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## Migration and Non-Agricultural Income as an Option for Sustainable Rural Development? — The Case of Zacatecas

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### Abstract

The agricultural sector in Mexico is still dominated by smallholders, mainly so-called Ejidatarios that work on community land. Until the debt crisis of 1982 smallholders were protected by a system of subsidies, guarantee prices and closed markets. Therefore peasants were not prepared for market competition.

As a consequence of economic reforms that were carried out during the last 20 years – such as the reduction of subsidies for agriculture and the opening of markets for agricultural products under the NAFTA regime – Mexican peasants have suffered a significant loss of income. To compensate reduced earnings from farming and livestock many families decided to send one or more members as labor migrants to the US. Zacatecas is the state that has the highest emigration ratios, more than 20 % of all households do have at least one family member.

Legal and illegal migration rose dramatically during the last two decades of the 20<sup>th</sup> century. The number of people with Mexican origin was estimated 20 million at the turn of the millennium, most of them stemming from rural areas. This has led to a negative population growth in many towns and villages.

In order to secure the substance of their families in Mexico most of these migrants send monetary transfers back home. These remittances have been rising constantly peaking at almost 10 billion US Dollar in 2001. For many households in rural Mexico remittances represent an important if not the most important share of income. In Zacatecas for 54 % of all remittance-receiving households these transfers represent the most important source of income, and for 30 % remittances are the only source of income.

The lion share of the remittances is spend on family subsistence, however significant parts are channeled into productive and community investment. The question to analyze in this paper is, whether these investments may open alternative development paths for peasants in rural Mexico or if dependency on remittances will continue.

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