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## Mexico: Economic Liberalism in an Authoritarian Polity

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*[Democracy] is a great word, whose history, I suppose, remains unwritten, because that history has yet to be enacted.*

—Walt Whitman

This chapter inquires into the nature of the relationship among economics, politics, and law in Mexico. More specifically, it focuses on the impact of the substantial and rapid transformation of an economic system on the legal and power structures of an authoritarian regime that tried to resist and delay change without resorting to open and systematic violence.

Mexico's traumatic experience from 1982 to 1997 included repeated economic crises, rapid privatization and internationalization of the economy, a deterioration of the living standards of the working and middle classes, an erosion of the legitimacy of the political system, a free trade agreement with the United States and Canada, a protracted political transition, signs of ungovernability, violent internal struggle among the state party elite, a small but persistent guerrilla movement, a new economic crisis (1994–96), and a modest recuperation. These experiences permit the investigation of the impact of rapid economic liberalization on the political and legal institutions and practices of an old authoritarian political system. More precisely, how and to what extent is a state party system that embraces market economics subjected to pressures to open up its political life and reshape its legal framework?

The impulse to change rapidly in one arena, the economy, and to move very slowly in others, the polity and legal practices, has had consequences not anticipated by the authoritarian Mexican elite that was forced to start a process of economic transformation in 1985. By that time, Mexico's economic model based on a protected, but weak, internal market was in a profound structural crisis. The Mexican experience was a kind of *perestroika* without *glasnost* aimed at avoiding the fate of the former Soviet Union: the evaporation of power from the hands of the *nomenklatura* and the simultaneous breakdown of the regime and the state.<sup>1</sup> "Democracy, but within reason" appeared to be the motto of a technocratic elite interested in introducing market economics as a way of renovating its legitimacy and avoiding the danger of losing power by adopting an open and competitive political system.<sup>2</sup> However, by the second half of the 1990s this process of relying on economic manipulation to postpone regime transformation began to unravel. When the economic reforms did not deliver expected results for the many, signs of ungovernability increased. Pressures also mounted to accelerate the transition from authoritarianism to some kind of democracy. The worsening of the contradiction between change and resistance became the essence of Mexican politics immediately after Ernesto Zedillo's inauguration in December 1994 as the thirteenth consecutive president belonging to the same political party.

### Mexico and Its Dilemmas

Mexican authoritarianism is the immediate product of a violent political and social revolution at the beginning of the century (1910–20). In a couple of decades this system became centered on a very strong executive power presiding over a corporatist state party that governed for sixty-eight years. This party, created in March 1929 as the Partido Nacional Revolucionario (National Revolutionary Party), was reorganized in 1938 as the corporatist Partido de la Revolución Mexicana (Party of the Mexican Revolution) and reformed again in 1946 when it became more conservative and was renamed the Partido Revolucionario Institucional (Institutional Revolutionary Party), or PRI.

1. Lorenzo Meyer, "Aquí, Perestroika sin Glasnost," *Excelsior*, 13 December 1989.

2. A good study of the original idea to use technocratic Mexican elite's authoritarianism to implement an economic revolution and to subsequently begin a slower and controlled political liberalization is in Miguel Angel Centeno, *Democracy within Reason: Technocratic Revolution in Mexico* (University Park: Pennsylvania State University Press, 1994).

The Mexican state party came into being long after the revolution that started in 1910 had defeated the forces of the *ancien regime*. At the time there was no real alternative to the revolution, opposition from right and left was extremely weak, and the only real political struggle took place within the ruling revolutionary group. From time to time this internal struggle of the elite ended in a split with an insurgent faction claiming to be the real bearer of revolutionary ideals. Until very recently, all the revolts within the "revolutionary family" ended in failure, but the last one, started in 1987, crystallized in a new center-left opposition party (PRD) that together with the old center-right PAN are now central to the process of political transition.

The state party's original objective was not to be just another political actor competing within a democratic framework. A victory won on the battlefield was not going to be exposed to the uncertainties of the ballot box. Therefore, the new governing party was not an electoral organization but something very different: a bureaucratic machine designed to help the revolutionary elite reintroduce centralization and discipline among the ranks in order to avoid divisions and violence in the internal struggle for power.<sup>3</sup>

However, during the last quarter of a century, the legitimacy of Mexico's authoritarian political arrangements based on a very strong presidency, a state party, and non-competitive elections increasingly came under attack from within and outside Mexico. This assault became especially pronounced after the arrival of the "third wave of democracy" to Latin American shores and the subsequent fall of almost all the authoritarian regimes in the region.<sup>4</sup>

### The Achilles Heel

From the very beginning, the new regime had to live with a dangerous, intrinsic contradiction: the real rules of the political game were systematically contradicted by its formal, legal rules. The revolutionary constitution of 1917, still in force despite roughly 400 amendments, was a mixture of liberal and collectivist principles, but enshrined basic liberal, democratic political principles. The new Mexico envisioned by the constitution makers would have a strong presidency able to implement

3. The best study of the origins of the state party is Luis Javier Garrido, *El partido de la revolución institucionalizada: medio siglo de poder en México. La formación del nuevo estado, (1928–1945)* (México: Siglo XXI, 1982).

4. The nature of worldwide trends toward democratization is best developed in Samuel P. Huntington, *The Third Wave: Democratization in the Late Twentieth Century* (Norman: University of Oklahoma Press, 1991).

revolutionary reforms, but free and competitive elections would be the source of its political legitimacy. The new constitution also retained the classical liberal idea of the division of power among the executive, legislative, and judicial branches and among federal, state, and local governments. Individual freedom of association, a free press, and due process of law were also enshrined. It was only in religious matters, as a consequence of the conflict between the Catholic church and the revolutionary regime, that the constitution departed from democratic liberalism and denied any political rights to churches and clergymen.

An *Estado de Derecho*, or a state of law, postulates that nobody should be above the law. Modern political life requires a constitution and a real separation of powers to prevent disequilibria and permit the creation of an independent judiciary.<sup>5</sup> In postrevolutionary Mexico, the presidency overwhelmed the legislative and judicial branches of government. It also overpowered local and state government. In these conditions a real state of law was, and still is, impossible, because the presidency made frequent use of metaconstitutional and even anticonstitutional powers.<sup>6</sup> Only the construction of a real separation of powers can create the rule of law, the most formidable obstacle still confronting the democratization of the country.

Historically, Mexico's legal regime has been problematic. Spanish legal institutions never fit well in an Indian, non-Western society. If legality had serious difficulties during colonial times, the problem increased after independence in 1821. A radical liberal elite imposed its theoretical conceptions on a corporatist society with few elements to transform former subjects of the king of Spain into citizens.<sup>7</sup> The gap between those two worlds increased because the nature of Mexican society (corporatism and wide cleavages between social classes) was antagonistic to liberal and democratic institutions. After the enactment of the new regime's constitution in 1917, the contradiction between the legal framework and the real rules of the political and judicial game increased and became a key characteristic of Mexico's civic life in the twentieth century.

A real state of law became impossible after the consolidation of a

5. Guillermo Cabanellas, *Diccionario enciclopédico de derecho usual* (Buenos Aires: Editorial Helesta, 1986).

6. In regard to supra- and anticonstitutional powers of the Mexican presidency, see Jorge Carpizo, *El presidencialismo mexicano* (México: Siglo Veintiuno, 1978).

7. The lack and impossibility of a widespread sense of citizenship in nineteenth-century Mexico has been explored by Francis-Xavier Guerra in *México: del antiguo régimen a la revolución* T.I. (México: Fondo de Cultura Económica, 1988), 182ff.

strong presidency at the end of the nineteenth century. The Mexican Revolution did not alter this situation; instead it helped to concentrate power in the hands of the executive. After 1935, the president became the undisputed leader of the state party, and it was through that party that he controlled Congress, state governors, and municipal governments. Without an independent Congress, the judicial branch of the government became helpless and finally marginal.

A subservient legislature and judiciary produced an unaccountable presidency. Unaccountability has, as a necessary outcome, endemic corruption of high and low public officials and of public life in general. If, in spite of this, the new regime was regarded as legitimate by key political actors, this was due not to its democratic and law-abiding nature but to its social reforms and its creation of economic development from the 1940s to the beginning of the 1980s. This economic development improved the material conditions of important sectors of Mexican society.

### New Medicine for Old Symptoms

Since the end of the 1960s, changes in the social, demographic, economic, and cultural arenas have eroded the regime's political legitimacy. In the last twenty years, Mexico has also experienced a chain of economic crises. As a reaction to them and since the mid-1980s, the powerful presidency forced the country to change from a non-competitive, protected, nationalistic, and state-directed economy to a relatively open market economy where privatization of state enterprises has been systematic and foreign investment enjoys equal legal footing with national private capital. Moreover, on the first day of 1994 Mexico became the third member of the North American Free Trade Agreement (NAFTA) along with the United States and Canada. At about the same time it was accepted into the Organization of Economic Cooperation and Development (OECD). Unfortunately, all these changes, with their high social toll, have not restored Mexico's economic health. On the contrary, the addiction of Mexico's open economy of the 1990s to foreign speculative capital brought another spectacular economic crisis.<sup>8</sup>

For about half a century, the essence of Mexican economic strategy was centered around economic nationalism and a protected internal

8. Alternative views of contemporary Mexico's economy are presented by Macario Schettino, *Para reconstruir México* (México: Océano, 1996), and Nora Lustig, *México: The Remaking of an Economy* (Washington, D.C.: Brookings Institution, 1992).

market. The strategy after World War II was to use the local market as the platform to create a strong native industrial class and to build an industrial complex able to survive U.S. dominance and competition. Such industrialization required, among other things, high tariff barriers and an active and interventionist state that could provide not only infrastructure but direct support to producers.<sup>9</sup>

Industrialization through government support was a relative success in terms of growth, producing average increases in GNP of 6 percent per year from 1940 to 1970, but it could not achieve international competitiveness. Trade deficits became unsustainable, and by the second half of the 1970s economic development based on a relatively small internal market was no longer viable. After an intense debate and struggle within the corridors of power, a young group of market-oriented economists led by Carlos Salinas, a member of Mexico's power elite and a Harvard-trained social scientist, captured the all-powerful and authoritarian presidency and began a rapid implementation of a new economic policy.<sup>10</sup>

Under the impact of market economics, the old dogma of Mexican revolutionary nationalism evaporated. What happened, then, to the political regime? Did it also transform itself and go from limited pluralism to liberal democracy and a state of law, or did the key political variables remain more or less impervious to macroeconomic changes? The answer is neither. The technocratic elite tried to use the old authoritarian tools at their disposal to overcome obstacles to economic liberalization. At first they succeeded beyond anyone's expectations, but by 1994, the situation began to unravel and demands mounted to re-examine the economic formula and speed up political reform. By the mid-term elections in 1997 the main issue on Mexico's agenda was regime transformation. The struggle between the old state party and the opposition was especially bitter because for the first time in more than eighty years the presidency had lost Congress.

### The Strong Historical Roots of Mexican Authoritarianism

The authoritarian nature of Mexico's political system and civic culture are deeply rooted in its history, specifically in three centuries of colo-

9. A general picture of Mexico's economic strategies and achievements in the period of economic protectionism is presented by Clark W. Reynolds, *The Mexican Economy: Twentieth-Century Structure and Growth* (New Haven: Yale University Press, 1970).

10. For an analysis of the structural nature of the economic crisis of the 1980s, see the collection of essays in Carlos Bazdresch et al., *México: Auge, crisis y ajuste*, 2 vols. (México: Fondo de Cultura Económica, 1992).

nial domination and the failure of political liberalism in the nineteenth century. In the sixteenth century, the newly created Spanish national state found in present-day Mexico one of the largest and most sophisticated demographic concentrations in the Americas, between ten and twenty-five million strong, with urban concentrations larger than those of Europe.<sup>11</sup>

Mesoamerican civilization based on the cultivation of corn was entirely original; all its achievements and weakness were the product of internal developments without any external influences. The very idea of an external world was completely alien. The unexpected and violent presence of Europeans in the sixteenth century was a cosmic catastrophe from which Indian civilization was unable to recover.<sup>12</sup> Spanish conquest signified the sudden destruction of a whole worldview, a total military, political, cultural, and religious defeat from which native Mexicans never fully recovered.<sup>13</sup>

By the end of the sixteenth century the domination of what is today central Mexico was over. The effective occupation of the land by Spaniards and the subordination of the natives was an irreversible fact. For three hundred years of colonial domination, the Europeans, never more than a few hundred thousand strong, totally and completely dominated the native societies of central and southern Mexico, which were divided in small communities with different languages and traditions, and implanted in them a Christianity that, together with the Spanish language and legal framework, became the foundations of a future sense of nationhood. Religion, language, and law were not the only elements brought by the European minority to native Mexicans; they also carried a sense of the natural intellectual and moral superiority of Spaniards and creoles.

Racial discrimination was an integral part of the colonial system. After a bitter legal and theological fight in Madrid, the thesis of the humanity of the Indians was accepted but at a price: the new subjects of the king received nonage status in perpetual need of protection and supervision by royal authorities and the church.<sup>14</sup> The Kingdom of New Spain was divided by the Spanish crown into two republics occupying the same space: the Republic of the Indians and the Republic of

11. Sherburne F. Cook, and Woodrow Borah, *Essays in Population Study*, 2 vols. (Berkeley: University of California Press, 1973).

12. Enrique Florescano, *Memoria mexicana*, 2nd ed. (México: Fondo de Cultura Económica, 1994), 321–90.

13. Guillermo Bonfil, *México profundo: Una civilización negada* (México: Secretaría de Educación Pública, 1987).

14. David Brading, *Orbe indiano: De la monarquía católica a la república criolla* (México: Fondo de Cultura Económica, 1991), 90–108.

the Europeans. Their inhabitants lived in the same territory and both communities were subjects of the king, but each was governed by a different set of laws.<sup>15</sup> For three centuries, complete domination of the natives by a very small minority of Europeans or European descendants was the core of the political and legal development of Mexico. Colonial domination formally came to an end in 1821, but some elements of the original social cleavage are still alive.

### A Legality More Formal Than Real

In the original nation-states of Europe and in the United States, the legal frameworks that evolved into constitutions were the result of a long evolution from the times of Roman domination to the end of Middle Ages in which rules were the crystallization of centuries-old practices. Mexico's situation was totally different.

Legal institutions in New Spain were not the result of internal evolution but an external imposition. Spanish legal ideas and practices confronted a completely alien social environment. The Council of the Indies in Spain had to draft laws for a reality thousands of miles away that had very little in common with the Roman legal tradition prevailing in the Iberian Peninsula. The result was a complex set of legal rules that tried to accommodate local reality with the principles and interests of the Spanish crown, but never fully succeeded. This gap between legality and reality became permanent.

Part of New Spain's legal and political reality is captured by the dictum of local authorities trying to be obedient officials while working with laws enacted far away in the metropolis: "*se obedece, pero no se cumple*" ("the order is accepted but not implemented"). The inconsistency between legality and reality became systematic not only because of a deep contradiction between the traditions and interests of conqueror and conquered, but also because of conflicts of interest between the crown and church and the few but powerful private individuals, the *conquistadores* and their descendants. The king and the church were interested in the preservation of Indian communities, but private individuals objected to obstacles preventing the rapid exploitation of nature and natives.<sup>16</sup>

15. José Miranda, *Las ideas y las instituciones políticas mexicanas* (México: National University of Mexico, 1978).

16. A classic study of Spanish institutions in the New Spain is José Miranda's *Las ideas y las instituciones políticas mexicanas* (México: Universidad Nacional Autónoma de México, 1978). See also Mark A. Burkholder and D. S. Chandler, *From Impotence to Authority: The Spanish Crown and the American Audiencias, 1687–1808* (New York: Columbia University Press, 1977).

The violent imposition of the interests of one civilization upon the other produced a profound incompatibility between the legal and moral frameworks and the actual behavior of Indian communities, authorities, and the colonial power elite. The gap separating what is from what ought to be continued after Mexico became independent in 1821. Liberal constitutionalism never became real, for a society of corporations and Indian communities was unfit for individualism, and this chapter of Mexican history became just another example of a discounter between principles and practice.

### Nationhood in an Unintegrated Society

By the eighteenth century the contradictions between creoles (native-born whites) and peninsular Spaniards were evident—peninsulars got the best offices in government and church and controlled trade—but these differences did not evolve into open confrontation. It was the invasion of Spain by Napoleon, the imprisonment of the king, and the discussion of sovereignty in the Spanish empire in America that precipitated a rupture at the top of the power structure. In 1808 a preemptive coup in Mexico City led by a wealthy peninsular Spaniard, Gabriel Yermo, against possible creole domination of local government, accelerated the power struggle between Spaniards and locals. In 1810, a handful of creoles, a priest, and military officers plotted against the Spaniards in central Mexico, and their actions led to something unexpected: a race war, a general and bloody revolt of the lower classes, Indians, and mestizos against Spanish domination.<sup>17</sup> However, by 1815, Spaniards and native loyalists had managed to reimpose, through blood and fire, the authority of the crown. If independence finally took place in 1821, it was not as a result of an insurgent victory but of a conservative reaction by the upper classes against a liberal government in Spain.

External events, the French Revolution and the Napoleonic wars in Europe, created a power vacuum in the Spanish colonial empire, triggering a chain of events that concluded in the independence of Mexico and Latin America in the 1820s. Unfortunately, the economic, social, and cultural cleavages among creoles, Indians, and mestizos made nation-building in nineteenth-century Mexico long and painful. Given

17. Hugh M. Hamill, *The Hidalgo Revolt: Prelude to Mexican Independence* (Gainesville: University of Florida Press, 1966), 117–216; John Tutino, *De la insurrección a la rebelión: Las bases sociales de la violencia agraria, 1750–1940* (México: Ediciones Era, 1990), 45–184.

these cleavages, and the country's institutional fragility, a state of law continued not to exist.

### An Improbable Nation

For the first fifty years after independence, the main political conflict in the new nation was between a liberal and republican elite and the conservative and monarchical elements of the upper classes and the church. The Indian and mestizo majority were more objects than subjects of this chaotic and bloody process that negatively affected almost all regions and social groups.

One of the few political changes accepted or at least tolerated by all sides as a result of independence was an end to the legal distinctions between Indian and non-Indians: to finish the colonial political and judicial distinction between the "Republic of the Indians" and the "Republic of the Europeans." It was the necessary first step to create a sense of nationhood and a single political entity. However, cultural, social, economic, and political discrimination and abuse against the Indians not only persisted but deepened.

The lack of social and political cohesiveness transformed the new Mexican nation into a mosaic of unlinked local societies. Centrifugal forces were dominant. As demonstrated by the war against the United States in 1847, only a minimum of political solidarity and sense of national interest existed among classes, parties, and regions to confront a foreign enemy.<sup>18</sup>

The political dream of the Mexican liberal elite was to shape out of colonial Mexico a new nation of individuals, of free citizens and successful capitalists just like the United States. That is why they enthusiastically adopted a revolutionary political framework: a democratic, presidential, and federal political system systematized in the 1857 constitution. However, the project was a virtual sociological impossibility in a nation of corporations, church, army, craftsman guilds, trade monopolies, universities, and Indian communities looking for survival in a market economy and without an individualistic tradition. Moreover, legal traditions and practices did not support individual rights, further preventing the realization of the liberals' dream.

In the 1860s, a bloody civil war between liberals and conservatives produced a brief empire headed by Maximilian of Austria and sup-

18. Ramón Eduardo Ruiz, "La guerra de 1847 y el fracaso de los criollos," in *De la rebelión de Texas a la guerra del 47*, ed. Josefina Zoraida Vázquez (México: Nueva Imagen, 1994), 79–103.

ported by a French expeditionary force. However, local resistance by liberals under the leadership of Benito Juárez, along with U.S. government pressure, put a dramatic end to the conservative project. After a while, the liberal hegemony produced much needed order and social discipline but not a modern democratic polity.<sup>19</sup>

The original liberal dream soon became a nightmare for the Indians when their communal lands and communal savings, the material bases of their very way of life and civilization, were forcefully placed on the market along with church property. By the end of the century, what was supposed to be a community of individual entrepreneurs and free citizens had become a landholding oligarchic society embarked on a modernization process resisted or resented by a large segment of the population.<sup>20</sup> For a very large portion of the country's inhabitants, law, used to defend and extend private property, was not a source of protection but an instrument of oppression. This inevitably promoted views of law that further complicated the creation of a state of law.

### The Way to the Stability: A Liberal Dictatorship

The liberal utopia inscribed in the 1857 constitution and the liberal resistance to the imperial interlude of Maximilian, the French, and the conservatives concluded in a personal dictatorship. For more than three decades (1877–1911), General Porfirio Díaz shaped the collective life of Mexicans. Díaz's government was economically liberal and successful, but was not politically liberal or democratic.

The economic system presided over by Díaz was centered around a massive influx of American, British, and French capital and technology, while the political system revolved around an all-powerful president. Díaz, a hero in the war against the conservatives and the French, co-opted his former enemies, diminished the political influence of the army, overcame the resistance of local political bosses, reduced Congress to silence, and kept the press under tight control. It was the personal nature of power in Díaz's Mexico that explains the very poor political institutionalization characterizing the period. Díaz always ob-

19. Alfred Jackson Hanna and Kathryn Abbey Hanna, *Napoleon III and Mexico* (Chapel Hill: University of North Carolina Press, 1971); and Ralph Roeder, *Juárez and His Mexico*, 2 vols. (New York: Viking Press, 1947).

20. The utopia and reality of Mexican liberals in the nineteenth century are analyzed with great depth by Charles Hale in two books: *Mexican Liberalism in the Age of Mora, 1821–1853* (New Haven: Yale University Press, 1968), and *The Transformation of Liberalism in Nineteenth-Century Mexico* (Princeton, N.J.: Princeton University Press, 1989).

served the democratic forms of the liberal constitution but never its substance. He held non-competitive elections. After 1888, with the help of a relatively small army and police and of a subservient landed oligarchy, he destroyed the beginning of a constitutional division of powers, ended any possibility of state and local autonomy, and effectively inhibited the formation of an opposition party.

While Díaz controlled daily political developments, the system functioned well for foreign investors and the landed Mexican gentry, but when old age created a succession problem and the elite could not work out an effective internal agreement, dissidents mobilized popular opposition and the whole system collapsed by the beginning of 1911. It was the beginning of the Mexican Revolution.<sup>21</sup>

Porfirian modernization and liberalism negatively affected the communal land systems of Indian communities and concentrated land and wealth as never before. The legal system was heavily loaded in favor of the landed classes and foreign investors. This only deepened suspicions about the legal and judicial apparatus, creating additional barriers to a state of law. After three decades, the oligarchic agreement created by Díaz created two uprisings: one, in the north, demanding political change and the opening up of the system; another, in the south, demanding the return of communal lands. After a while both developments melted into one and Díaz was forced into exile. Political change through violence developed after a couple of years into a real revolution.

### Economic Modernization without Political Change and Revolution

The terrible civil war that devastated Mexico between 1910 and 1920, the Mexican Revolution, was more an antioligarchic movement and a reaction to the negative effects of economic liberalism in an agrarian society than a cry for something unknown: political democracy. Nevertheless the original banner of the revolution was centered on political democracy: "*sufragio efectivo y no reelección*" ("effective suffrage and no reelection"). In any case, peasant communities, labor unions, the emerging middle class, a set of popular armies, the church, and local political bosses were some of the main actors in the revolutionary drama. In the 1920s and 1930s, representatives of organized peasants,

21. James D. Cockcroft, *Intellectual Precursors of the Mexican Revolution, 1900–1913* (Austin: University of Texas Press, 1968); and Alan Knight, *The Mexican Revolution*, vol. I, (Cambridge: Cambridge University Press, 1986), 1–170.

workers, and middle classes were incorporated into the new regime, an uncommon situation in Latin America.

In contrast with the Russian Revolution, the Mexican Revolution had no clear-cut ideology. However, the Constitution of 1917 can be taken as the best summary of the Mexican revolutionary utopia. The new constitution preserved some of the liberal elements of the old one, but it also had a very strong nationalistic and anti-liberal component. Private property was subordinated to the interest of the collectivity, foreigners could not have agrarian property, rural communal lands had precedence over individual landholdings, labor rights were as important as or even more important than those of capitalists, state intervention in the economy was presented as indispensable to secure the common good and the national interest, oil deposits belonged to the nation, and church participation in the school system and in the political arena was restricted.<sup>22</sup>

The revolution tried again to end the historical division between Indians and non-Indians. Agrarian reform and a cultural revolution through public education injected an element of social justice and pride into the Mexican masses. Populism and nationalism in the 1930s elevated the Indians, the workers, and the poor into depositories of the essence of nationhood.<sup>23</sup>

### The New Regime

After the military and political victory in 1916 of the *Carrancistas*, the least radical revolutionary faction, Mexico became a classic case of limited pluralism or authoritarianism as defined by Juan Linz.<sup>24</sup>

The Constitution of 1917 provided for a strong presidency but within a democratic framework: division of powers, federalism, and a strong municipal government. However, the fact that the revolutionary armies had obliterated the old political order and that one revolutionary faction, the *Carrancistas*, had militarily defeated all others, made

22. Hanz Werner Tobler, *La revolución mexicana. Transformación social y cambio político 1876–1940* (México: Alianza Editorial, 1994), 347–71.

23. A general interpretation of the Mexican Revolution is provided by Héctor Aguilar Camín and Lorenzo Meyer, *In the Shadow of the Mexican Revolution: Contemporary Mexican History, 1910–1989* (Austin: University of Texas Press, 1993).

24. The concept of an authoritarian political system was developed by Juan Linz in his seminal work, "An Authoritarian Regime: Spain," in *Cleavages, Ideologies and Party Systems: Contributions to Comparative Political Sociology*, ed. Erik Allardt and Yrje Littunen (Transactions of the Westermarck Society, X 1964), 291–342.

competitive elections—the necessary base for a modern democratic political system—a formal exercise without real content. Victorious revolutionaries had no effective opposition at the ballot box or anywhere else and very little use for a competitive party system. In those conditions, division of power was not based on Montesquieu but only existed between regional political bosses and the president and central government. The rule of law had little chance of surviving when confronted by revolutionary generals, strong labor unions, or any person or group able to get the support of the new leadership.

Beginning in 1916, elections were more formal than real. National and local elections were an opportunity for revolutionary leaders and forces to dispute power while excluding all outsiders. Victory belonged not to those who got more votes but to those with more effective internal support from the army or mass organizations. Disagreements about results were not settled through legal institutions but through pressure or even violence. The regime's basic source of legitimacy was not party competition (before 1929 there were several hundred parties) and the ballot box but the capacity of the leadership to respond to the demands of key constituencies: the army, organized peasants and workers, and certain segments of the middle class.

Effective power in the new regime was first kept within the small circle of the revolutionary generals and the leaders of mass organizations. After 1946, dominance passed to civilians.<sup>25</sup> From 1920 to the present, presidential power has been transferred to a member of the cabinet of the outgoing president, by force at the beginning and more or less peacefully since the 1930s. The principle of no reelection for the presidency and governorships has been faithfully observed since 1928 and has been a very effective instrument for the periodic internal renovation of the elite, a source of stability in a system that prefers co-optation to repression.

While Mexico's constitutional framework makes it a federal republic, this legal regime does not operate because of the existence of a *de facto* state party system. As a consequence, Mexico is a centralist, authoritarian polity where the only limits to presidential powers are time, the six-year period with no reelection, and external factors: U.S. power and international economic forces.

Since the party's creation almost seventy years ago, the Mexican presidency has remained in the hands of its members, and until 1989 all state governments and almost all municipal governments were also under its control. After 1989, the president and his party were forced by opposition mobilizations to accept a handful of governorships con-

25. Camín and Meyer, *In the Shadow of the Mexican Revolution*.

trolled by the old center-right Acción Nacional Party (PAN), an unexpected partner in the transformation of the economic system along market lines and away from state control. For the same reasons, for more than half a century local and federal legislatures were overwhelmingly dominated by the president through his party, but in recent years the presence of sizable opposition minorities has introduced an element of change in federal and some state congresses.

A strong presidency, a system of non-competitive elections, a powerless Congress, and a federation that is, in fact, a highly centralized system have, as a natural outcome, a judiciary that has no independence vis-à-vis the presidency and state governors. For the same reasons, police, judges, and tribunals are very independent from society. In fact, public officials are accountable only to the holders of executive power and the president enjoys complete immunity. This situation of unaccountability is the root of endemic public corruption.<sup>26</sup>

The patrimonial tradition of government established in colonial times remains alive in present-day Mexico. A bureaucracy that is not supervised by Congress, a judiciary that is totally subservient to the presidency, and a police force that is badly paid and trained and preys on society, especially the poor and the powerless, have produced the opposite of a state of law.<sup>27</sup>

Political and bureaucratic corruption in Mexico is both the origin and result of entrenched authoritarianism. Pervasive corruption is a significant problem in Mexico's public life because it has a very negative effect on governmental performance and legitimacy. But this problem becomes even more serious and difficult to control when a powerful external agent intervenes, such as drug trafficking. By the mid-1990s there was strong evidence that drug money had reached the highest levels of Mexico's security apparatus, including the army, and some signs of ungovernability began to appear.<sup>28</sup>

From 1917 to the present, the transfer of power at the highest level in Mexico has taken place within the small circle of the president and his cabinet. In the few cases of competitive presidential elections (1929, 1940, 1946, 1952, and 1988), fraud impeded credibility. In 1994 open fraud was not detected, but the result was far from democratic because the campaign remained extremely unfair to the opposition. Therefore,

26. Héctor Fix Fierro, ed., *A la puerta de la ley: El Estado de derecho en México* (México: Cal y Arena, 1994).

27. Stephen D. Morris, *Corruption and Politics in Contemporary Mexico* (México: Cal y Arena, 1994).

28. Eduardo Valle, *El segundo disparo: La narcodemocracia mexicana* (México: Editorial Océano, 1995).



the Mexican political system remains the oldest authoritarian regime in the world.

Liberal economic policies began to be introduced in Mexico after 1985. This change produced great tensions and contradictions in the social system and were immediately experienced by the old authoritarian political structure based on traditional populist policies. In 1988 and 1994, official results of presidential elections gave the state party its lowest results ever: around 50 percent of the vote. In the second half of the 1990s, anti-authoritarian pressures mounted along with the sense of an approaching end of regime. Nevertheless, the old state party used all means to cling to the privileges of power.

### Market Economics within an Authoritarian Framework

After World War II, Mexico, in common with the rest of Latin America, started a rapid process of industrialization based on import substitution. This economic system was relatively successful until the mid-1970s, when the weakness of the internal market and the structural inefficiencies of the manufacturing sector produced large external deficits that led to devaluation and inflation. For a while, oil exports seemed to be the answer, but sudden negative changes in the world price of oil precipitated a final collapse in 1982.<sup>29</sup> In the 1980s, an increasing foreign trade deficit and a mounting foreign debt (it reached the \$100 billion mark) ended what for forty years had been a successful process of economic growth, if not development.

Without the material resources to answer the demands of its different and contradictory constituencies—industrialists and workers, middle class and squatters, peasants and agribusiness, students and pensioners—the Mexican government began to lose its legitimacy. Local elections in the northern state of Chihuahua produced an unexpected victory of the center-right opposition, and in 1986, the government had to resort to open fraud in that region to sustain the dominance of the state party.<sup>30</sup>

Around 1985, the structural economic crisis permitted a small group of young technocrats under the leadership of Carlos Salinas, then secretary of budget and planning and later president from 1988 to 1994, to displace traditional politicians from key decisionmaking positions.

29. For an analysis of the crisis of the old economic model see Jaime Ros, "La crisis económica: un análisis general," in *México ante la crisis*, comp. Pablo González Casanova and Héctor Aguilar Camín (México: Siglo XXI, 1985).

30. Alberto Aziz Nassif, "Chihuahua: historia de una alternativa," (México: *La Jornada-CIESAS* 1994).

They also began reforms designed to change the old economic model to a market-oriented economy.

The technocratic group lost no time in introducing drastic economic transformations. Initially, they opened up the economy to foreign trade and investment, especially from the United States. Before this economic revolution, the Mexican market was one of the most protected in the world: import licenses were required for almost every product, and import tariffs on certain goods were 100 percent. Ten years later, licenses had virtually disappeared and the average import tariff was only 9.5 percent.<sup>31</sup>

Shortly thereafter, the nationalistic Foreign Investment Law of 1973 was quietly dismantled, and foreign capital was welcomed in almost every sector of the economy. As a consequence, foreign direct and portfolio investment in Mexico surpassed the 90 billion dollar mark during the 1989–94 period.<sup>32</sup> An open market and the demise of economic nationalism were institutionalized in a grand manner with the ratification in 1993 of the North American Free Trade Agreement (NAFTA) by the United States, Canada, and Mexico.

Since the emergence of the active Mexican state at the end of the 1930s, direct government involvement in the economy provided the main impulse for growth. But, after 1985, governmental expenditure diminished, and a broad range of public enterprises, including banks, highways, a telephone company, and airlines, were privatized. In 1982 there were 1,155 state-owned enterprises, but ten years later there were only 223.<sup>33</sup> By the end of Salinas's presidential term in 1994, there were only three important economic activities under state control: Mexican Oil (Pemex), the Power Commission (CFE), and Mexican Railways (FFNN.). However, railways were about to go, generation of electric power was no longer a state monopoly, and Pemex began to accept private capital, foreign and Mexican, in exploration and drilling and in its petrochemical production.

### Rapid Change at a High Social Price

The dismantling of an economic system that had lasted from World War II to the mid-1980s had to overcome the resistance of very powerful vested interests that were, at the same time, the social bases of the

31. Robert A. Pastor, *Integration with Mexico: Options for U.S. Policy* (New York: The Twentieth Century Fund Press, 1993), 17–20.

32. *La Jornada*, 4 July 1994.

33. Organization for Economic Cooperation and Development, *OECD Economic Surveys, Mexico* (Paris: OECD, 1992), 89.

state party system, including labor unions, agrarian organizations, middle-class professional organizations, commercial and industrial organizations, and the bureaucracy entrenched in the public sector.

For roughly fifty years, the private Mexican industrial establishment had subsisted with strong governmental guidance, protection, and subsidies. In order to break down the resistance of key industrialists to change, the government permitted and supported the creation of monopolies in certain sectors, including television, telephones, banking, cement, and glass. The rationale for this policy was that only Mexican giants could withstand foreign competition or get a share of foreign markets. However, this policy also destroyed thousands of medium, small, and micro industries, the basic source of employment, that were unable to compete with imported products.

Labor unions, the very core of the state party corporative structure, were forced to accept a new and precarious situation: declining real wages and reduced job security. President Salinas had no problem using the army in early 1989 to arrest and jail the leadership of the powerful, and corrupt, oil union. This action warned all other labor bosses not to oppose a policy that allowed prices to fluctuate freely but set a ceiling on salary increases through a formal pact among government, entrepreneurs, and labor unions.

At the end of 1994, job creation was nil, but Mexicans entering the labor market for the first time numbered around 1.2 million. Even those who did not lose their jobs had reasons to complain: Real wages in the manufacturing sector were close to 1975 levels. In addition, the minimum wage had lost roughly 50 percent of its value during the same nineteen-year period. Of the 35 million in Mexico's labor force, 2.3 million were unemployed, and at least another 7 or 8 million were part of the underground economy; the numbers in both categories are growing.<sup>34</sup>

In spite of the hardship for the average worker, there were few strikes or movements advocating labor independence from government. With unemployment or underemployment on the rise and very few jobs available, union workers were very vulnerable. Employers emphasized productivity increases and not job creation. Unemployment and decreases in real salaries were two of the high prices Mexican society has paid for market economics. By the mid-1990s, the formal sector of the economy was not able to absorb more than one-third of the new workers entering the labor force every year.<sup>35</sup>

Poverty remains a central characteristic of Mexican society and is

34. *La Jornada*, 18 July 1995; *El Financiero*, 21 May 1995.

35. José Luis Calva, *El Financiero*, 18 November 1994.

increasing. According to official figures, 13.6 million Mexicans (about 12 percent) live in what is called "absolute poverty," and 40 percent of the total population is classified as poor.<sup>36</sup> The market economy and politics are working against a large sector of less fortunate Mexicans. In 1992, the poorest 40 percent got less than 13 percent of the total income available to Mexican families, while the top 20 percent got 56 percent.<sup>37</sup> For the poor, economic modernization and globalization have been an unmitigated disaster. Mexican demography demands 1.1 million new jobs a year, but net job creation in the formal sector in the 1990s has been less than half that number. In the 1990s the formal sector of the economy has only accommodated 50 percent of new entrants into the labor force. In a very real sense, if today's economic tendencies prevail, a sizable number of Mexico's poor, the unskilled and uneducated, will be permanently marginalized. The dual society, characteristic of modernization in underdeveloped countries, is now even more evident. This deepening chasm makes the construction of legal equality, a necessary condition for the state of law, even more difficult.

### Support and Resistance

The frustrations of small industrialists and merchants unable to compete in the new global market economy of Mexico, of union workers whose real salaries had gone down, of peasants losing government subsidies and protection, of unemployed and underemployed professionals and of unskilled workers created a political environment where opposition began to gain ground and develop in new ways and places. At the beginning of the 1980s, the center-right Partido Acción Nacional, or PAN, began to mount a regional, but real, challenge to the authoritarian system, especially in the more developed north, where the middle class is stronger.<sup>38</sup>

Opposition also developed within the political elite. In 1987, a handful of PRI members who identified with nationalism and the left and felt marginalized by the young technocrats in charge of the central government openly demanded the beginning of a real internal democracy and a genuine debate about market economic policies and the selection of the next presidential candidate. President De la Madrid (1982–88) rejected and dismissed what he rightly saw as a challenge

36. *El Financiero*, 25 October 1994.

37. *El Financiero*, 24 May 1994.

38. Juan Molinar, *El tiempo de la legitimidad: Elecciones, autoritarismo y democracia en México* (México: Cal y Arena, 1991), 53–214.

not only to the traditional authority of the presidency but to the very essence of Mexican authoritarianism. After all, since 1935 the state party had been an organization that was unconditionally subservient to the president's will, regardless of his personal political orientation and ideology. In such circumstances, Cuauhtémoc Cárdenas, the son of a popular former president and himself a former governor of the state of Michoacán, along with Porfirio Muñoz Ledo, a former cabinet member and ex-president of the PRI, and a handful of other dissidents, left the PRI and began the difficult and painful process of shaping a center-left coalition to support Cárdenas as an opposition candidate in the 1988 presidential election. Small existing leftist organizations from the former Communist Party to the Mexican Workers Party also joined Cárdenas.<sup>39</sup>

The 1988 election shook the political system as no other schism in the state party. In contrast to earlier formal and bureaucratic elections, this time the election became a real contest among the government's candidate, Carlos Salinas; the PAN's candidate, Manuel Clouthier, a northern businessman and former member of the PRI; and the center-left coalition, Frente Democrático Nacional (National Democratic Front, or FDN), led by Cuauhtémoc Cárdenas. This political struggle pitted the all-powerful PRI machine, illegally but effectively supported with government resources, against two poorly equipped opposition forces headed by former priistas.

During the afternoon of election day on July 6, 1988, a somber secretary of the interior announced that unspecified "weather conditions" prevented the ultramodern computerized voting information center in Mexico City from providing preliminary results. After a tense waiting period of several days, the government finally declared Salinas the winner with 50.74 percent of the vote. Cárdenas was credited with 31.06 percent, the highest official figure ever for an opposition presidential candidate in the twentieth century, and Clouthier received 16.81 percent. It was the eleventh consecutive presidential victory of the PRI, but it was a victory without any credibility. Examples of fraud abounded and Cárdenas refused to accept defeat.<sup>40</sup> The PAN, however, after some vacillation, reached an informal but effective *modus vivendi* with Salinas based on common interests: the struggle against the leftist coalition, the introduction of market economics, and the privatization of state enterprises and *ejido* (communal) lands. After a tempestuous

39. Luis Javier Garrido, *La ruptura: La corriente democrática del PRI* (México: Grijalbo, 1993).

40. José Barberán et al., *Radiografía del fraude: Análisis de los datos oficiales del 6 de julio* (México: Nuestro Tiempo, 1988).

debate, Congress declared Salinas president and Cárdenas began the difficult process of trying to transform his political coalition into a mass-based opposition party.<sup>41</sup>

With the PAN as the loyal and cooperative opposition, Salinas, the PRI, and the whole state apparatus used legal and illegal means to try to reduce Cárdenas and his newly created *Partido de la Revolución Democrática*, Party of the Democratic Revolution (PRD), to a meaningless force. From the point of view of the government and its allies (the majority of the press and the TV monopoly), Cárdenas was the representative of a populist past, unwilling and unable to face the challenges of the future. During the six Salinas years, 290 members of the PRD were assassinated and many more were arrested.<sup>42</sup> In those years, the PRD was denied victories in several state and municipal elections, while the PAN was allowed, for the first time in its history, to win state governorships. The PRD managed to survive a frontal and brutal attack by the powerful Mexican presidency, but in the 1991 mid-term elections it lost three-quarters of its supporters and dropped to the third political force in Mexico, well behind the PRI and the PAN. In the 1994 presidential election, Cárdenas ran again but only received half of his total in 1988: 16 percent.<sup>43</sup>

Immediately after his inauguration, Carlos Salinas began to use all the force available to an all-powerful authoritarian presidency to create a new and strong coalition around himself. The natural allies of *salinismo* outside Mexico were the United States and other foreign governments, international financial institutions, and multinational corporations with interests in Mexico. Within Mexico, the banking and financial community, the powerful service monopolies, and the big exporting and importing interests strongly supported the young technocratic politicians. The press was occasionally critical but not the electronic media, the source of political information for 90 percent of the adult population. The conservative Catholic church, expelled from the political arena in the mid-nineteenth century, but attracted by favorable changes in the constitution and the establishment of formal relations with the Vatican, also supported Salinas. The PAN was by nature anti-

41. Pablo González Casanova, coordinator, *Segundo informe sobre la democracia: México el 6 de julio de 1988* (México: Siglo XXI-UNAM, 1990).

42. Isabel Molina, *Un sexenio de violencia política* (México: Congreso de la Unión, Grupo Parlamentario del PRD, 1993).

43. A critical but well-informed analysis of the PRD 1994 political campaign that shows the extreme internal and external difficulties of a party that confronts the hostility of Mexican authoritarianism is Adolfo Aguilar Zinser, *Vamos a ganar: La pugna de Cuauhtémoc Cárdenas por el poder* (México: Editorial Océano, 1995).

cardenista, as it had been born in 1939 out of a confrontation between the middle classes and the populist forces led by Lázaro Cárdenas, the father of Cuauhtémoc.

The informal alliance between Salinas and the PAN led the president to force the PRI to accept its first defeat at the state level in the twentieth century. In 1989, the central government accepted the PAN's victory in Baja California. In the next few years, the government also permitted the PAN to win the governorships of Guanajuato and Chihuahua. In exchange for regional power, the PAN not only supported Salinas's economic revolution but was also instrumental in isolating the PRD. The systematic and effective co-optation of the center-right opposition by the authoritarian presidency prevented a repetition in Mexico of the Spanish or Chilean path to democracy: a temporary common front of the opposition parties to bring about the end of the authoritarian regime.

To balance its conservative coalition and keep the traditional support of the poorer classes, Salinas created and personally supervised a National Program of Solidarity (PRONASOL). With an annual budget of two to three billion dollars, part of it the product of the privatization of state enterprises, PRONASOL supported thousands of local committees engaged in small projects. It introduced electricity, potable water, sewage systems, paved roads, small enterprises, schools, school lunches, and scholarships to poor rural communities and urban neighborhoods. Everything was done in the name of the president and with a logo very similar to the PRI's.<sup>44</sup> PRONASOL was an effective way to regain the old type of populist legitimacy by manipulating the needs of the rural and urban poor without interfering with the essential agenda of market economics.

Mid-term legislative elections in 1991 were a great success for Salinas and his policy of *perestroika* without *glasnost*. The PRI, bolstered by PRONASOL and the traditional support of government money and manpower, needed less fraud than in 1988 to garner 61.48 percent of the vote. In these elections the PAN received 17.73 percent and the PRD only 8.25 percent of the vote. The state party as well as the de facto center-right coalition headed by Salinas, PRI-PAN, were again in full command of the situation, or so it seemed at the time.<sup>45</sup>

After the electoral recuperation of the PRI, preparations for the 1994

44. Denise Dresser, *Neopopulist Solutions to Market Problems: Mexico's National Solidarity Program* (La Jolla, Calif.: Current Issue Brief Series, no. 3, Center for U.S.-Mexican Studies Center, University of California, 1991).

45. Alberto Aziz and Jacqueline Peschard, coordinators, *Las elecciones federales de 1991* (México: National University of Mexico and Porrúa, 1992).

presidential election began in an atmosphere of government and business confidence. In November 1993, President Salinas selected as his successor Luis Donaldo Colosio, an economist, secretary of social development (SEDESOL), former president of the PRI, and protégé of the president. Following tradition, the PRI's leadership immediately and without question accepted the president's decision. Through Colosio, Salinas sought to ensure the continuity of market policies and preserve the technocrats' control of the presidency and the whole authoritarian system. By then, many suspected that Salinas and his group wanted to control the presidency well beyond the year 2000.<sup>46</sup> This was a violation of a golden unwritten rule that allowed those members of the ruling party left on the margins for a presidential term to have a real chance to trade places with those who had enjoyed power for six years.

### Economic Policies and Regime Crisis.

At the very moment when the complex process of power transference had begun, an unexpected resistance to Salinas and to authoritarian politics appeared. In the early hours of January 1, 1994, a group of perhaps two or three thousand Indians in Chiapas, supported by their communities and organized into the Zapatista Army of National Liberation (EZLN), captured several towns in the southern part of the state. Chiapas is located in one of the poorest regions of the country, where market economics, in particular the beginning of the privatization of communal lands, has had a very negative impact.<sup>47</sup> The insurgents objected to the regime's authoritarianism, racial discrimination, and systematic violation of the letter and the spirit of the law. They accused Salinas of electoral fraud and corruption and of pursuing economic and social policies that had extremely negative impacts on most Mexicans' standard of living, especially indigenous people. Almost from the beginning, the rebels stated that their goal was not to assume power but to help galvanize society into ending the state party system, create the rule of law, and open up Mexico to political democracy, authentic social justice, and moral development.<sup>48</sup>

46. Alejandro Ramos, coordinator, *Sucesión pactada: La ingeniería política del salinismo* (México: Plaza y Valdés, 1993).

47. To understand the roots of the Chiapas rebellion, it can be very useful to consult Thomas Benjamin, *A Rich Land, a Poor People: Politics and Society in Modern Chiapas* (Albuquerque: University of New Mexico Press, 1989). A well-documented book on the zapatista rebellion is Carlos Tello Díaz, *La rebelión de las cañadas* (México: Cal y Arena, 1995).

48. The insurgents in Chiapas have published a great many documents explaining their position and objectives the best collection is *La palabra de los armados de verdad y fuego*, 2 vols. (México: Editorial Fuenteovejuna, 1994-95).

After ten days of fighting between the army and the EZLN, accompanied by a growing public clamor for a truce, the government declared a cease-fire, and direct negotiations with the *zapatistas* started. In the post-communist world a military campaign against the poorest of the poor, the Indians of southern Chiapas, had no legitimacy. The first round of negotiations between the government and the rebels ended in failure, but after the 1994 presidential elections, with a new administration in power, the talks resumed in early 1995.

When the new round of negotiations started, using prominent civilians and legislators as mediators, the government enjoyed uncontested military superiority because sudden military movements at the beginning of the year had drastically reduced the *zapatistas'* territory. Nevertheless, the central issue was not military but political; the legitimacy of the rebels' demands could only be politically neutralized. EZLN representatives insisted on discussing national issues of political significance, especially demanding a change of regime and local autonomy, while the government wanted to talk about concrete local issues and grievances. Both sides were buying time: the rebels waiting for the regime crisis to deepen after the 1997 elections and the government waiting for the *zapatistas* to become irrelevant after a new economic recuperation. But by 1996, the *zapatistas* were joined by a new rebel group, a more classical guerrilla movement, the EPR, or Popular Revolutionary Army, that began operations in Guerrero, another state in the poor south.

The Chiapas social and political explosion was a complete surprise for many inside and outside of the government. The astute insurgent leadership, part Indian and part white, was able to transform a small and poorly armed military force into a national political entity by exploiting the regime's weaknesses: its lack of democratic legitimacy, its insensitivity to extreme poverty, its permanent marginalization of Indian communities through market economic policies, and its creation of a corrupt judicial system systematically loaded against Indians and the poor.

A few months after the eruption of the Chiapas rebellion, Luis Donaldo Colosio, the PRI's presidential candidate, was assassinated in Tijuana. The same fate awaited the secretary general of the PRI, Francisco Ruiz Massieu, a few months later. Not since the murder of president-elect Alvaro Obregón in 1928 had the Mexican political elite experienced political assassinations of such magnitude. The reasons behind these two political killings remain a mystery. In any event, the killing of Salinas's successor was a direct challenge to the old rules governing the internal struggles of the elite and an indicator of the decay of the regime's vitality.

It was obvious to all impartial observers that the 1994 election, won by the PRI's candidate, Ernesto Zedillo, another economist from the inner circle of market technocrats, was not fair. The state party used all its traditional legal and illegal advantages to the fullest. However, widespread and open fraud did not play the central role it had six years before. In the end, half of the voters supported the PRI's candidate and his slogans "for the well-being of your family" and "I vote for peace." The image of prosperity at the moment of elections was possible thanks to an overvalued peso, a concomitant consumer boom, and a very low rate of inflation. When, in December 1994, the weakness of such a situation ended up in a new economic crisis (a 7 percent drop in the GNP), the elections were a thing of the past. Finally, Solidarity program expenditures in key political regions plus the government's control of television helped to convince half of Mexican voters to continue their support of the state party system and reject the call for political democracy and social justice promoted by the center-left or those for political and moral transformation from the center-right.

With the PRI commanding the support of half of the electorate, and with the opposition unable to join forces to mount the final assault on the weakened but still impressive fortress of Mexican authoritarianism, a transition to democracy still seemed a distant possibility at the end of Salinas's presidential term in December 1994.

### A Protracted Transition

Why did half of the Mexican voters, although well aware of the anti-democratic nature of the regime and the absence of a state of law, prefer the status quo to the promises of change? Part of the answer lies in the manipulation of the fear produced by the *zapatista* rebellion and Colosio's assassination and in the overwhelming superiority of the state party's resources.<sup>49</sup> However, another part of the explanation lies in history.

The main achievements of the Mexican Revolution were the redistribution of wealth through agrarian reform and unionism, the creation of a strong sense of popular nationalism, the expansion of public education, and the incorporation of popular masses into the new regime through agrarian reform and labor policies. These political, economic,

49. An unknown source gave the files of the 1994 electoral campaign expenditures of the PRI to the leadership of the PRD in the state of Tabasco. They amounted to sixty times the legal limit and more than four hundred times the expenditures of the PRD, the most important opposition party in that state. *La Jornada*, 15 to 19 June 1995.

social, and cultural transformations were a significant, historical break with Mexico's recent and distant past. On the other hand, the revolution did not represent a real break with the authoritarian use of power. As a matter of fact, the new elite perfected authoritarian traditions and gave them new life.

Unlike the Porfirian dictatorship, power in post-revolutionary Mexico was not centered on the person, the president, but on the institution, the presidency. The principle of no reelection was introduced to ensure the permanent, impersonal character of the new power structure and to allow for a systematic, nonviolent renovation of political personnel. This principle was the golden rule of the authoritarian *modus operandi* of the political elite. An all-powerful and centralist presidency that renovates itself at a precise time is not subject to biological decay, as was the case with the caudillistic presidents of the nineteenth century or the first stages of post-revolutionary Mexico.

Institutionalization of authoritarianism in the presidency and the incorporation of the rural and urban masses to the regime through a state party gave the postrevolutionary Mexican system a strength that was absent from personal and excluding authoritarianisms such as Franco's Spain or Salazar's Portugal. A comparison between the excluding and bureaucratic military authoritarianisms dominant in Latin America during the 1970s and the Mexican system, where repression plays a secondary role to co-optation, helps explain the resiliency of Mexico's non-democratic form of government.

The revolutionary transformation of Mexico ended in 1940, but the essence of the political system created by the revolution has persisted to the present, although it is losing ground to the internal and external forces of democracy. Until very recently the executive had an absolute predominance and control over the legislative and judicial branches, as well as over state and local governments. Through a very active and direct state role in the economy, the presidency played the central role in economic development and growth, subordinating the private sector as much to presidential power as labor unions or peasant organizations.<sup>50</sup>

If the state of law was systematically violated by the absence of an effective division of power, and elections and political democracy were only a facade, what provided the effective legitimacy that the system needed to survive for sixty-six years? For a long time, authoritarian

50. A good analysis of Mexican post-revolutionary authoritarianism can be found in Roger D. Hansen, *The Politics of Mexican Development* (Baltimore, Md.: The Johns Hopkins University Press, 1971).

legitimacy in Mexico was based on pragmatism, on the economic outcomes of the system: economic growth and distributive populist policies. It was populism that permitted every collective and organized social actor—whether workers, peasants, the middle class, entrepreneurs, or squatters—to receive a relatively satisfactory answer from the government to some of their demands. The government, namely the presidency, became the great dispenser, the great arbiter of social conflict, and the essence of the Mexican political system.

### The Crisis of Mexican Authoritarianism

In the summer of 1968, a student movement developed in Mexico City as a protest against police brutality. In two months, it had evolved into a middle-class, peaceful movement for political democracy, not unlike the Chinese student movement of 1989. Under the circumstances, the desire for an open and plural political system was, in fact, a demand for a change of regime. The reaction of the government in general and the presidency in particular was to portray the protesters as tools of a foreign conspiracy. In the name of legality and national security, the president ordered police and the army to end the challenge. On the evening of October 2, the army opened fire on a peaceful students' meeting in Tlatelolco Square. In political and human terms, this was a tragedy very similar to the June 3 Tiananmen Square massacre in Beijing, twenty years later.<sup>51</sup>

In the short run, presidential power was reasserted and Gustavo Díaz Ordaz (1964–70) was able to end his administration in full command of the political structure. However, today it is clear that the repression of peaceful and legitimate demands for democracy signaled the beginning of the structural crisis of Mexican authoritarianism. After 1968, armed opposition to the regime appeared, including urban and rural guerrillas in the 1970s and the Indian uprising in Chiapas in 1994. In addition, peaceful opposition grew in the 1980s, and in the midterm elections of 1997, for the first time since the Mexican Revolution, the president lost control of the Chamber of Representatives and opposition took charge of local government in six states and Mexico City.

Beginning in 1976 all presidential administrations have ended in crisis. These crises—in 1976, 1982, 1987–88 and 1994–95—have been the

51. A description and analysis of Mexican presidentialism is in Jorge Carpizo, *El presidencialismo mexicano* (México: Siglo Veintiuno, 1978).

product of a complex mixture of economic and political failures and contradictions.<sup>52</sup> However, the recurrence of failure at the end of every administration in the last quarter of a century is an indication not only of unexpected circumstances or personal limitations of the leadership but of an institutional, systemic malfunctioning.

The Mexican political system confronts a vastly different country than the one that existed when it was constructed. Half a century ago, Mexico had about 18 million people, illiteracy affected almost half of the population fifteen years of age or older, 60 percent of Mexicans lived in rural areas, per capita income was 180 U.S. dollars, and agriculture represented about 23 percent of GNP. By 1993 Mexico had quadrupled its population (to 91 million), 71 percent of Mexicans lived in urban areas, 85.9 percent of the population age fifteen or over was literate, and per capita income was 3,750 U.S. dollars, while agriculture represented only 7 percent of GNP.

An urbanized, literate Mexico, connected to internal and international communications networks, still lives in a political suit made for a very different country. The pressures coming from civil society to force the transition to a real pluralistic and democratic system and create a genuine state of law are increasing. However, vested interests of the old political guard are fighting a rear guard struggle and producing a very messy and protracted transition.

In the mid-1980s, Carlos Salinas and his technocratic group were confident that renewed economic growth, produced by the introduction of a market economy, would postpone the necessity for a regime change until the next century. In order to influence electoral results in 1994 in favor of yet another PRI victory, Salinas's government overvalued the peso and began to run a systematic and increasing trade deficit that reached 25 billion U.S. dollars in 1994. Speculative foreign investors attracted by high interest rates on Mexican government paper sensed the weakness of the situation and began to leave the country, forcing a dramatic devaluation of the peso on December 20, three weeks after Ernesto Zedillo's inauguration.

The ensuing recession in 1995 produced general frustration and strongly negative reactions against the government and the regime from all groups. Market economics had been unable to create a solid

52. Evelyn P. Stevens, *Protest and Response in Mexico* (Cambridge: The MIT Press, 1974). The chain of political and economic crisis from 1968 to 1988 is presented and analyzed in Camín and Meyer, *In the Shadow of the Mexican Revolution*, 186–187 and 199–267, and Luis Medina Peña, *Hacia el nuevo estado: México, 1920–1993* (México: Fondo de Cultura Económica, 1994), 168–295.

foundation for future economic development and to propel Mexico into the First World as Salinas promised. Recession, inflation, unemployment, uncertainty, worsening income distribution, corruption, and a dramatic rise in urban and rural violence eliminated the government's ability to use economic outputs as the main source of legitimacy and as an alternative to a democratic transition. Pressures for change were increasing.

At the beginning of 1997, in the midst of a fragile economic recovery, a truly historical change in Mexico's political development appeared possible. While the result of some local gubernatorial elections in Yucatán and Tabasco were still clouded by fraud, elections in 1995–96 in Jalisco, Guanajuato, and Baja California were won by the center-right opposition, while some municipal and local legislative elections were won by the center-left. All of this is a very strong indication that the old state party dominance in Mexico is close to an end.

The mid-term elections of 1997 produced a somehow unexpected resurgence of Cuauhtémoc Cárdenas, this time as the first elected mayor of Mexico City. The PRD also became the second largest party in the Chamber of Representatives. Congress became the arena of a real and bitter struggle between the forces of the old system and the emerging opposition of right and left. The backlash against Salinas's corruption and the negative effects of market economics were stronger than expected by the government as well as the opposition.

Democratization is not always the result of pressures exerted by the beneficiaries of market economics. The electoral insurgency of July 1997 shows that anti-authoritarian politics can also be the product of a reaction. Many of those who supported the PRD were negatively affected by the market revolution imposed from above. Regardless, Mexico's democratic transition and the weakening of a formerly all-powerful presidency presents many dangers. If the transition is not well managed through a truly national agreement among the main political actors, local resistance of traditional interests to modernization and accountability may increase the symptoms of ungovernability and can trigger an authoritarian reaction of a different kind, one based more on repression than co-optation.

Among the main obstacles Mexican political leaders have to overcome in the immediate future are the resistance of vested interests; the effects of economic depression on all social classes; the weakness of political parties and social organizations; the widening of the gap between rich and poor;<sup>53</sup> the EZLN and EPR guerrilla activity and the

53. Julieta Campos, *¿Qué hacemos con los pobres? La reiterada querrela por la nación* (México: Aguilar, 1995), 437.

militarization of some regions; the breakdown of governability as a result of common criminal violence and the penetration of the state security and judicial apparatus by drug organizations; the lack of a democratic tradition; and finally, the difficulty of creating an effective legal system out of an extremely corrupt and incompetent police and judiciary.

Ten years ago the young technocratic elite of Mexico thought they were smarter than their Soviet counterparts, that they could do better than Gorbachev. Their strategy was quite simple: Because there was no ideological commitment in Mexico's regime, it was possible to use the old authoritarian tools to speed up economic modernization. Economic success was its own justification. In the initial stage Mexican technocrats succeeded, much to the envy of many leaders in the underdeveloped world. However, the economic transformation of Mexico, centered around the free trade agreement with the United States, did not perform as promised.

Mexico's political transition at the end of the twentieth century is going to be costlier than it could have been ten or twenty years earlier, at a time when the authoritarian model first began to show clear signs of fatigue. Today the problems have increased, and Mexico confronts three formidable tasks: to build modern democratic political institutions out of a non-democratic tradition; to reshape market economic policies to generate employment and avoid the widening of the gap between the extremely rich and the extremely poor; and to rebuild all its judicial and legal institutions and create a genuine state of law.

Elsewhere in this book, Pitman B. Potter states that the notion of rule of law in China has been very instrumentalist. The situation has not been very different in Mexico. The current constitution has been continually amended. Until now, every president has forced upon a powerless Congress the amendments he needs to remove political obstacles. Under these circumstances, law is not more than what the ruling elite requires to justify and legitimize its policies. The legacy of this instrumental use of law is widespread cynicism about the law and a deepening of the gap between the formal and the real. All of this has been worsened by the extraordinarily arbitrary, partial, and corrupt practices of a judiciary subordinated to the presidency. To transform this pragmatic notion of law into something different, to implant in society the notion that law is something that relates to its dignity and well-being, is going to require a great effort on the part of democratic forces and an authentic revolution in Mexican civic culture.

With the new political environment produced by the 1997 elections, the first free, competitive, and almost fair elections in twentieth-century Mexico, the authoritarian presidency can be dismantled, an au-

thentic division of power can emerge, and the beginning of a state of law becomes a possibility. Mexican civil society has had to overcome its traditional weakness to defeat the strong "imperial presidency" in the words of Enrique Krauze.<sup>54</sup> This process took almost thirty years, but victory at the ballot box in 1997 created the possibility of a virtuous circle in favor of civil society in the next century.

The Mexican agenda for the twenty-first century is formidable: to implant democracy and a state of law. Without either of these two elements, viable economic development and a civilized way of life are impossible.

54. Enrique Krauze *La presidencia imperial: Ascenso y caída del sistema político mexicano, 1940-1996* (México: Tusquest, 1997).