



NEOLIBERALISM AND THE TRANSFORMATION OF MEXICAN AUTHORITARIANISM

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**NEOLIBERALISM AND THE TRANSFORMATION
OF MEXICAN AUTHORITARIANISM**

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Abstract

Over the last decade, Mexico has carried out a neoliberal economic reform program that has involved the withdrawal of the state from the highly interventionist role characteristic of the pre-1982 period. This article examines the relationship between those reforms and the erosion of the two pillars of Mexican authoritarianism: corporatism and patron clientelism. While the unravelling of traditional authoritarian mechanisms of political control was an unintended impact of market reforms prior to 1989, the administration of Carlos Salinas de Gortari sought to redefine the nature of Mexican authoritarianism, reducing the role of sectoral organizations and establishing new mechanisms of clientelist control. While successful in the short term, the article argues that the new arrangements are inherently less stable.

Introduction

While Mexico's ruling party, the Institutional Revolutionary Party (PRI), experienced an apparent political recovery in the 1994 national election, the erosion in its support has been apparent since the late 1960s when economic stagnation and social and political unrest culminated in the 1968 student massacre. The 1982 economic crisis, the ensuing neoliberal economic reforms, and the 1988 national election which witnessed a sharp erosion in backing for the PRI, have generated a growing debate on the direction of the Mexican political transition.¹ While some observers have seen market reforms and democratization as mutually reinforcing processes, skeptics have suggested that Mexico's political elite has attempted to control the liberalization process in order to ensure the continuity of its economic reforms². And while a variety of authors have focussed on the sectoral political impact of the country's economic restructuring,³ few have attempted a global analysis of the impact on the Mexican political system of both the new economic model and the ruling elite's political strategy. This article attempts to make such an analysis and advances the following argument: the political impact of market liberalizing reforms before 1988--an impact that was unanticipated by the reforms' practitioners--triggered the unravelling of the traditional mechanisms of corporatist and clientelist control. Once the new sexenio was underway in 1989, not only did the deepening of economic reforms accelerate the erosion of the old mechanisms of political control, but President Carlos Salinas adopted a political strategy that sought not to democratize the political system, but to explicitly redefine the nature of Mexican authoritarianism. Trends under the current regime of President Ernesto Zedillo indicate the continued erosion of traditional authoritarian arrangements. Below, I sketch the major features of Mexico's pre-1982 authoritarianism, features which, I argue, have since been altered by the interplay between market reforms, political resistance and explicit political strategy.

Mexican Authoritarianism in Transition

Most literature has characterized Mexico's post revolutionary regime as authoritarian in nature. One well-known analysis points to the characteristics of limited pluralism, low political participation and patron clientelism its major distinguishing features.⁴ In such a context, the role of organized groups, particularly popular groups, has tended to be reactive, since low political mobilization and patron clientelism reduce political demands. The "limited pluralism" of organized groups, usually seen as a product of the interaction of corporatist structures with patron clientelism, has been instrumental in maintaining the relative stability of the system: it has been essential in limiting the independent political action of potentially oppositional groups.⁵

Most discussions of the cooptative-control capabilities of Mexico's political system have focused upon the operation of the dominant Institutional Revolutionary Party (PRI). Under its corporatist structure, popular organizations purporting to represent workers and peasants have been incorporated into the party apparatus in such a way so as to minimize if not eliminate the potential for popular dissent. At the same time, patron clientelism involving the exchange of material rewards (from the more powerful patron to the weaker client) for political support, has ensured the cooperation of worker and peasant leaders in supplying the PRI with political supporters. Patron clientelism has also operated to keep rank and file members, hoping for access to material rewards, in line.

Corporatism has its roots in Mexico's post revolutionary history. Formal incorporation of popular organizations within the official party occurred during the presidency of Lázaro Cárdenas (1934-1940). In 1938, the regional groupings within the party were dropped and replaced by sectoral representation from labour, peasants, the "popular sector" and the military which later disappeared. Cárdenas sponsored the formation of Confederación de Trabajadores de México (Confederation of Mexican Workers, CTM) and the Confederación Nacional de Campesinos (National Confederation of Peasants, CNC) and incorporated them into the official party

as sectoral representatives. The popular sector, known as the Confederación Nacional de Organizaciones Populares (National Confederation of Popular Organizations, CNOP), was constituted by organizations representing a number of important middle class interests, along with elements of the urban poor and was also incorporated into the Party. The labor sector, represented by the CTM (36 unions, the most important of which is the Petroleum Workers' Union), became the most powerful sector of the three.⁶ In 1966, in order to facilitate centralized control of the country's most important trade unions, a goal made difficult due to growing union resistance to the CTM, the government of President Díaz Ordaz promoted the establishment of a new umbrella organization, the Congreso de Trabajo (Labour Congress, CT). In the officially recognized trade unions, patron clientelism became operationalized through "charrismo," union domination by corrupt leaders loyal to the state, an arrangement that supplemented the corporatist relations described above. The administration of Miguel Alemán (1956-1952) is usually associated with the harsh repression of workers' demands and the imposition (often with the use of the army or police) of charro leaderships.⁷ Once such leaders were installed, the government then took measures to facilitate the ability of these leaders to amass wealth, thereby ensuring their loyalty to the regime. Charro control depends explicitly on the exchange of material rewards for political support: (1) from the state (and indirectly from the private sector) to labor union leaders, and (2) from labor leaders, selectively, to the rank and file. With regard to this latter process, it is the hope of future material benefits that is instrumental in dampening radical political behaviour among those not currently benefitting from these arrangements.

Collective agreements provided union leaders with the ability to dispense a variety of material rewards (such as housing, scholarships, promotions, loans, and job transfers) that enabled leaders to ensure the quiescence of the rank and file: loyal support for the leadership and the PRI has been the price of obtaining such benefits. At the same time, the union leadership's control of union dues, its access to special funds provided by

the company for "social works," and a variety of other arrangements allowed it to amass considerable wealth. PEMEX (the state petroleum company, Petróleos Mexicanos) management, for example, agreed to pay 2% of the value of all contracts with third parties to the union's "social fund." These funds went toward the establishment of union factories, stores and ranches, the profits of which accrued to the labor leadership, not to the rank and file. In addition, labor leaders have often become private sector contractors for the public companies that employ them. Again, PEMEX is the most well known example.⁸ In return for a variety of benefits, then, the corrupt labor leadership was expected to keep labor demands in line, to provide support during times of crisis, to provide money and votes at election time, and to organize marches and demonstrations in support of the PRI.

The peasant sector, the CNC, has been historically the weakest of the three party sectors. Originally established with the aim of furthering land redistribution, the CNC's role in coopting peasant leaders and ensuring rank and file quiescence remained important until the late 1960s. After 1970, however, this role has been largely superseded by the activities of the state agricultural bureaucracy, state farm banks, assistance agencies, and *ejido* (communal land holding) cooperatives.⁹ Faced with a severe agricultural crisis in the early 1970s, state intervention in the rural sector increased markedly. President Luis Echeverría's Federal Agrarian Reform Law called for the collectivization of adjacent *ejido* plots into single productive units that would then receive state support in the form of credit, inputs and access to marketing. The National Bank of Rural Credit (Banco Nacional de Crédito Rural, BANRURAL) and its regional branches became the major source of financial support for *ejido* producers. At the same time, several state agencies, such as the Mexican Tobacco Institute (Tabacos Mexicanos, TABAMEX), the Mexican Coffee Institute (Instituto Mexicano del Café, INMECAFE) and the National Fund for Ejidal Development (Fondo Nacional de Fomento Ejidal, FONAFE) were created to direct production and marketing. The granting of credit became an especially important

mechanism for exercising control over campesinos as credit institutions, such as BANRURAL, took over the organization of ejidal production. Hence, as the instrument for obtaining credit and other resources from state institutions and agencies, the ejido became the base through which peasants were incorporated through the distribution of material rewards into the state/party apparatus.

Stringent legal controls as well as the operation of clientelism and corporatism ensured the political support of the popular sector, or the CNOP. The most important organization within the CNOP was the Federation of Unions of State Workers (FSTSE, Federación de Trabajadores al Servicio del Estado). Counting 82 affiliate unions in 1982, its most important member is the Teachers' Union (Sindicato Nacional de Trabajadores de Educación, SNTE), which accounts for approximately 40% of the FSTSE's membership.¹⁰ The FSTSE does not include public enterprise workers. While the precursor organizations of the FSTSE had been active supporters of the CTM, the administration of Lázaro Cárdenas forced them, through government legislation, to join the popular sector. Shortly thereafter, a government decree dictated that only one organization, the FSTSE, could bring together all public sector unions.¹¹ The activities of the FSTSE are further limited by Section B of the Labor Code, which prohibits collective agreements, restricts the right to strike for public servants and permits the state to unilaterally dictate salaries.¹² Legislation passed in 1963 prohibited the FSTSE from affiliating outside of the PRI. In addition, charro tactics have been used against recalcitrant union leaders within the FSTSE as demonstrated by state imposition of Carlos Jonguitud as secretary general of the Teachers' Union in 1972.¹³ The FSTSE itself is characterized by a "highly vertical and centralized structure," permitting strict union control."¹⁴

Other important features of the pre 1982 authoritarian arrangements included a powerful nationalist revolutionary mythology that presented the PRI and the state as protector of worker and peasant welfare. The reforms of the Cárdenas years--land redistribution and the nationalization of foreign owned companies--played an important role in legitimizing PRI rule. At times, and

increasingly so, the statism so central to PRI hegemony caused sharp tension between political managers and the most powerful members of the country's business community (in particular, the Monterrey Group)--tension which climaxed during the last year of the López Portillo administration when the country's banks were nationalized.¹⁵ Despite such tensions, however, the ability of pre 1982 administrations to provide steady economic growth engendered public confidence and ensured the resources necessary to lubricate the patronage machine. Violent repression was by no means absent as a mechanism of political control, but it was, in general, a last resort. Neoliberal economic reforms, reforms reducing the role of the state in the economy and increasing that of the private sector, were instrumental in accelerating the demise of the corporatist/clientelist arrangements described above. Initiated by President de la Madrid from 1985 onwards, these reforms achieved their fullest expression under President Carlos Salinas (1988-1994). The key elements of Mexico's economic restructuring program are considered below.

Mexico's Neoliberal Reform Program

The goal of Mexico's economic reform program, which got under way after 1985 with the renewed slide of petroleum prices on the international market, was to transform the Mexican economy from a highly protected one, based on extensive state intervention, and dependent on the exportation of petroleum, to an open economy, successful in the exportation of manufactured goods. Since the control of inflation was essential to this transformation, stabilization policies, introduced by President de la Madrid in 1983, continued to be an important component of economic policy.

Dismantling the state and its withdrawal from a wide variety of activities hitherto considered the legitimate arena of the state was the cornerstone of the new program. Divestitures of state companies (their sale liquidation or transfer) have probably been the most publicized aspect of that policy thrust. From more than a thousand companies in 1983, the number of companies in the hands of the federal government

was reduced to 209 by 1993. The closing of the state steel company, Fundidora Monterrey and the airlines, AEROMEXICO, by the de la Madrid administration, marked a turning point in the regime's commitment to market reform. While the number of companies divested by the de la Madrid administration was impressive (766), the most important divestitures, however, occurred during the administration of Carlos Salinas. The remaining state steel companies, the airlines, the telephone company (Teléfonos de México, TELMEX) and the banks--were all sold during Salinas' administration. The Salinas administration also privatized a variety of functions carried out by state enterprises in areas reserved exclusively to the state by the constitution: petroleum, basic petrochemicals, and certain areas of mining. The Salinas administration completed the reclassification of petrochemicals from "basic" (for which the state is exclusively responsible) to "secondary," a measure which opened up these products to private, including foreign investment.¹⁶ Moreover, between 1990 and 1993 some 50 areas of prime economic importance were deregulated.¹⁷ These included such areas as transportation, customs, railways and ports, consumer protection, airlines, domestic commerce, telecommunications, and restrictions in the production, commercialization and sale of various agricultural products.¹⁸

Of special note is the opening of the agricultural sector to market forces. Under Salinas, guaranteed agricultural prices were removed for all products except maize and beans, the border was opened to the importation of agricultural products (import licenses were abolished for all agricultural products except maize, beans, wheat and powdered milk) and the cost of agricultural inputs, previously subsidized by the state, was increased.¹⁹ The state-owned processing companies belonging to the National Basic Foods Company (Compañía Nacional de Subsistencias Populares, CONASUPO), the state marketing agency for popular consumer goods, were privatized as were state companies providing technological aid and marketing services to farmers. Credit was restructured from 1989, BANRURAL, the rural development bank, granted credit only to potentially productive

producers on the basis of return on investment. Under these new terms, the numbers of peasants receiving credit were drastically reduced. These policies occurred on the heels of a dramatic reduction in the resources made available to agriculture: between 1980 and 1989, public sector agricultural investment fell by four/fifths and rural credit was cut in half.²⁰

Reform to Article 27 of the Constitution, declaring the end of land redistribution and effectively putting an end to the *ejido*, was Salinas' most important and most controversial agricultural reform, however. The reform gave communal farmers (*ejiditarios*) the legal right to hold title to land, and therefore the right to sell it, rent it or form joint business ventures with agribusiness, whether foreign or domestic.²¹ The purpose of this reform was to stimulate investment and export competitiveness in the agricultural sector.

Furthermore, the economic reforms carried out by both the de la Madrid and Salinas administrations occurred in concert with tough stabilization programs. Sharp cutbacks in government expenditure and investment occurred after 1986: by 1991 the federal government deficit, at 15% of GDP in 1986, had been almost eliminated.²² The combination of economic crisis and a policy response that combined strict stabilization with profound market reforms produced a dramatic drop in living standards after 1982. While wages and salaries began to recover after 1989, the remuneration for labor declined in the 1983-1988 period in real terms at an average annual rate of 7.96%.²³ The participation of the remuneration of salaried workers in national income dropped from 36% in 1981, to 22% by 1991.²⁴ The fall in purchasing power between 1982 and 1994 has been on average 50%, and for some sectors such as agriculture, 80%.²⁵ The percentage of the rural indigenous population considered malnourished rose from 66% in 1979 to 71% in 1989.²⁶

Trade liberalization, which proceeded slowly during the early years of the de la Madrid years was given impetus by the drop in petroleum prices in 1985. In 1986, Mexico entered GATT and by 1988, trade reform was largely complete with 96% of imports not requiring import permits and the mean tariff rate down to 10%.²⁷ Salinas'

pursuit of NAFTA, a free trade agreement with Chile (signed January 1992), and his efforts to achieve reciprocal trade liberalization agreements with other Latin American countries further propelled opening of the economy to market forces.²⁸ NAFTA was especially important in further reducing trade and investment barriers and in opening up a number of previously protected areas to North American products and investment. NAFTA required Mexico to agree to open up its finance sector to foreign competition by the year 2000²⁹ and resulted in changes in financial legislation allowing foreign financial institutions, based in a country with which Mexico has signed an international agreement, to establish fully owned subsidiaries. The impact of NAFTA on the agricultural sector will be profound. The immediate result was to open 47% of Mexico's agro-livestock market.³⁰ While corn production will be protected for 15 years, it will gradually be opened up to foreign competition. According to the World Bank, during the first five years of NAFTA, between 145,000 and 300,000 will abandon the land and migrate to the city.³¹

The impact of these changes on Mexico's political arrangements has been profound: neoliberal economic reforms have accelerated the process of disintegration of the old state/party corporatist/ clientelist relationships -- relationships that depended upon a stratified system of political intermediaries. By the 1988 federal election, the deterioration of traditional corporatist forms was already in evidence in the urban areas.³² Below, I recount the way in which market reforms eroded the pillars of Mexican authoritarianism: corporatism and patron clientelism.

The Impact of Neoliberal Reforms

In general, neoliberal economic reforms challenged Mexico's authoritarian arrangements on three fronts: (1) The requirement of the use of force to implement aspects of the reform program, in particular privatization measures, combined with layoffs and reduced wages and the loss of union privileges, reduced the loyalty of union leadership to the political leadership and the loyalty of the rank and file to official labor

leadership. (2) The dismantling of the state -- the elimination of state companies, marketing agencies and other interventionist tools -- in eliminating the state's ability to deliver material rewards (jobs, subsidized goods and services, etc.) untied the PRI from its political intermediaries and its mass base. (3) The depth of Mexico's neoliberal reform program -- both the dismantling of the state and the opening to foreign capital and trade liberalization -- challenged the most sacred tenets of the country's revolutionary nationalist mythology: the state's leadership role in economic development as the defender of the nation in general, and of the interests of workers and peasants in particular.

Divestiture of the state's mammoth public enterprise sector, combined with other privatizing measures, was instrumental in weakening the once powerful public enterprise trade unions--unions which constituted the core of the PRI's corporatist control of the working class. While restriction of wages and benefits was an important component of stabilization, it was also a prerequisite for divestiture. Overly generous collective agreements, especially those that gave privileges to corrupt labor leadership, were perceived as inhibiting the successful sale of state firms: discipline of the labor union was therefore a prelude to successful sale. Divestiture and streamlining of the state generally were driven by the pressing need to reduce the public deficit--a goal not only of Mexico's financial/technocratic policy making elite but also a requirement for local business and creditor confidence and a long standing demand in negotiations with the International Monetary Fund.³³ In view of the state's extreme shortage of resources, it was now forced to create the conditions that would induce the private sector to take on the leadership of economic growth. In short, the mechanisms of charro control were now perceived as representing an unbearable burden on the state and as counterproductive to the business confidence and investment required to make the new economic goal of export competitiveness a success. Moreover, it was widely believed by both public officials and the private sector that export competitiveness would not be possible if overly generous labor privileges were allowed to

continue.³⁴

While President de la Madrid took a hard line against labor resistance to changes in collective agreements, Salinas' stance was even tougher. A variety of changes--all geared to achieve greater productivity and international competitiveness--were imposed on unions by both administrations: the abolition of union participation in decisions to move labor between regions and departments, the elimination of union involvement in promotions and movement through the ranks, the use of private contractors in areas previously reserved for unionized labor, and the replacement of unionized personnel by "confidence" (non-union) employees. Both administrations used various forms of force to impose these contract changes in public companies, threatening, for example, to declare strikes illegal, thereby permitting employers to dismiss workers or to call for police or military intervention (for example, CONCARRIL, Constructura Nacional de Ferrocarril, the railway construction company). Strikes were declared nonexistent, meaning that workers must return to work within 48 hours (for example, Siderúrgica Lázaro Cárdenas Las Truchas, SICARTSA, steel company); or workers were told to accept government demands or face the bankruptcy of their companies (the cases of Fundidora Monterrey, steel, Aeroméxico, airlines, Cananea, copper, SICARTSA, and DINA, buses, trucks and motors); and, as a last resort, government troops were ordered to occupy company property by government troops (SICARTSA and PEMEX).

The impact of these policies was to erode the control of labor leaders over their rank and file. Rank and file labor unrest became increasingly prevalent as a consequence of imposed alterations in collective agreements: in 1990, workers of SICARTSA repudiated their national leader due to his compliance with government labor policy as did the workers of AHMSA (Altos Hornos, one of the state-owned steel companies) who also rejected an imposed collective agreement. Dissident groups arose within the two major electricity unions, the telephone union, and the railway union.³⁵ Salinista labor policy also caused a breach in the ties between charro leadership and state managers. In

the most well-known case, the Salinas administration jailed the PEMEX union leadership and imposed a new one.³⁶ This move was motivated not only by the union's opposition to changes in the collective agreement, but was also a consequence of the labor leadership's opposition to the privatization of a variety of PEMEX's responsibilities, especially its loss of exclusive responsibility for basic petrochemicals.³⁷ With the removal of the old petroleum charro leadership, the administration installed a compliant replacement in the person of Sebastian Guzmán Cabrera. Guzmán Cabrera dutifully agreed to substantial modifications of the collective agreement--modifications which initiated the dismantling of the union's source of wealth and power. Among the privileges lost in the 1989 agreement were PEMEX's obligation to subsidize union stores, the union's exclusive right to perform contract work in land drilling, plant maintenance, industrial installations and infrastructure, the requirement that PEMEX pay 2% of the value of all outside contracts to the union's "social works" fund, and the obligation of contracting companies to employ union personnel. The 1991 agreement brought even further revisions undermining union wealth and power: union participation in the allocation of jobs and promotions was eliminated, and union interference in the organization of the enterprises was terminated. Severe cutbacks meant that between 1989 and 1992, PEMEX's labor force was reduced from 212,000 to 150,000.³⁸ The reorganization of PEMEX into a holding company of four subsidiaries, each of which signs a separate labor agreement, further diminished the national strength of the union. Not surprisingly, unrest among petroleum workers was substantial. Guzmán Cabrera's loss of control of the petroleum rank and file made it necessary for the government to force his resignation in 1993.³⁹ Hence, although corrupt and state imposed union leadership remained, a substantial portion of the patronage system which had bound the rank and file to the leadership was dismantled. The result has been deep rank and file alienation from both the union leadership and the state.

Streamlining of the state had an enormous impact on the FSTSE membership and political

strength. With an estimated 24.4% of civil servants laid off between 1986 and 1990 and a major deterioration of salary, the FSTSE lost 23 union affiliates and almost one half million members.⁴⁰ Similar hard line tactics were used against this organization. When discontent grew within the FSTSE and a democratic movement attempted to take over the leadership of the organization, the state secured the imposition of a pliant leadership in the person of Jesús Lozano Contreras. Similarly, Salinas forced the resignation of once favoured charro, Carlos Jonguitud Barros, as leader of the Teachers' Union, an affiliate of the FSTSE. He was replaced by Elba Esther Gordillo, who although not a charro, did not challenge Salinas's labor policies either.⁴¹

Salinista agricultural reforms have accelerated the demise of the CNC as a corporatist form of peasant representation and disrupted the more recently established ties between various state agencies and peasant communities. In response to the growth of state intervention in the rural sector during the 1970s, peasant organizations making such demands as a rationalization of credit and an end to corruption, emerged. One of the most notable of these organizations was La Union Nacional de Organizaciones Regionales Campesinas Autónomas (UNORCA), an organization which came to rival the CNC by the late 1980s.⁴² The restructuring of the CNC was initiated before Salinas took power, in an attempt to revitalize it. One of the founders of UNORCA was appointed Secretary of the CNC and a policy of dialogue with representative peasant organizations was promoted. Salinas' appointment to government positions of intellectuals interested in agriculture and the improvement of peasant welfare seemed to suggest a willingness to address long standing peasant grievances.⁴³ Although peasants were initially encouraged by the state's commitment to end interference in peasant productive activities, Salinista agricultural policies--the drastic reduction in resources going to the rural sector, particularly the restriction of credit, the increased cost of inputs, and the withdrawal of the services provided by state companies such as CONASUPO--caused the further erosion of the

CNC and the strengthening of independent peasant organizations. Hence, local CNC leaders were repudiated, although continuing to receive support from the PRI. In other cases, local peasant leaders have left the CNC with their followings, sometimes establishing new organizations.⁴⁴

Market reforms have disrupted the more recently developed ties between various government agencies and peasant communities, as well. As the state has withdrawn from its marketing and production functions, these have, for the most part, been taken over by private capitalist interests, including multinationals.⁴⁵ With the reduction in the role of BANRURAL and the decline in credit generally, state managers are now far less involved in producer organizations; for example, it is no longer required that the Secretary of Agrarian Reform ratify ejidal elections. In short, the ejido, rural cooperatives and other producers' organizations have been freed of the paternalistic arm of state tutelage (and control) by the market reforms instituted by the Salinas administration.

Once set in motions, such changes, adding to preexisting sources of discontent, became incentives to independent political action. In Chiapas, the drop in international coffee prices, in combination with the termination of the commercial networks and technical assistance provided by INMECAFE, were factors in the support for the Zapatista Army of Liberation (Ejército Zapatista de Liberación Nacional, EZLN).⁴⁶ And the reform of article 27 has had a critical psychological impact in that it has ended the hope for further land redistribution.⁴⁷ Again, an important basis of EZLN support among landless peasants has been amongst those recently devastated by the decline in coffee prices.

Critical aspects of the Salinista neoliberal reform program struck at the heart of the PRI's revolutionary mythology. Such institutions as the ejido and the state petroleum company, PEMEX, now both open to private, including, foreign investment, were important symbols of the state's commitment to revolutionary nationalism. The opening of state companies and the agricultural sector to private capital, including foreign capital, has been taken up by opposition groups as clear evidence that the regime has abandoned its

revolutionary vocation. The privatization of the banks brought about particularly heated debate in Congress when the necessary constitutional reform was discussed. However, the Salinas administration did evolve a political strategy to address the political fallout of its market reforms, including the assault these reforms represented on the PRI's nationalist mythology. As discussed below, this political strategy met with some degree of success in shoring up Mexican authoritarianism, at least in the short term. Its efficacy, however, over the longer term, is proving more problematic.

The Salinista Political Strategy

The electoral debacle of 1988, in which President Salinas received only slightly more than 50% of the popular vote even with what is generally agreed was massive electoral fraud, made clear the necessity of a political strategy to restore a popular basis of support for the PRI. That election also laid bare the ineffectiveness of the traditional corporative/clientelist methods in ensuring votes for the PRI. The apparent failure of official labor and sectoral leaders to bring in the vote meant, for the political leadership, that current arrangements had outlived their usefulness.⁴⁸ The administration therefore adopted an explicit political strategy aimed to permanently reduce the political weight of the three traditional PRI sectors--and especially that of the old charro labor leadership--and to construct new clientelist ties binding disparate groups of citizens to the executive power. The old corporatist/clientelist arrangements based upon a hegemonic central (as the CTM or the CNC), with various levels of union and party intermediaries, clashed with Salinas' neo liberal market reforms which required a more streamlined state apparatus.

Shortly after assuming power, President Salinas' desire to reduce the political clout of the tradition PRI sectors was apparent. In 1990, collective membership in the PRI, by virtue of one's membership in one of the three sectors, was eliminated. Membership would henceforth be individual and free. The number of deputy candidates allocated to labor was reduced from 75

in 1988 to 57 in 1991; that is, a 25% reduction.⁴⁹ Union organizations within the popular sector, such as the Teachers' Union, also saw their candidates for the Chamber of Deputies reduced, in this case, by 50%.⁵⁰ In May 1992, a reorganisation of the PRI was announced by incoming president Gerardo Borrego Estrada. The reform aimed to broaden the basis of support for the party to the middle class and new urban neighborhood groups, while reducing the relative weight of the labor and peasant sectors. The worker, peasant and popular sectors, as such, were to disappear to be replaced by three "great movements": (1) the Popular Territorial Movement; (2) the National Citizens Front; and, (3) the Worker Campesino Pact. While stiff worker resistance to the proposed reform resulted in the removal of Borrego Estrada as party chief, and secured, during the 1993 General Assembly of the PRI, the restitution of sectoral representation within the PRI's national executive committee, the main lines of the reform have remained in tact. While the CTM and the CNC remain active within the PRI, they are now within one of the PRI's three main umbrella organizations: the Worker-Campesino Pact. The National Citizen's Front replaced the old CNOP and contains, in addition to the FSTSE, small and medium business, both urban and rural, along with various organization representing professionals and technicians. The Urban Popular Territorial Movement is a regionally based structure composed of neighborhood improvement groups. There are plans to also include a rural network within this latter structure that would be coordinated with the CNC.⁵¹

Both stabilization and neoliberal economic reforms have deepened existing divisions within official organizations and created new ones. The state pursued a strategy of weakening official organizations through exacerbating such divisions. By the mid 1980s, for example, the official labor movement was divided over its response to government labor policy. While labor organizations like the Revolutionary Confederation of Workers and Peasants (Confederación Revolucionaria de Obreros y Campesinos, CROC) were supportive of government policy, the CTM, faced with rising

rank and file criticism, was becoming increasingly critical. Salinista labor policy continued that of de la Madrid's, supporting one labor group against another: the CTM, the government declared, would no longer be considered the country's major worker central.⁵² CTM rival organizations demanded increased participation on the grounds that the CTM had lost its representative claim.⁵³ Unhappy with the failure of the CTM and the CT to take up the cause of the public enterprise unions, unions of the public enterprise sector formed, in 1989, their own federation, the Federation of Unions of Goods and Services Enterprises (Federación de Sindicatos de Empresas de Bienes y Servicios, FESEBES) to fight privatization, the assault on their collective contracts and to struggle for the restructuring of the major labor umbrella organization, the CT. Salinas, however, through the judicious use of the carrot and the stick succeeded in bringing this organization on side. One of its founding unions, the Mexican Electrical Workers Union (the Sindicato Mexicano de Electricistas, SME), was won over by Salinas' promise that its company, the Mexican Light and Power Company (Cía de Luz y Fuerza del Centro, CLFC) would not be liquidated as originally intended.

The strategy to reduce the political strength of the traditional sectoral organizations was supplemented, during the Salinas sexenio, by one to establish new forms of clientelistic ties. The National Solidarity Program (PRONASOL), announced shortly after Salinas assumed power, aimed to alleviate extreme poverty through providing matching funds for locally generated projects. The new program was astutely integrated into the old populist rhetoric. Salinas hailed the program as evidence of the regime's pursuit of its revolutionary mission: that of improving the living standards of the poorest members of the population. He also linked it to his policy of divestitures and streamlining of the state: funds from privatization would go into PRONASOL; the state was streamlining itself so as to better carry out its social and revolutionary mission.⁵⁴

The literature on PRONASOL agrees that Solidarity funds went overwhelmingly to areas of opposition strength and that the program was remarkably successful in restoring political

support to the PRI.⁵⁵ Administered through the powerful Secretary of Social Development from 1992, PRONASOL has been very much a presidential program. Indeed, Salinas spent at least one day a week during his administration visiting local communities to dispense funds for various local projects.⁵⁶ Observers generally agree that the program strengthened the office of the presidency,⁵⁷ providing links to more than 150,000 local solidarity committees of peasants, Indians, artisans, small producers and neighborhood groups. The system provided direct material benefits (and clientelist ties), usually bypassing the party and state intermediaries of the old system. This has been particularly the case in municipalities where the opposition was in control; in such cases PRONASOL funds have gone directly to local communities.⁵⁸

In the rural sector, PRONASOL became the major distributor of resources, including credit, to peasants. Credit was requested by solidarity committees (rather than by ejidos or producer organizations) and it was granted to individuals rather than to groups. In important respects, distributors of PRONASOL funds came to replace the political intermediary role of state/party officials. During the mid term elections, Solidarity functioned as a political party would, getting people out to vote for the PRI.⁵⁹ The National Indigenous Institute (INI), a major distributor of PRONASOL funds, had to deliver support for the reform of article 27, rounding up leadership council members for a meeting with the President. In effect, access to their anti poverty programs was being conditioned on consent to changes in the land tenure system.⁶⁰

While PRONASOL was an ongoing program of the Salinas administration, PROCAMPO (Programa de Apoyos Directas al Campo), announced in 1993, was set up to shore up the regime's electoral support in the rural sector, seriously threatened by the economic difficulties created by recent market reforms. The program gave direct subsidies to peasant producers of corn, beans, wheat, rice, soya, sorghum and cotton, for a transition period during which guaranteed prices would be removed. Both PRONASOL, which had proven its electoral worthiness, and the new program, PRONCAMPO

became important ingredients in the PRI's 1994 electoral success.

The 1994 national election itself was clear evidence of the weakening of the traditional mechanisms of political control: a hybrid mixture of old and new methods, in addition to media manipulation of the public's fear of political violence, accounts for the PRI's showing at the polls, winning 48.8% of the popular vote--this time without the large scale fraud of the 1988 election.⁶¹ Official labor organizations, particularly the CTM continued to have a political role. The CTM, in the manner of the old corporatism, exhorted all members to vote for the PRI.⁶² Some CTM affiliates used meetings and written materials to convince members to vote for the PRI. Others, with clear problems of rank and file resistance, such as the Petroleum Worker Union, used more forceful methods such as intimidation through threats of job dismissals, contract terminations, and violence, if members did not commit themselves to vote for the PRI.⁶³ However, a number of important labor organizations, even those whose leaderships were avowedly Prista, abandoned attempts to deliver rank and file votes for the PRI. Leaders of labor organizations such as the Telephone Workers Union, the Teachers' Union and FESEBES, for the first time repudiated the idea of collective political support for the PRI, saying that although they personally supported the PRI, they would not speak for the members of their organizations.⁶⁴ Leaders of the FSTSE and of the Social Security Workers' Union (SNTSS) announced that their public support of Zedillo did not restrict the liberty of vote of their members.⁶⁵

Traditional corporatist structures also appear to have had a less important role in the peasant sector. The leader of the CNC, Hugo Andrés de la Torre, declared himself against a corporatist (block) vote for the PRI, a departure from the position of the CNC in 1988, when its leadership promised to deliver the peasant vote to the PRI.⁶⁶ Moreover, in the face of market reforms in the agricultural sector, and in particular, in response to the reform of article 27 of the constitution, local CNC leaderships were overturned when they attempted to secure rank and file votes for the PRI.⁶⁷ Many rural

organizations began to declare their support for opposition parties.

At the same time, new clientelist arrangements operating through the PRONASOL and PROCAMPO programs played an extremely important role in the electoral process. In various communities, PROCAMPO money was made contingent upon a vote for the PRI; that is, checks were refused until after the election.⁶⁸ PRONASOL money was poured into areas of potential electoral difficulties, such as the Valley of Chalco,⁶⁹ and withheld from regions known to be bastions of opposition support.⁷⁰ With the uprising in Chiapas, PRONASOL funds poured in.⁷¹ Even without intimidation, this distribution of essential resources was probably sufficient to ensure a vote for the PRI in many cases.

Meanwhile, the process of market reform had generated searing divisions within the PRI. By 1986, opposition to the government's economic reforms and to its continued use of fraudulent electoral practices had resulted in the emergence of an opposition movement within the PRI: the Democratic Movement (Movimiento de Renovación Democrática), led by Priistas who clung to old statist and nationalist position. Ultimately expelled from the PRI, this group was instrumental in the establishment of an opposition electoral coalition which fielded Cuauhtémoc Cárdenas as its presidential candidate in the 1988 federal election. Moreover, divisions within the PRI continued to emerge. Under Salinas, the old time "dinosaurs" who opposed the economic reforms and dismantling of the old corporatist arrangements were pitted against the modernizing technocratic leadership under Carlos Salinas. This division is believed to have been responsible for two political assassinations in 1994: those of PRI presidential candidate Luis Donaldo Colosio and Party Secretary General, José Francisco Ruiz Massieu.⁷² In a perverse twist of fate, the PRI was able to capitalize on the public's fear of the political unrest generated by these political assassinations and the war in Chiapas--unrest that had, in large part, been precipitated by its own market reforms. A survey carried out prior to the election found that 50.9% of those surveyed felt that if the PRI did not win the election, "chaos, uncertainty . . . revolution . . . violent conflict"

would result.⁷³

But the political confidence brought about by the 1994 electoral victory, soon evaporated with renewed economic crisis. Although the full political implications of this most recent crisis are far from clear at this point, the further weakening of the traditional mechanisms of political control is apparent.⁷⁴ Corporatist/clientelist labor arrangements continue to weaken: usually supportive labor leaders, Fidel Velázquez of the CTM and Hector Juárez, head of the Telephone Workers Union, refused to support the government's emergency package,⁷⁵ which called for the outright privatization of sectors hitherto under the exclusive jurisdiction of the state (the railways, electrical generating plants and the satellite communication system) along with the shedding of other holdings still in the hands of the state such as toll roads, ports and petrochemical plants. The plan also called for the elimination of the remaining restrictions on foreign bank ownership.⁷⁶

With the depth of this renewed economic crisis, it is becoming increasingly clear that important sectors of the Mexican public have lost faith in the efficacy of neo liberal reforms. Living standards continued to drop: economic growth was -2% for 1995 and inflation at 42%.⁷⁷ According to the private sector, the number of jobs lost in January and February 1995 was on the order of 200,000 to 250,000, while the labor ministry has admitted that the adjustment process will probably involve a loss of 500,000 jobs.⁷⁸ Not surprisingly, there has been mounting political opposition. Leftist opposition leader Cuauhtémoc Cárdenas led a worker protest of 30,000, demanding protection of the working class and an end to privatization.⁷⁹ The PRI victories in the Chiapas, Tabasco and Yucatán state elections were greeted with charges of electoral fraud. Both the Party of the Democratic Revolution (Partido de la Revolución Democrática, PRD) and later the National Action Party (Partido Acción Nacional, PAN) pulled out of President Zedillo's multiparty political pact (signed to achieve "true" electoral reform), with the PAN vowing to end its legislative cooperation with the PRI and to launch a campaign of "civil resistance" against recent electoral irregularities.⁸⁰

The most serious unrest has continued to occur in the state of Chiapas where the government was only recently (February 1996) able to reach an agreement with rebels. Land takeovers by pro Zapatista peasants have been on the rise.⁸¹ The use of military force has been combined with the continued distribution of material benefits: the government's Development Plan for Chiapas sets up a US\$ 20 million dollar fund to support agriculture and cattle ranching and calls for the investment of some US\$18 million in infrastructural investment funds.⁸² Importantly, the government's hope of keeping the opposition divided has been sorely tested by the Zapatista's call for a broad opposition coalition.⁸³

Conclusions

Neo liberal reforms have been instrumental in triggering changes in Mexico's clientelist/corporatist forms of political control. The streamlining and dismantling of the state and the transfer of many of its previous functions to the private sector, meant a discarding of many of the instruments (such as state enterprises) through which co-optation occurred. The dramatic reduction in government investment and expenditure which has been integral to the government's program has resulted in a marked decline in the resources available to lubricate the clientelist patronage networks. The old corporatist/charro methods are still used, although they have been reduced in importance. Under President Salinas, they were supplemented by a new form of clientelism, more amenable to the neoliberal model, which operated more selectively and which did not operate through the hierarchy and intermediaries of the party/state apparatus. This new system is likely to be less stable given its less comprehensive nature and the danger presented by disaffected subelites--whether disaffected individuals within the PRI, opposition party leaders, or peasant guerilla leaders--who see their most fruitful avenue for change through popular mobilization.

The Salinista political strategy had the effect of exacerbating the societal fragmentation caused by his neoliberal market reforms. Layoffs,

wage reductions, loss of benefits, and the dramatic reduction of support to ejiditarios have all served to deplete the ranks of official nation wide worker and peasant organizations and untie the rank and file from the leadership. At the same time, party reform downgrading national level labor and peasant organizations and increasing the weight of individual citizens and neighborhood groups, along with a divide and rule strategy with regard to trade unions and social programs (PRONASOL and PROCAMPO) geared to disparate local communities, have all contributed toward the formation of a fragmental political constituency. The economic crisis of 1994/95, and the ensuing invigoration of structural adjustment, have placed further strains on the traditional cooptative/corporatist mechanisms.

The efficacy of the new authoritarian arrangements depends heavily on the success of the neo liberal economic model. The extensiveness of Mexico's economic opening and the depth of restructuring was justified in official rhetoric through increasing the capacity of the minimalist state to serve its true revolutionary purpose: that of attending to the needs of the popular classes. Public policy was able to contravene the most cherished notions of Mexican revolutionary nationalism because it held out the hope of allowing Mexico to join the developed world. The most recent economic crisis places that hope in serious jeopardy. Indications are that current President Zedillo will continue the use of direct forms of financial aid to deal with areas of political opposition, in addition to remnants of the traditional methods of political control and further attempts at political reform. Given the demonstrated tenuousness of the neoliberal economic model, the erosion of traditional corporatist/clientelist methods of political control, and the fragility of new corporatist/clientelist arrangements, his ability to stem mounting political unrest is seriously open to question. Hence, while Mexican civil society is more fragmented than in the past, its adhesion to the political status quo may be less certain than ever before.

End Notes

1. See for example, Maria Lorena Cook, Kevin Middlebrook and Juan Molinar Horcasitas, eds., *The Politics of Economic Restructuring* (La Jolla: Center for U.S.-Mexican Studies, University of California, San Diego, 1994); Neil Harvey, ed., *Mexico Dilemmas of Transition* (London: The Institute of Latin American Studies, University of London and British Academic Press, 1993); Riordan Roett, ed., *Political and Economic Liberalization in Mexico* (Boulder CO: Lynne Rienner Publishers, 1993).

2. Examples of the former include, M. Delal Baer, *Mexico's Second Revolution: Pathways to Liberalization*, in *Political and Economic Liberalization in Mexico*, ed. by Riordan Roett (Boulder CO: Lynne Rienner, 1993) pp.37-38; Wayne Cornelius, Judith Gentleman and Peter S. Smith, *Overview of Political Change in Mexico*, in *Mexico's Alternative Political Futures*, ed. by Wayne Cornelius, Judith Gentleman and Peter H. Smith (La Jolla: Center for U.S.-Mexican Studies, University of California, San Diego, 1989) p. 12; Leopoldo Gómez and John Bailey, *La transición política y los dilemas del PRI*, in *Foro Internacional*, 31, no. 1 (julio-septiembre 1990) p. 66; and of the latter, Miguel Angel Centeno, *Democracy Within Reason* (University Park PA: Pennsylvania State University Press, 1994); Marcelo Cavarozzi, *Mexico's Political Formula: Past and Present*, in *The Politics of Economic Restructuring*, ed. by Maria Lorena Cook et al.; Soledad Loaeza, *Political Liberalization and Uncertainty in Mexico*, in *The Politics of Economic Restructuring*, ed. by Maria Lorena Cook et al. Indeed, electoral reforms are viewed as attempts by the ruling elite to incorporate an increasingly mobilized opposition so as to mitigate its real political influence and strengthen the regime's legitimacy. See, for example, Juan Molinar Horcasitas, *The Future of the Electoral System*, in *Mexico's Alternative Political Futures*, ed. by Wayne A. Cornelius, Judith Gentleman and Peter H. Smith (La Jolla: Centre for U.S. Mexican Studies, University of California, San Diego, 1989) p. 255; Jorge Alcocer V., *Recent Electoral Reforms in Mexico: Prospects for a Real*

Multiparty Democracy @ in *The Challenge of Institutional Reform in Mexico*, ed. by Riordan Roett (Boulder CO: Lynne Rienner, 1995) p. 70.

3. On the impact of economic restructuring on labor, see, Kevin J. Middlebrook, *The Paradox of Revolution* (Baltimore MA: The Johns Hopkins University Press, 1995); Ilán Bizberg, *Estado y sindicalismo en México* (México DF: Colegio de México, 1990). On the impact on peasants, see Neil Harvey, "Peasant Struggles and Corporatism in Chiapas, in *Popular Movements and Political Change in Mexico*, ed. by Joe Foweraker and Ann L. Craig (Boulder CO: Lynne Rienner Publishers, 1990); Marilyn Gates, *Peasants, the Debt Crisis, and the Agricultural Challenge in Mexico* (Boulder CO: Westview Press, 1993); There are a variety of works dealing with the new clientelistic ties established between the Salinas administration and social groups. The most comprehensive is probably Wayne A. Cornelius, Ann L. Craig and Jonathan Fox, eds., *Transforming State-Society Relations in Mexico* (La Jolla: Center for U.S.-Mexican Studies, University of California, San Diego, 1994).

4. Susan Kaufman Purcell, "Decision Making in an Authoritarian Regime, Theoretical Implications of a Mexican Case Study," *World Politics*, Vol. XXVI, No. 1, October, 1973.

5. A classic work dealing with the operation of patronage in the Mexican political system is Frank Brandenburg, *The Making of Modern Mexico* (Englewood Cliffs, NJ: Prentice Hall, 1964). See also Handelman, "Unionization, Ideology and Political Participation within the Mexican Working Class," in *Political Participation in Latin America, Politics and the Poor*, Vol. 11, ed. by Mitchell A. Seligson and John A. Booth (New York: Holmes and Meier, 1979). Brandenburg also deals with the evolution of Mexican corporatism as do most standard works dealing with Mexican political history. Good discussions of the particular nature of Mexican corporatism are found in José Luis Reyna and Richard S. Weinert, eds., *Authoritarianism in Mexico* (Philadelphia: Institute for the Study of Human

Issues, 1977).

6. John Bailey, *Governing Mexico, The Statecraft of Crisis Management* (London: Macmillan, 1988) p. 94; James D. Cockcroft, *Class Formation, Capital Accumulation and the State* (New York: Monthly Review Press, 1983) p. 221.

7. The term "charrismo" has its origins in the nickname ("el charro") given to a corrupt leader of the Railway Workers' Union (Jesús Díaz de León), the word referring to his penchant for cowboy gear. In response to growing worker unrest over wages and working conditions, the Alemán administration imposed compliant leaderships in the Railway Union in 1948, in the Petroleum Workers Union in 1946-1949, in the unions of the mining industry in 1951-2, and in one of the electricity unions, the Mexican Electricians Union (the SME) in 1952.

8. La Quina (Joaquín Hernández Galicia), the now jailed former leader of the Petroleum Workers' Union, has been linked to the ownership of a Texas company which did contract work for PEMEX.

9. For a fuller discussion of the reasons for the decline of the CNC, see Neil Harvey, "Peasant Strategies and Corporatism in Chiapas," in *Popular Movements and Political Change in Mexico*, ed. by Joe Foweraker and Ann L. Craig (Boulder Colorado: Lynne Rienner, 1990).

10. Luis Méndez, "Los torcidos caminos del sindicalismo oficial: FSTSE," *El Cotidiano*, año 2, núm. 7 (agosto-septiembre, 1985) p. 9.

11. Ibid. p.4.

12. Public enterprise trade unions, on the other hand, are not governed by Section B.

13. Gerardo Peláez, "Historia de 'vanguardia revolucionaria', grupo dominante del SNTE," in *Los sindicatos nacionales, educación, telefonistas y bancarios*, coord. by Javier Aguilar (México DF: García Valadés editores SA de CV, 1989) p. 72.

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14. Luis Méndez, "Los torcidos caminos del sindicalismo oficial: FSTSE," p. 8.
15. Among the works dealing with business state relations during the period are, Roderic A. Camp, *Entrepreneurs and Politics in Twentieth Century Mexico* (Oxford: Oxford University Press, 1989); Dale Story, *Industry, the State and Public Policy* (Austin: University of Texas Press, 1986); Miguel Basañez, *La lucha por la hegemonía en México, 1968-1990*, 8th ed. (Mexico City: Siglo XXI Editores, 1990).
16. Judith A. Teichman, *Privatization and Political Change in Mexico* (Pittsburgh PA: University of Pittsburgh Press, 1996) pp. 129-158.
17. Banco de México, *The Mexican Economy, 1994* (México D.F.: 1993) p. 67.
18. Gabriel Martínez y Guillermo Fárber, *Desregulación económica (1989-1993)* (México DF: Fondo de Cultura Económica, 1994).
19. Marilyn Gates, *Peasants, the Debt Crisis and the Agricultural Challenge in Mexico* (Boulder CO: Westview, 1993), p. 14.
20. *Ibid*, p. 50.
21. Regulations governing the constitutional amend-ment allow foreign investors to own up to 49% of agricultural enterprises. *Latin American Weekly Report*, 12 March, 1992, p. 9.
22. Banco de Mexico, *The Mexican Economy, 1992* (México DF, 1992), p. 242.
23. Antonio Suárez and Eduardo Pérez Jarp, "Caída y recuperación: Los salarios en México, 1987-1993," *El Cotidiano*, año 10, no. 59 (diciembre 1993) p. 101.
24. *Ibid.*, p. 95.
25. *El Financiero*, Informe Especial, 14 de agosto, 1994, p. 55.
26. Jonathan Fox, "Targeting the Poorest: The Role of the National Indigenous Institute in Mexico's Solidarity Program," in *Transforming State Society Relations in Mexico*, ed. by Wayne A. Cornelius, Ann L. Craig and Johnathan Fox (San Diego: Center for US-Mexican Studies and University of California, 1994).
27. *Comercio Exterior*, vol. 38, núm. 9 (sept. 1988) pp. 781-782; Banco de México, *The Mexican Economy, 1992* (México DF: 1993).
28. A G-3 trade group was formed in November 1990 to consider a broad agreement on trade and investment between Mexico, Columbia and Venezuela. Similar negotiations are also going on with Bolivia. A Multilateral Framework was signed with Central America in 1992 defining the framework for further trade talks. Banco de México, *The Mexican Economy, 1994*, (México DF: 1993) p. 146.
29. The NAFTA agreement provides for a transition period between 1993 and the year 2000, with Mexico's ability to restrict foreign (ie. Canadian and US) market share to be eliminated by the year 2007. During the 6 year transition period, foreign participation in banking will be allowed to increase from 8 to 15% and in the stock market from 10 to 20%. During the following 4 years, Mexico will be able to freeze the growth of banking subsidiaries and stock brokerage houses of the other two countries if they have reached 25% and 30% of capital respectively. Guillermo Ortiz Martínez, *La Reforma financiera y la disincorporación bancaria*, (México DF: Fondo de Cultura Económica, 1994) p. 172 ff.
30. *La Jornada*, 26 de junio, 1992, p. 38.
31. *New York Times*, July 12, 1993, p. 15.
32. Guadalupe Pacheco Méndez, "Los sectores del PRI en las elecciones de 1988," *Mexican Studies/Estudios Mexicanos*, 7, no. 2 (summer 1991), p. 270.
33. On this see, Judith A. Teichman, *Privatization and Political Change in Mexico*.

34. Business believed that overly generous collective agreements in the public enterprise sector put up costs to the private sector thereby contributing to their inability to compete. Also, public enterprises were believed to set a standard for labor relations in the private sector which was seen as enormously detrimental to efficiency. Ibid., pp. 104-105.

35. Ibid., p. 229.

36. In fact the breach between the leadership of the Petroleum Workers=Union and the state was already apparent during the 1988 national election campaign when the leadership threw its support behind Cárdenas and the opposition Frente Democrática Nacional (National Democratic Front, or FDN) with the result that the presidential vote went overwhelmingly in favor of Cárdenas in the petroleum zones. See, Rafael Loyola Díaz, "La liquidación del feudo petrolero en la política moderna, México, 1988," *Mexican Studies/Estudios Mexicanos*, 6, no. 3 (Summer, 1990).

37. In January of 1989, Salinas orchestrated the arrest and imprisonment of La Quina and 40 of his closest collaborators. La Quina was charged with homicide and the illegal possession of arms.

38. *Proceso*, no. 806 (3 de abril, 1992) p. 16.

39. *Los Angeles Times*, June 22, 1993, p. 12.

40. Luis Méndez, p. 12; *La Jornada*, 13 de febrero, 1991, p. 23.

41. Javier Aguilar García, "Relaciones estado-sindicatos: 1982-1990," *El Cotidiano*, año 7, no. 38 (noviembre-diciembre, 1990) p. 68-69.

42. Juan de la Fuente y Horacio MacKinlay, "El movimiento campesino y las políticas de concertación y desincorporación de las empresas parastatales, 1980-1994," paper presented at the XVIII International Congress of the Latin American Studies Association, March 10-12, 1994, Atlanta, Georgia.

43. Arturo Warman, for example, was appointed director of the Instituto Nacional Indigenista (National Indigeneous Institute, INI). Ibid., p. 8.

44. *La Jornada*, 16 de agosto, 1994, p. 1.

45. Juan de la Fuente y Horacio MacKinlay, "El movimiento campesino y las políticas de concertación y desincorporación de las empresas parastatales, 1989-1994," paper presented to the XVIII Congress of the Latin American Studies Association, Atlanta, Georgia, March 10-12, 1994.

46. Moisés J. Barón, "Semejanzas y diferencias en dos regiones indígenas del sur de México: Oaxaca y Chiapas a la luz de la revuelta del EZLN," paper presented at the XVIII International Congress of the Latin American Studies Association, Atlanta, Georgia, March 10-13, 1994, p. 19.

47. Ibid., p. 19.

48. This viewpoint was expressed to me by five senior level government officials interviewed in 1991. Interviewees also said that the political leadership had not at all expected the 1988 electoral results. Promises of confidentiality do not allow me to name my sources.

49. *La Jornada*, 25 de agosto de 1994, p. 11.

50. Ibid., p. 11.

51. There are a variety of other organizations including the Revolutionary Youth Front and the Congress of Women. Raúl Rodríguez Guillén and Juan Mora Heredia, "El agotamiento de autoritarismo con legitimidad y la sucesión presidencial," *El Cotidiano*, no. año 10, 58 (octubre-noviembre, 1993) p. 27.

52. *Proceso*, no. 752 (1 de abril, 1991) p. 28.

53. *La Jornada*, 25 de agosto, 1990, p. 5.

54. In fact, the bulk of the funds obtained from privatization went to reduce the public deficit and reduce the debt.

55. Julio Mogul, "Programa Nacional de Solidaridad para quién?" *El Cotidiano*, año 7, año. 38 (noviembre-diciembre, 1990) p. 25; Miguel Angel Romero, "Elecciones: nueva situación geopolítica," *El Cotidiano*, año 7, núm. 39 (enero-febrero, 1990) p. 15; Denise Dresser, *Neo-populist Solutions to Neoliberal Problems: Mexico's National Solidarity Program* (La Jolla: Center for US-Mexican Studies and the University of California, 1991) p. 24; Denise Dresser, "Bringing the Poor Back in: National Solidarity as a Strategy of Regime Legitimacy," in *Transforming State Societal Relations in Mexico*, ed. by Wayne A. Cornelius, Ann L. Craig and Jonathan Fox (La Jolla: Center for US-Mexican Studies, University of California, 1994) p. 155.

56. *The Miami Herald*, January 3, 1993, p. 9.

57. John Bailey, "Centralism and Policy Change in Mexico: The Case of National Solidarity," in *Transforming State-Society Relations in Mexico*, ed. by Wayne A. Cornelius, Ann L. Craig and Jonathan Fox (La Jolla: Center for U.S.-Mexican Studies, University of California, San Diego, 1994) p. 104; Denise Dresser, "Bringing the Poor Back In: National Solidarity As a Strategy of Regime Legitimacy," in *Ibid*, p. 161.

58. The program was also used to diminish the power of governors out of favour with Salinas. Paul Haber, "Political Change in Durango: the Role of National Solidarity," in *Transforming State Societal Relations in Mexico*, p. 267.

59. Denise Dresser, "Bringing the Poor Back in: National Solidarity as a Strategy of Regime Legitimacy," p. 158.

60. Jonathan Fox, "Targeting the Poorest: The Role of the National Indigenous Institute in Mexico's Solidarity Program," in *Transforming State Societal Relations in Mexico*, eds. Wayne A. Cornelius, Ann L. Craig and Johnathan Fox (La Jolla: Center for US-Mexican Studies, University of California, San Diego, 1994) p. 213.

61. Electoral irregularities were not sufficient to

overturn the presidential election, according to the largest independent observer organization, Alianza Cívica. *La Jornada*, 20 de septiembre, 1994, p. 1.

62. *La Jornada*, 10 de agosto, 1994, p. 6.

63. *La Jornada*, 14 de agosto, 1994, p. 13; *Ibid.*, 25 de agosto, p. 11.

64. *La Jornada*, 14 de agosto de 1994, p. 7. This occurred despite the fact that Hernández Juárez (head of the Telephone Workers Union) and Esther Gordillo (head of the Teachers' Union) were publicly allied with Salinas.

65. *Ibid.*, pp. 1, 13. While Salinas was not completely successful in recouping support from workers in 1994 --the PRI lost to the opposition PRD in 5 petroleum districts in Veracruz (a region severely affected by the changes in PEMEX)--the tide of worker alienation from the PRI was slowed considerably. The CTM lost only one candidate, a vast improvement over the 1988 election. *Reforma*, 24 de agosto, 1994, p. 2A; *La Jornada*, 25 de agosto, 1994, p. 24.

66. *La Jornada*, 16 de agosto, 1994, p. 9.

67. *Ibid.*, p. 1.

68. *La Jornada*, 24 de agosto, 1994, p. 45; 27 de agosto, 1994, p. 11; *Unomasuno*, 8 de agosto, 1994, p. 11.

69. *El Financiero*, 19 de agosto de 1994, p. 30.

70. Such as Huejutla, Hidalgo. *El Financiero*, 22 de agosto, 1994, p. 46.

71. *Proceso*, no. 898 (17 de enero, 1994) p. 23.

72. On this see, *Proceso*, no 910, (11 de abril de 1994) p. 16; No. 914 (9 de mayo de 1994) p. 11.

73. Norma Ubaldi Garcete and Rolalia Winocur, "El día después de las elecciones," *La Jornada Semanal*, núm. 270 (14 de agosto, 1994) p. 29.

74. The Achilles heel of Mexico's neoliberal

economic reform program was the country's chronic and increasingly heavy current account deficit that was being financed by unreliable short term capital inflows.

75. Involving a cut in government spending, increases in the price of public goods and services. Business also refused to sign the deal. *Mexico and NAFTA Report*, 30 March, 1996, p. 3.

76. *Latin American Weekly Report*, 19 January 1995, p. 14.

77. *Latin American Weekly Report*, 23 March 1995, p. 122.

78. *Ibid.*, 23 March 1995, p. 122 and 30 March 1995, p. 34.

79. *Miami Herald*, Jan. 6 1995.

80. *Latin American Weekly Report*, 29 June 1995, p. 278.

81. *Mexico & NAFTA Report*, 20 Oct. 1994, p. 3; *Latin America Weekly Report.*, p. 22 September 1994; *Ibid.*, 9 February 1995, p. 51; *Ibid.*, 1 June 1995, p. 233.

82. *Latin American Weekly Report*, 20 July 1995, p. 322.

83. *Latin America Weekly Report*, 16 February 1995, p. 63.