These latifundios "(…) combined granting settlers rights to levy tribute on indigenous communities in the form of goods or labour services (encomienda) and rights to land (mercedes de tierras), originally given for military service to the Spanish Crown" (Bernstein, 2010: 44). This system was mainly characterized by concentration of land tenure and by an increasingly polarized process of placing many assets in few hands, while the majority of the population (small-scale farmer) was dispossessed[46] and had for the most part precarious living and working conditions in the countryside (Bernstein, 2010).

Even today we can detect ongoing rural transformation in Latin America, which is manifested in a variety of ways. Accordingly, these processes take place in different contexts (economic, political and social), but with similar repercussions of dispossession in the countryside as noted in the history of latifundios. In this line, the trajectory of rural development in Latin America is currently a broad and complex process. In Chapter Two, I

[46] Otero gives us an example for this concentration of land. He argues that in the legislative period of Porfirio Diaz (1876-1910) 90% of the Indian communities were dispossessed of their lands (Otero, 2004:61). Horn confirms that fact, arguing that in 1910 approximately 97% of agricultural land was in the hand of 100 large landowners (Horn, 2004:125).

approached this subject with reference to structural heterogeneity in the rural ambit, which is characterized by two central groups: on the one hand, a few rural players that represent the frame of a "conventional / productivist system" and on the other hand, the masses, which belong to the "indigenous / traditional system" of agricultural production.

According to statistical information from ECLAC (2011a), in 2010 in Latin America and the Caribbean (LAC) the total population amounted to 590,082,000 people, with 79.6% living in urban areas and 20.4% (equal to 120,377,000 people) living in rural areas. In the context of rurality we can detect a concentration of poor society segments. Rural poverty reduced in relative numbers from 64.1% in 1999 to 52.6% in 2010, while extreme poverty declined from 38.7% in 1999 to 30% in 2010. Consequently, 63.3 million Latin American people are living under the poverty line and within this group; 36.1 million people live currently with one dollar or less per day. Currently, LAC countries have 88,439,000 hectares of arable land, whereby 68,191,300 ha, equivalent to 77% of the total, are cultivated by temporal forms of agricultural production that corresponds mostly to social actors of the indigenous and traditional system. Accordingly, given the high vulnerability of this segment of society, which is related to different types of deficiencies and weaknesses expressed in technological and productivity gaps, as well as in social inequalities in combination with the lack of institutional protection within unleashed NG, it is clear that the existing 63.3 million rural poor people are dedicated to agriculture and/or to other income-diversifying activities (e.g. occupation in other sectors, regions and countries) (Kay, 2009b). Particularly in the agricultural context of Latin America, it appears that a significant number of actors belong to the indigenous and traditional system of small-scale producers

In this broad development panorama we can find some general features of contemporary transformation. The crisis of overproduction in 1973 led to the search for other capitalist pathways, with the aim to create a "new world order". Neoliberal globalization was a response to this search and gave in the 1980s and 1990s "new impetus to the forces of capitalist development and agrarian transformation" (Petras & Veltmeyer, 2010). While I discussed these impetuses generally in relation to capitalist development above, I will now discuss the characteristics of agrarian change, which can be summarized as follows:

a) Privatization of agricultural land and dispossession: Privatization of public and collective goods and enterprises is not a new phenomenon. As mentioned above, it was a fact in the period prior to the Mexican revolution. It is a central element of SAPs and of policies in the context of neoliberal globalization in order to realize new fields of capital accumulation. Privatization can include public enterprises (such as state-owned enterprises) in the urban context, but also natural resources, such as land, forests, water or air. Borras argues, focusing on land tenure, that "mainstream thinking about land is based on the fundamental consideration that land is a scarce economic resource. Policy consideration of land should thus be oriented towards its most economically efficient (re)allocation and use" (Borras, 2009: 326). Some view the mechanisms of the market as the principal conduits through which this objective can be realized. In this vein, Borras and Franco (2010) argue that from 2006 to 2010, between 15 and 20 million hectares of agricultural land was sold or leased worldwide.

Harvey calls the selling of rights for these resources "barbarian dispossession", because of the social impacts that these kinds of privatization measures have on developing regions and their marginalized population (Harvey, 2007). In rural environments, where social vulnerability is typically much higher than elsewhere, land privatization impacts strongly on rural society members and can cause extreme poverty, social conflicts or outmigration (Assies, 2008).

b) Increasing agribusiness enterprises and nontraditional agricultural exports: Agribusiness enterprises are nothing new in the rural context. "Agri-input capital" and "Agro-food capital" (Weis, 2007) existed before NG. Within neoliberal globalization we can, however, observe all of these activities in Latin American economies. According to Robinson, we can observe, inter alia, a) a growing control of the agricultural sector by transnational agribusiness, b) an accelerated movement toward capitalist types of agricultural development, c) a further proletarization wave of peasantry, d) a flexibilization in labor conditions driven by "agro export platforms", and e) a process of the articulation of local production systems to supermarkets on a global level, "(…) that is, to global agricultural and industrial food production and distribution chains" (Robinson, 2008: 58-9). This last point refers to the turning towards the production of nontraditional agricultural export commodities; whereas the traditional agricultural export had previously

predominated, the cultivation of nontraditional commodities became gradually more important in NG; referring to nontraditional agricultural exports as commodities that a) were not produced by the domestic agricultural sector, b) were not determinate for the agricultural export sector or c) represent the establishment of a new market for a traditional agricultural good. Global food commodity chains make the outsourcing of these products possible and with that, accessible in different world regions and seasons, whereby the flexibilization in production reduces costs in the cultivation process. This influences the market price of (exotic) agricultural goods elsewhere and makes these products more attractive to the consumer. The change in national and regional agricultural production systems, including the process of incorporation into global commodity chains, is due to the rise of supermarkets on a global level, as well as the rise of global reorganization in the production of food and their allocation. Agro-food enterprises, argues Robinson, therefore use "global sourcing strategies". Another aspect that made global markets possible is technological progress. In the context of nontraditional products, it refers to transportation possibilities (e.g., by plane), as well as to refrigeration systems to protect delicate cargo. Finally, Robinson argues that in contrast to traditional export products, nontraditional commodity production "(…) takes place more fully under capitalist relations, and entails much deeper market integration (Robinson, 2008: 60). According to this scholar, there are different reasons for this argument: a) a requirement of higher quantities and systematic financing capital, b) the nontraditional products require and are dependent on more agro-industrial inputs, c) the nontraditional cultivation practices entail more complex techniques, as well as "(…) technical know-how in planting, maintenance, harvesting, and handling than traditional crops" (Robinson, 2008: 60), and d) nontraditional products need to be inserted into a "complex global marketing structure" (Robinson, 2008: 60), because they cannot be sold in local markets. To sum up, it can be said that nontraditional agricultural export commodities represent one of the fastest-growing industrial sectors in the NG context (McMichael, 1996), which means that agribusinesses (agri-input and agri-food capital) are growing, including with respect to their power to crucially influence global and national economies, as well as international political spheres.

The primary social consequences of these inputs / inflows are food dependency (on changing international food prices) and the loss of food sovereignty, affecting the peasantry the hardest, because of their high social vulnerability.[47]

c) Biotechnologies and TRIPS: Power in the global economy and the international political sphere of agribusiness is particularly visible in the agri-input sector. The Green Revolution represented the first wave of the attempt to modernize and raise efficiency in agriculture by technical means, such as chemical fertilizers or high yielding varieties (HYV). In the context of NG, improved efficiency is achieved beyond the use of pesticides and chemical fertilizers by the application of biotechnologies. Biotechnology in agriculture "(…) is reported to be one of the fastest adopted agricultural technologies (…) (Pechlaner and Otero, 2008: 358). Pechlaner and Otero further argue that supranational trade agreements and neoregulation (deregulation) at the national level is linked and accompanied by the implementation of biotechnologies in agriculture. Biotechnology refers mainly to transgenic crops. According to these scholars, there are two kinds: a) herbicide tolerance (HT) and b) insect resistance (IR) crops. The key agricultural crops are limited mainly to soybeans, maize, cotton and canola. Cultivation of these crops rose worldwide, according to James (2005) from 1.7 million hectares in 1996 to 90 million hectares in 2005. The USA, specifically US-American agribusiness, has an important share of the cultivation and in the profits of biotechnological adoption globally. In the worldwide distribution of transgenic crop, the USA owns 53.1% of the total land under cultivation. In the context of the share in profits it is also evident that US-American agribusiness (for example Monsanto) dominates global biotechnology (75% of agribusinesses which publicly trade in biotechnology reside in or are linked to the USA). The US administration realizes, according to Pechlaner and Otero, very high public investments in research and further development in biotechnologies and with that it actively supports the larger agribusiness industry. This support and domination is reflected in the profits of agribusiness. According to the same authors, profits in Monsanto increased from 68-million US$ in 2003 to 993-milion US$ in 2007, an

[47]The small-scale producers are most affected as subsistence producers: this kind of production, while essential for social reproduction as well as local market sales to earn a small income, is pressured by the global import context which makes local products less attractive (in price / quality) to foreign-source items. The result is a move to abandon subsistence production to seek other income-generating activities in both urban and rural contexts. In this context, the productive sphere is undermined, leading to food security crises and deepening poverty.

increase of almost 1500%. A protective agreement for biotechnological crops is represented by Trade-Related Aspects of Intellectual Property Rights (TRIPS), which are covered by a "supranational regulatory body": the World Trade Organization (WTO). With the agreement on TRIPS, the WTO "(…) aims to establish a regime of minimum IPR protection common to all its members (Pechlaner and Otero, 2008: 355). TRIPS should in this fashion "protect the technology developer's interests" (Otero and Pechlaner, 2008: 354). However, biotechnologies and TRIPS must be viewed critically in the context of developing economies. Besides the currently unknown effects of biotechnology on human health and besides its contribution to reducing genetic diversity, it represents a threat to the strata of peasantry in developing economies by making them dependent on commercial seed acquisition. While farmers previously used their traditional rights to "(…) save and reuse their seed from year to year [they] are now voided where they adopt such patented agricultural biotechnologies, and they must purchase new seed for every crop" (Pechlaner and Otero, 2008: 357). Furthermore, the acquisition of property rights over biotechnologies leads to the consolidation and domination of few agribusiness enterprises.

Biofuel and the food crisis: Generally speaking, the food crisis is associated with "(…) rising food prices and rising hunger rates across the world and particularly in the global South" (McMichael and Schneider, 2011: 119). In this vein, McMichael and Schneider (2011: 119) argue that in 2008 the "(…) staple food costs [increased] on average over 25% more than during the 2006-08 agflation". Furthermore, in the context of Latin America, a World Food Program study has highlighted that due to effects of the food crisis "(…) more than one million people slipped below the poverty line between September 2007 and June 2008" (cited in McMichael & Schneider, 2011: 119).

The food crisis can be characterized as a global phenomenon of contemporary agriculture under neoliberal globalization. According to Bello (2009b: 133), the causes of this depression lie with the "(…) economic, environmental and political dynamics of global capitalist production". This idea is also shared by McMichael and Schneider, when they argue that industrial agriculture is one main reason for the crisis. Industrial agriculture in public discourse is justified by the fact that investment in agricultural development was decreasing in recent decades at the international and national levels.

These scholars argue, however, that this strategy needs to be viewed critically, because it may

> (…) deepen the hold of upstream (industrial) investment on food production, to extract more food from underprivileged regions to feed a minority global consumer class, and to further impoverish agricultural producing regions through the replacement of bio-regionally evolved farming practices, knowledge and seeds with industrial methods and technologies built on a model of agricultural science that abstracts from local social and ecological conditions (McMichael & Schneider, 2011: 120).

Today, increasing biofuel demand and ecological degradation are additional causes of this problem.[48] These aspects lead to a decrease in the world supply of corn.

In the context of biofuel, it can be argued that its production, such as ethanol, which is based on maize corn, is an international trend in the quest to secure an alternative to petroleum and/or decrease environmental pollution. The problem, however, is that "(…) rising world demand for corn as a potential alternative source of energy (ethanol) and the resulting emergence and growth of a very heavily subsidized American agrofuels sector (up to 40% of corn producer's production costs are met by government subsidies) has reduced world supplies of corn and driven up the price"(Akram Lodhi, 2009: 314), which result in both an increase in the demand on world supplies of corn and a lack of corn as a staple food in some regions.

d) Environmental degradation: Economic activities, such as that of large corporations in times of neoliberal globalization, cause massive ecological degradation, because economic interests have priority over ecological or social considerations and these are not controlled by the state. At the local level of agriculture, the neoliberal globalization context demands agricultural producers pursue agricultural production with high efficiencies (e.g., through the use of significant quantities of fertilizer, herbicides etc.), such as we discussed above under the Green Revolution concept. This leads to "unsustainable food and resource exploitation" (Moore, 2008: 57), which are threatening the relationship between humans

[48] Environmental change leads to a decrease in corn supply and to increased international corn prices, and with that to food crises in vulnerable world regions (Akram Lodhi, 2009).

and ecology (Foladori & Pierri, 2005; Delgado et. al. 2010) and lead to a "metabolic rift" (Foster, 1999; Moore, 2008).

e) Multiactivity and multifunctionality of rural actors: The concepts of multiactivity/ multifunctionality and the related neo-Marxist of 'semi-proletarization' (Otero, 1999), refer to a trend that is rising in neoliberal globalization. The argument is that rural communities are well integrated into markets and do not move exclusively in the logical margins of subsistence based agriculture. In contrast, there is significant evidence that these rural actors employ multiple activities in order to guarantee their reproduction, which can represent agricultural or nonagricultural activities within and/or outside of the farm. This social phenomenon leads to multiple integration processes in different markets, as well as to linkages to urban spheres by rural actors (Kay, 2009b). Therefore, there is a range of pluriactivity that rural actors carry out, such as labor related to trade, transportation, personal services and rural tourism (Köbrich & Sirven, 2007), as well as international labor migration. According to Kay, we can argue that these activities "outside the farm" are "(…) more dynamic, more productive and generate more incomes than the exclusively agricultural activities" (Kay, 2009b: 615). In times of neoliberal globalization and the trend of rural crisis in developing economies, there is reason to expect that these activities will be an important aspect of rurality in the near future.

f) Rural outmigration and remittance: As Chapter Three described, rural outmigration or, in the words of Ramisch (2009), "multi-locational household" strategies are a type of multiactivity by rural actors to overcome precariousness in rural zones, which is susceptible to structural violence and has as a consequence forced migration. Particularly, the rural outmigration that is taking place under free trade policies is marked, as with the previously-noted labor export-led model, by new patterns, meaning higher quantities of flows, new leaving and arriving destinations, and higher flows of financial remittances back home. As noted earlier, rural transformation can vary from region to region; in the case of Mexico, these features must be analyzed within the particular rural social structure.

After this brief revision of the basic features of NG, I will now discuss some of these features in the case of Mexico under NAFTA.

5.4. Mexico's experience under NAFTA (1994-2012)

As the previous section noted, agricultural transformation processes are part of the history of Latin American economies since the colonial era. Mexico is no exception. Over time, the Mexican countryside and its population have experienced different stages of rural, and specifically agricultural, development processes, but also crisis in this context.

Until the end of the 1960s, Mexico was an exemplar in the implementation of ISI (Import Substitution Industrialization) policies, which had also affected the countryside. Until 1965, the Mexican rural zones were called, according to Calva (2008), the "agrarian miracle" because of their high efficiency in agricultural production.[49] According to this author, the annual growth rate in agriculture amounted to 5% between 1941 and 1965. This expansion was enough to satisfy Mexico's internal demand for food and also the industrial demand for basic agricultural materials. However, beginning in 1965, rural development experienced a change in trajectory due to the crisis and transformation processes discussed above.[50]Although Mexico's countryside experienced crises during this period, the paternalist state with its public agrarian policies was still assisting and protecting large-scale farmers, and to a lesser extent small-scale farmers. This changed markedly with agrarian transformation under neoliberal globalization. Calva (2008) and also Rubio (2006) discuss neoliberal globalization in the context of Mexican agriculture (since the end of the 1970s) characterized by the withdrawal of the state from traditional agrarian services, especially with regard to the privatization of the institutions that had supported peasants.[51] This process was, however, also accompanied by a parallel transition towards different forms of state intervention, characterized by reduced and selective agrarian support, such as in the case of PROCAMPO (Fox & Haight, 2010), which is discussed below.

[49] This was achieved by state inversions in infrastructure, in research, in credits and insurance, subsidies in inputs and price guarantees (Calva, 2008).

[50]García (2010) gives a more country-specific explanation. He argues that since 1965 a growing weakness in rural development processes is visible, caused by political malfunctions: a) The failure in the transition towards a long-term rural development plan, b) the misuse of assigned financial resources (used to secure votes), c) the absence of moderate agrarian reforms (new politics for advancing the agrarian modernization processes in the sense of the green revolution effect), and last but not least, d) the lack of organization and training of rural society members in order to empower rural actors.

[51] The most well-known examples of withdrawal of the Mexican state from the agrarian sector occur under the presidents Miguel de la Madrid and Carlos Salinas de Gortari. They ensured the abolishment of price guarantees on agricultural products, in accordance with the General Agreement on Tariffs and Trade (GATT), which introduced the process of agrifood imports. This was exacerbated by the cancellation of state-led rural support via agricultural inputs and the privatization of FERTIMEX in 1992 (Tetreault, 2010).

Under NAFTA since 1994 we can observe a certain deepening process of the neoliberal globalization process in different aspects of rurality:

a) *Structural heterogeneity (SH)* is a significant characteristic that is clearly related to unequal development, social inequality, poverty and social exclusion. SH is marked by enormous socioeconomic and technological differences between rural actors within the same sectors or in comparison with other players in other rural sectors. In this vein, SH exhibits, on the one extreme, medium or large-scale producer and transnational corporations, and on the other extreme, small-scale production forms, which represent, as noted, the most vulnerable populations of agriculture sectors. Along these lines, it can be argued that peasant production forms are characterized by smaller production units and by rain-fed forms of agricultural activities, which dominate the agricultural scenario in Mexico.

Table 5.1.: Distribution of land within PROCAMPO

Size of production unit	Number of registered parcels	Number of registered hectares
1 ha and less	*714,366*	*379,574*
1-2 ha	*1,805,191*	*2,561,416*
2-3 ha	*499,047*	*1,391,436*
3-5 ha	*510,889*	*2,142,026*
5-10 ha	395,771	3,006,214
10-20 ha	122,545	1,850,997
20-30 ha	23,550	599,254
20-30 ha	23,550	599,254
30-40 ha	9,767	354,964
40-50 ha	7,046	331,971
More than 50 ha	11,069	1,015,061
Total	***4,099,241***	***13,632,933***

Source: Fox and Haight, 2010: 21

Table 5.1 shows the distribution of agricultural land in the context of PROCAMPO subsidies in 2001. Over 86% of all PROCAMPO participants possess parcels which are 5ha or less. This represents 48% of all registered land, meaning that the most beneficiaries of PROCAMPO are peasants or small-scale producers.[52] However, PROCAMPO has a regressive nature, meaning that the benefits accrue disproportionately to large-scale producers, because the program subsidies producers according to size of their landholdings.

In 2009 the total land under cultivation in Mexico was 21,832,755 ha. While 5,626,024 million ha (26%) are irrigated, 16,206,730 ha (74%) are rain fed and under small-scale production (INEGI, 2012a). Additionally, small-scale production (defined by producers, who have 5 ha or less) represents 63% of all rural occupations (Fox &Haight 2010: 12).

In other words, this means that most agricultural producers in Mexico are characterized by small production units with parallel low technological inputs. In times of changing agricultural subsidies under NG, and NAFTA in particular, these segments are strongly affected by social inequality, social exclusion and poverty. The National Council for the Evaluation of Social Development Policies (CONEVAL) reports that, in 2008, of the 19.5 million people with incomes below the food poverty line[53], 12.2 million (63%) live in the countryside (CONEVAL, 2012).

b) The *privatization of Ejido land* began officially in 1992. However the *Certification Program of Ejido Rights and Titling for Urban Terrain PROCEDE* (Programa de Certificacion de Derechos Ejidales y Titulacion de Solares Urbanos) did not begin until 1994. According to information from the Mexican Agrarian Administration (Procuradura Agraria) of PROCEDE, Mexico's land surface amounts to more than 196 million hectares, whereby 100 million constitute social property. This 100 million ha are shared among 29,000 Ejidos and 2,343 communities. According to PROCEDE, on average 50% of all agricultural landholdings are less than 5 hectares. Furthermore, almost 92% of social property has been incorporated into PROCEDE.

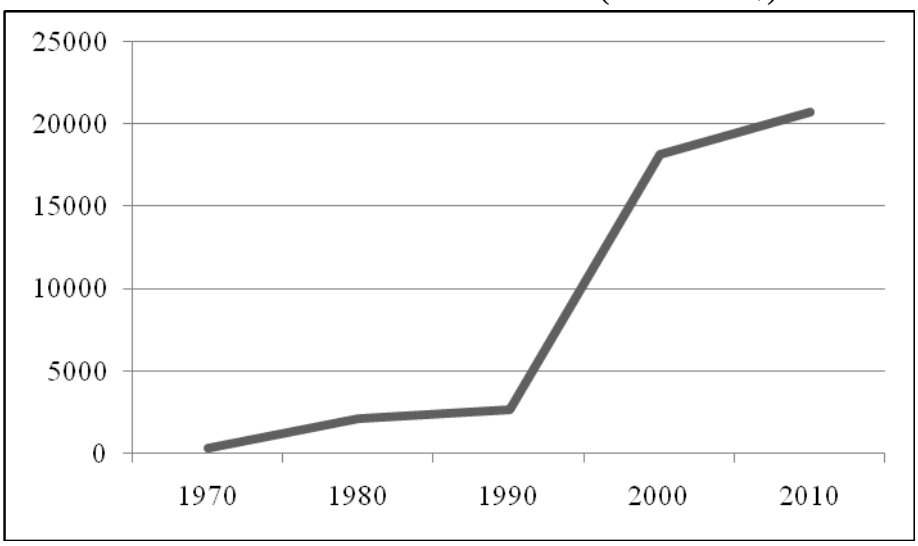
[52]Not all agricultural producers are participating in PROCAMPO, but it is clear that PROCAMPO as the main subsidy program, represents a large part of Mexican agricultural producers. According to Fox and Haight (2010), the number of participants in PROCAMPO amounted to 52.7% in 2002 and to 44.8% in 2007.

[53]CONEVAL defines alimentary poverty as a kind of indigence that refers to households where the income per capita is too low to cover the necessity of food measured by a standard basket of goods (CONEVAL, 2007).

Privatization under PROCEDE represented in particular a symbolic shift towards free market policies due to the significance of ejidos in the country's history.[54] The Procuraduría Agraria states that the privatization was a historic demand of Mexican society. However, it is clear that with the privatization in the run-up to and within NAFTA, the private investment limitation that the ejido represented had to be resolved. For rural Mexican society members, this meant, inter alia, more vulnerability, more incentives for multiactivity and for internal and international outmigration, but also more social conflicts in the process of land parceling by the program PROCEDE (de Ita, 2003).

c) As previously noted, *FDI inflows* are one central characteristic of the free trade context. In Mexico FDI inflows increase between 1970 and 2010, from 312-million US$ to 20,709-million US$ (UNCTAD, 2012) (see Chart 5.5), including flows related to agri input und agri food capital.

Chart 5.5.: FDI inflow in Mexico 1970-2010 (million US$)



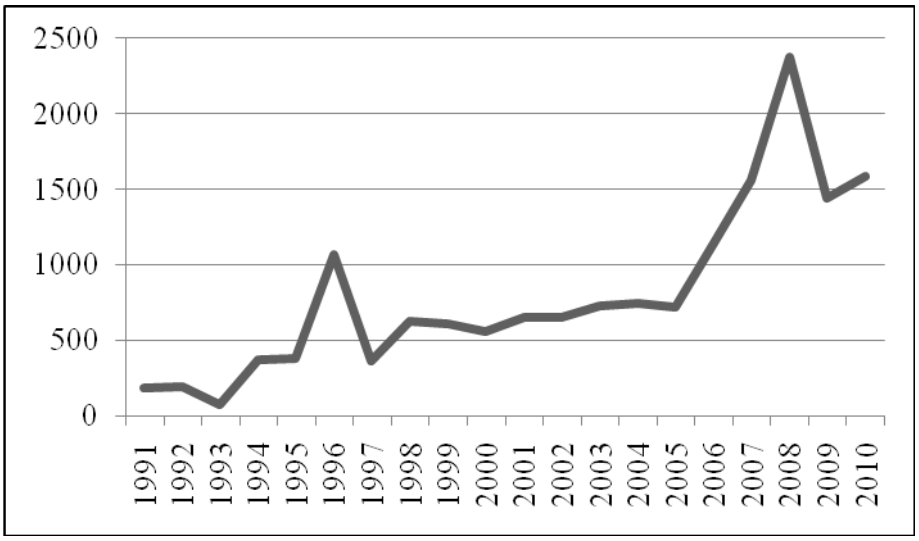
Source: UNCTAD, 2012

d) Increasing grain imports: Previously self-sufficient, Mexico is now strongly increasing its volume of agricultural imports. According to Calva (2008), the total amount of imported

[54]In the aftermath of the Mexican Revolution, the Ejido system (a land reform) was institutionalized in the Mexican constitution under article 27. Every Ejitario had the right to possess cropland in order to guarantee familiar reproduction.[54] As the parcels were inalienable and unseizable, it was only inheritable within the family. Besides the protection of rural population from poverty, another reason why the Ejido system was established was the overcoming of the historical problems of land concentration in few hands (De Ita, 2003).

food was 1,790-million US$ in 1982 and increased to over 25,000-million US$ in 2008. In particular, this trend is evident in the context of maize imports, which can be separated between white and yellow maize. Principally, white maize is designed for human consumption and yellow maize for animal feed. Traditionally, yellow maize was the main import product from the United States. Currently, this context is changing, meaning that increasingly white maize becomes an imported product in Mexico. The total value of maize imports is reflected in the following chart.

Chart 5.6.: Value of maize imports 1991-2010 (millions US$)



Source: ECLAC, 2011b

Chart 5.6 shows the evolution of maize imports to Mexico. The total value of maize imports amounted to 179-million US$ in 1991. After NAFTA was implemented it rose sharply to 1,093-million US$, dropped in 1997 and then slowly increased to 745-million US$ in 2004. Hereafter, maize imports increased strongly and climbed to a peak of 2,391-million US$ in 2008, when national protection for maize was abolished within free trade. High levels of maize imports (over 1,500-million US$) have continued to the time that this thesis was written and shows clearly the national inability of fostering effective and sufficient agricultural production. The trend of increasing imports of maize in place of domestic production must be viewed critically, because it makes Mexican agriculture and ranching vulnerable to external fluctuations.

According to Garcia, white maize has a special role in the Mexican context, because it represents a "popular food" (Garcia, 2002). Importing maize means therefore being

dependent on the economic and political dynamics of other states, in this case of the USA, which does not represent social sustainability in development, but a path of dependency. This issue I have addressed in different parts of this thesis under unequal development, and the lack of competitiveness of most Mexican producers, partly due to uneven subsidies in Mexico and USA. Uneven subsidies make imported maize from the USA cheaper than locally produced maize. In fact, according to Parnreiter (1999) imported maize was 72% cheaper than the national price for maize in Mexico over the last decade. This in turn leads to further social exclusion, social inequality, as well as further economic polarization among nationally and internationally competing agricultural producers, and to more forced migration and rural poverty.

d) *Unequal subsidies:* In the national context, unequal subsidies have to do with new selective forms of state support. As Fox and Haight (2010) highlight, medium- and large-scale producers were the largest beneficiaries of the transition from price guarantees to PROCAMPO. Before, in the context of price guarantees, agricultural production was bought by the state, meaning that those who produced more received more state support. Under PROCAMPO, subsidies are carried out without focusing on production volumes but by measuring the size of the property. Therefore, there is now no price distortion within the free trade context brought about by Mexican state intervention. However, it remains clear that PROCAMPO directs a disproportionate share of its subsidies to medium- and large-scale producers (Fox & Haight, 2010). Likewise, the distribution of benefits has a regional dimension, with medium and large-scale producers concentrated in the northern and central states, and with traditional peasant production forms dominant in the south (Fox & Haight, 2010).

The increase in imports addressed under point d) has principally to do with different forms and levels of agrarian subsidies in the countries participating in NAFTA. As noted, in the context of neoliberal globalization, a "minimal" state is desired. However, the reality is different. While in Mexico the policies of deregulation in rural zones intensified and subsidies went from price guarantees to payments according the size of landholdings, in US strong protection of domestic agriculture has continued. These protectionist policies include price guarantees for certain agricultural products (e.g. corn) in combination with high subsidies for agricultural products and support for farmers. As such, asymmetries exist with

regards to agricultural subsidies within NAFTA. In fact, according to Quintana (2007), US farmers receive on average 21,000 dollars annually in subsidies, while Mexican farmers only receive 700 dollars per year on average. The consequence of these asymmetries is cheaper agricultural products in the USA and the uncompetitiveness of Mexican agricultural producers.

e) *Maize for Biofuel:* On reason for subsidies in the US is the production of maize for biofuel. The high subsidies that agricultural producers obtain for their crops are a stimulus for agricultural production of biofuel. Currently, there is high demand for ethanol in the global economy. Depending on imports of maize, this means increasing prices for consumable imported maize, because of the high global demand and the scarcity of the product.[55] This scarcity, the rising costs of satisfiers for basic human needs, and the impacts of drought have caused types of food crisis in many marginalized regions of Mexico.

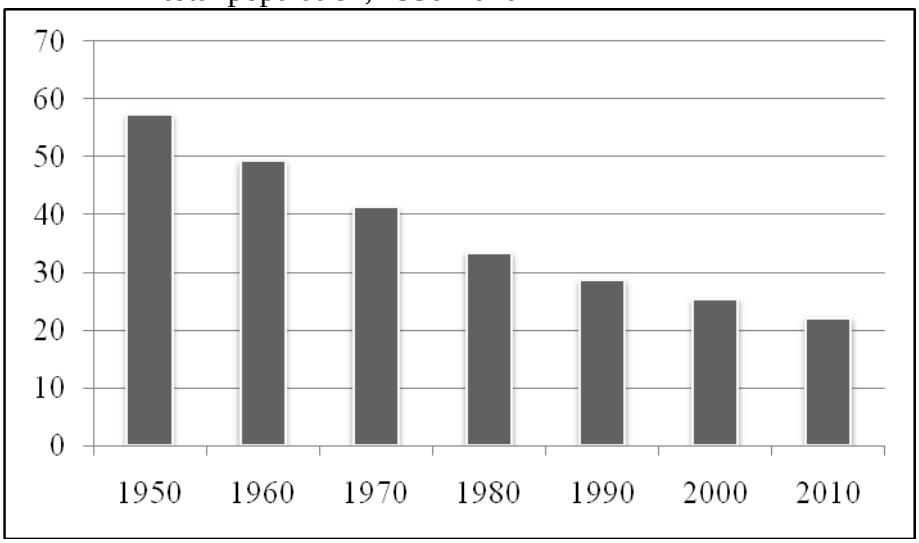
f) *Biotechnologies:* Relatively few transgenic crops have been planted in Mexico, mostly only soybeans and cotton in small quantities. This will change with the recent approval (effective December 31st, 2011) by the *Secretariat for Agriculture, Livestock Breeding, Rural Development, Fisheries and Alimentation* (SAGARPA) to cultivate Monsanto transgenic maize in experimental fields in selected Northern States of Mexico. This is expected to open the door to more widespread cultivation of genetically modified maize. Although the past participation of Mexico was insignificant in biotechnologies, this "(…) does not change the fact that GE technology has made a huge indirect impact in its agrarian social structure by liberalising its farm trade" (Pechlaner & Otero, 2008: 363). The country had furthermore engaged in deregulating its farm structure under NAFTA and "(…) regulating biotechnology according to the same corporate-driven impetus" as the USA and Canada (Pechlaner & Otero, 2008: 363).

g) Rural outmigration under NAFTA: The growth of unequal development between countries and within developing economies under NG brings about increasing precariousness of labor and social reproduction conditions in general terms and leads to

[55] In 2006, for example, tortilla prices increased from 2.0 dollars per 25kg to 3.7 dollars (Stausberg, 2007).

structural violence and increasing pressure for forced outmigration from marginalized regions. As previously highlighted, most of rural Mexico is marginalized and forced outmigration is reflected in a decrease in the rural population.

Chart 5.7.: Rural population as a percentage of Mexico's total population, 1950-2010

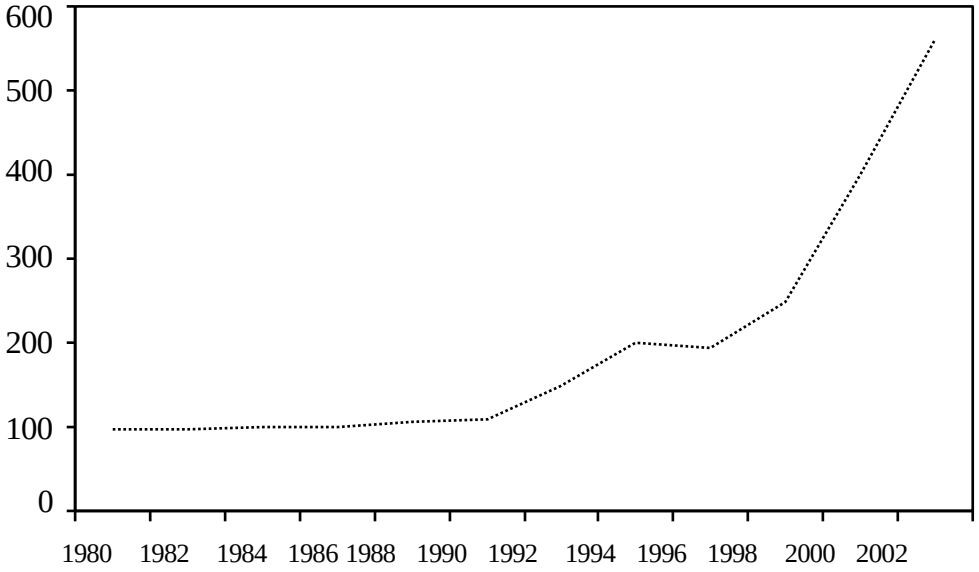


Source: INEGI, 2012b

According to INEGI, the rural population accounted for 57.4% of the country's total population in 1950. In 2010 this percentage decreased to 22.2% of the population. This exodus can be interpreted as particular strategies for overcoming the lack of opportunity structures, for overcoming the withdrawal of the state from agrarian services, as well as for searching for adequate satisfiers in order to assure basic human needs. The historical trajectory (with regional differences) of Mexican rural outmigration can be distinguished in two principal flows:

I. *Rural outmigration toward urban* areas has been historically the main flow, reflected in the decreasing proportion of the rural population.
II. The second principal flow is *international rural out migration* to the USA, which is a regionally concentrated and propelled by wage differences and the lack opportunities in Mexico. International rural outmigration increased significantly under free trade. At the same time, dependence on remittances has consequently increased.

Chart 5.8.: Estimation on the index of international rural outmigration in Mexico 1980- 2002 (1980=100)



Source: Meré, 2007: 5

Meré (2007) shows how international migration flows from rural zones have on average increased. While the index of international rural migration rose12.4% between 1980 and 1999, between 1998 and 2002, it increased by 124%. The concrete effect of this trend is manifested in accelerated depopulation in rural marginal zones, with immediate demographic and social impacts (Delgado & Marquez, 2006: 41).

Martin (2002) has argued in this context that a temporal rise in migration flows (migration hump) after NAFTA's implementation was to be expected. In fact, after 18 years of free trade policies, Mexican outmigration flows are decreasing. However, this decrease is not a result of successful adaptation to free trade, but an outcome of financial crisis in 2008 in the USA and the result of changing migration policies in some US states. The effects of rural outmigration not only include the depopulation of rural regions and the siphoning off of the productive stratum, but also dependency on financial remittances.

This is confirmed by the research of Janvry & Sadoulet, who note that 75% of rural household incomes in Mexico are based on remittances and other income sources apart from agricultural activities, while only 25% comes from agricultural cultivation and labor related to cultivation (Janvry & Sadoulet, 2007).

In sum, unequal development in the context of NAFTA is marked by increasing imports of agricultural goods, by unequal levels of subsidy, by the privatization of ejido

land, by the withdrawal of the state as development promoter and by the privatization of institutions that offer agrarian services, as well as by liberalization of markets and policies of deregulation. These rural transformations are leading to broad processes of disembeddedness of rural actors, which results in pluriactivity as a peasant reproductive strategy, to forced migration and the dependence on remittances in the countryside, as well as to the domination of monopolistic agribusiness enterprises (e.g. Monsanto, Wal-Mart). These corporations closed the gap that was left by the withdrawal of state and abolishment of agrarian services, gradually displacing local markets and providers, achieved by radical strategic marketing and mass acquisition of products, which in turn led to further unequal development. Some of these features are also found in Zacatecas, where my field research was carried out.

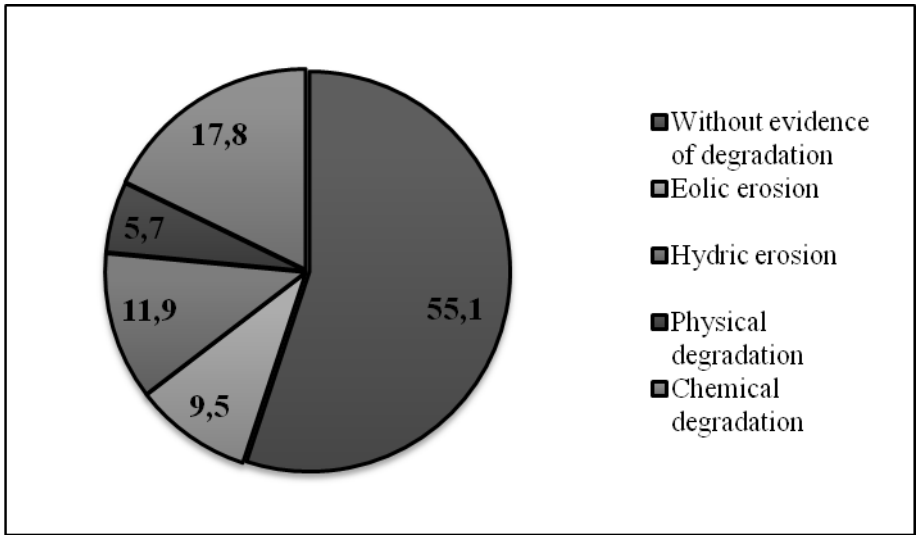
h) *Ecological degradation:* This issue has, in Mexico's countryside, varying forms as well as societal impacts, which are more evident in recent decades, leading to transformation in the productive sphere of agriculture. In this framework it can be argued that ecological deterioration is not a direct result of NG (such as in the case of socio- economic deterioration), but a consequence that is mainly caused by the logic inherent to capitalist relationships and in particular industrial production. Consequently, ecological degradation is not a new phenomenon within capitalist production. With NG and free trade zones, understood as a political and economic process of acceleration and immersion of international capitalist relationships, environmental deterioration will intensify in the future. Ecological degradation manifests in distinct forms. Here, I focus on factors that are linked to the deterioration of soil and with that, agricultural production.

First, scarcity of water is a serious problem in the development of Mexico. According to information from the Secretariat of Water (CONAGUA) in contrast to 1950, when the availability of water amounted to 18,035m^3 per capita per year, in 2006 it amounted to 4,416m^3 per capita per year (CONAGUA, 2008). In other words, in 56 years water availability decreased by over 75%. Water scarcity is particularly challenging in the rural ambits, especially for agriculture, considering that 77% of the water consumed on the national level is utilized in agricultural production (CONAGUA, 2008). Most irrigated land belongs to medium and large landholders; while over 5.5-million (vulnerable) rural residents have no public water available.

Second, drought due to climatic change represents a further threat for agricultural production and the rural segments of society. According to reports of SAGARPA in 2011 1,213 rural municipalities across 19 states were affected by drought (SAGARPA, 2012). Furthermore, according to the National Confederation of Peasants (CNC), in 2011 there was a drop in bean and maize production by approximately 40% caused by drought (CNC, 2012).

Third, human-induced soil degradation negatively affects sustainability and biodiversity, and threatens the capacity to preserve human life in the present and future (Oldeman, 1998). This was discussed theoretically in Chapter Two in relation to the concept of the 'metabolic rift'. According to *Mexico's State of the EnvironmentReport2009* published by the Mexican Secretariat of Environment and Natural Resources (SEMARNAT), soil degradation is a serious issue, with broad impacts in the rural context.

Chart 5.9.: Degradation of soil in Mexico



Source: SEMARNAT, 2009

According to this study, only 55.1% of land in Mexico shows no evidence of degradation, while 44.9% shows various kinds of deterioration, such as eolic and hydric erosion (21.4%), and chemical and physical degradation (23.5%).

Although it is not always possible to differentiate between these three causes, this information gives us an idea of the productive and socioeconomic impacts of ecological degradation in rural Mexico. It is clear that unsustainable agriculture, for example, involving intensive irrigation and chemical inputs, will increase within the current

economic and political context and with that environmental degradation will likely increase, as well as the scarcity of water in the coming decades; both represent a trend that will significantly affect the most marginalized and vulnerable segments within the SH-context.

5.5. Political and economic transformation in Zacatecas under NAFTA

Previously, I discussed neoliberal globalization (NG) and unequal development as one of its main features in marginalized regions. In the framework of rural Mexico, I examine it by discussing transformations under free trade. In the research context of Zacatecas we can find similar features.

Zacatecas possesses three central productive spheres: mining, farming (mostly small-scale agriculture), and ranching (Delgado, Figueroa & Hoffner, 1991).Historically, the state has served as a supplier of natural resources. Due to this extractive nature of its economy, the state was not able to advance industrially under ISI policies. Thus, without broad industrialization, the local economy was and still is not able to generate sufficient economic surplus. Backward and forward industrial linkages are few and far between and do not offer very many employment opportunities in its domestic labor market (Delgado, 2000), leading to conditions of uneven progress and underdevelopment. This development failure is expressed in the fact that Zacatecas is one of the marginalized states in Mexico, with a medium degree of marginalization; the state occupies only the 13th place (CONAPO, 2010).

To overcome these conditions, a significant portion of the Zacatecan population was forced to use the international labor emigration option. This is reflected on the one hand in the fact that Zacatecas, with an index of 2.3589 (CONAPO, 2010), is the state with the highest migration intensity in Mexico, and on the other by its long international labor migration tradition (over 100 years).

The existing unfavorable labor circumstances for broad societal development in Zacatecas can be illustrated by the following empirical information: in 2010 the number of economically active people (EAP) in Zacatecas (over 14 years of age) was 532,298 people, which represents 54.1% of the total population of the state, which is relatively low compared to the national average in the same year (58.1%) (INEGI, 2012a).[56] Furthermore,

[56]Percentages calculated on the basis of total population aged more than 14 years.

in 2010, 24.32% of Zacatecas' EAP was occupied in the primary sector (mining and agriculture), 22.88% in the secondary sector (industrial production, etc.) and 52.01% in the tertiary sector (services). As such, the percentage of the EAP in the primary sector in Zacatecas is 11% higher than the national average (13.36%). Meanwhile, the secondary sector has 1.6% less activity than at the national level (24.44%), and the tertiary sector is similarly 9% less than on the national level (60.88%) (INEGI, 2011b). Thus, it is clear that mining and agriculture are the leading economic activities in Zacatecas. With regard to agriculture, it can be argued that among producers there is structural heterogeneity, which I take up below.

With several economic and political transformations under NG, we can observe a further step toward "profound disarticulation in productive terms" (UAED, 2011: 3), which increased with the integration into NAFTA. With regard to the state of Zacatecas, we can detect some specific structural attributes that are historically generated, but with NAFTA, these structural aspects began to increase and to deepen, as is summarized in the following points:

First, mining is one of the central economic activities in Zacatecas. In 2009, mining represented 14.30% of the Gross Domestic Product (GDP) of Zacatecas; more than commerce (12.72%), industrial manufacturing (12.10%), and agriculture (10.70%). However, mining generates relatively few jobs; only 3,935 mining jobs were created in Zacatecas in 2008 (INEGI, 2011b). In addition, the state receives very little revenue from this sector, which is accompanied by high social cost, such as the exploitation of labor force, environmental degradation, etc. (UAED, 2011). In the framework of free trade, state intervention has been reduced and, in the mining sector, TNC activities have increased. This translates into higher social costs

Second, rurality represents a significant societal context in Zacatecas. According to the National Institute of Statistics and Geography (INEGI) in 2011, 41% of all Zacatecans were living in rural locales[57] (INEGI, 2011a), which signifies that the state is strongly marked by a rural society. In this view, Zacatecas is predominantly rural in economic activities but uneven in the existing levels of development, which I have addressed above under structural heterogeneity. This context becomes apparent by examining the

[57] Rural localities are defined by INEGI as localities with a population of less than 2500 people.

contribution of agricultural actors in their forms of production. According to statistical information of INEGI (2012a), in 2009 the state had a total of 1,280.795 ha of cultivated land, whereby 163,846 ha (13%) is dedicated to agriculture with irrigation systems and 1,116.899 (87%) is carried out by temporal agriculture forms, which makes it the state with the most extensive rainfed agriculture land in the country. To respond to adverse socioeconomic circumstances in the rurality of the state, members of traditionally Zacatecan society have practiced international migration, which in combination with subsistence production forms has been the main strategy for family advancement. These strategies, as discussed below under the "binomio producción campesina- producción de fuerza de trabajo migrante" (Delgado et al. 2004), are currently difficult to carry out under changing political and economic conditions.

Furthermore, the Zacatecan landscape is marked by small-scale production forms, which represents a "scaffold", a "social unit" in the rural sphere. This sector of the population is "(…) associated with a regional lifestyle [and] articulated in a multiplicity of micro and small-scale enterprises, applied arts, handicraft, (…) cultural practices" (UAED, 2011: 3). It is evident that agricultural producers in rain-fed areas exhibit technological gaps, which affect constant rural production volumes. Zacatecas' rain-fed agricultural production is dominated (90%) by the cultivation of beans, corn and feed oats. Maize production volumes from rain-fed agriculture amounted to an average of 251 thousand tons per year between 1980 to 1984; this figure diminished in the aftermath of NAFTA (1995-1999) to 145 thousand tons per year and then recovered between 2005 and 2009, reaching an average of 174 thousand tons per year (Luna, Avelar, Luna, Hernandez & Llamas, 2012). This drop in production evidently results in productive and social gaps, influenced by political and economic transformations in rurality under NG.

In the case of maize, the drop in production is due to various factors. On the one hand, as section 5.4 addressed, agricultural imports and in particular the import of low-price maize have increased markedly and with that, small-scale producers have found themselves at a competitive disadvantage, excluded from local and global markets. As noted, this has to do with the regressive distribution of subsides in Mexico and the extreme difference in the levels of subsidies between the USA and Mexico. This situation has worsened since 2008, when the final trade barriers for the importation of corn were completely phased out in accordance with NAFTA.

The virtual disappearance of extension services in the course of structural adjustment programs and the need to purchase chemical fertilizer, pesticides and herbicides from private companies has made small-scale production less profitable than before.

Thus, small-scale producers need to diversify their activities within the agricultural sector by altering the crops under cultivation or by searching for other labor opportunities (previously discussed as the multiactivity of rural actors). In this way a virtuous circle can be established, because peasant production forms often represent survival strategies, their abandonment translates into a higher risk to fall into rural (food) poverty. This in turn provokes the consolidation of multiactivity strategies and the economic dependence upon those revenues derived from these strategies, including outmigration and financial remittances.

Third, changing migration patterns reveal transformations in the case of Zacatecas. As previously noted the state has a long history of outmigration to the United States (CONAPO, 2010). According to CONAPO, international migration and remittances show a declining trend across the country, including in Zacatecas. In the national context, Zacatecas has the highest migration intensity. Accordingly, the state is ranked first in human mobility with an international scope (CONAPO, 2010). Empirical information from CONAPO shows that in Zacatecas, households with family members who migrated to the US amounted in 2000 to 11.4%, and diminished to 4.5% in 2010. Even so, the state still ranked in 2nd place after the state of Guanajuato.

With regard to circular migration, we can also observe a downward tendency. While in 2000, 3.4% of all Zacatecan households had at least one person categorized as a circular migrant, this number declined in 2010 to 2.3%. By contrast return migration in Zacatecas shows an upward trend: in 2000 only 2.6% of all households had returning family members, while in 2010 this increased to 5.6%. Finally, migrants' financial remittances are affected by these trends. Consequently, of the 377,293 Zacatecan households that were registered in 2000, 13.3% received financial remittance, with this number decreasing to 11.04% in 2010.

Zacatecan migration was previously marked by what some scholars called the *"binomio producción campesina - producción de fuerza de trabajo migrante"*, a dualism of peasant - migrant labor force production (Delgado et al., 2004), understood as a strategy for satisfying human needs. This dualism was the foundation of the subsistence strategy

pursued by Zacatecan peasants, in which financial remittances and subsistence agricultural production constitute the two main mechanisms for maintaining households. Following the application of structural adjustment programs, neoliberal policies and the implementation of free trade under NAFTA, as Delgado et al. (2004) argue, migration patterns began to change. In accordance with the empirical information provided above, earlier migration patterns were of a circular character. Within the context of NG permanent forms of migration became more common. This is mainly due to the difficulties and danger associated with crossing the border illegally, as well as to increasing job insecurity and to the passing of laws that have made it more difficult to reside illegally in the US. These changing migration patterns have had different fundamental social impacts in Zacatecas: economically it has meant a decrease in financial remittances, and demographically it has led and still leads to the gradual depopulation of municipalities and "brain drain".

Fourth, as a main feature of NG, FDI flows are quickly increasing worldwide, implying the entrance of transnational corporations. In the Zacatecan rural context this is characterized by the inflow of "agri-input capital" and "agro-food capital" of transnational enterprises. Both impact rural Zacatecas in different manners. In the following section I will discuss this concretely by focusing on transnational enterprises in the tequila sector in the state of Jalisco and how their growing presence affects the mezcal sector in Zacatecas.

Fifth, state institutions have an important role in this context. The uncontrolled entrance of foreign capital is evidently fostered by the positioning of the state, which can be manifested, for example, in negotiations with transnational players, tax policies, public policies, etc. Related to this, some of the changes that have negatively affected small-scale producers include the withdrawal of the Mexican state institutions from the agricultural sector (e.g. the abolishment of price guarantees on agricultural products, entrance into the GATT, the privatization of FERTIMEX[58]) and the parallel transition toward other forms of subsidy that focus and support medium and large-scale production, constitutional changes that allow for the privatization of ejido-land, the opening of rural local markets through NAFTA, accompanied by agricultural imports of basic gains and the lack of a concrete long-term development vision. This political trend also had important impacts in Zacatecas: although a large part of society is living in rural localities, only 10% of public

[58]FERTIMEX: Fertilizer of Mexico was a state-led enterprise, which produced and provided fertilizer for Mexican agricultural use.

expenditure is spent in the rural sphere, argues Marco Antonio López Martínez, president of the municipality of Tlaltenango in Zacatecas.

Sixth, the above-mentioned factors that lead to rural disarticulation are also accompanied by other factors that are indirectly related to capitalist development, but increasing in their intensity and impact under free trade:

a) *Ecological degradation and in particular drought, water scarcity and environmental contamination by mining activities* are significant factors in the Zacatecan case. The state of Zacatecas is arid, and its landscape is largely characterized by desert. As such, drought is a problem, and this is exacerbated by socially unsustainable public policies. This refers to marginalization and unemployment and with that the lack of reproduction possibilities, leading to outmigration, as well as the depredation of natural resources.

In this context, drought can have different causes, which are often long-term and need to be distinguished from soil erosion, although both are interlinked. In this vein, drought is fundamentally a consequence of climatic change that extends or delays dry periods, making rain-fed agriculture difficult. In turn, extensive dry periods lead to gradual soil erosion.

According to official reports from SAGARPA (2012), 80% of all agricultural production in Zacatecas is currently affected by drought. Neoliberal regimes (including the state level government) see this problem as a technical issue. This reflects what McMichael (2009) calls "market-environmentalism" insofar as public policies seek market-orientated technological solutions to social and ecological problems, including, for example, cloud bombardments, biotechnologies and the application of more chemical pesticides, herbicides and fertilizer. From a critical perspective, these technologies undermine social and ecological sustainability in rural Zacatecas (UAED, 2011) and intensify the 'metabolic rift'.

b) *Insecurity* related to the drug war in Mexico, including the state of Zacatecas represents a central development issue. It can be seen as an *organized* response to a societal crisis in Mexico, related to a lack of opportunity structures. Differences in the price between Mexico and the USA, with regards to the cost of illegal drugs, make the export of narcotics attractive because of the potential for large revenues. On a broader level, insecurity refers to the context of economic crisis and simultaneously to the criminalization of undocumented migrants in the United States. Both aspects represent significant factors to consider in

Zacatecas, because both increasing organized crime on and outmigration drain Zacatecan rural society of its productive members (UAED, 2011).

Seventh, affected by the weak state functionality, Zacatecas lacks an agency of local and regional development. Public policy in the state of Zacatecas is often reduced to the promotion of market-friendly measures such as the "(…) attraction of private foreign investment, the implementation of federal programs with labeled [financial] resources, the management of poverty through policies based on targeted assistance and the encouragement of remittances" (UAED, 2011: 4).According to Garcia and Contreras, this is due to the fact that in Zacatecas since the 1970s, there has been no effort to reform policies from the "(…) comparative advantages based on natural resources to comparative advantages based on scientific and technological development (…)" (2012:8), with the consequence of failing to "(…) design and establish a real integral strategy for economic and social development (Garcia and Contreras, 2012: 7)

The absence of an adequate agency of development is not only due to the transformation in the public policy sphere, but also to the fact that state's governmental departments do not cooperate appropriately on an institutional level. Also, cooperation with civil society organizations (e.g. entrepreneurship, transnational organizations) falls short. The result of this amalgamation of factors leads to the absence of adequate and strong agencies of development.

All of this can lead to higher levels of social unsustainability, crises, crime and poverty. It can also provide the impetus for new social movements in Zacatecas. Structural heterogeneity exists and the rural actors that represent the lowest layers (in other words small-scale producers) are the most vulnerable to changing and adverse conditions (economic, political, ecological and social). In this vein, technological and productive gaps in these segments of society easily convert to social challenges: increasing social inequalities, social exclusion, different kinds of poverty and forced migration. In the context of free trade these processes accelerate, for example, by highly increasing agricultural imports, based on uneven competitive conditions with the effect of extending structural heterogeneity in Zacatecas.

Social rural actors have utilized different strategies to cope, in other words, they have resorted to multiactivity. In this regard, international migration is one of the most popular strategies, with changing patterns (from circular to permanent migration), which affects the

flow of remittances to Mexico. International migration as a family development strategy also has negative repercussions, including increased dependency on remittances and the drain of workers and brains. This weakens agricultural production among the peasantry and small-scale producers.

In sum, Zacatecas exhibits a limited scope regarding its capitalist productive activities. These activities are mainly of an extractive nature, which is closely related to the great limitations and precariousness that exist in its domestic labor market. Binomial peasant subsistence production and labor exportation has represented the main socioeconomic support in the state. However with the implementation of SAPs and NAFTA in the rural sector, this fragile basis of stability has been profoundly eroded. In turn, this offensive against the small-scale agricultural producer sector has changed the nature and scale of the Zacatecan migratory process with adverse effects on the scope and potentials of the transnational social space established throughout the long migratory tradition in Zacatecas.

This adverse context requires that crossborder agents think differently about potentials that exist among diverse social and political actors in the state. This was introduced in Chapter Four in the context of an analysis of 'transnational development'. Development and in particular TD requires in practice multi-stakeholdership constituted by the affiliation of different agents and agencies, such as state institutions and/or civil society organizations. Currently, we cannot identify cooperating state institutions for (transnational) development, nor active support for enhancing civil society organizations so that they could constitute authentic agencies of development.

In the next section I address some relevant aspects arising from the analysis up to this point as they relate to specific agricultural sphere, namely, the agave sector.

5.6. The liquor product chain in context of neoliberal globalization

The historical trajectory of agave production and its processing (principally into tequila and more traditionally into mezcal across various states of Mexico) is a concrete example that illustrates the process of regional development processes under neoliberal globalization. This subject also frames the historical and actual development context of the field research for this thesis, the Zacatecan case study *Caxcania*.

5.6.1. The agave-tequila product chain in Jalisco

It is important to emphasize that without an understanding of the development history of tequila in the neighboring state of Jalisco, the research field is difficult to understand. In this vein, tequila production represents the historical way of processing agave in Mexico, giving rise to the appellation of origin. Although mezcal production, for example, in Oaxaca or in other states has a longer tradition than the production of tequila, the latter represents the development history of an industrial and capitalist production process, which includes different kinds of actors at different societal levels (e.g., traditional agave producers, small-scale and large-scale tequila producers, transnational enterprises, the state), as well as different technological insights and production procedures. Tequila is a globally-known alcoholic drink, based on the fermentation and distillation of sugars from the agave plant. The processing of agave into tequila and its national and international sale is an important pillar of the economy, especially in Jalisco.[59] According to Macias and Valenzuela (2009) around 45,000 families currently depend directly on the agave-tequila production chain. The main characteristics of this production chain are as follows:

a) *Appellation of Origin of Tequila* refers to the protection of the product in that it "(…) can only be planted and harvested in Mexico within the limits of a specific region, namely, the Region of the Appellation of Origin of Tequila" (CRT, 2011). It also gives tequila producers protection from competition, making its production more attractive given the quality guarantee that makes the product more valuable on the market.

b) *Structural heterogeneity* among actors in the agave-tequila product chain, not only leads to difficulties in the development trajectory, but also to persistent social conflicts among agave and tequila producers.

c) *The Tequila Regulatory Council* plays an important role in the sector. Its main functions are the protection of the Appellation of Origin of Tequila in Mexico, the verification and

[59] Jalisco is one of the five Mexican States (with Nayarit, Michoacán, Guanajuato and Tamaulipas) that possess the right (*Appellation of Origen*) to produce alcoholic drinks of the Agave plant under the label *Tequila*. However Jalisco represents the state with greater cultivation rights and concentration in the tequila industry. According to Macias & Valenzuela (2009), in 2003, 70% of employment and 97% of the total production in distillated Agave drinks of Mexico was generated in the state of Jalisco.

certification of compliance with the existing norms for tequila processing, the realization of quality controls in the tequila industry, and representing the interests of relevant groups (Bowen, 2008). However, the Council to exacerbate social inequality and exclusion among actors, because of its high membership fees and because the giants of tequila production have more power and influence in the organization than small-scale tequila producers and agave growers.

The above-mentioned impacts of SAPs on the role of the state are clearly visible in the agave-tequila product chain. Previously, the state played the central role of protector of the national industry and promoter of internal development. These concrete functions dissolved partly with the transformation of the state in the aftermath of the 1980s and disrupted its scope of action, with impacts that are observable in the agave-tequila sector. The *Sistema Producto Agave-Tequila* is a state institution that attempts to strengthen the strategic product chain through technical and training support, as well as by offering development aid to the sector. However, as Álvaro García Chávez, head of the Department for Rural Development in Jalisco (SEDER) argues in the Mexican newspaper *Informador* (2010) that the subsidies of recent years in the agave sector in Jalisco have failed to achieve the aim of increasing the consumption of agave. This has to do with contradictory public policies in Mexico: massive privatization of public institutions that supported the sector, such as FERTIMEX, which distributes fertilizer for the agave plants, combined with the absence of an institution charged administrating the Appellation of Origin. This means that there are no explicit rules or sustainable support systems for small-scale supply-chain actors. Also, the opening of the national economy since 1982 led to a dramatic increase in FDI in the sector, resulting in a greater number of large transnational corporations, both upstream (suppliers of chemical, fertilizers and other inputs), and downstream (tequila processing), without significant state intervention. Currently, the three tequila giants Cuervo, Sauza and Herradura are in the hands of transnational corporations. Over 70% of the national market and around 50% of the export sector are controlled by foreign capital (Macias & Valenzuela, 2009). On the other hand, some institutions, such as the Sistema Producto seem to have the will to support strategic agricultural products, such as agave-tequila, through technical support, training programs and scattered subsidies.

5.6.2. The agave-mezcal product chain

The agave-mezcal production chain is marked by similar characteristics to the agave-tequila product chain. The agave-mezcal production chain includes the Appellation of Origin *Mezcal*. Under this appellation, since 1995 mezcal production is only allowed in the states of Durango, Guerrero, Guanajuato, San Luís Potosí, Oaxaca, Tamaulipas and Zacatecas. The southern state of Oaxaca is the leader in agave and mezcal production with an average annual production volume of over 200 thousand tons of agave in the period 1998-2007. Oaxaca is followed by Zacatecan agave production, with a significantly lower average production level of 20-thousand tons or less (SAGARPA, 2010).

My field research was carried out in a southern region of Zacatecas, known as the Cañon de Juchipila. This region exhibits the same structural features of rural transformation and development discussed above in the broader context of Zacatecas. In particular, we see that in this region several productive organizations exist, but these have very low levels of organizational development in terms of planning, execution and evaluation of future processes and strategies in order to integrate in external productive chains, with the objective of gaining access to get access to local and global markets. Furthermore, due to the lack of infrastructure, low technological capacities and to gaps in the social actors' schooling and training, some rural alternative production opportunities are underexploited. The objective to diversify the productive sphere cannot be achieved. Both aspects result in no or very little capacity to process regional products. Consequently, very little value is added, meaning that natural resources and agricultural products are sold in local and global markets as raw materials (SEDAGRO et al., 2005).

In addition we can highlight the following features of the agave-mezcal product chain in Zacatecas:

a) As previously noted, *structural heterogeneity* is manifest in the development levels of different states, the economic and social position of different actors in society (peasants, migrants, deputies etc.) and production conditions and volumes.[60] Beyond these

[60] The production methods of a *Palenque* in Oaxaca based totally on traditional and artisanal forms of production do not have to do with the production form in Zacatecas, which represent the huge industrial distillation model copied from the Tequila branch. Also, we can find emerging heterogeneity: for example, in the state of Zacatecas we can find enterprises that exist over several decades (Zacatecano, Huitzila) and other ones that only recently emerged (Caxcania)

differences, when we focus on the case of Zacatecas, significant structural heterogeneities exist within the different production spheres. On the one hand, in the sphere of agave production, the actors involved are mostly small-scale producers who engage in rain-fed agriculture. Accordingly, in 2005 the *Cañon de Juchipila* had 35,741 ha in cultivated land, with only 2,493ha (7%) based on irrigation systems and 33,248 ha (93%) on rain-fed systems (SEDAGRO et al., 2005).

As such, agricultural production in the Cañon tends to be uncompetitive, and the region's farmer constitute vulnerable segment of Mexican society. While agave cultivation is appropriate for the semi-arid conditions that prevail in the majority of the region, structural issues interfere strongly.

With regard to the distillation of mezcal a few entrepreneurial actors seek to establish industries. Agave producers are full partners, but have insufficient investment capital; neither entrepreneurial training, nor adequate preparation for the industrial distillation processes.

Thus, structural heterogeneity leads due to different logics and interests in the case of agave and mezcal production, to several problems in the development process of the sector. In this vein, representatives of the *Sistema Producto Maguey Mezcal report*, with references to the state of Oaxaca that various problems exist in the production of agave and mezcal, such as a lack of cultivation planning, low levels of organization among agave and mezcal producers, and the predominance of small-scale production, which impedes large-scale production and limits international commercialization. These issues also pertain to the state of Zacatecas.

b) *Sistema Producto Maguey Mezcal:* as in the case of the Sistema Producto Agave-Tequila, agrarian support for this productive chain comes in the form of SAGARPA's National Mezcal Committee (Comité Nacional del Sistema-Producto Maguey-Mezcal). The *Sistema Producto* (SP) service strategically supports important products of agrarian sectors (e.g. maize, bean, agave, etc.). In the case of agave and mezcal, we find the *Sistema Producto Maguey Mezcal* (SPMM), which according to the institution, offers support for participation and sustainable rural development in each relevant state. The idea is to foster the "strategic construction of mechanisms" (SAGARPA, 2010) that are defined by the agave and mezcal producers themselves. For that reason, in each state NGOs are

established in order to ensure the participation of agave and mezcal producers. The scope of this institution encompasses the entire process of production, in which the SP and the NGOs offer consulting and training services (SAGARPA, 2010). The former also provides subsidies for the agaveros and mezcaleros.

c) *The Regulatory Council of Mezcal* (COMERCAM) is the institution that regulates primary production of agave and mezcal, with regard to its quality, the registration of plantations of agave, and the administration of product certification in all seven states, where it is produced (COMERCAM, 2011).

In the agave-mezcal product chain, there are not only particular structural aspects that hamper development, but also transnational efforts that I discuss under transnational development.

According to Trejo, López, House & Messina (2010) the image of mezcal has increased in recent years. In 2008 around 41% of the Mexican population considered mezcal to be "a high quality alcoholic beverage". This finding falls in line with 'chemical 'studies, carried out by independent researchers, in which mezcal came fourth in comparison with other liqueurs (e.g. whiskey, brandy, etc.) mezcal is a high quality product, because it contains low levels of superior alcohols, argues Edgar Esparza, researcher at the Autonomous University of Zacatecas (UAZ) (Esparza, interview, 2011).

However, most actors in the agave-mezcal product chain are affected by several factors, some of which have a structural character. Here I discuss two central aspects with a structural character:

First, national and international quality certifications*:* These are crucial for the large-scale marketing of mezcal in Mexican and foreign markets. COMERCAM is the institution responsible for the awarding of quality certifications with regard to the production and the certification of cultivated agave, as well as the final product certification. The production certification process illustrates the first structural issue. To obtain this certification, a producer must meet certain requirements that are difficult for small-scale mezcaleros to finance without seeking credit or collaborating with other mezcaleros in a cooperative. The high costs of certification translate into economic and social exclusion for most mezcal producers. High costs in obtaining the mezcal quality certification constitute another social exclusion mechanism. According to COMERCAM, national and international certification

costs approximately 15,000 pesos. In most cases, mezcaleros need to 'chemically' correct their alcoholic beverages in order to receive quality certification. As Edgar Esparza observes:

> Certification, above all lab costs are very high. Often lab analyses need to repeat, which elevate the already high costs. But the problematic point is that the external labs, with which COMERCAM works, have the obligation to report failed mezcal analysis to the institution, leading to more difficulties in the obtainment of certification, because the institution then monitors the mezcaleros who failed lab analysis" (Esparza, interview, 2011).

Second, the competition with the tequila industry within the context of free trade is a special structural issue for agave producers, but above all for mezcal producers. We can argue that unfair competition and social exclusion, which has been exacerbated by free trade, has led to power disparities among economic players. The tequila branch represents the direct competition for the mezcal sector. As mentioned above, the former is dominated by large transnational corporations such as Cuervo, Sauza and Herradura. As such, power asymmetries exist between the large-scale producers of tequila and the small-scale producers of mezcal. While the main actors in the agave-mezcal product chain also receive support from the SPMM, the state and its dependencies have, as noted in the agave-mezcal context, a two-fold influence: on the one hand, they provide subsidies, training and consulting programs for relevant actors; on the other hand, structural conditions, combined with the state agency representatives' short-term development thinking have led to the fact that transnational tequila giants hold significant influence in politics and dominate the sector's advertising and marketing strategies on the national and international levels.

These structural aspects are adverse to human progress, especially for social sustainability, participation and for the appropriation of the agency sphere by the 'subject' of development. These are at the same time significant limitations for transnational development in practice. This is so, because existing traditional small-scale economic actors cannot compete with powerful corporations, which are internationally connected and possess enormous financial resources that enable them to dominate markets and influence public and sectoral policies. Under neoliberal globalization, instead of promoting the development of the entire sector and controlling TNC activities, there is evidence that the state, manifested in different institutions and levels, facilitates these corporations' activities, thereby weakening endogenous efforts for local and regional development. The

consequences include the failure of development efforts rooted in the state or civil society, underdevelopment in Zacatecas, greater social exclusion, and increasing social inequality. All of this in turn leads to increasing outmigration, more insecurity and organized crime, rising ecological degradation, and so on.

There is the possibility to change this situation by introducing novel development models that are appropriate for certain regions and enforced by collective initiatives. Zacatecas has strong crossborder ties, with much potential for fostering broad societal advancement through transnational development. Additionally, there are collective initiatives in Zacatecas to grow agave and produce mezcal, such as the ones carried out by the network company Caxcania.

Throughout this Chapter, I have addressed structural factors as the most significant limitation to transnational development, but there are also sociocultural and other limitations, discussed in detail in the following and last chapter.

CHAPTER VI

6. EMPIRICAL FINDINGS

After revising and discussing theoretically the context of migration and development, I introduced a model for transnational development in Chapter Four, with the objective of proposing another way of looking at the linkage between migration and development. I defined different analytical perspectives in order to address limitations and potentialities of transnational development and began to discuss theoretically the possibilities and the constraints represented by this proposed connection. In Chapter Five, I examined structural restrictions, which have to do with the historical trajectory of capitalist development worldwide and how this is reflected in Mexico, Zacatecas, and in the particular product chain studied above, to which the network company Caxcania belongs. In this last Chapter, I will address the particular limits and potentials of transnational development in a concrete case study in order to contrast theory with development practice, meaning the examination of a case study with regard to the theoretical considerations for transnational development and its respective limitations and potentialities.

To gather information related to these limits and potentials and to the relevant research questions, qualitative field research was carried out in Zacatecas where most of the partners are located, as well in Los Angeles, California, where a significant number of partners and family members of partners are located. The different research techniques employed include the following:

i) Narrative and expert interviews: According to Bergmann (1985), an interview is a product of verbal communication. The particularity of this procedure is the reconstruction of diverse aspects of social reality in the perspective of the subjects in the research field. I employed semi-structured narrative interviews to draw more information from agave producers, who are simultaneously also partners, as well from the leaders of Caxcania. I interviewed experts to obtain information on development issues in the region, including information about the factors limiting TD. I employed interviews to learn about the agave and mezcal producing sector in general, as well to obtain other specific relevant technical

insights into the cultivation and processing of agave. Interviews with leaders in Caxcania are useful in order to learn about the social and economic development that Caxcania has contributed to the region, and about future objectives, vision and strategies of the project. Leaders of the Hometown Associations (HTA) are useful interview subjects in order to gain insight regarding the vision of organized migrants and strategies for TD in the receiving country. Partners are central in the perception of how 'subjects' of development see things, such as their linkages to international migrants, their problems in cultivating agave and the effectiveness of leaders and other partners, which is often marked by differences of interests or social conflicts. I also carried out these kinds of interviews in Los Angeles.

ii) Group discussion: According to Mangold (1960), group discussions draw out further information (i.e. opinions, perceptions, attitudes or beliefs) from a group of people toward special phenomena, circumstances or events. The "collective opinion" does not refer to the summation of individual opinions; it refers to information based on collective interactions. Further "collective opinions" are not products of group discussion; they are, according to Mangold, only updated. I used problem-centered group-discussion analysis in Caxcania by carrying out five workshops with agave producers between July and December 2011. I employed this technique in order to reveal how the structure of relevance among partners of Caxcania are constructed with regard to economic and social development and how they can coordinate / could organize their action strategies among partners and family members in Mexico and the USA. Group discussions are also very useful to reveal "interfaces" (Long & Long 1992) and conflict lines among partners, leaders and state representatives, which represent clear limitations in TD alongside structural limits.

iii)Participant observation (PO): The participant observation method is an active process carried out by the researcher, whereby he or she is actively involved within the research context. In this way, the researcher has the possibility to generate data by analyzing the actions and thinking patterns of the subjects in an active participation process. There is also the assumption that by using participant observation (participation on immediate interactional experiences of a given situation), aspects of action and thinking is more observable than with other methods (e.g. interviews) (Lüders, 2006). I applied this method in the Caxcania study by attending public events and meetings, as well as by carrying out

the aforementioned workshops between February and December 2011. PO is useful in order to obtain information from relevant actors by intervening as a participant in the interaction and action processes as a researcher. In this case, it was also used to observe how partners and leaders cultivate and care for their plants, how they carry out meetings in the agave producer organizations, how they accomplish negotiation processes with relevant internal and external actors (e.g. state representatives), how they handle limiting factors in agriculture (e.g. multifunctionality) and how they overcome technical and social issues in Caxcania. It was also crucial in observing the ways in which partners transact in TSSs, which display the potentials of TD, but also the limits in the case of low usage of these links.

iv) Collection of relevant documents and analysis: Documents are written texts, which serve, according to Wolff (2007), as "chronicles or evidences for a process or facts of a case". The analysis of documents requires initially a revision with regard to its authenticity. This can be carried out by examining its emerging context or through a revision of the inner consistency. Mainly this technique serves in order to research the public or judicial aspects of a certain case, since in this sphere the production of that kind of document is very common. Interviews and group discussion can lead to different research results according to the subjective perception of actors. For that reason, I employed document analysis in order to obtain factual information about the origins of an event. Document revision and analysis helped to understand the formative period of Caxcania, how agave producer organizations, HTAs and external agencies collaborated in the context of Caxcania, how partners in the USA searched for sales markets in Los Angeles, how much and with what resources the factory was financed, as well as how representatives of the education system and international NGOs were involved institutionally in the project.

The evaluation of information obtained in the field research shows the concrete limits and potentials of TD in the context of Caxcania.[61]

[61]Information obtained by group discussions with producer organization members and participant observations are not explicitly marked in this document as information obtained through these methodological strategies, but they are offered in a descriptive manner. Furthermore, only concrete interviews are marked as interviews. In participant observation situations, group discussions and during public events, interviews and similar conservations took place. In these circumstances I pursued conversations that were later utilized not as interviews per se, but as sources of valid empirical information.

The field research was guided by the following central questions:

1. In what ways has the Caxcania project contributed to development among its participants, in its rural communities in Zacatecas, and in its migrant collective in the US?

2. What are the concrete limits and potentials of the Caxcania project with regard to TD?

To test the research questions and the hypotheses formulated in Section 1.3, the field research in Caxcania was to be the subject of systematic empirical investigation. The results are presented below.

I will begin with the crossborder ties of Zacatecas, where Caxcania is located. Afterwards, I will conceptualize the case study by reflecting on the history of agave production, organization forms and the network company Caxcania. After introducing this important foundation, I will work out the particular limitations and potentials of TD on the basis of evidence gathered in the case study in order to verify the theoretical assumptions or to the contrary, to inform the theoretical consideration on limitations and potentialities via empirical insights.

6.1. The transnational context in Zacatecas

With regard to human mobility issues, Zacatecas is characterized as a state with a long migratory tradition, forming part of what Durand (1998) calls the "historical region of Mexican migration to the United States". Delgado and Rodríguez (2001) concur, arguing that international migration flows have been observed for more than a century in the region. This means that the use of the 'exit' option in Zacatecas is a traditional process, used in order to respond to the decline in agricultural production and a reaction to the gradually weakening of rural public politics. Zacatecan migrant networks based on the social capital that local actors have obtained through past out-migration have been developing since the 1930s, which is seen in strong transnational ties that exist among Zacatecan migrants and their families 'back home.' If we accept social networks as a principle characteristic of transnational migrant ties, it follows that transnational ties in the case of Zacatecas have existed since then. Delgado, Márquez & Rodríguez (2004) argue that this transnational

trend consolidated between the 1960s and the beginning of the 1980s. This is the period when transnational social spaces, which make up a "dense, stable, pluri-local and institutionalized framework" (Pries, 2002), began to endure in the transnational Zacatecan context and the first transnational subjects of development come to light. The implementation of neoliberal policies and the deepening rural crisis, after the 1980s, in peasant production led to increasing "transterritorial development," which means that a range of transnational organizations emerged and their activities are increasingly evident (Delgado et al. 2004). These facts lead to the assumption that with the exit option, the groundwork for voice was established in Zacatecas. The existing transnational social relations created through social capital and maintained by the transnational migrant networks formed an important platform for transaction and action, namely information knowledge exchange and action strategies between transnational actors, through which a *range* of transnational social spaces emerged and matured. Zacatecan international migrants have institutionalized transnational social spaces and different transnational subjects of development in order to maintain cross-border relations and carry out certain action strategies for development. The ties can be characterized as transnational families, communities and organizations. That means that Zacatecan transnational migrants, through their use of 'exit' since the 1930s, laid the foundation for the subsequence use of 'voice', to use Albert Hirschman's terms. Accordingly, the Zacatecan migrant context is marked by a historical constitution of cross-border ties, in which the cross-border framework is characterized by several TSSs and transnational subjects of development. These subjects are working simultaneously but they are often disconnected from each other, which results in an organizational weakness with regard to their contribution to development and change.

6.1.1. Foundation of first transnational ties

The multitude of these transnational subjects of development is visible in the organization forms in this framework. The first Zacatecan migrant club was established in the United States in the early1960s, points out Rigoberto Casteñada, Ex- president of the Federación de Clubes Zacatecanos del Sur de California (FCZSC) (Federation of Southern Californian Zacatecan clubs) and current director of the Instituto Estatal de Migración (IEM), the Migration Institute of the State of Zacatecas. Furthermore he notes that Clubs and Federations emerged often in festivities where Zacatecan migrants encountered one

another. In this context, they began to think collectively about how to develop Zacatecas (Castañeda, interview, 2011). Zacatecan migrants began to steadily establish more clubs and federations. According to Delgado, et al. (2004), in the year 2004 the state of Zacatecas had registered 266 migrant clubs and 16 federations. This groundwork for voice led to the promotion of a certain level of development by social organizations above all in the home region, but in the receiving region as well. However, in order to achieve voice following exit, it is not sufficient that migrants simply maintain cross-border social relations in consolidated transnational social spaces. The creation and maintenance of these relations is only the foundation. The next step is to formulate objectives and to put these into practice. *How are transnational Zacatecans socially and politically organized?*

6.1.2. Features of a Zacatecan 'migrant civil society'

Migrant civil societies possess some common components. The first component is constituted by a migrant-led membership organization, which in the Zacatecan migrant civil society is fulfilled by several hometown associations in the form of clubs and federations. The FCZSC located in Southern California represents the largest Mexican federation. FCZSC's principal achievement can be considered the "crucial contribution to the creation of the migrant development program 3x1," the first public-migrant partnership program.[62] The second component is a migrant-led communication media. In Zacatecan migrant civil society, this is achieved through a website as well as the annual magazine of the federation, where representatives' report on the club's and federation's activities and on the advances in projects carried out in the regions of origin. The third element represents an autonomous migrant-led public space. In the Zacatecan case, such a public space is provided by the *Casa del Zacatecano* as well as the *Plaza Comunitaria Zacatecas*, where migrants can gain skills that help them to attain economic, political and social capacities on personal, family and community levels, on both sides of the border. Another important public space, although it is still not fully established, is the Foro Mexico in the framework of the Red Mexicana; an event where, –according to Efraín Jiménez, president of the association Federación de los Zacatecanos – 80% of all active Mexican migrant organizations of the

[62] 3x1 is a public-migrant partnership program, which subsidizes migrant-based social development projects. The migrant clubs must develop a project and finance 1/4 of the required budget for the project and apply for a grant in 3x1. The other 3/4 of the budget is provided by different state entities at different levels (federal, state and municipal).

country met in México, D.F., in March 2011. Jiménez argues that the expectation is that this Foro will lead to a new organizational model for migrants, due to its potential scope that reaches almost all migrants, their organizations, and families in Mexico (Jimenez, interview, 2011). The general objectives are to establish a common and bi-national agenda, encouraging local actors in the sending communities to strengthen migrant networks. In the various state-level organized forums (Foros Estatales), they proposed and approved four specific objectives, which they discussed in the Foro Mexico in the presence of representatives from the majority of migrant organizations in the USA. The four objectives are summarized by Jiménez as follows: a) obtain broader rights for Mexican migrants in the USA; b) advance migratory reforms in Mexico and the USA; c) adjust the public-migrant partnership programs 1x1 and 3x1 to obtain improved results in the communities, as well as to generate new public programs that work as public-migrant partnership programs; and d) consolidate migrant organizations in Mexico and the USA (Jimenez in FEDZAC leader assembly, 2011).[63]

The final attribute of migrant civil societies is based on the establishment of *migrant-led NGOs*. In the Zacatecan context, there is a representative migrant NGO called *Federación de los Zacatecanos* (FEDZAC), founded in 2009 and located in the state capital of Zacatecas. According to the publisher of the official website of FEDZAC, the organization was established through the decision of representatives of 14 Federations, in order to create a specific space of attention for migrants; an official space where Zacatecan migrants are represented; a platform to follow through on projects underway, and to exchange knowledge about the communities and the projects. FEDZAC is the official and only interlocutor between migrant organizations and the three levels of government (federal, state and municipal).

Within this framework, FEDZAC seeks to be a bi-national migrant organization with the self-described objective to promote broad development in Zacatecan cross-border communities. Essentially, FEDZAC strives to: a) promote the institutionalization of organizations, which includes planning, training and bureaucratic execution in the US and Mexico; b) encourage strategic forms of planning; c) institutionalize information and training; d) represent a platform of consultation to promote and carry out productive micro-

[63] This information is based on a presentation by Efraín Jiménez during a federation meeting in Zacatecas on the February2011.

projects; e) support and promote new leadership and train young people in distinct events and workshops; and f) endorse a culture of dialogue, consensus, alliance and collective work (different actors in the meeting 'Encuentro de Fundaciones y Federaciones', 2011); a context that I will revisit below.

6.1.3. Towards Transnational Development

Chapter Four discussed the constitution of a migrant civil society through the consolidation of social organizations and through the magnification of political voice, which is without a doubt the right step in order to advance in development. These forms of progress are historically grounded in several Clubs and Federations, and are currently embodied in the endeavors around the *Red Mexicana,* as well as in some characteristics of the migrant NGO, FEDZAC. However, as noted above, in order to reach development in a broader sense (economic, social, political, cultural, institutional), it is not enough to achieve only high levels of social organization and political voice – it requires something more; a kind of evolution that leads to strategies in order to fulfill a broader development process. Although both attributes are the foundation for strategic evolution, development in broader terms must exceed social organization and political voice. A review of the 3x1 program is also helpful to understand this context.

One of the pioneers of 3x1 was Guadalupe Gomez, ex-president of FCZSC. In an interview, he states that it was a triumph for the federation to achieve 3x1. Furthermore he says: "It was necessary to lay the groundwork before coming together with state representatives to establish the convention. This process took several years, evolving strong social organizations and obtaining political voice within the Zacatecan transnational community" (Gomez, interview, 2011).

After several decades, the efforts in social organization and the search for political emancipation led to the achievement of the first public-migrant partnership program with Mexican state representatives (3x1). As discussed in Chapter Four, the program 3x1 has significant limitations: it was often overhyped as a migrant-led development model. 3x1 is a program that does not break through *social* development projects on the one hand, while on the other hand, it is vulnerable to political intrigue. Gomez argues: "It is necessary to bring forward new public-migrant partnership programs. 3x1 was an initial step, now we need to strengthen this program by creating new programs" (Gomez, interview, 2011).

Economic crisis and the criminalization of undocumented Mexican migrants in the US and rural crisis, insecurity and drought in Mexico make it necessary to develop theoretical models and concepts, as well as public-migrant partnership programs that respond to these threats effectively on both sides of transnational reality.

Transaction and action strategies of transnational development can create effective solutions for development issues, accelerate evolutionary processes of the *Red Mexicana* and Migrant NGOs, as well as find paths to overcome the limitations of 3x1 by searching for and implementing transnational strategies, finding niches and acting collectively within the capitalist logic, or by integrating themselves into an alternative economic context, such as the solidary market.

In Chapter Four I proposed that an agency of development needed to be established with the aim to search for strategies for market integration and stabilization, as well as to evolve and create socially sustainable development strategies, programs and linkages that have a broad impact on the society in the sending region and in the transnational communities in the receiving countries. To achieve this objective, it is necessary to collaborate in a multi-stakeholdership, meaning the incorporation of a variety of agencies of development, which I address explicitly in Chapter Eight under policy and development practice recommendations.

On the part of transnational actors, such a collective cross-border initiative is introduced with the foundation of the previously discussed FEDZAC, i.e., the organizational merger of migrant clubs and federations and its particular working area, which express the potential to constitute one strong transnational subject of development, but also encourage transnational development. This argument is based on the fact that beside the promotion of social development and political organizations targeting emancipation, Zacatecan migrant representatives took an important step (towards TD) by seeking to facilitate the coordination of productive activities between the sending and receiving countries in order to promote and optimize economically oriented development projects. Therefore, FEDZACs role in the migrant development context is not to micro-manage migrant enterprises. Instead, it is to provide professional project assistance in different areas, such as support for overcoming bureaucratic obstacles (e.g. accountability, management). The NGO also utilizes technological consulting and knowledge transfer in order to support their projects, which can facilitate and accelerate crucial project processes.

Another area of work is to serve as an official migrant PR agency before state entities, as well as to establish a permanent and official representation of Zacatecan migrants in the public, private and social spheres in the sending region (Jimenez, interview, 2011). With regard to the constitution of a multi-stakeholdership, the aim is to build alliances with non-governmental organizations, which is in compliance with the search for external (non-governmental) financial resources (financing of projects) so that they do not have to depend upon the state. One of the nongovernmental alliances that FEDZAC has developed is with the international NGO, OXFAM, which has supported FEDZAC in the establishment of their office and is providing support in various ways (credits, payment of salaries, etc).

Presently, FEDZAC counsels, supports and supervises eight productive development projects that are mainly financed by collective financial remittances of transnational migrants (Intershop, Caxcania, Tres Pueblos, Los Huertos, Granja porcina, Apicultores de Nochistlan, Purificadora de Agua en Nochistlan, Museo Ecoturistico de Zoquite).

In sum, the constitution of FEDZAC and its particular working focus show important steps toward TD, through which the intent is to advance in social and political development, to progress in the implementation of productive migrant-led programs, as well as to enhance linkages between traditional and non-traditional organizational forms. The aim of these efforts can be seen as the building of development alliances and the promotion of real, broad participation and social sustainability. It can be argued that the Zacatecan transnational context, especially due to the efforts of FEDZAC, exhibits clear attributes of a migrant civil society, following the criteria of Fox. Although this organization exhibits institutional weaknesses, FEDZAC can be seen as a transnational subject of development with high potential to be the most powerful.

6.2. The case study: Caxcania

As previously noted, Caxcania operates in several municipalities in the *Cañon de Juchipila*. Here the agave-mezcal product chain is marked by structural heterogeneity, including agaveros and mezcaleros, who are traditional producers and others who only recently began to produce. In this broad context, Caxcania represents a network company, but it also comprises several agave producer organizations. Agave producers are in this sense organized agave producers, as well as economic partners of the network company. I will now discuss the agave context and later describe the company.

6.2.1. Agave cultivation and mezcal processing in Caxcania

Caxcania currently represents both an agricultural plantation project and an economic enterprise, founded through a collective initiative among agricultural actors. This is just one of several collective initiatives, but due to its size and its potential for important advances in development, it can be considered one of the most significant. Caxcania as a development effort emerged in 2002, when agave prices shot to a historic high in Jalisco due to a pest infestation that briefly reduced the supply of agave and set off a speculative wave. A range of actors (state actors, small, medium-scale agricultural producers, consultants, etc.) saw an opportunity to fill a niche and make easy money with the 'blue gold' by starting a new agricultural enterprise that would cultivate and sell agave plants to the Tequila industry (Llamas, interview, 2011). According to Gregorio Perez (2011), leader of the organization *Agricola AS Tlachichila*, an additional reason to launch the enterprise was to gain access to the cultivation subsidies provided by SAGARPA, equivalent to one peso per plant. Following the initial phase of subsidies, state authorities brought all agave producers together into producer organizations, in order to increase the systematic reach of state support. Furthermore, J. Santos Sandoval, teacher and leader of *Piñon Gigante* – another Mezcal cooperative that started several decades before Caxcania – points out that the agave plant is ideal for climatic conditions in Zacatecas: "We have little water and the region is mountainous, these are ideal conditions for the agave plant" (Sandoval, interview, 2011).

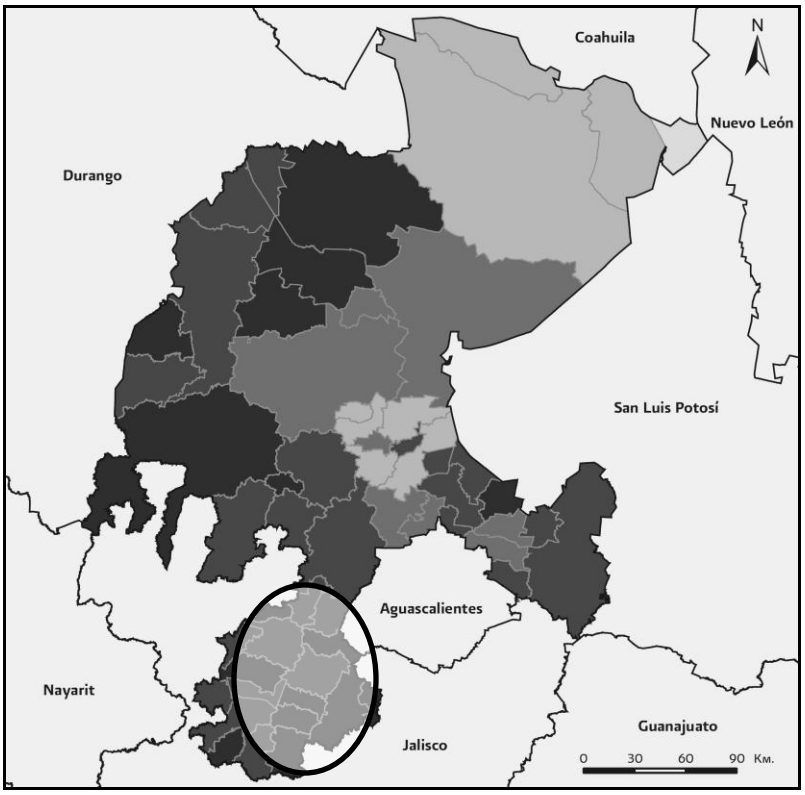
For these reasons, several agricultural producers began to cultivate over 1,600 hectares of agave and began to organize themselves, according to Guillermo Santos, a private agrarian consultant and general manager in Caxcania. Small-scale producer Porfirio Parra Olivares remembers this period very well:

> We heard that SAGRAPA would support agave producers in Zacatecas and we were all very euphoric and optimistic that it would be a good opportunity and we began to organize in the community in order to go to Jalisco to buy the baby plants. We were paying around 500 pesos for each journey. In my case, I carried out six freight runs from Jalisco to Moyahua. I bought around 3,300 plants, paying 12 pesos for each baby plant. Further, I paid around 10,000 pesos for weed-killing and the planting of the agave. Pesticides and fertilizer cost me 2,500 pesos per year. SAGARPA only supports us with a small amount in the purchase of the baby plants. The remaining

costs, including my own labor power, I have paid, but also my sons in the USA have supported me (Parra Oliveras, interview, 2011).

In this context, more than 350 producers from seven municipalities within the *Cañon de Juchipila* converged to take advantage of this development opportunity, creating 25 organizations of agricultural producers.

Figure 6.1.: Map of the Cañon de Juchipila



Source: CONAPO, 2012

Besides the heterogeneity among agave producers in Caxcania, around 70% of the producers are located in the USA or have family members who are living a transnational migrant life that give Caxcania its unique transnational character. As figure 6.1 shows, the Cañon, in which the municipalities related to Caxcania[64] are located (marked as a circle in the figure) is a region with very high levels of migration and traditionally strong migration ties. In other words, it is a stronghold of international migration within the migration heartland of Zacatecas. Also in the *Cañon de Juchipila* and Caxcania, the population has

[64] The municipalities are Apozol, Huanusco, Jalpa, Juchipila, Moyahua de Estrada, Nochistlan de Mejía, and Tabasco.

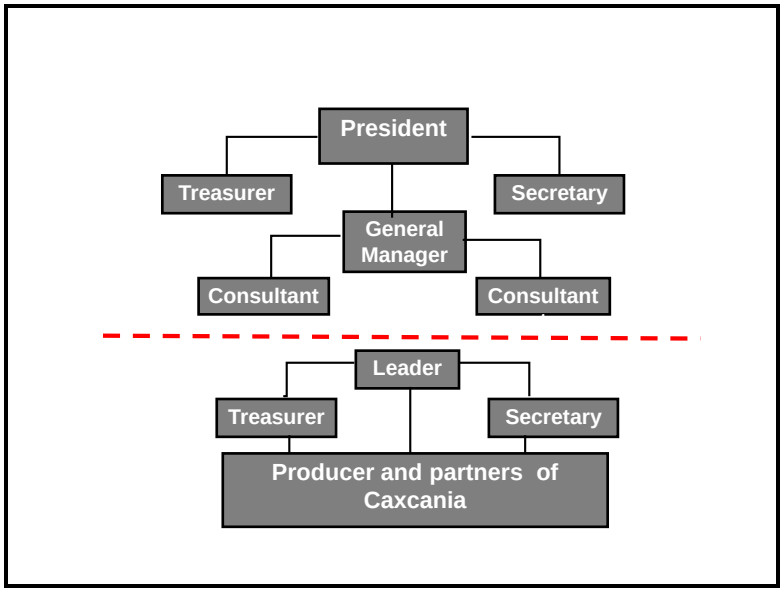
made good use of the linkage of the "*binomio producción campesina - producción de fuerza de trabajo migrante*" as a functional escape valve to address the lack of development opportunities (personal, familiar, local and regional). This is seen in the empirical information which shows that an average of 8% of all households in the Caxcania-related municipalities of the Cañon are tied to international migration and the percentage of the households, which receive migrant remittances, is on average 26.5% of all families.

6.2.2. The network company Caxcania

The idea to establish Caxcania for the production of mezcal emerged shortly after agave planting began. National prices for agave decreased significantly between 2004-2006 and the original plan to sell the agave at profitable prices to Jalisco fell apart. The alternative strategy was to add value to the cultivation and produce the final product – mezcal – and sell it profitably within the organizational framework of a network company, leading to the establishment of Caxcania.[65] In this vein, we can define Caxcania as a network company with a social base founded on agave production, which resulted, as is addressed below, in contrary and conflictive constellations among partners and with that, adverse conditions for development.

[65] A network company is a type of cooperation and entrepreneurial organization that is an association of a multitude of micro-enterprises. In the case of Caxcania these are the agave producer organizations and a few private citizens, who want to realize mezcal production. The central aim is to improve the competency among the enterprises by supporting them.

Figure 6.2.: Organigram of Caxcania



Source: Author's own elaboration

Figure 6.2 shows how administrators and partners of Caxcania are organized and illustrates the heterogeneity of actors. Below, there are partners, productive organization members and leaders, mostly representing small-scale agave producers; above we find the leaders of the Caxcania network company, who represent multifunctional partners and external supervisors.

The partners initially invested four million pesos in the project, evidently highly subsidized by financial remittances. With the application of the 3x1 program (or rather the 4x1 program, because on the official site of FEDZAC they argue that it was also supported by Western Union via the migrant club "Unidos por el Cañon de Juchipila") they partly financed the distillation plant in 2005. Further construction work was carried out in 2007 and 2008 with the support by the department for regional planning and development (SEPLADER). Although samples of the mezcal processing were carried out months ago, currently the construction of the distillation plant is unfinished and Caxcania is still not in the systematic production and distribution phase of their main product. On the same FEDZAC webpage, representatives debate the matter:

> Currently, [Caxcania] is in the process of restructuring, so we are focusing on several key areas of the company – such as operations, finance administration, and organization – a process which will also involve other bodies such as FEDZAC, A.C.,

> supported by the company's technical team under the coordination of its board of directors, since it is important to undertake this task while keeping the members of FEDZAC informed (FEDZAC, 2012).

This quote refers to a range of ideas and actions in order to produce and place the product in national and international markets. In this fashion, Guillermo Santos, the general manager of Caxcania, who is employed by SPMM, argues:

> We need to overcome a variety of issues in Caxcania almost simultaneously. For that reason, we specified five axes of work that are a) the strengthening of the social organizations, b) the building of an administrative foundation for the company, c) the search for financing, d) the formation of a systematic and modern production system and e) the commercialization of the final products (…) we are still in the beginning of resolving these problems (Santos, interview, 2011).

In Caxcania these ideas could not be brought to fruition. In contrast, there are issues related to the coordination of agave production, the distillation process and the parallel sale of the product in national and international markets. The prospective venture consists of the agave plants and a distillation plant for processing agave into an alcoholic beverage. But what is currently lacking is a viable financing agenda and concrete markets for commercialization, the latter evaluated by the Director of the Secretary of Economic Development of Zacatecas (SEDEZAC), Eduardo Lopez Muñoz, as the "bottleneck issue" of the Zacatecan agave-mezcal productive chain (Lopez, interview, 2011).

This is also confirmed by Lourdes Gonzales, Coordinator of the Sistema Producto mezcal within SAGARPA. She argues that agave production was subsidized but that future steps were not well-planned by the agave producers, nor by state institutions, which led to the issue of how and where to commercialize the end product, mezcal (Gonzalez Contreras, interview, 2011)

In turn, the bottleneck problem stems from adverse circumstances in Zacatecas. On the one hand, marketing is difficult without a certain quantity of a product that is ready for sale; on the other, capital is required in order to harvest the agave (which includes labor and transport), distill the alcohol and bottle it.

The particular commitment of FEDZAC to migrant's productive projects, such as in the case of Caxcania, offers more options than simply coordinating remittances. This is

what approaches to the problematic of migration and development frequently do not bring out: the search for development alliances in order to carry out broad human progress, beyond financial remittances. The professional support in accounting and management that FEDZAC provides not only leads to more confidence in investments by transnational migrants from the USA, but also to more trust on the side of civil organizations and foundations (such as Oxfam International) to support Caxcania. This in turn can facilitate more external financing and with that, more independence from the state and less dependence upon remittance flows. Finally, FEDZAC can promote the commercialization of the mezcal by carrying out market studies and creating linkages to the U.S. market, as well as to other markets around the world. FEDZAC, on its web site states:

> This business, through its large percentage of migrant members, will have its support to commercialize its product mainly in the USA and Canada, as well as in other countries in Asia, Europe and Latin America, and it will seek to position itself in the national market in Zacatecas, Monterrey and the D.F. (FEDZAC, 2012).

All of this leads to the possibility of accomplishing local, regional, but above all transnational development, meaning that existing organizational forms in the framework of Caxcania have the potential to be strong subjects of development with a transnational scope, which is currently not realized due to weak institutionality in the framework. FEDZAC is located within and connected to other migrant organizations, but currently there are no intensive interlinkages, nor consensus among cross-border actors, represented by past and present representatives of Zacatecan clubs and federations on the one hand, and agents of FEDZAC, on the other. FEDZAC's development agenda is instead discursively adequate and strong, yet is only partially put into practice. One example is indicative of the search for alliances with international NGOs. FEDZAC representatives suggest that one of their central objectives is to establish links between international associations and the existing migrant's productive projects. After several years, this has still not materialized in the case of Caxcania. OXFAM, for example, works mainly with FEDZAC and finances diverse office expenditures, but this does not include support for Caxcania.

Inter-organizational disagreements, combined with the difficulty to consolidate different types of organizations in a TD alliance (which should be the central effort),

translate into weak institutionality, reflected in fragile and fragmented cross-border development efforts and respective transnational subjects of development.

However, there are – apart from FEDZAC – a range of external players in development who could contribute to transnational development. I will discuss these in the next section, which explores the limitations and potential of transnational development.

6.3. Limits and potentials of Transnational Development in Caxcania

As noted earlier, transnational development is highly influenced by factors that limit, as well as enforce, the possibilities for implementation in development praxis. Structural characteristics represent the strongest limiting factors, but are not the only restraining aspects: sociocultural limitations are embedded in societal contexts and occur in different social relationships, in interaction and transaction, as well as in social action across diverse forms of collaboration. I discuss these kinds of limitations with reference to the concepts of interface and social conflicts in the following sections.

There are also institutional limitations, including the effects that the withdrawal of the state has had in the context of NG. I have alluded to these earlier, in the broader discussion of structural factors, particularly with regard to issues emerging from the collaboration for development between different state institutions and with organizations from civil society. When state institutions do not coordinate with other institutions in their efforts toward achieving the same development goal or when institutional efforts and collaboration with civil society organizations for one development goal is, in its trajectory, contradictory, then we can speak of institutional limitations. In general, these sociocultural and institutional limitations are visible in most development projects, in collective initiatives, as well as in alternative autonomous economic enterprises. However when appropriation of the agency sphere by the subject of development is advanced, and when participation, social empowerment, social sustainability in the process is high, these limiting factors may become easier to vanquish. This is because, while civil society is enhanced, collective awareness also arises, manifesting in more social cohesion and concrete demands on public institutions.

With regard to the research conducted in Caxcania, characterized by structural heterogeneity and multiple economic actors with different social positions and development visions, it is not surprising to find institutional limitations.

6.3.1. Limitations with regard to TD

There are structural, sociocultural and institutional limitations affecting Caxcania. In Chapter Five I addressed structural aspects, now I will focus more on sociocultural and institutional issues. These were identified through interviews and through my participation in different events and group discussions and can be summarized as followed:

First, the deficiency of social cohesion among agave producers and partners is one of the main internal and sociocultural issues in Caxcania, which directly influences social organization, participation and participative development in the producer organizations and the Caxcania enterprise. This fact is not only due to geographic dispersion, structural heterogeneity and the multifunctionality among producers and partners, but also attributable to the failure of planning and action by the state, as well as by the official representation in Caxcania. The weakness of social cohesion is due to different factors including the following:

a) Technical and organization problems: Institutions within SPMM, as well as other institutions, failed to carry out a long-term development plan for Caxcania. The partners were cleared to start cultivating agave, without thinking ahead to the subsequent processes of harvesting, distilling and commercializing. The result was and is the over-maturation of the agave plants and the parallel lack of technical knowledge. Cultivating agave is a long-term enterprise, because of the long maturation period of the plant. The agave plant needs between six to eight years to come to maturity. During this period, agricultural producers cannot use their farmlands for other purposes. Furthermore, the producer must care for the plants (e.g. weed-killing, pesticides, vitamins, etc.), in other words, the agaveros need to enter into a particular relationship with the product, with long-term dedication, involving high up-front investment costs (material and nonmaterial). The over-maturation of the plants, without a guiding plan by the leaders and state representatives, led and leads to disappointment and anger among agave producers.

The fact that most *agaveros* in Caxcania do not have specialized knowledge about the cultivation and harvest of agave presents an additional challenges. These aspects led and lead to a significant extension of social exclusion and the parallel breakdown of social cohesion. This is so, because at this point, when the plants matured some of the producers and partners began to abandon the agave fields; others burned their dry agave; and still

others sold it to intermediaries for ridiculously low prices. The relevant state agencies, as well as CODIMEZ, A.C., could not offer useful alternatives to make productive use of the very ripe plants in order to encourage *agaveros* to carry out further cultivation. This situation will clearly threaten future participation and social sustainability in the development project.

b) Leadership and power constellations are also central sociocultural issues that weaken social cohesion in Caxcania. Some of the organizations' leaders are busy, not only with agave production, but also with personal or family business matters. This means that the affairs of Caxcania often get low-priority. The lack of immediate success in Caxcania, made some leaders unhappy, leading to their tacit retreat from their functions with fatal results in social organization and cohesion among Caxcania partners. For these reasons, entire branches of the organization have disappeared or become totally disconnected from Caxcania. Another aspect with regard to leadership is based on the company's Board of Directors. In some ways, Caxcania's Board of Directors operates with inadequate practices, including the refusal to hold periodic elections for the chairman, the omission of general assemblies, and problems with the distribution of partner shares. This latter problem may be personal, as well as related to institutional interests and power alliances within Caxcania. It also has to do with the leaders' multi-functionality. For example, Hector Haro represents four different bodies or positions of interest (chairman of Caxcania, treasurer of FEDZAC, president of CODIMEZ, A.C., and agriculturist), which often results in a conflict of interest. Another issue lies with the will of the Board of Directors to involve Caxcania partners in the company's internal affairs. This can be exemplified by the way in which producers and partners are invited to meetings. The invitations are issued by email. Some actors complain that they never receive them. Furthermore, the management knows very well that a many of the producers and partners are elderly people and/or have very low levels of education, which translates into a lack of knowledge regarding the usage of computers and the Internet. This functions as a form of social exclusion for a broad segment of producers and partners from the meetings and decision-making processes.

c) *Weaknesses of agaveros and partners*. The inadequate management of Caxcania is not just attributable to the leaders; the producers are also responsible for not demanding that leaders fulfill their responsibilities or retire from office. This would be a proactive approach and it is something that members of a strong civil society need to do. Similarly, the gap in

technical knowledge is not properly addressed. Instead the expectation is that the paternal state will come to resolve any serious problems. Sociocultural conditions that weaken participation, empowerment, cohesion and organization within Caxcania are also visible in the bottleneck issue of commercialization, with little utilization of migrant ties. This is also seen with regard to the production of mezcal and the lack of a coherent strategy to address the over-maturation issue. And all of this is partly linked to problems with credit and technological transfers, both of which constitute sociocultural restrictions, insofar as producers and partners of Caxcania are not accustomed to apply for private credit, nor are they likely to search for technology and knowledge transfer.

A second group of limitations have to do with 'encounters at the interface', in other words, with divergent interests and social conflicts. As challenges arise and go unanswered, producers and partners tend to fall into conformism and are resigned to the status quo, with fatal consequences for the organization. Social conflicts and the dissolution of social cohesion lead to the weakening of agave organizations and ultimately of Caxcania as a regional collective development initiative. I will discuss here only one feature that illustrates clearly a context of interface with secondary effects of social conflict and limits in transnational development. The fact that the agave plants are drying out gradually and the distillation plant is still not functioning is one line of interface among agave producers, prominent leaders and some state functionaries. Hector Haro, the leader of Caxcania argues: "It doesn't make sense to produce mezcal only to keep it in the warehouse. It is better to invest more in the bottleneck issues; the product quality and commercialization and after that we can begin to produce" (H. Haro, interview, 2011).

In contrast, as the *agaveros* watch the agave that they planted on average seven years ago dry out, they become disappointed with the current situation and the statements of Hector Haro. In their view, six years of effort should bear results. They want bottles of mezcal that they can sell, make into gifts and use for the next fiesta. The problem is exacerbated by the fact that there is no solution for the over-matured plants, which now cannot be used for Mezcal processing. If these problems are not resolved, Caxcania is likely to disintegrate as producers and partners withdraw and further cultivation of agave is cancelled. In this way, years of effort in building social organization could be lost.

Third, the under-utilization of transnational linkages is visible in the Caxcania context. The simultaneously existing transnational spaces that constitute a strong alliance for development in Caxcania are not coordinated, nor well-utilized by actors. This is especially relevant to the search for the aforementioned niches in capitalist production systems and global markets. Mezcal is an accepted alcoholic beverage in the USA. Migrants could open commercialization gateways, not only on the basis of hometown associations, but also through ties within transnational families. At the same time, other types of migrant organizations could concern themselves with political issues around the commercialization of mezcal in the USA, which requires agreement, coordination and the willingness to work together within a transnational alliance. Producers, partners and leaders in Caxcania make very little use of this strategy, for a variety of reasons: weak social cohesion, social conflict, inexperience, disinterest, and cultural norms are only some factors. Accordingly, the transnational development context is affected. The existing manifold transnational subjects of development appear as weak and fragmented.

A fourth limiting factor has to do with the asymmetries that exist between the giant tequila producers and the small-scale agave producers. As mentioned in Chapter Five, these power imbalances are visible in the form of marketing and promotion of tequila. Tequila giants spend large amounts in marketing and advertising campaigns all over the world. In contrast, the mezcal sector, here symbolized by Caxcania, is marked by small-scale agave production, limited capacity in the distillation plant, uncoordinated action strategies, and state agencies that carry out adverse policies, unfavorable for the establishment of *mezcaleros*. Instead, state policies are favorable for the transnational tequila enterprises. In marketing and advertising campaigns, the tiny mezcal producers have very limited capacities to promote their products, and only on the regional or partly-national level. State institutions could promote this product strongly, if the political will existed.

Related to the power asymmetries that do not allow for conditions of equal competition, mezcal producers are often forced to sell their produce to intermediaries. These economic actors search for agave producers in the region designated for mezcal's appellation of origin, where they can buy their agave at rock-bottom prices (currently 30 Mexican *centavos* per kilo), in order to resell it to transnational corporations that produce tequila. This trend has been observed with agave producers around Caxcania. In this way,

the intermediaries exploit poorer *agaveros* and destroy longstanding plans for development in Caxcania.

Fifth, institutional limitations exist due to dichotomous public policies. In the case of agaveros in Zacatecas and in particular in the case of Caxcania, this is evident. *First*, uncoordinated, contradicting and unsustainable short-term thinking in development public policies are adverse for the genesis and stabilization of small-scale production forms, such as in the case of Caxcania. This results in dichotomous policies, because on the one hand Caxcania is promoted by diverse but uncoordinated and oppositional public programs. On the other hand, we find special attention given to the agave-mezcal product chain, for example, by the SPMM, which includes technical support, training and consulting, as well as scattered subsidies to the sector. While technical support, training and consulting are important inputs for societal progress in Caxcania, scattered subsidies are detrimental to the sector, argues Hector Haro:

> We need long-term support, not scattered subsidies (...). This kind of sector support is interrupting our social organization efforts through their financial patronage, which does not follow any other development strategy other than to obtain the actors' passivity (H. Haro, interview, 2011).

The Department for Economic Development of Zacatecas (SEDEZAC) has undertaken particular efforts in order to promote the agave-mezcal sector within the state. SEDEZAC's Agro-industry Office provides technical assistance for marketing, sells certain agroindustrial products, and provides financing. It concentrates on agro-industries that fall within the special attention of *Sistema Producto*. The Department of International Trade is charged with the issue of exporting crucial Zacatecan agricultural products. Both departments ostensibly constitute important institutions for making contributions to local, regional and transnational development. This should also be valid for the agave-mezcal branch and in particular for Caxcania, one of the largest supra-municipal development projects in the region, with high potential for economic development and holding great promise for employment in the region. However, interviews with representatives of SEDEZAC show a lack of interest in Caxcania. One representative, Eduardo Lopez Muñoz, was not even aware of the existence of Caxcania. And Guadalupe Cid, the person responsible for the Agro-industry Office, does not recognize the importance of Caxcania

for the regional development of Zacatecas. Aurelio Villavicencio Sandoval, an official representative of Caxcania notes: "They don't show any interest in our project (...). The chief of the Agro-industry Office, Guadalupe Cid, has never visited us before" (Sandoval Villavicencio, interview, 2011). In fact, in early 2011 SEDEZAC launched an initiative to support the agave-mezcal sector of the state, which was never mentioned in the visits and interviews that I performed. The program originated with an investigation by an industrial consultant from Mexico D.F. and other action strategies should have followed, according to representatives of Caxcania. However, these strategies are not in the least coordinated with SPMM and CODIMEZ A.C., the main institution and association for the agave-mezcal product chain in Zacatecas. The reasons for this exclusion from Caxcania and the disconnection from central agencies of the Agave-Mezcal product chain are uncertain; one may suspect it is linked to personal or political interests. Teresa Cortes from OXFAM leans toward the latter, noting: "For state agencies Caxcania represents a risk, because of the magnitude that it possesses and the financial resources that it requires. A failure in state investment could bring along serious economic problems for the state agencies" (Cortes, interview, 2011). Whatever the underlying causes for these circumstances, they are adverse for the development of the sector.

In addition, *agaveros* and partners of Caxcania in particular are disadvantaged by federal laws that obviously serve the interests of the tequila sector. According to Edgar Esparza, tequila is available on two different quality levels (type 1 and type 2). The first level represents high-quality tequila, which is produced with 100% blue agave, and therefore the product only possesses honey from the agave plant. The second type is of lower quality and needs a minimum of only 51% of agave sweetness; 49% can originate from other sweeteners, such as standard sugar, brown sugar etc. In the mezcal sector, the rules of the game are different. While quality mezcal must also be produced using 100% agave sugars, the lower quality mescal (type 2) must contain at least 80% agave sweeteners. According to Esparza, this is a conscious political decision in favor of the transnational tequila producers, and against the mezcal sector, because uneven rules make the already unfair competition structure even more so (Esparza, interview, 2011).

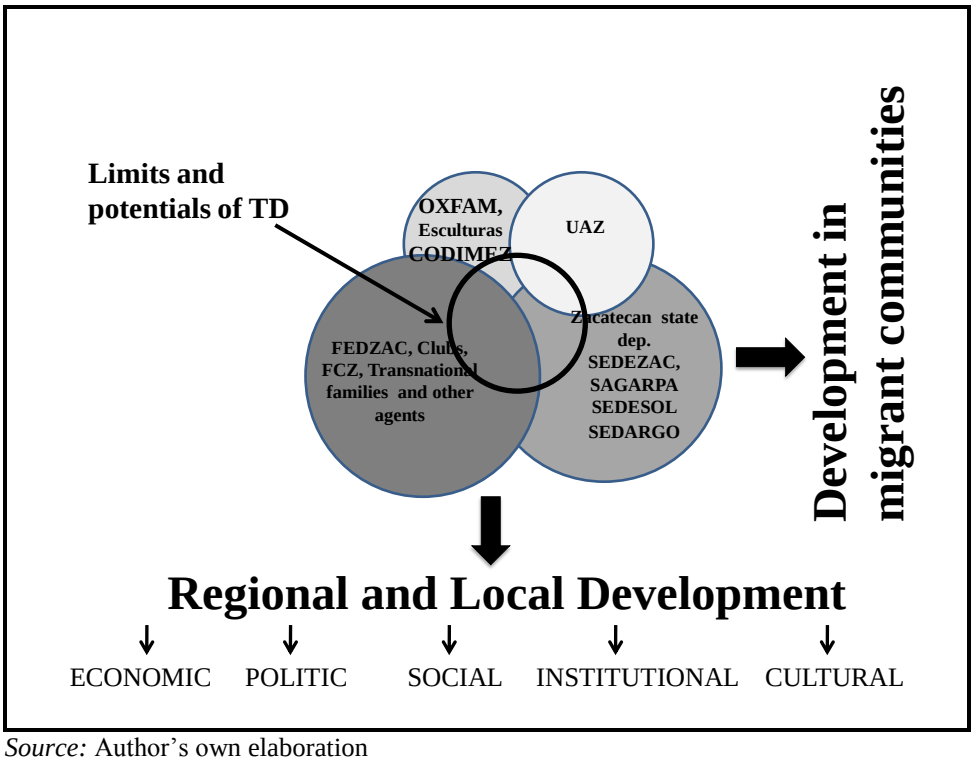
6.3.2. Potentialities in Transnational Development

The sphere of mezcal production and the prospects for transnational development are not only marked by limitations. On the contrary, in the case study we find a range of aspects that are catalyzing for transnational development and its realization.

6.3.2.1. Traditional agencies of Transnational Development in Caxcania

In Chapter Four, I discussed the theoretical potential of transnational development by exploring feasible agencies of development. In the case study, we find agencies that conform to a certain degree to these defined types, insofar as they collaborate to promote socioeconomic progress in the mezcal sector. Along these lines, there are traditional agencies that can make an important contribution for transnational development in Caxcania, including the following:

Figure 6.3.: Agents and Agencies of Transnational Development in Caxcania



Source: Author's own elaboration

a) *The state*. I have discussed critically the position of the state in delivering public services. I emphasized the dichotomous character of the state in the face of development

challenges, including with regard to the agave-mezcal productive chain. The state and its respective institutions can be useful for Caxcania's transnational development, when partners enhance their social cohesion and view Caxcania as an autonomous economic enterprise based on a collective initiative in a supra-municipal context.

Jose Llamas Caballero, representative of planning and rural development with SAGARPA, says in this context:

> Caxcania has started as a spontaneous enterprise, where the agricultural producer has followed market signals in order to make money in short and medium-term from the direct selling of the agave pine in Jalisco. It was developed in this way, notes a conscious strategy for alternative production in Zacatecas. Caxcania members need to be rural actors that are capable and aware, with a clear vision. Therefore I will support agave-mezcal product chain and Caxcania actors through training programs, by enhancing entrepreneurial development and by promoting a development agenda in the long-term (Llamas, interview, 2011)

This training effort and the encouragement to raise awareness can help to assume a part of the responsibility of state institutions for planning in medium and long-term and help to coordinate collective action strategies by leaders of Caxcania. Furthermore, from this framework a strong civil society can emerge, based on broad, real participation and social empowerment, which shape Caxcania as a regional project with concrete public demands and the power to coordinate and lead multi-stakeholdership efforts in transnational development. This, however, still has not been achieved in Caxcania; it requires further support from other state institutions and coordination among them, as well as popular emancipation in the development process.

b) *The Universidad Autónoma de Zacatecas (UAZ)* represents the most significant actor in the education system in Zacatecas. There are a number of linkages between the University and the agave-mezcal product chain, particularly with regard to Caxcania. First of all, the UAZ and Caxcania in July 2011 signed an agreement to collaborate. Julian Gonzalez Trinidad argues that representatives of Caxcania asked for technical support from the dean of the university and that he responded by offering to integrate Caxcania into the scientific work of the university (Gonzalez Trinidad, interview, 2011). One main area of collaboration is the inauguration of the first independent laboratory for quality analysis of

mezcal. Lab costs that are carried out by COMERCAM are expensive and represent a huge limitation for many mezcal producers. Edgar Esparza from the UAZ notes: "The lab will reduce costs to 80 pesos per analysis (…). This will open new possibilities for the *mezcaleros*" (Esparza, interview, 2011). Not only will it reduce cost, it will also mitigate discriminatory and exclusionary structures in the production of alcoholic beverages. But the agreement also contains other activities that represent further strategies that can strengthen transnational development, such as consulting and training initiatives among different UAZ faculties. It also makes it possible for UAZ students to do their mandatory social service with Caxcania. Innovation and technological support are also crucial for advancement in Caxcania, and can be promoted by the UAZ. This is important in order to discover more ways to compete with the tequila sector, for example through the diversification of the products that are derived from agave, such as indolina, honey, etc. In these ways, agave producers can begin to search for development niches, positioning themselves where profits are higher and easier to obtain. It requires, however, a vision, coordination with Caxcania, and organization with other relevant agents of development. My field research revealed that these aspects are weak in the case of Caxcania.

c) *Nongovernmental organizations* are also an important force for development. In the Caxcania case, we find two players that could promote Caxcania objectives strongly.

OXFAM International is one of them. Teresa Cortes (2011), an OXFAM representative, in an interview, describes the organization as a "second floor organization". She goes on to say that, "for that reason we are collaborating with FEDZAC. FEDZAC will mediate financial resources to its projects, one of them is Caxcania".

Esculturas A.C. is another organization that could promote Caxcania. Esculturas is a local NGO headed by Javier Diaz Rivas. Javier's idea was to establish *Mezcarela*, a project where the beverage – as well as food prepared with mezcal – could be promoted, first in Zacatecas, then in Monterrey and finally abroad. Javier argues that they also planned to carry out "negotiation tables" (Diaz, interview, 2011); a platform where large-scale national and international purchasers could come together with mezcal producers of Zacatecas in order to bargain and conduct business directly. Javier says that the project was launched, but ultimately failed, because even though SEDEZAC had promised financial support, it did not fulfill that promise. Both organizations are important forces of development and

could promote transnational development; OXFAM Mexico with its transnational vision and state-independent financial resources for implementation and Esculturas A.C. with its vision that closely embodies the concept of transnational development. These independent forces can put into practice new initiatives for development. These kinds of efforts represent important contributions that can lead to transnational development. The particularity of these civil society forces is that they are independent of the Mexican states' influence and can for that reason follow and promote distinctive paths in the development process. However, it is also useful to consider establishing a NGO within Caxcania, in order to offer alternative projects for producers and partners, who are not content with the conditions of agave production and with the delay in mezcal processing. This kind of effort needs, however, support from other agents in order to be goal-oriented and highly efficient, which is currently not the case.

6.3.2.2. The transnational alliance for development in Caxcania

As addressed in Chapter Three, transnational agents and agencies move in different spaces searching for possibilities to strategically transform their environment. The example Caxcania confirms this argument by demonstrating a multitude of transnational agents and agencies spanning diverse transnational social spaces (TSS). In the case study we can detect the following agents and agencies and respective TSSs:

a) Transnational families represent the first type of nontraditional (transnational) agents and agencies. According to FEDZAC and Caxcania leaders, over 70% of the registered agave producers and partners are directly linked to international migrants. In some cases, family members are living permanently in the United States, whereas in other cases they are living an active transnational life. In this fashion, treasurer and agave organization leader Dr. Raul Frausto of Tabasco commented: "In my organization I cannot locate anybody other than my older brother, the remaining members are living in or have moved permanently to the United States and I don't have any contact with them" (Frausto, interview, 2011). In the same vein, agavero and Caxcania partner Porfirio Parra Oliveras notes:

> My sons are living in Oregon. I also go to Oregon regularly to work there in agriculture for a couple of months and visit my sons. The income that I have there and the remittance that my sons send, we use here for living. By the way, I also use this income to finance my agave cultivation" (Parra Oliveras, interview 2011).

In Caxcania, family economic reproduction is achieved in most cases by financial remittances through transnational family ties, carried out by family members who live in the USA permanently or pay temporary labor visits via the organization and company partners. There is also evidence that remittances were used to finance the launch of Caxcania by purchasing shares of the company, as well as for paying the incurred costs of agave cultivation. In sum, transactions and action in the context of transnational family ties constitute a medium through which familiar remittances are flowing.

Besides socioeconomic reproduction, remittances are also utilized for development enterprises, such as financing partnership and shares, and costs of agave plantation. As previously noted, TSSs are emerging due to social capital within migrant networks. Social capital can thereby vary in its form and can be based on different motivations. Solidarity is a social practice that clearly facilitates, brings benefits and strengthens participation and social organization in the development process. However, the term is often used to explain why international migrants carry out social projects under 3x1, which is seen critically in this dissertation. Faist (2010b) distinguishes among exchange, reciprocity, solidarity and the corresponding motivation that results in strong or weak ties. The perception of motivations in this work goes in line with the idea that not all TSSs and respective agencies and agents act under full collective solidarity. Because of the close relationship between the relevant agents in transnational families, it is possible that this TSS exhibits high levels of solidarity, or in other words, it displays strong ties of social capital. For that reason, transitional family ties are an important TSS in Caxcania and in general significant for transnational development.

b) The *migrant club "Unidos por el Cañon de Juchipila"*, which is related to the aforementioned Federation of Clubs in South California (FCZSC) is another transnational tie, within the TSSs, which represents transaction action that is more goal-oriented towards development than are transnational families, given their particular motives and responsibilities. Hector Haro notes with regard to the club:

> The club was established because Caxcania needed a financial solution. The idea was to found a club in the United States organized by the partners, who live in California, and with the background to finance the distillation plant, with the program 3x1. We send them capital in order to accumulate the amount of money that the club needs to request 3x1. And the partner in the USA applied the project" (H. Haro, interview, 2011).

The foundation of the Club, then, was a strategy to overcome the existing financial challenges in the construction of the plant. However, transnational organizations not only serve to fulfill strategies within 3x1 according to Miguel Haro, ex-president of the migrant club:

> We carried out a trick for applying 3x1, but it was necessary. Later, the then-representatives, Ing. Jose Luis and Ing. Bueno instructed us to search for Latin restaurants and bars for offering our future mezcal. We found around 50 Latin bars and restaurant owners, who committed to buy mezcal of Caxcania. However, we have never produced mezcal, so our efforts were for naught, and the interest of the bar and restaurant owners vanished (M. Haro, interview, 2011).

Obviously, FEDZAC is also a transnational organization, which operates in the same TSS as clubs and federations. Its contribution is, however, so central to the topic that I discuss its role in different parts of the dissertation. Clubs and Federations, as well as migrant NGOs, belong to the same juridical context as non-governmental associations, which mean that they cannot carry out profitable activities nor can they be active in the political sphere. The social capital that clubs and federations have is principally based on solidarity with their communities in their hometowns, which is logically more modest than in the case of transnational families.

Clubs do not carry out particular political activities for development in their home regions. Direct political representation is however crucial for transnational development processes.

c) Frente Civico Zacatecano (FCZ) is a transnational organization with a development vision and objective, which opens a TSS embodying a strong political character. The

current president of FCZ is Guadalupe Rodriguez, ex-president of FCZSC and partner of Caxcania. He suggests that the aim of the FCZ is:

> (…) to achieve an international coalition for moving public politics on both sides of transnational reality, such as identification for Mexican migrants that give them the right to vote at the national level (*ley de migrante*). Also, we want to obtain an active role in migration policies, for example for the regularization of undocumented Mexican migrants….. But our real aim is a binational agenda. I frequently send from the local Food Bank of Los Angeles to the municipality El Remolino clothes, wheelchairs, etc… But that is not our political demand. It is more the search for ways to improve democratization in Zacatecas (Rodriguez, interview, 2011).

The FCZ searches for an exclusively political ways to achieve development. Social capital is based partly on solidarity, because of the interest in improving the region of origin. However, it is also founded on reciprocity and exchange, because functionaries of FCZ also look for personal benefits, for example, for a political position in government or parliaments in the future.

d) The migrant *NGO FEDZAC*. The role of this transnational organization was discussed earlier. FEDZAC represents the most important tie that Caxcania possesses to promote transnational development. As noted, Caxcania is one of the strategic projects that FEDZAC is supports with consulting, training and administrative and accounting services. The bridgework that FEDZAC carries out in its collaboration with OXFAM International can be fruitful, particularly when FEDZAC begins to link OXFAM resources with its strategic projects, in which the largest projects (because they will have the broadest development outcome) should have priority. This is still not the case: resources that trickle down to the projects are minimal.

Furthermore, FEDZAC should search for ways to focus on the different transnational spaces that exist within Caxcania and interconnect and coordinate these spaces. After all among the relevant transnational subjects of development, FEDZAC is the most organized and potentially effective.

This is necessary because the function of the noted agencies can change or overlap with other functions in different TSSs. Attaining transnational development requires the coordination, arrangement and strategic collaboration of different types of agent and

agencies. It is therefore useful that different cross-border agents and agencies operate in different transnational spaces, in order to have broader fields of action and results on the political, non-governmental and social levels. This is above all valid for transnational development; if migrants and their families want a development that reaches both sides of transnational realities, they must pool their efforts and develop strategies that are complementary and work strategically in a multi-stakeholdership. The case study of Caxcania indicates that transnational development needs the participation of a variety of subjects, resources, economic transactions, knowledge, technologies and institutions, which have the potential to transcend the local and regional scope. This means, concretely, that transnational family links, Club, Federation and Migrant NGO efforts, and FCZ endeavors at the political level must unify in order to promote the sale of mezcal for sustainable profits that satisfy mezcal producers as well as migrants in the United States. Only in this way will it be possible to open a field of greater possibilities through transnational development strategies.

For example, the political structure and scope of action of *Frente Civico Zacatecano* could be used to pressure Zacatecan state departments to implement favorable public policies for their strategic projects, such as Caxcania. The coordination of different actors of the transnational alliance can also lead to the opening of new market relations. Multi-stakeholdership or the agency for transnational development requires initiatives that are pursued by strong leadership. Development must be seen as more than progress that is precipitated by outside agencies. Accordingly, the appropriation of agency is crucial in transnational development, based principally on participatory development. In the case of Caxcania this can be carried out effectively by FEDZAC, because of its high levels of social organization and the ability of its representatives to link and coordinate action strategies with those of other traditional and nontraditional agencies of development with the aim of fostering positive cross-border outcomes.

As mentioned earlier, this discussed transnational congregation is in permanent social transaction with nontraditional agencies (state institutions, NGOs, the UAZ) and is influenced by interactions and practices of these agencies; in other words, there is evidence that nontraditional and traditional agencies are interplaying and changing in the course of this existing interdependency. The particular transaction and strategies of these actors within TSSs, and the interplay among transnational actors in the TSS is of particular

interest for transnational development, because they can enforce this kind of advance on different fronts and leverage strengths that different kinds of cross-border formations have. This range of agents and agencies in their respective spaces can be considered as a transnational alliance, which for example is visible in the association between FEDZAC and OXFAM.

Methodological reflections

As noted in Chapter One, qualitative research has the aim to identify the social realities of human beings and requires particular methodological reflection. This, according to Schütz, is because there is the conviction that human realities are socially constructed, based on facts that are interpreted and expressed in "generalizations, abstractions, formalizations and idealizations" (cited in Merlinsky, 2006: 28/9). In this vein, social realities are products of interpretations of human beings' (everyday constructions of the first degree) about events, which are in turn shared by members of the same lifeworlds (Schütz, 1971).

Social researchers have the aim to comprehend in social realities the existing "structures of relevance" of social actors (Luckmann & Schütz 1979). An exhaustive comprehension of this context can be accomplished through (qualitative) research and by the interpretation of the existing interpretations. In other words, social researchers carry out constructions of the second degree (Schütz, 1971). This represents an "interactive and transactional process" (Lettau & Breuer, 2007), meaning that the entrances in the field, as well as the contact with relevant social actors by using particular methodological tools, lead to the fact that the researcher becomes part of the research field. In this vein, the observed context is influenced by the particular role of the researcher and her/his methodological interventions.

Constructions of the second degree contain the risk that the researcher does not explicitly take into account her or his "positional reflexivity" (Marcus, 1995) in the research context. This can lead to a visible divergence of the perceived social reality of the researched subjects, contaminated by the researcher's own perception of social reality, which can induce incorrect assumptions in the research process.

To avoid this reflexivity, I stepped back from the research field frequently and used this period of separation to carry out reflections on my position and particular influence in

the field, due to my cultural and academic background. In this process, I also reflected upon the social context in which Caxcania is located. Its strong cross-border characteristics place the case study in a particular investigative frame. Furthermore, by distancing myself, I reflect upon the role that my "gatekeepers" played by introducing me in the research field and to other members of Caxcania. All of these methodological aspects were considered in the elaboration of the research findings.

CHAPTER VII

7. CONCLUSION: DOES TRANSNATIONAL DEVELOPMENT OPEN ALTERNATIVE PATHWAYS?

After revising the theoretical and empirical context of migration and development in the previous chapters, I will now return to the research questions and end this dissertation with a few more general statements regarding the question of whether transnational development has the power to open alternative pathways in both development theory and practice. First, I will summarize the main results of the field research, from there I will address the theoretical foundations and finally I will discuss cross-cutting considerations on transnational development. To contribute to the revision, verification or possibility of rejecting the respective hypothetical assumptions with regard to the model's limitations and potentialities, I carried out research work on an agave-mezcal enterprise that exhibits strong transnational characteristics and that can be considered a pioneering experience. This field research served mainly for contextualizing my meso- level theoretical assumptions on the linkage of migration and development.

In this empirical revision we can detect different kinds of limitations to TD in practice. Structural aspects are the most important barriers. This kind of limitation is deepening in newly emerging economic and political frames (since the 1970s) that change existing migration patterns. One expression of changing economic and political frames is free trade, which I have analyzed in Chapter Five, especially with regard to the labor export-led model, and rural transformation in Mexico and in particular Zacatecas, under the framework of neoliberal globalization and particularly under NAFTA. In this context, I found that the development trajectory of the country under NAFTA displays clear evidence of transformation, expressed in direct and indirect labor drain, as well as unequal exchange and uneven development, land privatization, social exclusion and economic unevenness due to the polarization of power. These transformations are often reflected in rurality by widening structural heterogeneity. Caxcania is embedded in this adverse framework. Evidence from the field research suggests that structural heterogeneity is also present among partners, adversely impacting Caxcania's productive and transnational endeavors, especially with regard to social cohesion and strategic cross-border alliances. In this frame,

the main limitations are not only represented by these unfavorable conditions among Caxcania's partners, but also by unfair competition with large tequila corporations. The unevenness is manifest in the unequal financial resources, marketing power, and influence in public policies and beverage regulation. This context signifies restraining factors for advancement, especially for transnational development.

However, I determined that transnational development limitations cannot be reduced only to structural limitations, although they represent the most significant constraints. There are also sociocultural aspects that result in sociocultural limitations in Caxcania, based for example, on weak social organization and low participation among actors, irresponsible leaders and their inadequate practices, interfaces and social conflicts stemming from disagreements over decision-making processes, power asymmetries and multifunctionality among the partners, as well as weak civil society qualities. In other words empirical evidence on sociocultural limits indicates that there are differently positioned social motives and with that distinct 'structures of relevance' among Caxcania partners, which in turn lead to interest divergences that often end in social conflicts and debilitate social cohesion. This is strongly influenced by the fact that Caxcania emerged as conjunctural opportunity in the lowest stratum of the productive chain, meaning that the agave plantation was carried out with support in the form of a governmental initiative, rather than through a strategic development plan promoted by the agriculture producers of the region. This speaks to the composition of social empowerment and the capacity for the appropriation of the agency by the same partners. In particular, it means that without experience in the cultivation of agave, without knowledge of the industry, especially regarding the upstream activities, and without adequate coordination of the different participating stakeholders, Caxcania evolved slowly and relatively late, with weak transnational engagement.

On the other hand, contradictory and uncoordinated actions carried out by state actors resulted in institutional limitations. This is because collective initiatives in the mezcal branch are neither promoted (e.g., in long-term planning) nor protected as infant industries. Instead, state intervention affects them in an overwhelmingly adverse way by weakening civil society and social sustainability via the introduction of short-term development inputs (e.g., scattered subsidies) in a scenario that was already adversely marked by unequal competitive structures. Evidence suggests that these actions are mostly governed by short-

term thinking (related to the legislative period) and political interests. There is also evidence to argue that state agencies do not follow one conscious development strategy in Zacatecas, where all state dependencies should work together, using and amplifying existing forces towards a collective target that is, developing Zacatecas. In this line, the formulated hypothetical assumption regarding the limitations of TD in practice can be verified.

The Caxcania experience also shows potentials, which are however still not exploited satisfactorily. In principle, it may be claimed that Caxcania transcends conventional social development initiatives by involving a multitude of stakeholders, which are engaged in cross-border relations, transactions and actions. I addressed these potentials above by highlighting particular efforts to carry out development initiatives in the mezcal sector and in Caxcania by a variety of traditional agencies, such as the UAZ, OXFAM, and Esculturas A.C. In addition, I noted the positive interventions of a range of (nontraditional) cross-border agencies, such as FEDZAC, transnational family ties, Frente Civico de Zacatecanos and the migrant club Unidos por el Cañon de Juchipila. These actors move in different TSSs. In other words, there are a multitude of transnational subjects of development that have the potential to carry out broad development in different societal levels in and around Caxcania.

In this context, FEDZAC represents the most important organization for the promotion of transnational development. This is not only because of its particular institutional contribution in connecting migrant organizations with traditional agencies (e.g., NGOs), but also because it undertakes concrete efforts to advance in political and economic modes of development in cross-border contexts. FEDZAC promotes projects by offering technical, administrative and accounting support, which is crucial for the evolution of transnational development.

By contrast, other transnational formations in Caxcania exhibit a certain degree of social organization, but these configurations are still not capable of carrying out mentioned exercises. Furthermore, these subjects or TSSs exhibit in some respects different logics and development interests and are based on distinct forms of social capital. Consequently, they are institutionally fragmented and weak. Thus, the transnational agencies' achievements are mostly isolated and unrecognized and collaboration is especially lacking in the case of the existing transnational variety within Caxcania. In this line, some of these TSS's represent

partial transnational development success, but this success is only manifested in some family-based (that is, in the frame of transnational families), small-scale economic enterprises inside and outside of Caxcania. This partial success has to do with higher levels of family consensus and the ability to plan and carry out small productive projects.

Consequently, untapped and underexploited potentialities within Caxcania lead only to a modest level of success in the project and in the achievement of full transnational development. In concrete terms, this means that the capacity to achieve inter-institutional linkages through cooperation among suggested (traditional and nontraditional) agents and agencies that might lead them to work for a cross-border agency within a socially sustainable agenda for development is still weak. This achievement could reinforce an adequate institutional frame, in which diverse adverse development conditions could be countered and reduced (e.g. structural heterogeneity, uneven development, social exclusion and inequalities), migrants as active participants could be incorporated, entrepreneurial capacities could be strengthened, and with that cross-border activities could widen.

With regard to the research questions and the corresponding hypothesis, it can be claimed that Caxcania has carried out fertile groundwork, not only for social development, but also for successful cross-border economic enterprises and full-fledged transnational development in the political, cultural and institutional spheres. In this vein, transnational development as a way of thinking about human progress is very appropriate for the case study, because Caxcania possesses important pieces of the puzzle. However, partners must overcome demonstrated limitations and establish their collective vision of development. These sociocultural limitations, manifested in the lack of systematic collaboration and coordination by relevant actors in the agave and mezcal production enterprise of Caxcania, led to the above noted conclusion that only a limited utilization of their multiple transnational ties is achieved. Based on the vision of conscious and collective demands, negotiations with external agencies can be started and mediations within the enterprise (among producers, partners and leaders) as well as with state institutions can be carried out in order to strengthen social cohesion. These aspects are crucial in order to reduce structural heterogeneity or uneven development in their own path for societal advancement, and especially for transnational development.

In this line, the constitution of strategic transnational alliances could be promoted and bring away social sustainability in the process of development. In economic terms, this

means, for example, the sale of mezcal or other derivates in US markets with the help of international migrants, who reside there.

In sum, besides structural and institutional limits, the deficit in collaboration and coordination leads to very little overall advancement in local, regional, and migrant community development in Caxcania.

The theoretical construction of the model of transnational development can serve as useful groundwork in order to analyze and help to reduce the above addressed limitations and potentialities of a broad development process in practice, as well as offer new relevant insights. In this line, this analytical model can be seen as a theoretical contribution to the clearer understanding of the linkage of migration and development.

For this theoretical construction, I examined alternative development approaches (PCD, HSD), their historical development and mainstream adaptation within the framework of the Post-Washington Consensus. On the basis of this critical discussion, I suggested that an alternative development discussion should recall the original main alternative concepts and approaches and adapt them to the current societal contexts. Therefore, I discussed concepts such as people-centered development, human scale development, real participation and participatory development, social empowerment, the appropriation of the agency, as well as social sustainability, and I contrasted these concepts with mainstream interpretations of similar concepts within the PWC.

In the frame of current economic and political restructuring, which has strongly affected the rural sector, I proposed collective initiatives and autonomous economic enterprises as a particular expression within agricultural production, as well as an adequate mode for competing in local/ global markets or for integrating into fair-trade markets. The discussion on collective initiatives and autonomous economic enterprises within a cross-border frame invites a theoretical analysis globalization in a broader sense, in which emerging arenas of social relationships, interaction, social action and newly arising agents and agencies of development can be focused. In other words, there is the need to focus social analysis on changing frames of reference, beyond the well-known traditional contexts (i.e. a particular country, community etc.). This is why I introduced the ‘transnational perspective’, mainly based on the study of international migrants’ transnationality, which is analytically close to the study of transnational subjects of development.

This theoretical framework is appropriate for addressing alternative development within changing arenas of interaction and action strategies, including geographically detached agents and agencies of development. For this reason, I first discussed central concepts of transnational studies and later I opened the discussion with regard to agents and agencies resulting from cross-border formations, which is closely related to the discussion of the links between migration and development. On this subject, there is currently a multitude of academic attempts that are facing the problem of idealizing this connection. In other words, many studies overemphasize a particular transnational agency (e.g., transnational organization) and underestimate limiting factors.

To overcome these shortfalls I proposed a model of transnational development that seeks to balance the analysis of migration and development by considering both the structural and agency spheres. More precisely, this means taking into account structural and other types of barriers to TD, as well as transnational transaction and action strategies within the framework of alternative development. In this configuration a wider range of dimensions can be ascribed to the field of migration and development, including the social, economic, political, cultural and institutional spheres of advancement.

In line with my hypothetical proposition, this means that transnational development drafts a particular modality in the theoretical connection of migration and development, which can compensate for the existing deficiencies in this discussion. To achieve this aim I employed central ideas of alternative development theories, concepts of transnational studies and theoretical elements of critical development studies. By employing cross-border concepts, AD can be extended and adapted to current transformations of arenas, agents and agencies and their respective relationships, interactions, and social action patterns. In turn, transnational studies can, in this theoretical merger, benefit from these alternative understandings in order to fit adequately into development theory.

With this triangulation of theoretical elements a more integral analysis of the linkage of migration and development can be carried out. This means, concretely, including in theoretical considerations of transnationalism the broad participation of agents and agencies, resources, economic transactions, knowledge, technologies and institutions, which transcend the local and regional scope and integrate migrant communities not only as a collective engine for local and regional development in sending regions, but also as additional recipients of development outcomes. In other words, this means that in cross-

border studies there is the need to expand the assumed idea of simultaneity from the classical perception of transnational contribution to local and regional development in the place of origin toward a focus that considers synchronicity as a sphere of contribution and outcomes in all geographical and social contexts.

This kind of perception involves societal processes such as participatory development in a cross-border context, social empowerment of respective actors, the appropriation of agency and a human progress that is based on social sustainability in order to overcome different forms of limitations corresponding to the framework of structural aspects and cross-border relationships in relevant geographical and social spaces. Furthermore it involves a cross-border development that is people-centered and human-scale. For these reasons, the proposed model represents a *useful* theoretical link between migration and development that makes this kind of analysis more balanced.

Establishing transnational development can halt or hinder forced migration, reduce existing unequal exchange structures, as well as uneven development and offer social actors development opportunities that give them the "*the right not to migrate*" (Bartra, 2002), meaning that international migration could be implemented more as an option than a essential necessity in order to meet basic human needs.

This can also mean for Mexican migrant community members a path to counter current indications of labor migrant's gradual shift toward downward social mobility. In this line it can be claimed that my hypothesis regarding the model can be verified: TD represents a particular modality that compensates for deficiencies in the discussion of the linkage of migration and development and considers a more integral crossborder perspective.

In more general terms, this signifies that transnational development can open alternative paths for advancement; its application in development practice should be paved by theoretical work, whereby theoretical insights can, for example, implemented in the planning, monitoring and evaluation of concrete development projects and collective initiatives in order to strengthen the development potential and widen the possibility for advancement for societies and social groups with strong transnational ties, to utilize their strengths and advantages in their everyday transactions and actions within their social relationship more efficiently. This dissertation has sought to contribute to thinking about and implementing transnational development.

Policy / development practice challenges

This dissertation was developed with the idea that academic work on development should not sit isolated on a shelf in university libraries, but rather contribute to political and development practice. This is especially the case for contributions to development studies that focus on marginalized countries, where the complexity of development issues strongly affect the local population. In order to confront these issues, I believe that academic research should provide profound analyses and should serve as an operationalization guide, which should be ideally taken into account in public policies and project work. In the course of this dissertation I have addressed critical issues, with regards to the structural, sociocultural and institutional barriers to development. Furthermore I have proposed concrete solutions with regard to transnational development that can be summarized in the following manner:

a) *Policy sphere:* the research has shown that there are institutional limitations to transnational development. State agencies lack a strong institutional arrangement with regard to applied programs and projects. Accordingly, in some cases the different programs and projects carried out by distinct state agencies result in contradictory efforts for social actors. This kind of uncoordinated support has important impacts on social cohesion. Therefore, state agencies need to collaborate between themselves and coordinate programs, projects and financial subsidies in order to focus these efforts. In other words, they need to place concrete emphasis on central development issues for the members of Mexican and Zacatecan society.

b) *Development practice sphere:* social actors need to participate actively in the development process. This means that they need to, not only participate in programs and projects offered by state dependencies and utilize subsidies, but also demand that their civil-society rights be guaranteed. This is the essence of social empowerment, which requires building awareness of current political and economic processes.

With regard to Caxcania, this can be achieved by raising the awareness of its partners and by strengthening multiple cross-border linkages and strategic social organization in general. In this way, the Caxcania members can become strongly linked subjects of

development with a transnational scope. This implies the need to organize intensively within each TSS or linkage, to forge agreements and active collaboration, and to determine the appropriate division of labor for all cross-border initiatives. This needs to be done on a consensus basis for major future developments, so as to convert cross-border actors into appropriated promoters of development, including with regards to the goal of reinforcing the agave-mezcal product chain.

Ideally, both state institutions and transnational actors collaborate in an agency of development. Therefore, I propose that the relevant actors should converge within a cooperative agency of transnational development or collaborate as a multi-stakeholdership in order to attain broad cross-border progress and to make use of the potentials that exist in cross border enterprises, such as in the case of Caxcania. The *transnational development agency* is understood as a group of experts, located in different contexts of society; composed of agents (e.g., representatives) who are dedicated to search out and reinforce entrepreneurial strategies, or seek paths to overcome structural or other kinds of limitations, etc. These actors need to collaborate and possess equivalent authority, while the transnational agents and agencies should hold executive power. These kinds of cross-border meetings, where a multitude of stakeholders from different societal and geographic contexts gather, are not an unlikely scenario. On the contrary, within the framework of the migrant-led program, the examination board (COVAM) is meeting in different geographical sites; with the intent that different traditional and nontraditional institutions and organizations come together to plan social projects within 3x1. This can be continued and extended to productive projects discussed here as transnational development strategies. In this way, social sustainability in Zacatecas can be planned and further synergetic effects, meaning broader societal outcomes, can be achieved.

Transnational development agency needs to organize and to collaborate with the various stakeholders. How the agenda will be carried out in practice can be the scope of further research in Caxcania, by analyzing transnational development options in concrete social contexts and geographical regions.

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die Post-Development-Kritik. Ein Beitrag zur Analyse des Entwicklungsdiskurses. Hamburg: Deutsches Übersee-Institut

LIST OF INTERVIEWES

CAXCANIA#1: H. Haro, president and treasurer of FEDZAC, interviewed on 20.7.12 in Zacatecas, Zac.

CAXCANIA#2: M. Haro, partner, interviewed on 9.11.11 in Los Angeles, CA

CAXCANIA#3: P. Parro Olveras, partner, interviewed on 23.5.11 in Moyahua, Zac.

CAXCANIA#4: R. Frausto, Treasurer**,** interviewed on 30.5.11 in Juchipila, Zac.

CAXCANIA#5: G. Perez, Leader of producer organization, interviewed on 24.8.11 in Tlachichila, Nochistlan de Mejia, Zac.

CAXCANIA#6: G. Santos, manager, interviewed on 20.3.11 in Zacatecas, Zac.

ESCULTURAS#7: J. Diaz Rivas, Director of Escultura A.C., interviewed on 15.6.11 in Zacatecas, Zac.

FCZ#8: G. Rodriguez, president of FCZ, interviewed on 7.11.11 in Los Angeles, CA

FCZSC#9: G. Gómez, Ex-president FCZSC, interviewed on 9.11.11 in Los Angeles, CA

FEDZAC#10: E. Jimenez, President FEDZAC, on interviewed 12.5.11 in Zacatecas, Zac.

IEM#11: R. Castañeda, Director of IEM, interviewed 11.3.11 in Zacatecas, Zac.

OXFAM#12: T. Cortez, Coordinator, on interviewed 17.10.11 in Zacatecas, Zac.

PIÑON GIGANTE#13: J. S. Sandoval, Leader, interviewed on 19.6.11 in Juchipila, Zac.

SAGARPA#14: L. Gonzalez Contreras, System Product Mezcal, interviewed on 16.3.11 in Zacatecas, Zac.

SAGARPA#15: J. Llamas, Subdirector of SAGARPA, interviewed on 22.2.11 in Zacatecas, Zac.

SEDESOL#16: C.A. Islas Campos, Subcoordinator of 3x1, interviewed on 21.1.11 in Zacatecas, Zac.

SEDEZAC#17: E. López Muñoz, director, interviewed on 17.2.11 in Zacatecas, Zac.

UAZ#18: J. González Trinidad, general coordinator, interviewed on 16.11.11 in Zacatecas, Zac.

UAZ#19: E. Esparza, Investigator of the UAZ, interviewed on 24.11.11 in Zacatecas, Zac.

LIST OF EVENTS AND GROUP DISCUSSIONS

#1: FEDZAC leader assembly, 5th February 2011 in Zacatecas

#2: Meeting of foundations and federations (Encuentro de fundaciones y federaciones) "diseñando una agenda compartida para promover el desarrollo local", 10th September 2011, Zacatecas.

#3: Inauguration of the distillation plant of Caxcania, 14th January 2012

#4: Meeting for the agreement of UAZ and Caxcania for further collaboration, 18th November 2011

#5: Group discussion in B. Juarez, Apozol, 20th July 2011

#6: Group discussion in Cuxpala, Moyahua, 25th August 2011

#7: Group discussion in Tlachichila, Nochistlan, 20th September 2011

#8: Several Group discussions in Caxcania meetings during December 2010- January 2012