

POLITICAL CHANGE AND STABILITY IN MEXICO: THE HISTORICAL CONTEXT

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INTRODUCTION

For many years, those observing Mexico have debated the question, "Is the Mexican Revolution dead?"¹ Those responding in the affirmative have noted that the institutionalization of the Revolution along with the development of the dominant, "official" political party, the Partido Revolucionario Institucional (PRI), has created a new political elite, a massive and conservative bureaucracy, and a system opposed to change. Many feel that this political system having guaranteed political stability and social peace in Mexico for so many years, is unable to bring meaningful change or reform. Mexico's current economic crisis has led many of these pessimists, along with members of the press and others, to speculate that only another revolution can alter existing structures sufficiently to respond to the present needs of the country. A review of the historical development of modern Mexico will facilitate an evaluation of the possibilities of reform or revolution.

I. THE HISTORY OF MEXICAN DEVELOPMENT

The *pax porfiriana*, or the Porfirian peace, of the dictatorship of Porfirio Diaz from 1876-1910 was a period of order, progress, infrastructure expansion, economic growth, and modernization. The alliance constructed by Don Porfirio to guarantee political stability included large landowners, foreigners, businessmen, parts of the emerging middle class of small businessmen, merchants, professionals, and public and private white collar functionaries. These groups, constituting a small minority of Mexico's population, shared in the benefits of Mexico's economic growth, urbanization, and modernization. The majority of Mexico's people, the urban poor and the

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1. See S. ROSS, *IS THE MEXICAN REVOLUTION DEAD?* (1966).

rural peasants, were excluded. Their standard of living had declined for many years. In 1910 a day's work bought fewer basic commodities such as beans, corn, tortillas, and bread than a century before. During the Porfirian years, the majority of Indians and other rural peasants lost their land through manipulation of the legal system and violent acts of the rural mounted police, the infamous *rurales*. Forced from their traditional lands, these peasants either became permanent day laborers at large rural estates or joined the ranks of the urban poor.²

Increasing dissatisfaction of political liberals, labor unrest, dispossessed peasants, and regional elements combined in 1910 to create a decade of revolution that significantly changed traditional Mexico. The Constitution of 1917 embodied a revolutionary ideology and included the goal of destroying the hacienda system as well as official support of labor. Anti-Spanish, anti-foreign currents also emerged from the chaotic decade of change. By the early 1930s revolutionary gains were consolidated, and the process of institutionalizing the Revolution moved forward.

By the 1940s the emergence of a single dominant political party and the elite's consensus on internal development strategies set Mexico on a course that continues today. That course was one of import substitution industrialization, minimal level social service infrastructure investment, rural investment concentrated on modernizing the agricultural sector through large irrigation projects, and distribution of the gains of economic growth to a small minority of Mexicans. This minority consists of the political elite, industrialists, businessmen, large rural landowners, professionals, and government white collar bureaucrats. The "trickle down" approach to development has concentrated significant wealth at the top. At the bottom there has been little improvement and often declines in real income and standard of living. Presently, 10% of all Mexicans receive 41% of the total income while 20% receive less than 3% of the income. Real wages have declined by at least 20% during the 1980s.³

2. J. WOMACK, *ZAPATA AND THE MEXICAN REVOLUTION* (1969). This book provides brilliant descriptions of the process of modernization in the Morelos region to the southwest of Mexico City, of how the Porfirian elites dispossessed villagers, small land owners, and Indians of their best lands, and of how this encouraged urban migration and eventually led to revolt. P. FRIEDRICH, *AGRARIAN REVOLT IN A MEXICAN VILLAGE* (1970) describes this same process in Michoacan, to the northwest of the capital.

3. L. BROWN & J. JACOBSON, *OUR DEMOGRAPHICALLY DIVIDED WORLD* (1986).

A. *Mexico's Erratic Progress*

Mexico has made some social progress. Between 1934 and 1940, under the presidency of Lázaro Cárdenas, the Mexican government made significant expenditures on public housing, education, electricity for rural areas, potable water systems, rural road networks, subsidies for basic consumer food products, and public health projects.⁴ However, these expenditures have not been priorities with all subsequent presidents. Often such expenditures have been made only in response to a specific crisis or to periods of neglect, and have provided Mexico with an incomplete social safety net, but have helped maintain peace. Erratic expenditures typified José López Mateos's presidency (1958-1964), which moved the social policy of the Revolution to the left to compensate for the policies of his immediate predecessors.⁵

The dominant political party, the PRI, has been able effectively to guarantee political continuity and stability. It has implemented the basic development strategy of modern Mexico. The PRI partially created the conditions that permitted the "Mexican economic miracle," a period of sustained high economic growth rates from the 1940s through 1980. The PRI distributed gains of this economic growth. The country saw an increase in the number of wealthy individuals and families. There was also an impressive expansion in the number of people in the relatively affluent middle class—businessmen, bureaucrats, educators, scientists, engineers, and other professionals.

The party also developed a system for dealing with challenges to the one-party dominance of the political arena. Most importantly, the PRI was skilled at co-optation,⁶ the process of incorporating individuals and groups who presented real or potential challenges to the system. For example, militant labor leaders who joined the system of the national, government-controlled labor confederation, the Confederación de Trabajadores Mexicanos (CTM), would pass minor benefits along to their union's rank and file. They were able to personally profit from the arrangement. Those who resisted were often violently repressed.⁷

4. J. WILKIE, *THE MEXICAN REVOLUTION: FEDERAL EXPENDITURE AND SOCIAL CHANGE SINCE 1910* (1970).

5. See M. MEYER & W. SHERMAN, *THE COURSE OF MEXICAN HISTORY* (1970).

6. See J. HELLMAN, *MEXICO IN CRISIS* chap. 5 (1983) (concerning "opposition, co-optation, and repression").

7. *Id.*

B. Political Realities Sustain the System Despite Economic Disparity

There is a huge disparity between the few who have benefited from the Revolution and the majority of Mexicans living in poverty. Additionally, that gap has tended to widen over the last four or five decades. Observers of contemporary Mexico often wonder how the system has been able to survive and prosper. The answer is, in short, that enough opportunities and alternatives have existed in contemporary Mexican society to siphon off much of the discontent. Rural poverty and unrest have been muted by migration away from the depressed countryside. Co-optation by the PRI has eliminated another current of potential discontent. The United States has also functioned as a safety valve over the last five decades.⁸ Finally, urban areas in Mexico have provided enhanced opportunities for the ambitious. All of this has taken place within the context of an expanding economy. Thus, most Mexicans have seen some hope for improved conditions, personal advancement, and advancement of their families. The expectation that things would continue to improve accompanied the decades of increased prosperity.

This system began experiencing crisis in the mid-1970s. However, crisis was not new to Mexico. The political ideology of the continuing revolution, endorsed by the PRI, required a continuing series of crises.⁹ The term revolution implies a crisis situation, and the continuing crisis justifies the need for political continuity in the form of the PRI. Therefore, crises of different types that have appeared over the years have served to bring the political system more in line with economic and social realities.

II. THE CHALLENGE OF THE CURRENT CRISIS

The current crisis in Mexico, instead of justifying its continuity, is presenting a challenge to the political system. The tremendous prosperity from the Mexican oil boom in the early 1970s, led President Lopez Portillo to declare that the real challenge faced by the country was managing their wealth. The subsequent economic collapse severely shocked the system. The Mexican formula ceased to work properly. Devaluation of the peso, sustained high inflation,

8. Many Mexican scholars are reluctant to accept this position. Instead, they emphasize that Mexico is merely supplying a demand in the United States for low-cost labor.

9. See J. Wilkie, *Crisis as a Way of Political Life: Real vs. False Issues in Mexico's Permanent Revolution* (unpublished manuscript, on file with the author at the Institute For Regional Studies of the Californias, San Diego State University).

foreign debts of over 100 billion dollars, and a contracting domestic economy led many Mexicans to question the efficacy of the political system. Although reasonable levels of the universal phenomenon of corruption can be tolerated by all systems, many Mexicans and foreigners perceived that the corruption level reached unprecedented heights under the regimes of Echeverria and Lopez Portillo. They believe that the scale of corruption is related to the seriousness of the present crisis.

The Mexico City earthquake in the fall of 1985 compounded the situation. Many Mexicans criticized the government for inadequately responding to the challenges of rescue and recovery. The result was that more people lost confidence in the system.

Several phenomena indicate a lack of confidence in the PRI. Capital flight shows a lack of confidence in future profitability. One recent estimate calculated that 55 billion dollars have been transferred to the United States and elsewhere.¹⁰ Human flight also shows a lack of confidence in future conditions. Immigration to the United States has been significant. Although this phenomenon has long been a tradition among Mexico's rural poor, the stream of immigrants has now changed qualitatively. Large numbers of educated Mexican professionals and intellectuals are discouraged about the ability of the Mexican system to provide opportunities. In the face of declining standards of living, they are choosing to leave the country. This middle class discontent is crucial. Although the total number exiting might not be great, they represent the loss of an important human resource.

The current Mexican crisis is perhaps the greatest challenge to the political system of modern Mexico. The crash of the petroleum market coupled with several decades of Mexican domestic and foreign policy has created the current crisis. Contrary to the popular Mexican perception (that foreign bankers "forced" the country to take the loans), the foreign debt is the result of faulty Mexican predictions about the future of petroleum prices, unwise support of the peso's value prior to 1982, and wasteful, non-productive investment decisions.¹¹ The policy of providing secure domestic markets for Mexican industry has also been a contributing factor. Mexican

10. The estimate on capital flight is by the U.S. Treasury Department is cited in V. DE MARGUIA, *CAPITAL FLIGHT AND ECONOMIC CRISIS: MEXICAN POST-DEVALUATION EXILES IN A CALIFORNIA COMMUNITY* 8 (1986).

11. For an excellent discussion of the debt crisis and evolution of the crisis, see N. BAILEY & R. COHEN, *THE MEXICAN TIME BOMB* (1987).

industrial production is not competitive in world markets. The Mexican industrial sector, typified by the Grupo Alpha,¹² was a creature of a protected environment and unable to withstand the shocks of domestic economic downturn or international competition. In many cases, the Mexican government was the largest customer. When the government ran out of money, the markets collapsed.

A. Population Growth Negates Mexican Progress

Mexico's population policy has also played a role in the current crisis. This policy is not a popular topic for discussion in Mexico or in many circles in the United States. Mexico's population growth rate reached an annual rate of 2% in 1940, increased to 2.62% for 1950-1955, rose to 3.3% for 1960-1965, rose again to 3.5% during 1965-1970, reached a peak of about 3.6% during the early 1970s, began to taper off in the late 1970s, and is currently approximately 2.6% per annum.¹³ Since the late 1930s, adult and infant mortality have decreased due to political stability, social expenditures, and investment in the public health area. The combination of Catholic traditions and anti-population planning in Marxist and other leftist ideologies forestalled national population planning until midway through the presidency of Luis Echeverria (1970-1976).

Uncontrolled population growth in Mexico has negated many economic gains. For example, despite significant investment in education, in 1960 there were 1.5 million more illiterates in Mexico than fifty years earlier.¹⁴ Although presidents Echeverria and Lopez Portillo both invested heavily in the educational infrastructure, the number of illiterates in Mexico is still about 7 million.

12. The Grupo Alpha was created in 1974 when the Grupo Monterrey was split up. Grupo Alpha soon grew into Latin America's largest private corporation with companies and firms in steel, food processing, automobile parts, electrical appliances, tourism, development, and real estate. In 1982, the Grupo Alpha, unable to pay its debts, had to declare many of its enterprises bankrupt and undertake a major program of restructuring. See A. RIDING, *DISTANT NEIGHBORS: A PORTRAIT OF THE MEXICANS* 146, 148, 285-86 (1985).

13. See 22 *STATISTICAL ABSTRACT OF LATIN AMERICA* 77 (J. Wilkie & S. Haber eds., (1983)). Reliable demographic data are often difficult to obtain. On the one hand, counting a rapidly expanding population is a difficult matter, compounded by insufficient resources committed to the task, as witnessed by the badly flawed 1980 national census. On the other hand, population data are often manipulated by the Mexican government for political purposes. Apparently, the population of northern border cities has been deliberately underreported in order to minimize issues related to undocumented migration into the United States and for purposes related to disbursement of federal funds to states. The Instituto Mexicano de Seguro Social claims a current population growth rate of 2.0 per annum, a figure that many observers feel is unrealistically low.

14. M. MEYER & W. SHERMAN, *supra* note 5, at 12.

The per capita income of Mexicans has increased only in years of high economic growth rates. Years of moderate, stagnant, or negative growth have brought declines in per capita income. During the period 1980-86, Mexico experienced a 7% decrease in per capita income. Notwithstanding a significant economic turnaround, Mexico will end the decade of the 1980s with a lower per capita income than it began with.¹⁵ Mexico's current population of 82 million is projected to expand to 199 million by 2010, an increase of about 2.1 million people per year at the current annual population growth rate of 2.6%. Approximately one million young Mexicans will enter the job market each year for the remainder of the century.

The large population and the high demographic growth rate tax the ability of the economy to keep pace and place significant demands on the finite natural resource base of the country. Water shortages, erosion, destruction of tropical rain forests, desert expansion, and inefficient land use all contribute to problems of the agricultural sector. Lack of new lands being brought into production means that production can only be increased by changing old systems. Generally this maneuver is an expensive and politically difficult proposition. Declining per capita production of agricultural products means that Mexico is less able to feed its own population. Mexico, the birthplace of the Green Revolution,¹⁶ is increasingly relying on imports of basic foods.

B. Urban Concentration Impedes Progress

The urban environment has also experienced severe problems in recent years. Air, water, and ground pollution have made Mexico City and its environs increasingly less livable. The cities of Guadalajara and Monterrey have experienced similar problems. Mexico City, with seventeen million inhabitants, is so large and complex that the cost of services has surpassed the price the government can charge for them.¹⁷ The quality of life in urban Mexico is deteriorating rapidly.¹⁸

15. L. BROWN & J. JACOBSON, *supra* note 3 at 28.

16. CIMMYT, a plant breeding center established by the Rockefeller Foundation, had by the late 1950s succeeded in producing several conspicuously successful varieties of wheat adapted to Mexican conditions. These varieties plus other factors later provided the basis for a revolution in agricultural production (the Green Revolution) in India, Pakistan, and other countries. See P. YATES, *MEXICO'S AGRICULTURAL DILEMMA* 10 (1981).

17. I. SCOTT, *URBAN AND SPATIAL DEVELOPMENT IN MEXICO* 239-44 (1982).

18. The Mexican and foreign press regularly reports on Mexico City air quality levels sufficiently poor as to cause significant human health problems.

The components of Mexico's current crisis described above could cause social and political instability. Whether a combination of these elements will lead to violent or revolutionary change depends, to a large extent, on the response of Mexico's political system.

III. THE RESPONSE TO THE CRISIS

Mexico's political system historically has functioned well in periods of crisis. In the past, periods of stress have effectively redirected public policy to reduce the causes of the problems at hand. In this sense, the Mexican political system has demonstrated considerable flexibility in adapting to new circumstances and conditions. There are several examples of this flexibility. First, Mexico has recognized that the centralized nature of the government is inefficient. The government has taken the first steps to decrease dependency on Mexico City by other regions of the country. Although this program's achievements are largely normative, or only in the planning stage, the program is evidence of a new course having been charted. Some actual progress towards decentralization has been made, particularly in the areas of health and education.¹⁹ Second, economists have placed partial blame for Mexico's current economic position on the government's excessive involvement in the economy. The government is attempting to amend this situation through restructuring the economy by enhancing the roles of the domestic private sector and foreign capital. This economic liberalization should contribute to the long-term recovery of Mexico's economy and to the process of altering traditional structure.²⁰

The sector of the Mexican economy least fettered by government control and regulation is the maquiladora, or in-bond industry. This industry has been a great success story in recent years and a good indicator of the country's potential in other areas of economic activity.²¹

Decentralizing and opening up the economy will require the PRI and the government to relinquish some political control. Decisions

19. J. Castañeda, *Mexico's Coming Challenges*, FOREIGN POLICY 120-39 (1986) discusses economic liberalization and also presents an excellent analysis of the current situation in Mexico.

20. See, e.g., Reynolds & McCleerly, *Border Economic and National Integration* (paper presented at IV Symposium of Mexico and the United States Universities, Santa Fe, New Mexico, Apr. 16-18 1986).

21. For an up-to-date overview of the maquiladora industry, see N. CLEMENT & S. JENNER, *LOCATION DECISIONS REGARDING MAQUILADORA/IN-BOND PLANTS OPERATING IN BAJA CALIFORNIA, MEXICO* (1987), (Institute for Regional Studies for the Californias, San Diego State Univ., San Diego, Ca.).

made in the provinces or through market forces will reduce the number of decisions made by the federal government and will correspondingly reduce political power exercised by the PRI.

IV. LIBERALIZED ELECTION LAWS MAY SUPPORT PEACEFUL CHANGE

Liberalizing and democratizing the electoral process are other issues of political control. Criticism of the PRI's monopoly on the government grew sharply during the administration of Lopez Mateos (1958-1964) and resulted in a constitutional amendment of 1964. That amendment altered the electoral procedures in the Chamber of Deputies and guaranteed minority party representation in the lower house. Although this liberalizing tendency was truncated by the Diaz Ordaz regime, it demonstrated some flexibility on the part of the PRI. Again in 1980, laws were changed to permit the incorporation of minority participation by opposing political parties. This effort was led by Reyes Heróles, Lopez Portillo's Secretary of Gobernación. Of course, now the question is to see if the PRI can meet the challenge presented mainly by the Partido Acción Nacional (PAN) and truly open up the political process. A certain amount of democratization will be required to avoid escalating political confrontations (such as the furor over the recent Chihuahua elections.)

CONCLUSION

Present day Mexico lives under a *pax porfiriana* of sorts, although all historical analogies must be used with caution. Porfirio Diaz and his aged advisors were simply unable to adapt to changing conditions and deal with the forces unleashed in 1910. A revolution resulted. The current Mexican leaders and the PRI are faced with perhaps the worst crisis since 1910. Although widely criticized as being out of touch with reality, both the PRI and the system have a track record of accommodation and adjustment. The PRI has generally responded well to crisis in the past, and there is every reason to believe that they will continue to do so in the future.

One big difference between 1910 and 1987 is the existence of a Mexican middle class, which in recent decades has grown in size and has received a greater share of the benefits of the Mexican economy. Today, more Mexicans have a stake in stability and continuity and in the system. Therefore, movements that suggest radi-

cal breaks with the past should not gather much support. In 1910, change was accomplished only through revolution; in 1987, it appears that change will be accomplished without unduly disrupting the basic stability of the country.