

Reading the future in Mexico's malls

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The driver of the taxi that took me from the airport to the hotel in Mexico city was a computer systems analyst. He was a cheerful English speaking man who talked about himself and his family's woes in the hour it took to cover the 30 km. He wanted to know about the global economic crisis so that he could figure out why things were bad in Mexico for people like him. He complained about unemployment and his inability to get the right job without connections — a fate his children also face. He blamed the U.S. and its policies and corruption in society. This was a recurrent theme during my week-long stay in Mexico recently.

Big malls

The taxi passed through many commercial and residential areas but I saw no small shops. There were big malls, automobile dealers, petrol stations, restaurants, pharmacy stores and car repair shops. I wondered if the small stores were in the residential colonies. A friend who had been posted in the Indian Embassy in the mid-1980s had mentioned that there were fruit stores everywhere and one could make a meal of fruits in the evening but such shops were nowhere to be seen. I wondered if this was the future that awaited the Indian metropolises.

The absence of small stores was perplexing but more intriguing was the serious unemployment, given that Mexico has been a part of NAFTA since 1994 and which brought in much foreign investment. Many factories have relocated from the U.S. to Northern Mexico to supply the U.S. and Canadian markets and so on. The city was bustling with cars. It is prosperous compared to India with a per capita income 10 times ours. There are layers of flyovers — one on top of the other — but there are traffic jams. During day time, it takes two to three hours to cover a distance that takes 25 minutes early in the morning. The public transport system consists of rail, buses and trams but people are stuck in traffic for a good part of their day. The city has to spread horizontally since it is built on landfill and there is a lot of water below the surface, and multi-storeyed buildings require expensive deep foundations. So, most buildings are one or two stories high, forcing the city of 25 million to spread out.

Old timers remember that Mexico city had

India may soon go the way of the Central American country where small stores have vanished from the city, agriculture has declined and unemployment is huge



organised sector stores survive now, like the Sanborn chain belonging to Carlos Slim, the richest man in the world. Sanborn has a unique model of a restaurant on the first floor and a gift shop, pharmacy and other such conveniences on the ground floor. The young I talked to did not remember seeing corner stores in residential colonies.

From my hotel window, perched eight floors up, I could see malls but no small stores. Sears, Walmart, McDonalds — they were there like anywhere in the U.S. In residential colonies, I did see a few small stores but most of them were American Seven Elevens. And there are pavement stalls and markets where the poor purchase their necessities. It was ironical to see workers in ties from malls cross the street to eat at pavement stalls — perhaps they could not afford to eat in the mall.

On a visit to the charming town centre, it was refreshing to see streets lined with small stores. My escort told me that many people came here to shop because it was cheaper. I went outside Mexico City to Teotihuacan to see the Pyramids. The huge pyramid of the Sun god is apparently a few times larger than the biggest Egyptian pyramids. It was part of

an ancient city 2,000 years ago, which was over three miles long and had more than 1.5 lakh people. All this was awe-inspiring but it was tiring because it involved hours of walking and climbing up and down. At the end of it, we went to the neighbouring town to eat. At its entrance was a beautiful arch which said Teotihuacan Pueblo con Encanto. The streets were lined with small stores.

Village republic

The next day, I visited the village Tlalnepantla in Morelos. I counted dozens of small shops for a population of a few thousand. This is a revolutionary village. Alvaro, our host, is an economics graduate who settled down here 40 years ago. He cultivates Nopal, or cactus, with the rest of the villagers. His small garden has trees bearing guava, avacados, lime and lukat. He has successfully experimented with creating a village republic. It was amazing to see the hilly village surrounded by 4,000 hectares of Nopal cultivation. Even more breathtaking was the clear view of the distant volcano from which a plume of smoke emanated.

The village had rejected the corrupt political parties. Villagers selected their own leader and did not recognise the president of the municipality, a party man. The government sent in troops declaring Alvaro and others terrorists and they had to go underground. There were protests all over Mexico, especially in the universities. The government was forced to drop the charges and come to an agreement. The land here belongs to the community and cannot be sold to outsiders. Hearing that an Indian professor was visiting the village, its leaders came with lunch and cactus products — cooked as vegetable, turned into pickle and marmalade, very delicious. Alvero asked me about Gandhiji, his philosophy of non-violence and how it could be applied to a modern society. Gandhiji seems to have a special place in Mexico. A chain of book stores is called 'Gandhi.' There are parks and roads named after Gandhiji.

The farmers are upset with the U.S. and NAFTA. They complained that the free market had enabled subsidised food to come

from the U.S. and destroyed their agriculture which now contributes only four per cent of GDP. Thus, the two big employers, agriculture and retail trade, have suffered in the last two decades, which is why unemployment is high (5.2 per cent), and underemployment is at 25 per cent. I met a professor who said his son got a job only because of his connections and another said his son doing a Ph.D. was worried about the future. Why is this happening with so much foreign investment? Unemployment has driven down wages. An Assistant Professor at the university complained that he could barely make ends meet with his salary, which is determined by the number of lectures he gives in a month. He thought the taxi-driver was better off than him.

Mafia rule

In Northern Mexico where investments from the U.S. have poured in, the mafia has taken over and there is lawlessness. The state there seems to be withering away. Unemployed youth join the mafia. There is drug trafficking and illegal migration of youth into the U.S. It is this migration that has kept unemployment from getting worse. The migrants send money back home. Remittances along with income from petroleum exports and tourism keep the Mexican economy afloat and prevent the crisis from deepening.

Instead of solving Mexico's problems, its proximity to the U.S., free trade with it and investments from there have led to deepening unemployment, the decline of traditional agriculture and the end of small retailers in metro cities. I wondered whether what I was seeing in Mexico was India fast forward 20 years, when there will be lots of cars and traffic jams in the metros, lots of malls too, but few small retail shops, high unemployment and a crisis in agriculture. Small stores are likely to survive only in small towns and villages.

Our crisis is likely to be worse than Mexico's since we do not border the largest economy in the world where our youth could illegally migrate. Nor are we likely to get investment in per capita terms matching Mexico. We do not have petroleum or tourism income to prop us either. So, does Mexico mirror a part of our future, if we continue with our current policies?

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