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## The Politics of Economic Restructuring in Mexico: Actors, Sequencing, and Coalition Change

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The parallel movements toward political democratization and economic liberalization that have swept many countries in Latin America, Central and Eastern Europe, and Africa, since the early 1980s are a challenging subject of scholarly inquiry. Different analysts have examined the origins and timing of these developments, the combinations of international and domestic factors that produced such historically significant changes, and the interaction between political opening and market reforms (including trade and exchange rate liberalization, deregulation of commercial and investment opportunities, and privatization of state-owned enterprises) in different national contexts. It is certainly the coincidence of shifts toward political democratization and economic liberalization that makes these developments a particularly compelling subject for students of comparative political economy. Yet in many instances, one of these processes clearly antedated the other, often by a substantial period of time.

In recognition of this fact, some analysts underscore the potential importance that the sequencing of political and economic opening may have for the timing of regime change and the political profile of newly inaugurated democracies.<sup>1</sup> For example, if economic liberalization leads to more rapid growth, an authoritarian regime may bolster its perfor-

<sup>1</sup>See, for example, Haggard and Kaufman 1992: 332-411. This was also one of the central themes examined by the "Southern California Workshop on Political and Economic Liberalization," organized in 1992-1993 by the Center for International Studies, School of International Relations, University of Southern California.

mance-based legitimacy sufficiently to prolong its hold on power/Extensive market reform under authoritarian rule may strengthen the private sector's control over important economic activities and increase the political leverage of international and domestic business groups tied to the export sector^At the same time, reductions in public-sector employment and changes in industrial relations can undercut the mobilizational capacity and negotiating strength of labor unionsj Other aspects of economic restructuring may have similarly negative consequences for the bargaining leverage of other mass organizations. Over the longer term; market reforms may gradually promote the development of a more densely textured civil society in which autonomously organized interest groups mobilize to demand increased opportunities for political representation and greater accountability on the part of state authorities. But in the short run, economic liberalization under authoritarian rule may lead to shifts in the relative power exercised by different social actors that substantially reduce popular groups' ability to redress accumulated socioeconomic needs or influence national policy debates.)

/Conversely, democratization before economic opening may significantly delay or limit the extent of market reforms. The transition from authoritarian rule can lead to increased mobilization by popular-sector organizations. It may also heighten their influence over policy making by permitting mass-based parties to gain control over key decision-making agencies or by strengthening their capacity to block policy initiatives that reduce the size of the public sector, eliminate consumption subsidies, and so forth. For these reasons, the prior consolidation of more democratic governance can limit the extent of privatization, market deregulation, and trade liberalization. Democratic governments may well lack the ability to implement unpopular but necessary economic reforms. Over time, their failure to resolve pressing economic problems may weaken their own ability to govern.<sup>2</sup>

/Whether the sequencing of political opening and market reform has lasting consequences is a particularly compelling question in Mexico, where since the mid-1980s the scope and speed of economic transformation have considerably exceeded the extent and pace of political liberalization.<sup>3</sup>Un economic matters, the administrations of Miguel de la Madrid Hurtacio (1982-1988) and Carlos Salinas de Gortari (1988-1994) implemented stabilization and structural adjustment policies designed to control inflation by limiting wage increases and reducing government

<sup>2</sup>For a careful consideration of the relationship between economic crisis and electoral instability in Latin America in the 1980s, see Remmer 1991.

<sup>3</sup>Haggard and Kaufman (1992: 336-38) view Mexico as a case of simultaneous economic and political liberalization, although they note the difficulty of maintaining "the intended balance between political and economic reforms" (p. 337). For other views on the relationship between political liberalization and economic opening in Mexico, see Smith 1992; Roett 1993: 7, 11-12.

budgetary deficits. They also closed or privatized many state-owned enterprises, liberalized terms for foreign private investment, and sharply reduced tariff and nontariff barriers to imports. Export promotion replaced import substitution as the country's principal economic development strategy. Disciplined economic management and the re-scheduling of Mexico's large foreign debt produced modest rates of growth after 1989, a considerable achievement given the severity of Mexico's post-1982 economic crisis. These macroeconomic gains came, however, at a very high social cost: per capita real disposable income fell throughout much of the 1980s, and although productivity increased, most workers' real wages were substantially lower in 1992 than a decade earlier.<sup>4</sup> Yet over time, political parties representing ideological positions across the political spectrum and a substantial proportion of the general public came to support economic reform. The inauguration in January 1994 of the North American Free Trade Agreement (NAFTA) among Canada, Mexico, and the United States marked the high point of this process.

Despite significant political changes, the liberalization of Mexico's authoritarian regime proceeded much more slowly than economic restructuring. Legislation enacted between 1977 and 1993 permitted opposition parties to play a more prominent role in national politics, and elections (particularly at the state and local levels) became much more competitive. The growing importance of human rights groups, community-based popular movements, and pro-democracy organizations also created a new dynamism in civil society. Even more notable, the unprecedented support mobilized by a leftist opposition coalition in the 1988 presidential election demonstrated that victory by the ruling Institutional Revolutionary Party (PRI) was no longer inevitable.<sup>5</sup> This important shift in political perceptions was reinforced when the center-right National Action Party (PAN) broke the ruling party's long-standing monopoly on state governorships by winning the 1989 gubernatorial election in Baja California. The PAN later won control over the state governments in Chihuahua and Guanajuato as well.

Yet overall, Mexico's governing political elite retained tight control over the pace and scope of political liberalization during the 1980s and early 1990s.<sup>6</sup> The institutionalized power of the presidency, the effectiveness of state controls over such mass actors as workers and peasants, and

<sup>4</sup>For data on real wage and consumption trends during the 1980s and early 1990s, see Lustig 1992: tables 3.2, 3.4; Ros, this volume: table 3.1.

<sup>5</sup>The coalition's candidate, Cuauhtemoc Cardenas, officially won 31.1 percent of the valid votes cast in the presidential election. The PRI's share fell to a new low of 50.7 percent.

<sup>6</sup>President Salinas explicitly agreed that economic liberalization should precede democratization. He maintained that simultaneous political and economic opening (as in the former Soviet Union) risked undermining market reforms (*New Perspectives Quarterly* 8:1 [Winter 1991]: 8).

the continued organizational weakness of the political opposition were key factors in this regard. In addition, the combination of Salinas's forceful leadership, improved economic prospects (especially the effective control of inflation), and the popularity of the National Solidarity Program (PRONASOL)<sup>7</sup> permitted the PRI to win major victories in the 1991 midterm elections. The PRI's renewed electoral strength and the political momentum gained from final approval of the NAFTA permitted Salinas to impose his self-designated successor (Luis Donaldo Colosio Murrieta, minister of social development at the time of his nomination in late November 1993) as the PRI's 1994 presidential candidate.<sup>8</sup> Indeed, some observers concluded that Salinas's capacity to select his successor in a closed process that is the linchpin of Mexican authoritarianism indicated that significant democratization had once again been postponed, perhaps until the next presidential succession in the year 2000.

However, the January 1994 revolt by the Zapatista Army of National Liberation (EZLN) in the southern state of Chiapas and the assassination of Colosio in March 1994 sharply altered political expectations. The Chiapas uprising dramatically called attention to the negative social consequences of neoliberal economic reform (especially to indigenous peoples) and squarely focused national and international attention on the question of democracy in Mexico.<sup>9</sup> The Colosio assassination threw the PRI onto the defensive as a remarkably open struggle raged between Salinas's allies and party traditionalists over the selection of a successor candidate. Together these events created a greater degree of uncertainty within the governing political elite than at any time since Mexico's "official" party was founded in 1929.

Whether these startling events and the 1994 general elections mark the beginning of regime transition in Mexico remains to be seen. Yet if piecemeal liberalization of Mexico's party system and electoral rules finally gives way to a more open-ended process of democratization, it will be due in considerable measure to the growing disunity of Mexico's

<sup>7</sup>PRONASOL was a large-scale poverty alleviation program founded by President Salinas in December 1988 with proceeds from the sale of state-owned firms. For a careful evaluation of the program and its political and socioeconomic impact, see Cornelius, Craig, and Fox 1994a.

<sup>8</sup>In late 1993 Salinas judged the PRI's position sufficiently strong to permit him to implement a new round of political reform in order to increase the legitimacy of electoral outcomes. This legislation increased the size of the federal Senate and guaranteed that opposition parties would control at least one-quarter of its seats; eliminated the "governability clause" enacted in 1986 (which ensured the PRI majority representation in the federal Chamber of Deputies even if it failed to win a similar share of the national vote); placed overall limits on campaign spending and loosely regulated private campaign financing; reduced somewhat the government's control over electoral authorities; and permitted independent verification of voter registration procedures and national election observers. For details, see Zaldivar Lelo de Larrea 1993; *New York Times*, September 14, 1993, p. A4, September 19, 1993, p. 11.

<sup>9</sup>The electoral reforms adopted in the wake of the Chiapas rebellion are summarized in the second part of this chapter.

postrevolutionary governing coalition and significant shifts in the balance of state-society relations—changes that in many (though not all) instances occurred as either the direct or indirect consequence of economic crisis and restructuring during the 1980s and early 1990s. These developments also potentially have important consequences for the kind of new regime that might eventually take shape in Mexico.

This book analyzes the relationship between political and economic liberalization and the prospects for regime change in Mexico, focusing particularly on the period from the mid-1980s through the early 1990s. Evaluating the extent and character of political change under continued authoritarian rule is never easy. This challenge is particularly acute in the case of Mexico, whose durable authoritarian regime differs in major ways from the highly repressive, exclusionary, military-dominated regimes that came to power in a number of Latin American countries in the 1960s and 1970s. Such elements as the formal guarantee of liberal political rights in a civilian-ruled system, regular elections and the presence of legally recognized opposition parties, the heterogeneity of Mexico's governing political elite, a reliable system of office rotation (including a constitutional prohibition against presidential reelection), and a comparatively low level of repression all contribute to the relative openness of the Mexican regime. Even in the wake of the Chiapas uprising and the Colosio assassination, these features—and the Mexican regime's renowned resilience in the face of pressures for political change—make it difficult to determine whether a particular set of electoral reforms marks the beginning of democratization or simply another round of limited concessions to opposition forces, modifications that reduce strain within the regime but leave the governing elite's authority essentially intact.

The most promising analytical approach to this problem—and the perspective that informs many of the contributions to this volume—is to focus on the shifts in state-society relations that have occurred in the context of economic restructuring and the redefinition of Mexico's long-term development strategy. The post-1982 economic crisis and the ongoing process of economic restructuring eroded the regime's traditional bases of support and threatened the interests of key social actors. The Salinas administration in particular marked an important transition in that it both implemented major economic changes and oversaw the initial transformation of the political coalition that had long supported postrevolutionary authoritarian rule. The principal objective of this book is to examine both the pressures that gave rise to these coalitional changes and their political implications. Several of the essays commissioned for this volume do so by evaluating developments affecting political parties and major social actors (organized labor, the private sector, rural organizations, and urban popular movements).

The principal advantage of an actor-centered approach to the study of political change in an established authoritarian regime is that it permits a disaggregated examination of the intersection between economic and political opening, without assuming that democratization is necessarily the outcome. It is especially important not to make such an assumption in the case of contemporary Mexico because the implications of recent shifts in state-society relations do not all point in the same direction for all sectors. For example, during the Salinas administration a generally more open relationship between state elites and urban popular movements contrasted with the more closed political environment for labor unions; the government tolerated a greater degree of electoral competitiveness while at the same time resorting more frequently to repression against leftist opponents; state officials established ties with a broader range of politically independent social actors but had limited tolerance for militant political activity.

What emerges from the analyses in this volume, then, is not a predictive account of the direction of political change in Mexico. Rather, contributors portray a conflictive, often quite contradictory, process in which the complex factors that link economic and political liberalization begin to emerge. Although most of these chapters were written before the Zapatista uprising, the Colosio assassination, and the intense speculation that these events produced concerning the immediate prospects for democratization in Mexico, their assessment of the ways in which economic restructuring reconfigured the national political environment during the 1980s and early 1990s establishes a basis for evaluating future political developments in Mexico.

This introductory chapter addresses three topics. The first section examines the historical origins of Mexico's postrevolutionary authoritarian regime, focusing on the principal institutional and coalitional legacies of regime formation in the aftermath of the 1910-1920 Mexican Revolution. It also addresses briefly the relationship between authoritarian rule and import-substituting industrialization from the 1940s through the 1970s, as well as the challenges posed by economic crisis in the 1980s. The second part of this chapter analyzes in greater detail the impact of economic crisis and restructuring on the stability of Mexico's governing coalition and the growing importance of opposition parties and electoral competition in the 1980s and early 1990s. The third section examines the ways in which economic restructuring and key political developments altered established patterns of state-society relations. This chapter concludes by considering the implications of these developments for democratization. The conclusion also asks whether the remaining obstacles to regime change can be solved incrementally, or whether the transition to democracy in Mexico will necessarily involve a sharp break from past political practices.

## POSTREVOLUTIONARY POLITICS AND THE CHALLENGE OF ECONOMIC TRANSFORMATION

Despite the passage of time and significant transformations, major aspects of Mexican politics in the 1980s and early 1990s still reflected the regime's revolutionary origins. By examining the institutional characteristics and coalitional bases of authoritarian rule, this section establishes a historical baseline for evaluating contemporary political change. It also discusses briefly the post-1982 economic crisis, the consequences of neoliberal economic reforms for Mexico's future growth prospects, and the implications of these economic developments for regime legitimacy.

### *FORGING MEXICO'S POSTREVOLUTIONARY AUTHORITARIAN REGIME*

Mexico's 1910-1920 social revolution redrew the political landscape. The overthrow of Porfirio Diaz's personalistic authoritarian regime (the Porfiriato, 1876-1911) initiated a protracted, violent struggle for political power among rival factions with different capabilities and disparate, often conflicting goals. Some elements sought only a limited political reform of the old order, while others pursued a broad transformation of social structures and class relations. Military confrontation and serious factional rivalry persisted until the late 1920s. However, the last successful military revolt occurred in 1920 and brought to the fore a "north-western coalition" led by Alvaro Obregon, a principal military leader of the "Constitutionalist" forces after 1913 and the dominant figure in national politics between his election as president in 1920 and his assassination in 1928. The new postrevolutionary elite was bent on the expansion and centralization of political power, both to effect socioeconomic change and to defend the revolution against domestic and foreign threats.

Peasants' and workers' entry into national politics during the revolution was a major departure in Mexican history. The rapid expansion of political consciousness among mass actors and their mobilization behind a program of far-reaching socioeconomic and political reform helped bring about significant change. For example, revolutionary mobilization undercut the political power of the landowning class and eroded foreign control over natural resource industries. Explicit recognition of unions as legitimate bargaining agents in the workplace, constitutional protection of the right to strike, and creation of state administrative agencies to mediate conflicts also reshaped worker-employer relations. More generally, by creating new opportunities for the competitive mobilization of support, the presence of peasants and workers in the political arena redefined the character of elite-mass interactions.

Mass mobilization also influenced the content of the distinctive body of political beliefs that was associated with the revolutionary experience.

These beliefs combined liberal conceptions of individual rights and constitutional rule, nationalism, and a broad programmatic commitment to economic redistribution and social justice. Liberal ideas of constitutionalism, federalism and municipal autonomy (*municipio libre*), and private property particularly informed debate about political and socioeconomic change during the early phases of the revolutionary struggle (Cordova 1973:16, 18, 21, 27). However, the armed peasantry's demand for large-scale land distribution and the growing political and economic importance of organized labor in urban areas made commitment to extensive social reform an essential element in revolutionary political discourse. The 1917 federal Constitution, for example, included separate articles providing for land reform (Article 27) and workers' legal and social protection (Article 123). These articles were especially significant because they emphasized the *collective* character of new social and political rights for peasants and workers, not just opportunities for individual advancement. The fusion of nationalism and a commitment to social reform in "revolutionary nationalism" provided a particularly compelling focus for popular identification with the postrevolutionary order.

Two pillars supported the postrevolutionary authoritarian regime that took shape during the 1920s and 1930s: a strong, increasingly centralized, and interventionist state, and a hegemonic "party of the revolution" closely linked to the state apparatus.<sup>10</sup> Elite commitment to maintaining political control and promoting socioeconomic change made state structures centrally important in postrevolutionary Mexico. Such measures as land reform and the regulation or nationalization of foreign-owned properties required a strong state. Similarly, the governing party provided an institutional framework for mediating elite competition, limiting conflict, and mobilizing mass support during elections.

Centralized political power and active state intervention in socioeconomic affairs became hallmarks of the new, postrevolutionary order. The 1917 federal Constitution divided decision-making responsibility among executive, legislative, and judicial branches, and it created a federal system in which states' rights and municipal autonomy were explicitly recognized. Both the formal structure of government and the guarantee of individual rights reflected the influence of liberal political ideas. Nevertheless, in the belief that strong executive leadership was necessary to guarantee the implementation of social reforms won during the revolution and to ensure the political stability required for national economic development, delegates to the 1916-1917 Constitutional Con-

<sup>10</sup>For an analysis of the distinctive characteristics of postrevolutionary authoritarian rule and an examination of the Mexican case, see Middlebrook n.d.: chap. 1. Parts of this section are drawn from Middlebrook.



vention placed preeminent authority in the presidency and limited the powers of the legislative and judicial branches.

The 1917 Constitution thus laid the legal foundation for postrevolutionary governments' relative decision-making autonomy. Presidents Alvaro Obregon (1920-1924) and Plutarco Elias Calles (1924-1928) acted forcefully to subordinate the armed forces to civilian authority and to establish political control over regional bosses (*caciques*) whose power had grown significantly during a decade of armed conflict. At the same time, Obregon and Calles created the administrative bases for active state economic intervention. The northwesterners who came to power under Obregon's leadership envisioned a political economy in which a vigorous domestic private sector would contribute actively to the development of national industry, thus reducing the influence of foreign (especially U.S.) capital. However, because of the manifest weakness of the national private sector, the absence of domestic financial institutions or a capital market, and the lack of adequate infrastructure, they understood that the state would necessarily play a leading role in economic development. By the late 1920s, the Obregon and Calles administrations had created a network of financial and regulatory institutions<sup>11</sup> and initiated a series of major infrastructure projects (especially roads, dams, and irrigation systems) that underpinned subsequent agricultural modernization and industrial development.

The formation of an "official" party in 1929 accelerated the trend toward the centralization of national political power. A number of small, often regionally based political parties formed during and after the revolution. Competition among parties with narrow social bases contributed to factional rivalries which culminated in Obregon's assassination in July 1928, shortly after he won reelection to the presidency. The death of the early postrevolutionary period's most important political figure threatened to throw the country into chaos over the question of presidential succession. Calles addressed this problem by renouncing any intention to seek a second presidential term, and in March 1929 he organized the Revolutionary National Party (PNR) to contain factional rivalries. He perceived the creation of a national "party of the revolution" to be an essential basis for ensuring the political stability necessary for economic development.<sup>12</sup>

The creation of the PNR was a significant step in the institutionalization of postrevolutionary Mexican politics. The PNR and its successors, the Party of the Mexican Revolution (PRM, 1938) and the PRI (1946), offered an organizational framework for the reconciliation of competing

<sup>11</sup>These included a central bank (the Banco de Mexico) and national highway, irrigation, electrical power generation, agricultural credit, and banking commissions.

<sup>12</sup>The definitive study of political parties during and after the revolution and the circumstances surrounding the formation of the PNR is Garrido 1982, especially chaps. 1,

political interests. For much of the period between 1929 and the 1980s, the "party of the revolution" grouped a heterogeneous collection of sociopolitical actors which, despite considerable internal competition and frequent conflict over policy goals, was linked by an overarching consensus on broad norms of political action and the general goals of economic development.<sup>13</sup> The very heterogeneity of this governing "revolutionary coalition" symbolized the established regime's commitment to the political representation of diverse interests.

Equally important, the governing party served as a major vehicle for regime legitimation through its dominance of the electoral process. The postrevolutionary elite's control over the state apparatus gradually permitted the "official" party to establish its electoral hegemony, though resistance from regional and local political bosses made this a slow, uneven process. Where ample access to government personnel and financial resources proved insufficient to secure victory for the party, fraudulent electoral practices were authorized or tolerated by government officials to secure the desired result. Indeed, from 1929 until 1988 the "official" party's candidates never lost an election for the presidency, the federal Senate, or state governorships. The party's close ties to the federal executive after the mid-1930s and its dominance in national electoral politics during subsequent decades substantially strengthened presidential control over the federal legislature and state governments. Moreover, the party's control over elected government positions contributed significantly to the emergence of a cohesive *clase politica* drawn predominantly from the urban middle class, socialized by shared educational experiences, frequently linked by kinship ties, and distinct in background and experience from the national bourgeoisie.<sup>14</sup>

The party was able to fulfill such diverse functions because, at least until the late 1980s, it was closely identified with revolutionary nationalism—the political goals and social program of the Mexican Revolution. (Its colors are those of the Mexican flag: red, white, and green.) Opposition parties existed on both the left and right. The "party of the revolution," however, occupied the broad center of national political life, defining the essential dichotomy of postrevolutionary politics: its supporters were those committed to the realization of the revolution's diverse goals, while those who opposed it were necessarily "counter-revolutionary."<sup>15</sup>

<sup>13</sup>Among these were such crucial issues as the public sector's role in economic development, the need to provide competing political factions with regularized access to administrative and elective office, and the importance of opening channels of social and economic advancement to lower-class groups.

<sup>14</sup>The best analyses of Mexico's political elite are Smith 1979 and Camp 1980. For an examination of changes in elite composition and behavior, see Middlebrook 1988:122-34.

<sup>15</sup>Calles made this distinction explicit in December 1928 when organizing support for the party. See Dulles 1961: 410.

A strong, interventionist state and a hegemonic party were crucial to forging (and preserving) a durable alliance between the ruling political elite and mass social forces. On the one hand, reliable control over the principal instruments of coercion allowed governing elites to repress challenges from popular forces, and the construction of a state administrative apparatus with the institutional capacity to mediate mass participation permitted successive presidential administrations to establish the de jure and de facto parameters of sociopolitical organization and mobilization. Yet at the same time, the Mexican state's far-reaching intervention in socioeconomic affairs provided government decision makers with the means to formulate development policies that responded to key peasant and labor demands. An extensive program of land distribution in the 1930s and the creation of elaborate credit and marketing arrangements to subsidize small-scale agricultural production transformed peasant communities into a reliable source of electoral support for the "official" party. Urban and industrial workers benefited from such measures as enterprise profit-sharing and a broad range of publicly financed social welfare programs, including subsidized access to basic commodities, health care, housing, and consumer credit. In general, these were socioeconomic benefits that peasant and worker organizations would have been hard pressed to win on their own. Securing them depended fundamentally on mass organizations' political alliance with state elites.

Similarly, the political dominance exercised by the governing party helped cement mass actors' loyalty to the regime. The "party of the revolution" was the principal channel of political mobility for the leaders of lower-class organizations.<sup>16</sup> Peasant and labor leaders' presence in important elective positions gave mass organizations a share (however modest) of political power, opening up opportunities to use their numerical importance in national politics both to influence government policy decisions and to defend past gains. More generally, peasant and labor organizations' affiliation with the governing party symbolized their inclusion in the postrevolutionary governing coalition. This is why the organized labor movement in particular vigorously resisted attempts by different presidential administrations to reduce the formal role of mass organizations in party affairs.

The governing elite's effective control over mass demands established the political foundations for rapid economic growth. Beginning in the early 1940s, Mexican decision makers embraced import-substituting industrialization as their principal development strategy. Pursuit of this approach, whose goal was to supply national demand with domestically manufactured consumer durable goods and intermediate products

<sup>16</sup>Beginning in 1938 the "official" party was organized on the basis of labor, agrarian, military, and "popular" sectors. The military sector was formally eliminated in 1943.

— rather than with foreign imports, led successive presidential administrations to enact new policies to promote domestic industry. These included higher tariff barriers, direct import controls, and tighter government restrictions on foreign direct investment. Unlike their counterparts in Argentina and Brazil, Mexican policy makers had by the late 1950s realized their double goals of producing steady economic expansion and rising per capita income while at the same time controlling inflation (a period that was, therefore, often referred to as "stabilizing development").

Economic success both strengthened postrevolutionary governments' performance-based claim to the legitimate exercise of authority and reinforced the elite-mass alliances that underpinned authoritarian rule. Many analysts subsequently noted that, over the longer term, the import-substitution policies adopted in the early 1940s created a number of problems which contributed to serious economic difficulties in the 1970s and 1980s (Thorp 1992; Hirschman 1968).<sup>17</sup> Moreover, the period of growth often characterized as the "Mexican miracle" contributed to greater economic and social inequality.<sup>18</sup> Yet from the 1940s through the 1970s, the strategy of import-substituting industrialization enjoyed broad support within Mexico's governing coalition. Economic growth produced new sources of employment, and especially after the mid-1950s, rising real wages and expanding social welfare benefits significantly improved many workers' standard of living. The ability of labor and peasant leaders to deliver substantial resources to their members strengthened their position within government-allied mass organizations, thereby reinforcing the elite-mass alliances so crucial to regime stability.

### *ECONOMIC CRISIS IN THE 1980s: STRUCTURAL ADJUSTMENT AND NEOLIBERAL REFORM*

Mexico's post-1982 economic crisis posed serious potential risks to the established political and social order, and it forced government decision makers to undertake a process of economic restructuring that had lasting political consequences. The proximate source of financial difficulty lay in heavy borrowing from international creditors during the 1970s and early 1980s. Foreign borrowing contributed to rapid growth during Mexico's petroleum-led economic boom in 1978-1981,<sup>19</sup> but the

<sup>17</sup>These problems included excessive dependence on imports of intermediate and capital goods, overvalued exchange rates and chronic balance-of-payments difficulties, inefficient domestic industries producing high-cost consumer products for a heavily protected domestic market, and a very limited capacity to export manufactured goods.

<sup>18</sup>Mexico's gross domestic product rose by an annual average of 6.5 percent in real terms between 1941 and 1981. Calculated from data presented in INEGI 1985: vol. 1, table 9.1.

<sup>19</sup>Gross domestic product grew by an average of 8.4 percent per year in real terms in these years. Calculated from data presented in INEGI 1985: vol. 1, table 9.1.

level of public- and private-sector indebtedness was not sustainable. As Victor L. Urquidi notes (this volume), excessive debt payment obligations coupled with declining petroleum prices in 1981-1982 produced growing economic instability. Escalating short-term debt service obligations, increasing capital flight, large-scale devaluations, and worsening balance-of-payments problems finally led to a liquidity crisis in August 1982 which detonated the Latin American debt crisis.

In response, the newly inaugurated de la Madrid administration adopted an orthodox economic stabilization plan that sharply limited wage increases, cut government social spending, and reduced or eliminated a broad range of government consumption subsidies. The government also attempted in 1983 and 1984 to reschedule the country's foreign debt. But as Urquidi indicates, debt service payments remained very high. Economic recovery was further constrained by unstable prices for Mexico's petroleum exports, low levels of domestic and foreign investment, and insufficient access to foreign credit. Despite high interest rates, the inflation rate averaged 88 percent per year between 1982 and 1988 (and reached an annual rate of 177 percent in January 1988).

Economic policy makers managed to bring inflation under control only by negotiating the Economic Solidarity Pact (PSE) with business, labor, and peasant representatives in December 1987. Jaime Ros (this volume) concludes that several singular advantages—economic policy makers' relative decision-making autonomy in a strongly presidentialist system, Mexico's geostrategic importance for the United States (which led the U.S. government to view the country as an essential "test case" for its debt restructuring initiatives in the mid- and late 1980s), the historically low degree of indexation in the wage/price system, and the remarkable flexibility that Mexico's system of state-labor relations gave economic policy makers in setting wages—permitted structural adjustment to proceed much more rapidly and smoothly in Mexico than in a number of other Latin American countries. Nevertheless, the economy grew by less than 0.1 percent per year in real terms between 1982 and 1988.<sup>20</sup>

The depth and length of the economic crisis compelled government officials to reexamine the role of the public sector and the country's overall strategy for economic development. Beginning in 1985-1987, economic policy makers radically liberalized Mexico's trade and industrial policy regime, rapidly privatized state-owned enterprises, and aggressively deregulated foreign investment flows and domestic economic activities. To explain why this occurred, Ros presents a "political economy model" of market reforms that emphasizes the interaction among the willingness of policy makers to adopt market reforms, foreign lenders' willingness to support these measures by increasing the

<sup>20</sup>Calculated from data presented in Lustig 1992: table 2.4.

flow of capital to the reforming country, the cost of not obtaining external finance, the policy trade-offs between stabilization and structural reform, and the extent of domestic opposition to market reforms.

Because attracting foreign capital was vitally important, Mexican decision makers had strong incentives to adopt market reforms. Indeed, the U.S. government's Baker (1985) and Brady (1989) plans conditioned additional foreign lending on debtor countries' willingness to adopt such measures. The result was a sharp shift toward export-oriented economic development, greater scope for market forces, and a more prominent role for the private sector in promoting economic growth. These policies were accompanied by other measures (including the elimination of government budget deficits, more effective tax collection, and greater institutional autonomy for the Banco de Mexico) designed to maintain business confidence and place the Mexican economy on the path toward sustained long-term growth.

The political implications of economic restructuring are examined in detail in the following two sections. It is important to note, however, that these neoliberal reforms may constitute an ambiguous economic legacy for Mexico. Both Urquidí and Ros (this volume) observe that, despite important gains in the late 1980s and early 1990s, a number of unresolved problems may constrain future economic growth. These include decidedly mixed productivity growth in the manufacturing sector; a low private savings rate; inadequate levels of public investment; the pressing need to use additional public resources to resolve serious, accumulated social needs; and the economy's limited ability to generate sufficient levels of employment, especially unskilled jobs.<sup>21</sup> Moreover, the Mexican economy remains heavily dependent on the continued massive inflow of foreign capital, which may not continue at the levels reached during the period before the approval of the North American Free Trade Agreement.

## ECONOMIC RESTRUCTURING AND POLITICAL CHANGE

The economic crisis of the 1980s and the shift in national development strategy had important political consequences for Mexico's postrevolutionary authoritarian regime. Prolonged economic stagnation seriously eroded the regime's performance-based claims to political legitimacy. Conflicts arising over the direction of economic policy aggravated tensions within the governing political elite, leading to factional splits that strengthened the position of opposition parties. Moreover, public concerns regarding management of the economy, corruption in government, and electoral fraud badly tarnished the prestige of the presidency.

<sup>21</sup> In his contribution to this volume, Francisco Valdes Ugalde also asks whether the private sector's greatly increased influence in Mexican politics is compatible with an efficient allocation of resources among national priorities.

Accumulated socioeconomic discontent and growing demands for democracy produced in 1988 an unprecedented challenge to the Institutional Revolutionary Party's electoral hegemony. This section examines the factors that have contributed to the heightened importance of opposition parties in Mexican politics and increased electoral competitiveness since the early 1980s.

*PRESIDENTIALISM, ECONOMIC RESTRUCTURING, AND COALITION CHANGE*

Many analysts would argue that a broad program of economic restructuring could be implemented more easily in Mexico's highly centralized authoritarian regime than under a democratic government or in an authoritarian regime with a weaker executive. From this perspective, the combination of a strong presidency and a hegemonic party was especially well suited to pushing through controversial market reforms because in Mexico the federal executive commands overwhelming political power. This interpretation of Mexican politics stresses that the strength of the PRI and the weakness of the political opposition are both products of a strong presidency (Hansen 1971; Purcell 1975; Carpizo 1985; Garrido 1987; Cornelius and Craig 1988; Aguilar Camín and Meyer 1993).

A less orthodox interpretation of Mexican *presidencialismo* holds that the federal executive's power depends on unified partisan control of both chambers of Congress, the president's ability to discipline the "official" party, and continued PRI dominance over the political opposition. Yet there are significant tensions among these different conditions. For example, the president's capacity to lead and control the PRI depends upon his ability to satisfy the party's diverse constituencies. Thus, if the coalition of interests grouped in the ruling party is too large, the president may face contradictory, ultimately irreconcilable demands. The president may find it especially difficult during bad economic times to maintain a broad governing coalition. From this perspective, the president might under such conditions seek to reduce the PRI coalition to a more manageable size and reorganize it consistent with his own policy preferences. At the same time, however, the president also faces strong pressures to enlarge and diversify the PRI coalition in order to deprive opposition parties of mass support. The tension between policy incentives to reduce the heterogeneity of the PRI coalition and political pressures to enlarge it is particularly intense during difficult economic times (Scott 1959; Vernon 1963; Story 1986; Philip 1992; Molinar Horcasitas 1994).

These alternative interpretations illuminate both the sources of policy instability in Mexico during much of the 1970s and early 1980s and the reasons why accelerated economic restructuring after the mid-1980s

exacerbated factional division within the governing coalition. Political struggles over national economic policy began in the early 1970s when problems associated with import-substituting industrialization began to mount. Rising inflation, faltering economic growth, and growing balance-of-payments problems sparked an enduring "dispute for the nation" (Cordera and Tello 1981) that pitted "nationalists" against "neoliberals." The former advocated policies that would "deepen" the process of import-substituting industrialization, including increased public investment and measures that would stimulate domestic demand. In contrast, the neoliberals proposed policies to control inflation, dismantle protectionism, and increase Mexico's long-term economic competitiveness and export potential (Soli's 1985; Villarreal 1976; Ortiz Mena 1980). Both policy agendas included several initiatives that promised to be politically costly, and the Echeverria (1970-1976) and Lopez Portillo (1976-1982) governments' efforts to avoid splintering the PRI coalition explain in large part the policy zigzags associated with their administrations. Indeed, the Echeverria and Lopez Portillo presidencies ended in economic and political crises that contrasted sharply with the much more orderly presidential successions that occurred in 1958, 1964, and 1970 during the period of stabilizing development.

Under the pressures of prolonged economic crisis and the urgent need to secure long-term access to capital, the de la Madrid and Salinas administrations broke this policy deadlock in favor of neoliberal economic restructuring. This shift had important political implications. Among other things, adoption of an export-oriented development model increased the political significance and policy leverage of the private sector.

Salinas signaled this departure in a campaign speech that he delivered in Garza Garcia, Nuevo Leon (a suburb of Monterrey, the home of Mexico's most important industrialists), in May 1988: "The engines of sustained economic growth in future years will be private investment, nonpetroleum exports, public investment in infrastructure, and the expansion of the domestic market" (*La Jornada*, May 20, 1988). Salinas made it clear that this ordering was not coincidental; domestic and foreign private investment would take clear precedence over public investment, which would be restricted to infrastructure projects. Moreover, nonpetroleum exports would receive priority over the expansion of domestic consumer demand. This position stood in sharp contrast to postrevolutionary governments' traditional nationalist commitments to economic protectionism and tight regulation of foreign investment, a "mixed" economy in which the state played a key role in the production of goods and services, and an inward-oriented development strategy in which the capacity for economic expansion depended heavily on increased domestic demand.



Nevertheless, as Francisco Valdes Ugalde observes (this volume), the recovery of business confidence and the consolidation of an alliance between neoliberal reformers and the private sector required considerable time. Memory of the 1982 bank nationalization was the principal obstacle. Even though the de la Madrid administration took several steps to heal this rift (including constitutional reforms enacted in 1982 to clarify the state's role in economic affairs and limit state ownership to specified, strategic areas), many entrepreneurs feared a resurgence of "populism." In the course of their struggle to win a durable government commitment to a more favorable state-private-sector relationship, business organizations gained new confidence concerning their involvement in partisan politics.<sup>22</sup> What finally convinced them that neoliberal policy makers were serious about ceding significant space to the private sector was the de la Madrid and Salinas administrations' aggressive privatization program (the symbolic high point of which was the reprivatization of banks and other financial institutions in 1990-1992), the decision to abrogate peasants' constitutional right (Article 27) to the redistribution of land and permit the private sale of collectively owned ejido lands, and the negotiation of the North American Free Trade Agreement.

As Echevema and Lopez Portillo had feared, the government's decisive turn toward neoliberal economic policies and the private sector's more prominent political role split the PRI coalition. Two factors were particularly important in this regard. First, the groups most adversely affected by cuts in government subsidies and the privatization of state-owned enterprises were organized workers and peasants, the PRI's most important base of mass support. The consistent pursuit of economic policies that produced declining real wages and lower per capita incomes during the 1980s threatened the PRI's long-standing claim to represent a multiclass coalition forged in the aftermath of the Mexican Revolution. In particular, resource constraints severely undermined the patron-client ties and distributional alliances that were traditionally at the heart of the PRI (Dresser, this volume).

Second, de la Madrid and Salinas named to prominent policy-making positions political technocrats whose mentalities and ideological preferences differed sharply from those of traditional PRI politicians.<sup>23</sup> Individuals rising to high national office in the 1980s and early 1990s on the basis of their educational achievements and technical expertise were members of a generation far removed from the violent political and social upheaval that produced the Mexican regime. (The contrast was particularly marked in the case of the labor movement, which was still led in the early 1990s by individuals personally linked to

<sup>22</sup>Dresser (this volume) notes that in the 1991 midterm elections 17 percent of the PRI's candidates came from the business sector.

<sup>23</sup>The term political technocrat is used by Camp (1985).

the 1910-1920 revolutionary experience.) Control over key posts by young, often foreign-educated technocrats increased discontent within the political elite because traditional politicians (sometimes referred to as *dirwsaurios*) believed that their opportunities for mobility and policy influence were blocked.

The ascent of this neoliberal faction faced stubborn resistance from nationalist sectors of the governing coalition. In 1986 some of these dissident elements formed the Democratic Current (CD) within the PRI, a movement calling for the democratization of the governing party's method of selecting presidential candidates and a more equitable model of economic development. Its most prominent supporters were Cuauhtemoc Cardenas (son of former president Lazaro Cardenas and governor of Michoacan from 1980 to 1986) and Porfirio Munoz Ledo (a former PRI president who had held major cabinet positions during the Echeverria and Lopez Portillo administrations and who had also served as Mexico's representative to the United Nations in the late 1970s and early 1980s).

Although members of the Democratic Current repeatedly espoused their loyalty to the PRI and described their initiative as an example of disciplined criticism designed to promote internal party reform, the PRI hierarchy considered the group's activities a veiled attack on the de la Madrid administration and attempted to limit the movement's impact by threatening to expel its supporters from the party. When the PRI leadership prevented Cardenas from competing for the party's presidential nomination and de la Madrid selected Salinas as his successor (thereby signaling the continuation of de la Madrid's neoliberal program and the new dominance of a political faction centered in key economic policy-making centers, particularly the Banco de Mexico and the Ministry of Finance), Cardenas, Munoz Ledo, and other advocates of traditionally nationalist policy positions broke with the governing party. Their exit produced the most serious division within the Mexican political elite since the early 1950s.<sup>24</sup>

The alienation of many traditional PRI supporters and the split in the governing elite contributed directly to the Institutional Revolutionary Party's electoral debacle in 1988. Opposition political parties—particularly the center-right National Action Party (PAN), but also leftist parties—had made major gains in municipal elections in 1983, and the PAN had strongly challenged the ruling party in several state elections in 1986.<sup>25</sup> But in 1988 the principal challenge came from the left. Cuauhtemoc Cardenas, leading a heterogeneous opposition coalition called the National Democratic Front (FDN), officially received 31.1

<sup>24</sup>In the 1952 elections, General Miguel Henriquez Guzman's Federation of People's Parties won 16 percent of the vote. This was the most serious challenge to the PRI's presidential candidate since the governing party's formation in 1929.

<sup>25</sup>Indeed, the government was forced to resort to massive fraud to deny the PAN victory in the gubernatorial race in Chihuahua in 1986.

percent of the valid votes cast in the presidential election.<sup>26</sup> Cardenas's very strong showing reflected his close personal identification with revolutionary nationalist policy positions,<sup>27</sup> widespread discontent with government austerity measures and the de la Madrid administration's inadequate response to the housing and relocation problems caused by the 1985 Mexico City earthquakes, and growing public demands for democracy. Under the weight of these diverse pressures, the PRI's share of the presidential vote fell to a new low. Whether Salinas actually won a majority in a hotly contested election marred by extensive fraud remains a matter of considerable dispute. What is certain is that this outcome ended an era in which victory by the "party of the revolution" was accepted as a matter of course by actors across the political spectrum.

#### *POLITICAL PARTIES AND ELECTIONS IN CONTEMPORARY MEXICO*

The 1988 elections thus marked an important turning point in Mexican politics. The fact that popular discontent with government austerity measures and declining standards of living was expressed through electoral channels largely reflected the increased opportunities for political contestation made possible by Lopez Portillo's 1977 political reform and subsequent changes in party registration requirements and electoral procedures.<sup>28</sup> Some analysts argue that the principal effect of these liberalizing measures was to preclude more complete democratization by directing pressures for political change into a seemingly endless series of party and electoral reforms that failed to modify the core elements of Mexican authoritarianism (Loeza, this volume). Yet enhanced opportunities to constitute opposition parties, contest elections, and win a (still quite limited) share of power had important consequences. The combination of intra-elite conflict over economic policy and access to decision-making positions, popular dissatisfaction with some of the consequences of market reforms, and regularly scheduled electoral contests produced over time a much more competitive political environment, particularly at state and local levels. As a result, in the late 1980s and early 1990s, elections and party politics assumed unprecedented importance in Mexico.

<sup>26</sup>The National Action Party officially received 16.8 percent of the presidential vote.

<sup>27</sup>As president between 1934 and 1940, Cardenas's father implemented an extensive agrarian reform program and nationalized foreign-owned petroleum companies.

<sup>28</sup>The Lopez Portillo administration implemented an important political reform measure in order to integrate recently formed opposition parties into the officially recognized party system, reinvigorate the PRI by increasing the effectiveness of party competition, and restore public confidence in the regime in the aftermath of such events as the 1968 "Tlatelolco massacre," in which police and army troops killed or wounded hundreds of protesting students. For a discussion of the 1977 reform's origins and its consequences, see Middlebrook 1986.

The increased competitiveness of elections reflected important changes on both the left and right. On the left, Cardenas formed the Party of the Democratic Revolution (PRD) in 1989 to institutionalize the opposition coalition he led in the 1988 elections. The PRD suffered from considerable factionalism as a result of both personal and ideological disputes among its principal leaders and Salinas administration officials' concerted efforts to co-opt and divide what they perceived to be their most serious political opponent. Because of conflicts over political strategy and because PRD organizers were frequently the targets of political violence, the party was only partially successful at forging ties with worker, peasant, and urban popular organizations. At the same time, the PRD's organizational weakness and government officials' resort to electoral fraud prevented the party from winning many important electoral contests, even in such core areas of Cardenista support as the state of Michoacan. These problems led the PRD in the early 1990s to adopt increasingly radical, antisystem positions on some issues, making collaboration with the National Action Party more difficult (Alcocer, this volume). Nevertheless, the PRD did make inroads into some of the PRI's traditional constituencies, and despite the many obstacles it faced, the PRD emerged as the most important opposition force positioned to the left of Mexico's ruling party.

The National Action Party remained the most important force on the right. In 1989 the PAN broke the PRI's monopoly on state governorships by winning the gubernatorial election in Baja California. As noted above, PAN candidates later won control over the state governments of Chihuahua and Guanajuato as well. Such victories gave the party both significant practical experience in governing at the state and municipal levels and an important base for political organization.<sup>29</sup> Somewhat paradoxically, the PAN also experienced considerable internal divisions as the Salinas administration adopted many of its traditional policy positions (including constitutional reforms limiting the extent of state economic intervention, permitting the sale and private ownership of ejido lands, and lifting the bans against the Roman Catholic Church's ownership of property and involvement in political affairs) and sought to form a loose political coalition with the PAN. Some PANistas viewed the Salinas government's offer of programmatic collaboration as little more than a sophisticated form of co-optation that undermined the party's capacity to push for democratization. Indeed, in 1992 conflict over this issue led several prominent PAN leaders to secede from the party.<sup>30</sup> Overall, however, the PAN benefited substantially from deepening

<sup>29</sup>See Rodriguez and Ward 1994 for a careful examination of PAN government in Baja California.

<sup>30</sup>The secessionists included Pablo Emilio Madero, grandson of Francisco Madero, who in 1910-1911 led the successful liberal challenge to Porfirio Diaz that initiated the Mexican Revolution.

public support for several of its principal policy positions, the financial assistance of some business organizations and the willingness of prominent entrepreneurs to stand as PAN candidates, and the fact that the Salinas administration was much more willing to accept electoral victories by the PAN than by the PRD.

Underlying these developments were important shifts in the partisan alignment of Mexican voters. Joseph L. Klesner (this volume) convincingly demonstrates how structural social change and the economic crisis of the 1980s undermined the PRI's electoral position. For many decades, the PRI exercised unchallenged electoral hegemony in the Mexican countryside (a product of both peasant loyalty to the regime that introduced an extensive land reform in the 1930s and the political control exercised by PRI-allied caciques) and drew considerable support from unionized urban and industrial workers, public employees, and portions of the urban middle class. Over time, however, rural-to-urban migration eroded the PRI's most reliable base of electoral support, and the party's capacity to attract urban middle-class voters declined sharply after the early 1970s. Competition from the opposition parties that were officially registered following the 1977 political reform also reduced the PRI's traditionally overwhelming electoral majorities.

Yet it was accumulated popular discontent with the government's post-1982 austerity and economic restructuring policies that produced unprecedented support for opposition parties in 1988. Klesner's analysis shows that leftist parties, for example, performed much better than in previous years among peasants and the urban poor. These parties increased their vote totals at the direct expense of the PRI. Klesner argues that these changes do not yet indicate electoral realignment—that is, the relatively stable reorganization within the electorate of the group basis of support for major political parties. However, partisan *dealignment* is an established fact in contemporary Mexican politics. Klesner concludes that "the Mexican electorate is less securely under the PRI's control than it has ever been."

The Salinas administration responded to these changing political realities in three principal ways. First, Salinas vigorously sought to restore the power and prestige of the presidency and build a new social coalition in support of his neoliberal program (see the following section). Second, he forged a *de facto* alliance with the National Action Party in order to split the political opposition and create a working congressional majority in support of key legislative initiatives. This alliance held considerable strategic value for the regime. In 1988, opposition parties had cooperated in an antisystem coalition formed around demands for democratization. Faced with government officials' continued resort to electoral fraud and other abuses of power, the principal opposition parties on the left and right set aside their ideological differences in order to cooperate against their common adversaries—the government and

the Institutional Revolutionary Party. However, interparty dynamics changed when the Salinas administration adopted ideological positions closer to those advocated by the PAN. The opposition front against the PRI began to break up when the PAN was courted by the PRI and when the PRD and the PAN took divergent positions concerning various political liberalization proposals, an issue that had united them in 1988 (Alcocer, this volume).

Third, Salinas sought to reform and revitalize the Institutional Revolutionary Party. Reform of the PRI—characterized by some observers as a "mission impossible" (Meyer 1989)—has long been the goal of those regime loyalists seeking both to preserve power and to increase the competitiveness and legitimacy of the party and electoral systems. Like its recent predecessors, the Salinas administration attempted to open up internal party decision-making procedures and improve the quality of PRI candidates (Dresser, this volume). More important, PRI reformers sought to restrict the role of sectoral organizations within the party and to adopt a territorial structure for an envisioned "party of citizens." They believed that, given the declining capacity of "official" labor and peasant organizations to mobilize their members in support of PRI candidates, a territorial structure would allow the party to respond more effectively to the concerns of an increasingly diverse, urban electorate. However, many of the Salinas administration's most important party reform initiatives met strong opposition from PRI traditionalists. Aggressive lobbying by the Confederation of Mexican Workers (CTM) successfully blocked key organizational reforms. As a result, the PRI remained organized around a combination of sectoral and territorial bodies.<sup>31</sup>

Despite such setbacks, Salinas's various political initiatives won him widespread personal popularity, restored the political power of the presidency, and improved the PRI's electoral fortunes.<sup>32</sup> With the PRI's electoral recovery and the approval of the North American Free Trade Agreement, Salinas entered the last year of his presidency with considerable political capital. The presidential succession is the most important—and potentially most vulnerable—moment in Mexico's six-year political calendar, offering rival factions an institutionalized opportunity to compete for power. The potential for conflict is always great (the previous three presidential successions had been particularly fraught with political tension), and a slowdown in economic growth in late 1993

<sup>31</sup> As of late 1993, the PRI was organized around a National Front of Citizens' Organizations, an Urban Popular Territorial Movement, a Worker-Peasant Pact, and other organizations. The Worker-Peasant Pact, signed in June 1992 between the CTM and the National Peasants' Confederation (CNC), was designed to promote productivity and increase consumer access to commodities. For details, see Rodríguez Guillén and Mora Heredia 1993: 27.

<sup>32</sup> One important measure of Salinas's success was that the PRI won 61.4 percent of the vote in the 1991 midterm congressional elections.

was additional cause for concern. Yet the existence of substantial international financial reserves, a government budgetary surplus, and the prospect that the approval of the NAFTA would attract significant additional amounts of foreign investment all suggested that the government would be able to stimulate the economy prior to the 1994 elections and simultaneously guard against currency speculation. With the imposition of Luis Donaldo Colosio as the PRI's 1994 presidential candidate, Salinas seemed on the verge of completing his *sexenio* in a stronger political position than any Mexican president in the preceding three decades. More generally Salinas's effective control of the succession process indicated to many observers that he had achieved his goal of implementing extensive market reforms before undertaking serious political liberalization.

However, two events dramatically brought the question of democracy to the center of national political debate. First, on January 1, 1994, some two thousand guerrilla fighters temporarily occupied San Cristobal de las Casas and three other towns in Chiapas.<sup>33</sup> In a masterstroke of timing, the Zapatista Army of National Liberation took up arms on the very day that the North American Free Trade Agreement formally went into effect. The Zapatistas explicitly and forcefully challenged the negative social consequences of neoliberal economic reforms, especially for indigenous peoples.<sup>34</sup> They demanded broad political autonomy for regions populated predominantly by indigenous peoples, the reversal of Salinas's 1991 modifications to Article 27 of the 1917 federal Constitution, the reorientation of government economic policies, and political democracy in Mexico. Although many Mexicans disavowed violence as a means of redressing grievances, the groundswell of support the Zapatista movement received from across the social spectrum was compelling evidence of popular dissatisfaction with both key elements

<sup>33</sup> Among the immediate casualties of the Zapatista rebellion was the view that the Salinas administration had successfully engineered a far-reaching program of economic restructuring without provoking major political or social upheavals. For one statement of this view, see Lustig 1992:12.

Whether President Salinas and his top national security and military advisers fully appreciated the scope of guerrilla activity in Chiapas, but failed to act against the Zapatistas for fear of endangering U. S. congressional approval of the NAFTA, remains a subject of debate. The Mexican army had clashed briefly with guerrillas in Chiapas in May 1993, and in August 1993 the Mexican press carried reports of a guerrilla movement in the state. See Castaneda 1994a: 21; *Economist*, January 8, 1994, p. 41.

This summary of the Chiapas uprising draws on the following sources: *New York Times*, January 3, 1994, p. A11, January 7, 1994, p. A4, January 9, 1994, p. 1, January 30, 1994, p. 9, February 2, 1994, p. A10, February 9, 1994, pp. A1, 7, February 20, 1994, p. 3, February 26, 1994, p. 6, March 4, 1994, p. A2, March 18, 1994, p. A3, March 23, 1994, p. A6; *Economist*, January 8, 1994, pp. 41-2; January 15, 1994, p. 39, February 19, 1994, p. 43; Academia Mexicana de Derechos Humanos 1994d.

<sup>34</sup> The EZLN's military leader and most prominent public spokesperson, who identified himself only as "Sub-Comandante Marcos," stated that "The free-trade agreement is a death certificate for the Indian peoples of Mexico" (quoted in *New York Times*, January 3, 1994, p. A11).

of Salinas's economic program and his attempt to postpone democratization.<sup>35</sup>

The Salinas administration initially blamed the uprising on liberation theology activists and Central American leftist subversives, and it responded to the Zapatista challenge with military force. In heavy fighting that left at least 145 dead, army troops supported by tanks and aircraft forced the Zapatistas to withdraw from occupied towns to more secure bases in the heavily forested highlands of Chiapas. Yet the scale of the government's military offensive and evidence of serious human rights abuses by government troops provoked intense domestic and international protests. Growing domestic opposition to the use of military force (including large demonstrations in Mexico City and other major Mexican cities in early January), indications that the EZLN enjoyed widespread political support in indigenous communities throughout central Chiapas, concern that prolonged conflict might spark armed opposition movements elsewhere in Mexico, and fear that foreign investors would lose confidence in his administration soon forced President Salinas to suspend military activities.

On January 12, 1994, President Salinas declared a unilateral ceasefire and proposed a negotiated settlement, of the Chiapas conflict. He appointed Manuel Camacho Soils (the former mayor of Mexico City and Colosio's chief rival for the 1994 presidential nomination) as "commissioner for peace and reconciliation in Chiapas." By early March, Camacho had reached a tentative peace agreement with the Zapatistas. The 'Accords for a Dignified Peace in Chiapas' pledged a significant increase in government social welfare (education, health care, housing) and infrastructure (improved roads and communications infrastructure) spending in Chiapas, resolution of long-standing peasant demands for land, explicit legal sanctions for discrimination against indigenous peoples, and a degree of local administrative autonomy for indigenous communities.

Just as the shock waves produced by the Zapatista uprising began to subside and the Salinas administration appeared to recover the political initiative,<sup>36</sup> Luis Donaldo Colosio was assassinated at a campaign rally in Tijuana on March 23, 1994. Government spokesmen initially claimed that the gunman, a *maquiladora* worker named Mario Aburto Martinez, had acted alone. However, in early April the special prosecutor in charge

<sup>35</sup>The Zapatista challenge was an all-the-more-telling indictment of the Salinas administration's economic and social policies because more PRONASOL funds had been expended in Chiapas than in any other state.

<sup>36</sup>Between January and mid-March 1994 there was intense speculation in Mexican political circles that Camacho would capitalize on the public attention generated by his role as government representative in the Chiapas peace negotiations by declaring his candidacy for the presidency. At times, the prospect of a Camacho candidacy overshadowed Colosio's presidential campaign. Only on March 22 did Camacho publicly announce that he would not run for the presidency (*New York Times*, March 23, 1994, p. A6).



of the case announced four additional arrests and indicated that as many as seven individuals (several of whom had close ties to the Baja California state police) had collaborated to kill Colosio.<sup>37</sup> Widespread public speculation about who might have masterminded the apparent conspiracy significantly complicated President Salinas's effort to impose a second PRI candidate. Indeed, the struggle that raged between Salinas's political and economic allies and PRI traditionalists over the selection of Colosio's successor was remarkably public.<sup>38</sup> In the end, however, Salinas retained sufficient political strength to control the nomination process. A week after the Colosio assassination, he designated Ernesto Zedillo Ponce de Leon (an economist with a Ph.D. from Yale University, who had served as both minister of planning and budget and minister of education in the Salinas cabinet before resigning his government position to manage Colosio's presidential campaign) as the PRI's presidential candidate.<sup>39</sup>

In the wake of these political shocks, the Salinas administration came under still greater domestic and international pressure to speed the pace of political liberalization. The result was a still more extensive electoral reform.<sup>40</sup> Legislation adopted in May 1994 further limited direct government and PRI influence over the Federal Electoral Institute (IFE),<sup>41</sup> provided for independent examination of voter registration lists, lowered the ceiling on campaign spending, permitted foreign observers to witness elections, banned the use of public funds and government personnel to benefit the PRI, and established a special prosecutor to

<sup>37</sup>*New York Times*, April 5, 1994, p. A1. The special prosecutor in the case subsequently issued a report stating that Aburto had in fact acted alone. This finding was greeted by widespread public skepticism, prompting President Salinas to order a sweeping reexamination of the case. For details, see *New York Times*, July 14, 1994, p. A1, July 15, 1994, p. A6.

<sup>38</sup>*New York Times*, March 28, 1994, p. A2, March 30, 1994, p. A1; *Economist*, April 2, 1994, p. 40.

Concerns regarding Mexico's economic and political stability appear to have shaped the succession struggle. Zedillo, who had played a prominent role in refinancing large Mexican private firms' foreign debt in the wake of Mexico's 1982 financial crisis, was evidently the candidate preferred by the domestic and foreign business communities. Moreover, a constitutional provision requiring that a presidential candidate resign government office at least six months prior to his election effectively barred some potentially strong rivals.

<sup>39</sup>The EZLN reacted to the political uncertainty created by the Colosio assassination by suspending negotiations with the government. It subsequently rejected the settlement proposed by the Salinas administration, arguing that the matters under discussion did not satisfy its demand for democratic change at the national level. For details, see *New York Times*, April 23, 1994, p. A4, June 13, 1994, pp. A1, 4, July 30, 1994, p. A3.

<sup>40</sup>This legislation originated in a "Pact for Peace, Democracy, and Justice" which the government and opposition parties negotiated in the immediate aftermath of the Chiapas revolt. See Whitehead, this volume.

<sup>41</sup>For example, the reform initiative increased the independence of the Federal Electoral Institute by creating an eleven-member governing board, six of whose members were distinguished "citizen magistrates" without ties to the government or political parties.

pursue those accused of electoral fraud.<sup>42</sup> Taken together, the four electoral reform laws enacted in 1990, 1993 (two different sets of changes), and 1994 formally established much more equal terms of interparty competition.

### SHIFTING PATTERNS OF STATE-SOCIETY RELATIONS

The heightened prominence of opposition parties and increased electoral competitiveness in Mexico in the 1980s and early 1990s paralleled, and in part reflected the consequences of, significant changes in state-society relations. The successful transition from an import-substitution model of economic development to one focused on export promotion would seemingly imply a reordering or a reaccommodation of the coalition of social actors supporting the Mexican regime. One key issue is the extent to which important changes in relations between social actors and the state are the product of economic restructuring, or whether they derive from political developments that follow a logic distinct from transformations in the economic sphere. Another concern is the extent to which changes *within* different social actors themselves and in their relations with the state somehow facilitate the adoption or consolidation of neoliberal economic reforms.

The Salinas administration actively sought to redefine important aspects of state-society relations. This section examines the ways in which these relations were altered, whether the Salinas government succeeded in creating and consolidating new bases of social support for market reforms and the regime, and what implications these changes might have for future regime change in Mexico.

### CHANGES IN STATE-SOCIETY RELATIONS

The Salinas government attempted more actively than any presidential administration since the 1930s and 1940s to transform state-society relations. Prior to this, however, and throughout most of the 1980s, it was the economic crisis more than any overt government effort to redefine the state's role and its relations with different groups that shaped the actions of various elements of Mexican society. In some instances, the inability of state officials to respond adequately to popular needs left a vacuum that, particularly in urban areas, was filled by autonomously organized social movements. Paul Lawrence Haber (this volume) argues that it was the de la Madrid administration's neglect of housing needs, especially in the aftermath of the 1985 Mexico City earthquakes, that spurred the formation of some of Mexico's strongest urban popular movements. In other cases, the combination of economic constraints and

<sup>42</sup>For evidence that the May 1994 reforms were only partially implemented before the August 1994 general elections, see *New York Times*, August 19, 1994, pp. A1, 4.

state officials' unwillingness or inability to entertain certain types of demands compelled social actors to alter their bargaining strategies. For example, the de la Madrid government's refusal to accede to organized labor's wage demands caused the labor movement to alter its negotiating strategy during the early years of the economic crisis. Rather than focusing on wage increases, the "official" labor movement led by the Confederation of Mexican Workers concentrated its efforts on gaining greater protection for the individual worker as consumer. In the countryside, too, state officials discouraged demands for land distribution, a policy that forced many rural organizations to focus on agricultural production issues and which generated divisions among them.

By the late 1980s and early 1990s, however, state officials initiated more directed efforts to alter the state's economic and social role. In a number of areas, the Salinas administration sought to reduce the extent of state regulation. For example, the government shifted from sector-wide price supports for rural producers to more focused initiatives such as PROCAMPO, a program that provided direct subsidies to small-scale agricultural producers. The National Solidarity Program also represented an effort to redirect government social policy away from broadly inclusive public welfare programs toward programs that directed state resources to specific constituencies in poor communities.

A reduction in state regulation was consistent with the administration's neoliberal orientation. Nevertheless, some policy changes and some aspects of state reform were driven mainly by partisan electoral considerations—especially the government's efforts to neutralize the electoral threat posed by the Cardenista opposition—rather than by the requirements of neoliberal economic restructuring. From the perspective of government officials, more precisely targeted public programs would ease the social costs of economic adjustment, which were widely believed to have contributed heavily to the opposition vote in the 1988 elections. These programs also promised to create identifiable constituencies for the government's policy initiatives and build new bases of support for the regime.

President Salinas was compelled to innovate in this area because the most immediate challenge he faced was to dilute the powerful political threat that the 1988 electoral results posed to the legitimacy of his administration. The 1988 elections had demonstrated the extent of the public's dissatisfaction with the PRI and pointed to the real possibility that a center-left party, headed by Cardenas, could consolidate durable support and pose a continuing threat to the ruling party. Moreover, the Cardenista campaign had successfully tapped into some of the PRI's traditional bases of support among workers and the urban poor, thereby underscoring the need for significant reform of the party. One of Salinas's first tasks, then, was to bring these sectors back into a relation-

ship with the state (if not yet the PRI) and to isolate them from the new party that Cardenas and his supporters were forming.

Among the most important strategies that the new government adopted in pursuit of this goal was the policy of *concertación social* (social concertation). *Concertación* was to represent a new form of state-society relations, one in which the state established problem-solving partnerships with social organizations. By advocating *concertación*, the Salinas administration simultaneously sought to isolate those groups that still opposed it, convey a sense that the new government was willing to open a dialogue with those groups that had previously been excluded from policy circles, and indicate the proper channel through which societal interests should present their demands.

The Salinas administration proceeded to extend offers of "dialogue" to targeted organizations, and it drew up agreements (*convenios de concertación*) between the government and independent social movement organizations. Some of the first agreements signed were with urban popular movements. The 1989 *convenio* with the Popular Defense Committee (CDP) in Durango bore immediate political fruit by helping to drive a wedge between the Cardenista camp and some of the autonomous popular movements that had supported Cardenas during the 1988 elections (see Haber, this volume): Similarly, in the labor sector the government's focus on social concertation was interpreted as a gesture of support for the leader of the Mexican Telephone Workers' Union (STRM) and his efforts to form a new labor federation that might compete with the long-dominant CTM. For many groups, concertation represented a shift in the state's relationship with society, toward an arrangement in which state officials sought to forge targeted, problem-solving relationships with social organizations that demonstrated some degree of autonomy and the technical capacity to undertake specific projects.<sup>43</sup>

The best-known and perhaps most distinctive social policy implemented by the Salinas administration was the National Solidarity Program. Funds from the government's sale of state enterprises were channeled into community projects that were ostensibly developed in conjunction with local Solidarity committees. Official pronouncements touted PRONASOL as an efficient poverty-alleviation program that sought to transform state-society relations by encouraging citizens to design and implement community development and public works projects. Some evaluative studies, however, indicate other—even contrary—results. For instance, contrary to official claims, PRONASOL funds were often directed to organized groups—that is, to those organizations with "superior technical capacity" and bargaining power, not to the weakest and poorest groups. One consequence was that the program strength-

<sup>43</sup>It is important to note, however, that this policy did not mean an end to state repression. Labor unions, urban protest groups, rural organizations, and opposition party activists often encountered violent state responses to their demands.

ened existing organizations and deepened the gap between the organized and the unorganized (Haber, Fox, this volume).

Moreover, the government often channeled PRONASOL funds to areas where voters had supported Cardenas in 1988, lending some credibility to critics' claims that the Salinas administration used the program to undermine the opposition's electoral base (Molinar Horcasitas and Weldon 1994). Program administrators also placed political conditions on the distribution of PRONASOL funding in some areas. Resources often went to those organizations that would prove "cooperative" —in other words, those that would refrain from open opposition to the PRI or the government (Haber, this volume). Most important, PRONASOL provided incentives for autonomous organizations to focus on local community development projects, rather than on national political demands or the construction of independent political alliances.

PRONASOL embodied key elements of the administration's proposed "new" relationship with society. This relationship was to consist of a state that was pluralistic in its relations with social groups, one that established ties to groups outside of the ruling party's traditional sector organizations—even at the expense of the latter and of political parties in general. For example, the CTM and the National Peasants' Confederation (CNC), which long enjoyed a privileged political position as official sectors of the PRI, were forced to compete for resources with more autonomous social organizations. In many cases, membership in the PRI was no longer a requirement for access to state resources. Policies such as these further weakened the regime's traditional social bases and the governing party's electoral coalition at a time when alternative sources of political support were not yet consolidated.

Although the Salinas administration established relationships with some organizations that could be considered democratic, the government's more pluralistic relations with societal interests did not necessarily indicate greater official support for more democratic forms of representation within these organizations. Nor did this approach signal state encouragement of independent forms of political expression. Rather, state officials' relations with a greater variety of social organizations reflected pragmatic concerns more than a new commitment to democracy. For instance, not only did Salinas administration officials maintain strong control over labor strikes, but several important labor conflicts involving workers' struggles for democratic union representation were repressed. In other cases, state officials and employers collaborated to impose more flexible industrial relations policies in the workplace, actions that sometimes undermined union democracy.<sup>44</sup>

<sup>44</sup> Among the most important of these conflicts were those that occurred at the Ford Motor Company's Cuautitlan plant, the Tornel Rubber Company, Modelo Brewery, Volkswagen, and the Cananea (Sonora) copper mines. For a discussion of these cases, see Cook n.d.; La Botz 1992.

Even as state officials developed ties with a broader range of societal interests during the Salinas years, they narrowed the scope of issues open to negotiation. Democratically governed social organizations had access to government resources if they were willing to concert with the state on local-level, "technical" problems directly affecting them. In the labor sector, for example, the Salinas government pursued somewhat contradictory agendas: support for more politically independent (and, at least in the past, more militant) unions, while conducting its overall relations with the labor movement in such a way that there was "less real negotiation than before" (de la Garza, this volume).

Furthermore, the state's relations with social actors were strongly influenced by both Salinas's personalistic style of governing and the institutional power of the presidency. Salinas, adopting a leadership style reminiscent of that practiced by former president Luis Echeverria, attempted to step "outside the system" in order to change it in the wake of the 1988 elections. In so doing, Salinas transferred popular perceptions of illegitimacy from his government to the PRI and successfully portrayed himself as a reformer struggling against hard-line interests within the party (see Dresser, this volume). Salinas's ability to manipulate this distinction between the party and his government depended on his effective use of the considerable powers afforded to the federal executive under the Mexican system. His attacks on "official" labor leaders, for example, were among a series of actions taken near the beginning of his term that marked Salinas as a strong president willing to employ his executive authority to change the system by punishing political enemies and hard-line opponents of reform. Moreover, Salinas's close personal identification with the National Solidarity Program (including weekly trips to different states to inspect PRONASOL projects and distribute funds) both bolstered his personal popularity and reinforced presidentialism (Bailey 1994: 117-19; Cornelius, Craig, and Fox 1994b: 14; Dresser 1991).

The strongly presidentialist character of the Salinas administration (a phenomenon noted by several authors in this volume) was in part a product of Salinas's efforts to build a political defense against the negative consequences of his administration's economic policies, some of which harmed the entrenched interests of key sectors of the president's own party. Dresser (this volume), for example, argues that a reinvigorated presidentialism reflected Salinas's quest for increased state autonomy during a period of rapid economic restructuring. In this sense, developments in Mexico in the late 1980s and early 1990s roughly paralleled those in some other Latin American countries (especially Argentina and Peru) where incumbent presidents sought to enhance their executive authority in order to implement neoliberal economic reforms. Yet strengthened executive authority poses difficult questions where democratization is concerned, an issue that has elicited a range of

different opinions. For some analysts, a strong president is necessary to promote democratic reform against the resistance of state and local political bosses and other hard-line elements within the ruling party (Cornelius 1994). For others, presidentialism is one of the key obstacles to democratization (Garrido 1989; Meyer 1989).

In the shorter term, Salinas's personalist style of governing had important implications for the character of state-society relations. For example, his use of executive powers to reshape relations with different social actors encouraged the leaders of mass organizations to develop ties directly with him rather than with the PRI. This was especially true of some union leaders who, in a political environment that was generally hostile to labor, negotiated directly with the president for official recognition and political protection (Cook 1994). Leaders of urban popular organizations such as the CDP in Durango pursued similar tactics (Haber, this volume). Although this kind of direct relationship with the president is certainly not without precedent in Mexico, the relative decline of other sources of leverage or mediation (such as political representation in the PRI) makes stronger dependence on the executive a more significant political phenomenon.

In an important sense, social actors' heightened dependence on personalized "relations with the president for organizational gains and survival indicated a serious weakening of key political institutions—especially the ruling party—that have long supported and legitimated the regime. Rather than reflecting a broad commitment to political beliefs such as those embodied in revolutionary nationalism or a pragmatic set of calculations regarding long-term political inclusion (such as state-subsidized organizations' claims of a "right" to political representation in the PRI), such ties to the federal executive reflected momentary highly pragmatic, inherently unstable "alliances" based on specific bargaining relationships. In this context, one must ask whether personalistic ties forged between independent social actors and Salinas could represent the first step toward the creation of new bases of social support for market reforms and the regime.

#### CHANGES AMONG *SOCIAL ACTORS*

One way to answer this question is to examine the effects of the Salinas administration's policies on key social actors and to evaluate their responses to state officials' attempts to redefine state-society relations. There are two reasons why it is important to focus on changing relations between the state and mass actors. First, mass actors such as labor unions and peasant organizations have long comprised the Mexican regime's principal bases of social support. Second, a number of independent organizations have emerged within these sectors in the last two decades. Many of their members threw their support behind Cardenas

in the 1988 elections, giving their actions and their relationship to the regime an added political significance.

A wide variety of social organizations exists within different sectors, ranging from independent popular groups that emerged in the 1970s and 1980s to "official" sectoral organizations such as the CTM and the CNC which are more closely identified with the regime. It is, therefore, difficult to generalize by sector about the character of state-society relations. Indeed, even those organizations that could be labeled politically "independent" vary greatly in terms of their strategies and political orientation. Furthermore, many of these groups—both autonomous social movements and "official" organizations closely allied with state elites—have been undergoing a significant process of reorganization. Yet in spite of differences such as these, many independent social organizations were forced to respond to a similar set of circumstances in the late 1980s and early 1990s. Changes in the state's approach to these organizations had a significant impact on their strategies and, in some cases, their internal organization.

In the first instance, most popular organizations had to determine what position to take vis-a-vis Cardenas's 1988 presidential campaign and the political aftermath of the elections. In the weeks and months after the elections, Cardenas called for his supporters to reject the new government's overtures, while the Salinas administration demonstrated a willingness to channel resources to many organizations that had previously been politically marginalized. In practice, popular organizations adopted a range of strategic responses to this conjuncture. For example, Haber (this volume) discusses how the Assembly of Neighborhoods in Mexico City chose to remain loyal to the PRD, even when offered an opportunity to form its own political party and even when the price for loyalty to the political opposition was a decline in its own membership. In contrast, the Popular Defense Committee (CDP) in Durango was among the first groups to negotiate a *convenio de concertacion* with the Salinas government. The CDP also left the PRD coalition and, along with other organizations and with the backing of the Salinas administration, formed a new political party (the Labor Party, FT) in order to compete in local and national elections. Other organizations, including the National Union of Autonomous Regional Peasant Organizations (UNORCA), refused to adopt a partisan position during the elections and continued their established practice of negotiating with state officials (Fox, this volume).

Those popular organizations that eventually decided to participate in state-sponsored programs shifted both their overall strategies and specific tactics in response to the Salinas administration's willingness to establish a dialogue and enter into specific agreements defined around community-based projects. For example, Fox (this volume) refers to the "new political pragmatism" evident among many rural organizations



during this period as they moved to take advantage of state resources while simultaneously struggling to retain their autonomy and manage internal dissent. One challenge such organizations faced was to propose projects and alternative policies that stood a chance of being adopted (*ser propositivo*), rather than simply to contest government proposals or adopt confrontational strategies based on principle—a more common approach during the 1970s and early 1980s. This meant that many organizations occupied a large "gray area," not only in terms of strategy and tactics but also in terms of their degree of representativeness and their political affiliation. Fox points out that older distinctions between "official" and "independent" social organizations (the former category referring to state-subsidized and PRI-affiliated organizations and the latter to those groups not affiliated with the ruling party) are no longer very useful in differentiating among rural groups. Indeed, to the extent to which PRI affiliation is no longer a condition for access to state resources and ties to political parties do not accurately depict the specific policy positions taken by different organizations, these categories may have become less relevant in other sectors as well.

Direct negotiations between the government and popular organizations over local projects decentralized in practice the terrain on which dialogue (and conflict) took place. The opportunity to qualify for PRONASOL funds, for example, encouraged urban popular movements "to relegate national considerations to a lower priority in favor of concentrating on their own organizational development" (Haber, this volume). In the labor sector, issues related to productivity in the workplace (including the right to information, problems associated with the introduction of new technologies, worker training, workplace participation, and so forth) became the key point of negotiation for many unions (de la Garza, this volume). Popular organization politics, more so than party politics, is concerned with local issues and the immediate satisfaction of concrete demands. The Salinas administration's willingness to discuss such demands with previously marginalized groups soon after the 1988 electoral challenge helped to prevent the consolidation of broader opposition political alliances.

The shift in state officials' approach to dealing with popular organizations, and the change in strategy that some organizations adopted in turn, generated tensions between these organizations and the PRD, between popular organizations and the state, and both among and within these organizations. In the first case, strains between the PRD and many popular organizations that had supported Cardenas's 1988 presidential campaign stemmed in part from the different priorities held by party leaders and social movements (Bruhn n.d.). In particular, the new opposition party's need to consolidate an identity distinct from the PRI conflicted with many organizations' need to negotiate with the state to secure benefits for their membership. According to Haber (this

volume), the PRD's unwillingness to acknowledge the imperative of popular organizations to meet their members' needs by accepting public resources quickly led to conflict. The fact that some organizations had both struck deals with the government and, in the process, distanced themselves from the PRD further undermined the likelihood of future electoral alliances with Mexico's most important leftist party.

Popular organizations also found that their new relationship with the state raised a number of other thorny—and classic—problems. One of these concerned the degree to which their organizational autonomy was compromised by accepting state support. Although popular groups needed government resources (housing, potable water, paved roads, financial credit, and so forth) in order to sustain themselves organizationally and maintain membership support, reliance on the state for such resources often threatened their ability to make decisions autonomously, especially with regard to their strategy and political alliances.<sup>45</sup> As Fox points out in his chapter in this volume, defining a clear political or civic identity could endanger a popular organization's access to political elites and to the discretionary resources they controlled.<sup>46</sup>

Moreover, the Salinas administration's strategy of *concertacion* and many popular groups' willingness to strike deals with the government generated significant divisions both among and within these organizations. Government representatives singled out those that participated in state programs as more "modern," pragmatic, and reasonable organizations, able to recognize the "change in terrain" and shift their strategies accordingly. Those that did not participate were labeled "confrontational," stuck in an earlier period when politics was more polarized. Within popular organizations, participation in government programs often generated tensions between leaders and rank-and-file members. Indeed, the more democratic or representative these organizations were, the greater the likelihood of such problems. Rural organizations' support for modifications of Article 27 of the Constitution was a case in point; opposition to the Salinas administration's plans meant loss of access to government resources, yet leaders who supported the reform risked alienating their membership (Fox, this volume).

Whether the practice of concertation between the state and popular organizations during the Salinas years merely constituted a form of co-optation, or whether participation of this kind reflects a more pragmatic yet still independent vision among popular organization leaders, are

<sup>45</sup>The alternative was perhaps best exemplified by the Assembly of Neighborhoods, a member of the urban popular movement. As noted above, its loyalty to the PRD and its commitment to a national political strategy cost it access to state resources and ultimately led to a decline in its membership (Haber, this volume).

<sup>46</sup>It is important to acknowledge, however, that tensions between popular organizations and the PRD were also the product of struggles over organizational autonomy, especially over the terms under which these organizations would participate in a political movement and the threat that such participation posed to their operational autonomy.

questions that are not easily answered. Leaders of the CDP, for example, claimed that they were practicing "situational politics" and that they could simply "take back" their autonomy whenever they chose (Haber, this volume). Moguel (1994:176) points out that for some sectors of the left that participated in PRONASOL, the program represented more than a matter of pragmatism and a temporary coincidence of particular interests. Rather, it allowed them to "struggle against corporate and cacique interests" and "change the relationship between society and the state," long-time political goals for much of the social left.

In this context, conventional conceptions of co-optation may obscure more than they illuminate about new patterns of state-society relations. Participation in state programs under Salinas may well reflect organization leaders' beliefs that they were simply furthering their own social and political agenda, and that at least in the short term some of their goals coincided with those of reformist elements within the state bureaucracy. Participation of this kind (with its inevitable compromises and trade-offs) may also reflect the conflicting imperatives that movement leaders must face in both satisfying member demands and avoiding co-optation, as well as the limited number of choices (political and strategic) that popular organizations have traditionally had in Mexico. From this perspective, the absence thus far of a viable political party alternative in Mexico, the worldwide erosion of socialism as an economic and political project, and the still powerful role of the Mexican state in controlling key political and economic resources greatly limit the options of popular organizations that wish to survive.

Even if social concertation as practiced during the Salinas administration succeeded in undermining social actors' ability to form alliances with the political opposition, it remains to be seen whether the new, tentative alliances forged between heretofore independent popular organizations and the state will translate into medium- or long-term support for the regime. Although some groups may have gained materially and politically from their closer relationship with the state, evidence concerning the larger significance of these ties is mixed. On the one hand, Salinas administration spokespersons for PRONASOL claimed that the program "empowered" average citizens by encouraging them to design and help implement community-based projects. Academic analysts have also found evidence for the program's empowering potential among both organizations and unorganized individuals (Cornelius, Craig, and Fox 1994a; Haber 1994). A key issue, however, is how citizen empowerment in everyday activities will be reflected at the polls. Are the new clients created by PRONASOL likely to replace the regime's traditional allies as its principal bases of social and electoral support?

Many observers attributed the PRI's electoral comeback in 1991 in part to the popularity of PRONASOL. It is, however, difficult to separate the effect that PRONASOL might have had on voters' attitudes from the

impact of other important developments, including a sharp decline in the rate of inflation (Cornelius, Craig, and Fox 1994b: 13-14). Moreover, several considerations raise unresolved questions about the long-term success of the Salinas administration's efforts to secure the political loyalty of PRONASOL beneficiaries and of those groups engaged in concertation with the government. The fact that PRONASOL was initially portrayed as a government—not a PRI—program (indeed, a program closely identified with Salinas, and later with Colosio,<sup>47</sup> personally); that beneficiaries of PRONASOL-sponsored public works did not always identify these projects with the program (Contreras and Bennett 1994: 286); and that many of the program's beneficiaries were autonomous social organizations that may in fact have used access to its resources to strengthen their independence and regional political influence all make it unlikely that PRONASOL successfully consolidated durable support for the ruling party. The personalist politics behind the program, the death of Colosio, and the way in which the Chiapas uprising at least partially discredited the program raise further questions concerning PRONASOL's future.

At the same time, there is also increasing uncertainty concerning the political loyalty of the regime's older social allies. In spite of the Salinas administration's early efforts to disassociate the government from traditional sectors of the ruling party, state elites were obliged to rely on these sectors for political support in a context of rapid, dramatic economic change and unstable political coalitions. The appearance of widespread public support for the administration's inflation-fighting economic package (the PECE), the North American Free Trade Agreement, and ejido reform was particularly important for the Salinas administration. However, the support of old allies has become increasingly contingent upon receiving significant economic or political concessions from the state. The "official" labor movement, for example, became an important (if reluctant) supporter of Salinas's economic program and his choice of successor—but at the price of the administration's retreat on key aspects of PRI reorganization and labor law reform. Concessions such as these may strengthen the political position of major sociopolitical organizations, perhaps leading to future conflicts as issues that were postponed for political reasons are revisited in a future administration.

However, continued reliance on the political support of traditional sector organizations raises difficult questions. How long can the Mexican regime retain the old-style corporatist features that have defined it for so long? Are such corporatist arrangements ultimately compatible with the country's new model of economic development and a more democratic regime? There is considerable debate on these points. Some

<sup>47</sup> As minister of social development, Colosio was the cabinet member directly responsible for the program.

observers argue that central features of Mexican corporatism—especially state intervention and tutelage over certain sectors of society such as the labor movement, and the top-down controls that state-subsidized organizations exercise over their members—are strongly incompatible with a modern economy that must rely on the increased participation, initiative, and productivity of its workforce in order to thrive. Other analysts speak of a "reformed corporatism" or "neocorporatism" that differs from the previous form in that social organizations' relations with the PRI are more flexible or formally disappear, even though their central link with the government is maintained through the presidency (de la Garza, this volume).

One important question in this debate is whether some elements of the old corporatist system survive because hard-line elements (particularly leaders of the "official" labor movement and traditional PRI politicians with sectoral ties—the "dinosaurs") have successfully resisted change. Or have established corporatist arrangements remained in place because they contribute to economic and political elites' attempts to maintain political control and limit instability during a period of significant economic change? The distinction is an important one. The former interpretation suggests that older patterns of state-society relations in Mexico are gradually being replaced in a transition toward a different kind of regime. However, the latter interpretation implies that those features of Mexico's authoritarian regime that enabled elites to maintain control over workers and other mass actors will remain important elements of a more electorally competitive political regime because those groups that substantially strengthened their position in the 1980s and early 1990s—the private sector and technocrats—favor them.<sup>48</sup>

If, however, one accepts that the Salinas administration's concertation with popular organizations led to the greater empowerment of at least some of these groups, changes in state-society relations during the late 1980s and early 1990s may have helped instead to generate multiple empowered groups with significant local or regional political influence, organized elements that are capable of challenging the PRI machine in local and state elections. Indeed, there is evidence that this has already begun to happen in places like Durango, where a CDP candidate won the mayoralty of the capital city in 1992 (Haber, this volume). The material benefits and increased prestige and influence that popular organizations derive from access to public resources, and their consequent ability to meet membership demands, make it quite possible that these groups will exercise their local or regional power to influence future electoral contests. As a result, the Salinas administration may

<sup>48</sup>Future political change along these lines would be consistent with the "modernization of authoritarianism" scenario outlined by Cornelius, Gentleman, and Smith (1989: 40-41), in which Mexico's political elites would engage in an "energetic revival and remodeling of the existing corporatist system."

have helped to undermine PRI control in some regions, thus creating a political environment in which the PRI dominates at the national level but in which state and municipal elections are increasingly won by opposition parties in alliance with regional social movements. This is a model of political liberalization that may prove acceptable to factions of the national political elite that are willing to make such concessions at the expense of local PRI bosses.<sup>49</sup>

In sum, economic and political reforms undertaken in the 1980s and early 1990s alienated some of the regime's old allies, without yet securing the proven loyalty of new clients. In an environment in which established links between the electorate and political parties have weakened (the dealignment that Klesner describes), the Salinas administration's efforts to de-link the regime's traditional social bases from the PRI could render their future electoral support increasingly unstable, especially as political alternatives present themselves. During the Salinas years, state elites forged new ties with social actors outside the ruling party, but it remains to be seen whether these relationships can be institutionalized in the form of durable support for the PRI. In a context of decreased citizen tolerance of authoritarianism and increased pressures for full electoral democracy, the presence of dealigned social actors can be crucially important, contributing centrally to the emergence of a more competitive regime.

## CONCLUSION

Whether authoritarian regimes are necessarily more capable than democratic governments of implementing economic stabilization measures and market reforms is a subject of continuing debate.<sup>50</sup> There is little doubt, however, that Mexico's experience with economic liberalization in the 1980s and early 1990s was strongly shaped by the survival of authoritarian political controls. Such key features of the postrevolutionary regime as the incumbent president's capacity to name his successor, the federal executive's dominance of the legislature, "official" party and state control over the electoral process, and state administrative restrictions on nonelectoral forms of mass participation persisted during much of this period despite a significant increase in electoral competitiveness and heightened activity by relatively autonomous societal groups.

The fact that the scope and speed of economic liberalization considerably exceeded the extent and pace of political opening in Mexico had important consequences both for the process of economic restructuring

<sup>49</sup>It is also a model of political liberalization whose expected outcome has been likened to India's political system, in which the Congress Party dominates national politics but other political movements enjoy considerable autonomy at the state and local levels (Cornelius, Gentleman, and Smith 1989: 41-43).

soFor contrasting views, see Skidmore 1977 and Remmer 1990, 1993.

and for democratization. The sequencing of economic and political liberalization altered the balance of forces within the coalition that traditionally supported the regime. In particular, privatization, deregulation, and the shift toward an export-oriented development model increased the influence of the private sector (especially large manufacturers and financial interests) within Mexico's governing coalition and privileged those businesses most closely linked to the international market. At the same time, the preservation of tight political controls on organized labor limited unions' capacity to redress the negative effects of market reforms. State administrative restrictions on labor participation also eased employers' implementation of changes in the production process that further undermined the bargaining power of workers. It is, moreover, doubtful that the Mexican government's economic stabilization measures and market reforms—policies that produced very high social costs in the form of a dramatic decline in real wage levels, increased unemployment in major industries, and a more unequal pattern of income distribution—could have been pursued as consistently in a democratic political context.

In some ways, economic reform strengthened the position of Mexico's ruling political elite. Generally improved economic prospects, effective control of inflation, and consumers' access to a much broader range of imported goods won considerable public support for market reforms and the Salinas administration. Renewed growth (even at a rate that was low by historical Mexican standards) and the sale of state-owned enterprises increased the financial resources available to government officials in their efforts to address social problems that were exacerbated by economic crisis and restructuring. The popularity of government social programs such as PRONASOL and PROCAMPO most likely contributed to the PRI's electoral recovery in the early 1990s. Broader public support for neoliberal policies also narrowed the programmatic options for opposition parties, making it more difficult for the PRD to convince voters that it represented a distinctive alternative. Of course, political factors (the strength of institutions such as the presidency, the continued loyalty of such traditional allies as the "offdial" organized labor movement, the regime's capacity for renewal from within through regular rotation in office) also contributed significantly to the governing elite's capacity to maintain control while limiting the scope and regulating the pace of political liberalization. But under less favorable economic conditions, the Mexican regime would probably have been much more vulnerable to uncontrolled pressures for political change.

Market reforms did not, however, succeed in delaying pressures for democratization, despite President Salinas's reliance on economic performance rather than political reform to legitimate his government. Certainly by the late 1980s the social dislocations caused by rapid economic restructuring contributed directly to challenges to authoritarian political

controls. Popular dissatisfaction with austerity policies and the negative consequences of economic liberalization reinvigorated opposition parties, accelerated the partisan dealignment of Mexican voters, and contributed to the increased competitiveness of electoral contests. The Mexican government's implementation of market reforms also began to erode the regime's traditional bases of mass support and created new lines of division within the political elite. Moreover, the passage of the North American Free Trade Agreement substantially increased international scrutiny of domestic political practices. One consequence is that elements of future economic success (especially investor confidence and continued access to foreign capital) may become increasingly contingent upon the credibility of electoral outcomes.

The future prospect of improved economic performance may well restore public confidence in the governing political elite's ability to guide economic policy. However, in the absence of democracy it is unlikely that the Mexican regime can ever fully recoup the legitimacy that postrevolutionary governments once enjoyed. This challenge looms even larger now that neoliberal reformers have broken decisively with statist economic policies, thereby sharply curtailing their capacity to employ revolutionary nationalism to bind together ideologically a heterogeneous governing coalition. The philosophy of "social liberalism" espoused by the Salinas administration has yet to gel as an inclusive ideology capable of legitimating the Mexican regime in the way that revolutionary nationalism once did.<sup>51</sup>

Can one conclude, then, that the direct and indirect political consequences of economic restructuring have significantly increased the odds that Mexico will eventually make a successful transition to democracy? The evidence is mixed. The erosion of the regime's traditional social bases, greater disunity within Mexico's governing political elite, and more vigorous party competition all increase the likelihood of regime change. Opposition parties on both the left and right have developed a stronger organizational presence in many regions, and since the mid-1980s they have had significant practical experience in governing at state and municipal levels. At the same time, changes in state-society relations under the Salinas administration—including a greater degree of pluralism in the state's relations with social actors, the reduced relevance of ties to the "official" party for access to state-sponsored programs, and efforts to redefine the role of traditional sectoral organizations within the PRI—potentially increase the autonomy of major social actors vis-a-vis the state and the ruling party. These developments may hold important implications for national politics.

The 1994 election campaign clearly exemplified the political importance of a more vigorous civil society. Much more active involvement by

<sup>51</sup>A transcript of President Salinas's March 4, 1992, address to the PRI outlining the philosophy of social liberalism appears in *Examen* 35 (April 1992): 19-22.



nongovernmental organizations, together with new electoral rules and heightened international attention to political developments in Mexico, created a more open electoral environment, even though irregularities continued to be a significant problem in some areas.<sup>52</sup> Citizen organizations such as the Civic Alliance (AC), a coalition of some four hundred nongovernmental organizations committed to promoting clean elections, played an especially important role in monitoring the election process.<sup>53</sup> Similarly, the Democratic National Convention convened by the Zapatista Army of National Liberation in early August 1994—an event attended by some five thousand representatives from a wide range of urban, rural, and indigenous organizations, as well as by prominent intellectuals—demonstrated the commitment of broad sectors of the social and political left to free elections and a peaceful democratic transition.<sup>54</sup> Perhaps more than anything else, it was increased citizen interest and involvement in the electoral process (reflected in a record voter turnout of 77.7 percent) that set 1994 apart from any previous election in Mexican history.

Other developments during the late 1980s and early 1990s were, however, less conducive to the construction of democracy. The exercise of strong presidential authority that was a persistent feature of the Salinas administration undermined public credibility of the electoral process by, for example, substituting deals negotiated between the executive and opposition parties for the outcomes produced by legal procedures. Strong state controls over labor protest and other forms of nonelectoral participation greatly restricted mass organizations' room for maneuver and undercut efforts by some of their members to democratize their organizations. Social programs such as PRONASOL encouraged popular organizations formally aligned with the opposition to focus predominantly on local agendas, thus helping to diffuse and (at least until the Chiapas rebellion) postpone national debate over democracy during much of the Salinas period. Similarly, Salinas's success at fostering personalistic ties with some independent labor unions, urban popular movements, and other social organizations increased their dependence on the government and reduced the likelihood that they would forge alliances with opposition parties.

<sup>52</sup>For more on this aspect of the elections, see *El Financiero Internacional*, August 29-September 4, 1994, p. 13, September 5-11, 1994, p. 15; *New York Times*, August 25, 1994, p. A3, September 27, 1994, p. A7; *Perfil de la Jornada*, September 20, 1994, pp. 1-4.

<sup>53</sup>Members of the Civic Alliance scrutinized voter registration lists, commissioned opinion polls concerning citizens' familiarity with the electoral process, published analyses showing that campaign coverage by electronic media was heavily biased in favor of the ruling PRI, and coordinated the activities of thousands of domestic and foreign election observers. In addition, the Alliance conducted a "fast count" of electoral results on the basis of a stratified national survey of polling places.

<sup>54</sup>For details, see *Los Angeles Times*, August 6, 1994, p. A10; Hernandez Navarro 1994.

Such developments weakened the link between increased societal pluralism and pressures for electoral democracy.

Even more important, the concentrated power of the federal executive and the persistence of close links between the state apparatus and the PRI continued to limit political competition. Most national and international observers agreed that the 1994 elections were generally free of the extensive fraud and intimidation that had characterized many past elections. However, most observers also concurred that the outcome was heavily influenced by the PRI's tremendous advantages in resources, media coverage, and organizational capacity—advantages the ruling party derived from its privileged relationship with the state. Not only did PRI candidates benefit greatly from some communities' reliance on government social programs such as PRONASOL and PROCAMPO, but the party also continued to draw on government personnel and state resources to support its campaign despite laws expressly prohibiting such practices.<sup>55</sup> The ruling party also dominated mass media coverage, a situation produced both by the PRI's disproportionate access to financial resources for media advertising and by the close relationship between state officials and privately owned media companies.<sup>56</sup>

Moreover, the PRI enjoyed tremendous mobilizational advantages because of entrenched clientelist relations. In many poor neighborhoods and rural areas, local party leaders conditioned citizens' access to social services, government subsidies, and other benefits on their expressed commitment to vote for the ruling party.<sup>57</sup> Government-allied labor unions also demonstrated in 1994 that they retained the capacity to mobilize an important proportion of their members in support of the "official" party (*San Francisco Chronicle*, August 17, 1994, p. 1A). Indeed, because Ernesto Zedillo won the PRI's presidential nomination under difficult circumstances and had a comparatively short time in which to organize a national campaign, his victory owed much to the continued mobilizational capacity of the PRI's traditional social allies. These deeply rooted relationships, a product of the PRI's long incumbency, remained largely unaffected by electoral reforms.

<sup>55</sup>The advantages accruing to the PRI are discussed in *El Financiero*, July 6, 1994, p. 3; *Porque*, July 6, 1994, pp. 13-15; *Reforma*, July 15, 1994, p. 4.

<sup>56</sup>See the detailed analyses of media coverage in Academia Mexicana de Derechos Humanos 1994a, 1994b, 1994c.

<sup>57</sup>For examples, see *El Financiero Internacional*, August 29-September 4, 1994, p. 13, and *New York Times*, August 28, 1994, section 4, p. 4. Some of the electoral reforms adopted in 1993 and 1994 (especially measures designed to protect the secrecy of the vote and prohibitions against campaigning near polling stations) made it more difficult for government officials and PRI organizers to enforce compliance. Nonetheless, one should not underestimate the impact that this kind of voter coercion may have on citizens who are not fully aware of their political rights.

Given these considerations, what would be required for a successful transition to democracy in Mexico? Although specific organizational arrangements and political practices vary significantly from one country to another, there is considerable consensus on the minimum criteria for democracy. The elemental requirements are the guarantee of (often constitutionally defined) individual rights, including freedoms of expression and association and especially protection against arbitrary state action; frequently scheduled, fairly conducted elections in which all citizens are fully free to participate (universal suffrage) in the selection of representatives who will exercise public authority; and institutionalized procedures to ensure that citizens can through the rule of law hold rulers accountable for their public actions.<sup>58</sup> These requirements are mutually reinforcing.

Unlike many instances of regime change, the transition to democracy in Mexico does not involve a shift from a military junta or some other regime of exception to an elected civilian government. Indeed, one of the principal challenges in the Mexican case is to make effective the rights and procedures already formally guaranteed by the 1917 Constitution and by law. More specifically, changes in three areas would be necessary to bring about a successful transition from authoritarian to democratic rule: the effective guarantee of citizenship rights; reforms that ensure equality of opportunity in electoral competition; and the elimination of political controls on association and nonelectoral forms of mass participation. The common challenge in each of these areas is to limit the power of the Mexican state in its relations with individual citizens and the organizations of civil society.

Despite a long tradition of constitutional rule and formal guarantees of individual liberties, the exercise of citizenship rights remains a highly contested political arena in Mexico. There are no significant legal restrictions on the rights to vote or campaign for public office. But political activists are victims of physical violence or forced disappearance sufficiently frequently to cause many individuals to view the public expression of political views as risky.<sup>59</sup> Nor does the legal system adequately guarantee citizens equal treatment under the law.<sup>60</sup> In these and other contexts, the goal must be to make individuals secure against arbitrary government actions and increase the

<sup>58</sup>This definition draws on discussions in Dahl 1971: 2-9, 1982:10-11; O'Donnell and Schmitter 1986: 7-11; Schmitter and Karl 1991; Rueschemeyer, Stephens, and Stephens 1992:10, 43-44. Schmitter and Karl (p. 81) emphasize that democracy also requires that popularly elected officials be able to exercise their constitutional authority without overriding pressure from unelected officials, especially the military.

<sup>59</sup>For specific accounts, see among others Amnistia Internacional 1986; Americas Watch 1990; Centro de Derechos Humanos Miguel Agustín Pro Juárez 1992.

<sup>60</sup>For a careful analysis of Mexico's legal system, see Rubio, Magaloni, and Jaime 1994.

effectiveness of institutionalized procedures through which citizens can hold agents of the state (including the police) accountable for their public actions.

Additional legal-modifications and procedural changes are also required to equalize the terms of electoral competition in Mexico. In particular, much more needs to be done to reduce disparities between the PRI and opposition parties in terms of access to mass media (especially radio and television) and financial resources. At the same time, further steps are necessary to increase the autonomy of electoral authorities, especially at state and local levels. The most significant issue in this area is the continued close relationship between the Institutional Revolutionary Party and the state apparatus. Only when the PRI has begun to compete for power without undue advantages from incumbency will electoral contests become meaningful tests of parties' programmatic positions and candidates' personal appeal. Civil service reforms that limit the extent of partisan control over middle- and lower-level positions in the state bureaucracy would facilitate such a change by making it more difficult for the ruling party to mobilize public employees on its behalf. Whether meaningful change can occur in this area while PRIistas control the federal executive remains an open question.

Equally important, the liberalization of electoral procedures in Mexico has not yet been accompanied by a significant reduction in political restrictions on the right of association and nonelectoral forms of mass participation. Establishing the political independence of social organizations is a decisive step in the transition from authoritarian to democratic rule. Respect for associational rights is crucial to democratization because what is at stake is the capacity of citizens to organize in defense of their interests without fear of state intervention or sanction (Fox 1994:152). Increased associational autonomy vis-a-vis the state is also vitally important for holding government officials accountable for their public actions.<sup>61</sup> Yet in Mexico, state officials continue to exercise strong controls over association (especially by workers and peasants) and nonelectoral forms of mass participation such as strikes,

A core question concerning democratization in Mexico is whether these multiple challenges can be resolved incrementally, or whether the transition to democracy will necessarily involve a sharp break with past political practices. The trajectory followed by Mexican

<sup>61</sup>Schmitter (1992: 430, 437) correctly emphasizes that undemocratic patterns of state-society relations may persist long after electoral rules change. He notes that interest associations created under authoritarian rule may themselves seek to maintain their privileged relationship with the state. As a result, the transition to more democratic patterns of state-society relations may be quite slow, especially where regime change does not involve a dramatic political rupture.

governments thus far has clearly been one of incremental liberalization, a process that has contributed to greater political openness but which has not yet produced democracy. The outcome of the 1994 elections (a larger margin of victory for the PRI than had been expected in a context of high voter turnout and extensive national and international election observation<sup>62</sup>), as well as the virtual certainty that the Institutional Revolutionary Party will dominate the federal government until the end of the century, necessarily raise questions concerning whether Mexico's governing political elite will continue to follow this gradualist path in lieu of democratization (Loeza, this volume). Indeed, much public debate in the aftermath of the 1994 elections focused on whether Zedillo, the PRI's victorious presidential candidate, would be inclined or able to push forward the process of political reform (see, for example, Castaneda 1994b; Cornelius and Bailey 1994).

The extent to which future political reforms will move Mexico closer to democracy will depend heavily on the vigilance and continued pressure of organized groups in civil society. Major opposition parties and pro-democracy civic organizations will play an especially significant role in this regard. The presence of a greater number of autonomous popular organizations can also help erode clientelist practices and exact greater accountability from political parties and state officials. Moreover, the actions of such groups may well determine whether the government will seek peaceful, negotiated outcomes or resort to repression in response to crises (such as the Chiapas uprising) that erupt if the pace of incremental reform proves too slow.

There are many analysts, however, who question whether a democratic regime can emerge in Mexico as the result of a gradual process of political reform. In particular, they doubt the outcome of a piecemeal liberalization process overseen, ultimately, by state officials linked to the PRI. For these critics, the credibility of elections may remain in doubt so long as the PRI continues to win. As Whitehead (this volume) cogently argues, a successful democratic transition would require convincing evidence that the regime's "basic operating principles" had changed. The minimal conditions for satisfying this criterion would be clear separation

<sup>62</sup>The PRI won 50.2 percent of the valid votes cast in the presidential election, while the PAN won 26.7 percent and the PRD won 17.1 percent. If one includes annulled ballots and those cast for unregistered candidates, the PRI's share was 48.8 percent of the total presidential vote. Using these same criteria, Salinas's proportion of the total vote in 1988 was 48.7 percent.

The other officially registered parties competing in the 1994 federal elections were the Socialist Popular Party (PPS), the Party of the Cardenista Front for National Reconstruction (PFCRN), the Authentic Party of the Mexican Revolution (PARM), the Mexican Democratic Party (PDM), the Mexican Green Party (PVEM), and the Labor Party (PT). Of these six parties, only the Labor Party surpassed the 1.5 percent minimum threshold established by law to retain its official registration; it received 2.8 percent of the valid votes cast in the presidential election. For vote totals by party, see IFE 1994.

of the PRI from the state bureaucracy stronger limits on presidential authority and unambiguous signs that the Institutional Revolutionary Party—a party born in power—was at last prepared to lose.

Even so, for many observers democracy in Mexico will only be possible—and made manifest—when the presidency finally passes from PRI to opposition party control. This is, however, a problematic test of democratic transition because other, intermediate scenarios may also signal that significant advances toward the effective guarantee of citizenship rights, equality of opportunity in electoral competition, freedom of association, and increased openness in nonelectoral participation have taken place. These scenarios include coalition government at the national level (with one or more opposition parties controlling key cabinet positions) and an opposition majority in the Congress, which could put an end to presidential dominance of the legislature.

Democratization, of course, may not proceed evenly at all levels and in all arenas. Even opposition control of the federal executive need not substantially (nor automatically) affect established state controls over nonelectoral forms of mass participation or extend full citizenship rights to traditionally marginalized sectors of the population. For these reasons, attention to changing relations between key social actors and the state may remain an important basis for assessing the contradictory and highly contingent process of political transition in Mexico.

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