

RECENT SCHOLARSHIP ON THE  
MEXICAN POLITICAL AND  
ECONOMIC SYSTEM

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- ELECTORAL PATTERNS AND PERSPECTIVES IN MEXICO.* Edited by **ARTURO ALVARADO.** (San Diego: Center for U.S.-Mexican Studies, University of California, San Diego, 1987. Pp. 287. \$15.00.)
- GOVERNING MEXICO: THE STATECRAFT OF CRISIS MANAGEMENT.* By **JOHN J. BAILEY.** (New York: St. Martin's Press, 1988. Pp. 238. \$49.95.)
- THE MEXICAN TIME BOMB.* By **NORMAN A. BAILEY** and **RICHARD COHEN.** (New York: Priority Press Publications, 1987. Pp. 61. \$9.00.)
- LA REFORMA ELECTORAL DE 1986-1987 EN MEXICO: RETROSPECTIVA Y ANALISIS.* By **MANUEL BARQUIN.** (Costa Rica: Centro Interamericano de Asesoría y Promoción Electoral, 1987. Pp. 70.)
- THE MEXICAN LEFT, THE POPULAR MOVEMENTS, AND THE POLITICS OF AUSTERITY.* By **BARRY CARR** and **RICARDO ANZALDUA MONTOYA.** (San Diego: Center for U.S.-Mexican Studies, University of California, San Diego, 1986. Pp. 96. \$9.00.)
- PROFESSIONS AND THE STATE: THE MEXICAN CASE.* By **PETER S. CLEAVES.** (Tucson: University of Arizona Press, 1987. Pp. 176. \$19.95.)
- THE POLITICAL ECONOMY OF MEXICO UNDER DE LA MADRID: THE CRISIS DEEPENS, 1985-1986.* By **WAYNE A. CORNELIUS.** (San Diego: Center for U.S.-Mexican Studies, University of California, San Diego, 1986. Pp. 50. \$4.50.)
- MEXICAN POLITICS IN TRANSITION.* Edited by **JUDITH GENTLEMAN.** (Boulder, Colo.: Westview Press, 1987. Pp. 320. \$34.95.)
- PRIMER INFORME SOBRE LA DEMOCRACIA: MEXICO 1988.* Coordinated by **PABLO GONZALEZ CASANOVA** and **JORGE CADENA ROA.** (Mexico City: Siglo Veintiuno, 1988. Pp. 327.)
- TESTIMONIOS DE LA CRISIS, Vol. 2: LA CRISIS DEL ESTADO DE BIENESTAR.* Coordinated by **ESTHELA GUTIERREZ GARZA.** (Mexico City: Siglo Veintiuno, 1988. Pp. 198.)
- POLITICAL LIBERALIZATION IN AN AUTHORITARIAN REGIME: THE CASE OF MEXICO.* By **KEVIN J. MIDDLEBROOK.** (San Diego: Center for U.S.-Mexican Studies, University of California, San Diego, 1985. Pp. 36. \$4.00.)

*THE MEXICAN RULING PARTY: STABILITY AND AUTHORITY.* By DALE STORY. (New York: Praeger, 1986. Pp. 172. \$32.95.)

*POLICYMAKING IN MEXICO: FROM BOOM TO CRISIS.* By JUDITH A. TEICHMAN. (Boston: Allen and Unwin, 1988. Pp. 178. \$39.95 cloth, \$14.95 paper.)

Revolutions, particularly when they are quiet ones, seldom attract intense scholarship. Over the last two decades, Mexico has experienced not one but two "quiet revolutions." Only now is the literature beginning to show the results of extensive research on the first.

The first revolution took place during the 1970s and resulted specifically from the 1968 student movement. In that year, political life in Mexico was changed forever. The government's crushing of the student movement led to a thorough realignment of political forces in Mexico and also to political and economic populism. Prior to 1968, the political system functioned much as it had since the end of the Revolution of 1910. The main actors were a strong president, a party machine (the Partido Revolucionario Institucional, or PRI) that functioned as an instrument for active political participation as well as political control, and an orthodox economic policy. This structure allowed Mexico to grow at a rate of more than 6 percent per year for forty-odd years. But it failed to provide the institutional channels through which newcomers could participate, particularly those outside the sectors that made up the PRI (labor, peasant, and popular sectors). Moreover, the institutional arrangement that had characterized Mexico's economic development fostered an uneven distribution of income, which resulted mainly from a highly controlled economic process that favored rapid capitalization of domestic industrial groups. The 1968 student movement—a symptom of the growth of new elements in Mexican society—confronted a political system that was unprepared to channel unexpected kinds of demands in institutional ways.

By 1971, shortly after the Echeverría administration took over, a fundamental change had occurred in Mexican political life. Luis Echeverría recognized an urgent need to create escape valves and new institutional mechanisms that would allow the PRI to maintain its critical political role. The changes made by Echeverría (and later by José López Portillo) demonstrated a precise and unequivocal reading of the situation. Realizing that Mexico was facing a challenge that was largely political, these two presidents resorted to government spending as a means of appeasing political conflict. In the short term, their actions increased economic growth and appeared to diminish conflict. As a long-term policy, however, it was a disaster because it subordinated the up-to-then extremely successful economic policy to short-term political gain—with foreign bankers and oil revenue financing the whole scheme.

The economic policies implemented by the two governments between 1970 and 1982 (the *sexenios* of Echeverría and López Portillo) led to financial crisis, high foreign indebtedness, and a declining standard of living. While the objective pursued by free-spending policies had the political rationale of appeasing the political tensions created by crushing the student movement, the consequences of this economic policy actually increased political strife. In 1978 López Portillo introduced a political reform intended to recognize the political forces that had grown up outside the official boundaries of the political system. This reform legalized the opposition while subjecting it to a tight structure in which the rules of the game were decided by the government. In essence, the political reform of 1978 constituted an amnesty for the left.

Several books published recently deal with the nature of Mexico's political system and how it has fared since 1968. Most of these books characterize the Mexican political regime as inclusionary-authoritarian in nature: a one-party system displaying a remarkable capacity to withstand change, co-opt forces and actors that challenge it, and maintain social and political control. The Mexican system thus contrasts sharply with other Latin American regimes that have experienced more turbulent development in the twentieth century. According to Judith Gentleman's introduction to *Mexican Politics in Transition*, Mexico established its authoritarian regime decades before the economic crisis forced other Latin American countries into the "imposition of brutal demobilizing regimes" (p. 5), but the economic crisis has occasioned a strategy of liberalization in both the economy and the political system as a means of surmounting it. According to Gentleman, because the stability of the system required a low level of political participation, the increasing mobilization resulting from the economic recession of the last few years has posed a difficult dilemma for political elites in Mexico, although no full-scale participation crisis has developed. Thus according to Gentleman, change in Mexico's authoritarian system at this historical juncture would appear to be mainly a function of elite decision making and strategy (p. 8).

Kevin Middlebrook's *Political Liberalization in an Authoritarian Regime* explains how the process of political liberalization that began formally with the political reform of 1978 under López Portillo was an indirect response to the 1968 movement and its aftermath. The study documents how close government control has determined the timing, extent, structure, and pace of the process. At the same time, the post-1982 economic difficulties have limited the scope and speed of the political reform while creating strong forces demanding a speed-up in liberalization, as was evidenced in the federal elections of 1988. According to Middlebrook, the severity of the economic crisis in 1981–82 eroded the government's commitment to political openness: while the administration of Miguel de la Madrid felt compelled by the worsening economic environment to recog-

nize opposition electoral victories in northern Mexico in 1983, conservative elements in the government coalition increasingly opposed further liberalization as the opposition began to grow. Gentleman's edited volume, *Mexican Politics in Transition*, provides a detailed empirical analysis from various authors and perspectives of the political reform initiated in the 1970s following the conscience-shattering events of 1968 and the ensuing changes in the political and economic environments during the Echeverría and López Portillo administrations.

Dale Story's *The Mexican Ruling Party* analyzes the PRI, the party that ruled Mexico since it was created in 1929, and the party system that has evolved around it. Story's study confirms the old saying in Mexican politics, "Lo que resiste apoya" (Whatever resists, gives support.) This maxim implies that the government and PRI have not only permitted but even promoted the creation of opposition parties in order to allow the larger political system to channel, control, and co-opt political actors who have refused to be integrated into the corporatist structure of the PRI. In other words, by participating in the system within the rules of the game, the opposition helps sustain and strengthen the political system as a whole. The efficacy of the Mexican political system in adapting to changing environments and providing leadership even amid a deepening economic crisis can be understood only when the unique traits of the Mexican party system and the PRI are taken into account. The PRI has played a central role in achieving a balancing act among the different groups and interests that have developed over the decades of sustained economic growth since 1940. According to Story, the political structure was apparently designed to manipulate demands but has developed no mechanisms to absorb autonomous political mobilization. This deficiency has placed the Mexican political system on the horns of a dilemma, which Story elucidates:

On the one hand, the PRI has been a major contributor to the successes in Mexican political and economic history: the decades of political stability along with reasonable economic success under a benignly authoritarian government in which political repression is not overt and certain groups are allowed considerable autonomy. On the other hand, the PRI is currently facing its greatest challenges on both the electoral front and the administrative front (the advent of the *técnicos*). . . . The problems of the party on both the administrative and the electoral fronts will necessitate innovative changes. While the 1984 slogan of "reform and renovation" produced no concrete results, the rhetoric will have to turn to reality if the PRI is to adapt to a more complex and unpredictable political situation. (Pp. 133, 137)

Various authors have debated intensely over the possibilities of PRI party reform. As John Bailey observes in the Gentleman collection, "Some skepticism seems warranted indeed. But that skepticism should be tempered with the knowledge that significant reform currents remain alive

within the party and that the rhythm of Mexican politics will provide opportunities for a renewal of the effort" (p. 84).

The new political policies that Echeverría and later López Portillo began to implement in the early 1970s coincided with changes in the economic arena as well. By the late 1960s, Mexico's economy was beginning to demonstrate the limits of import-substituting industrialization because it was approaching a foreign exchange crunch. As Judith Teichman observes in *Policymaking in Mexico*, "By the mid-1970s the options available to the Mexican state were becoming increasingly limited. Trapped in an economic model of its own creation, but no longer to its liking, the primary concern of the political elite was to safeguard the continuity of the political system. Desperate for a program that would restore economic growth and business confidence and assuage popular unrest, incoming president José López Portillo hit upon the possibility of exporting large amounts of petroleum" (Teichman, p. 61). In the early 1970s, the expected foreign-exchange crunch failed to appear, not because of growing exports but because foreign debt became an apparently unbeatable way of avoiding major economic and political changes. Hence, foreign debt served as an instrument of growth of public spending, and along with it, the government's presence in the economy. But foreign financing was not used to transform the Mexican economy (and society) through major new investment projects, infrastructure, and similar undertakings.

The oil-exporting strategy begun during the López Portillo administration (at a time when world oil prices were rising) provided undreamed of amounts of hard currency. A significant part of the proceeds from foreign debt ended up in current spending as salaries, rents, funded trips, and all sorts of subsidies to consumers, producers, students, and political organizations. But as Teichman notes, "the petroleum export strategy did fulfill one of López Portillo's most important economic goals. Economic growth was restored with annual growth rates averaging 8.5 percent per year for 1978–1981. However, aspects of Mexico's economic disequilibrium failed to disappear but were apparently exaggerated by the petroleum-debt strategy itself" (p. 74). Eventually, the bubble burst in 1982 and the country found itself in the midst of a severe fiscal and foreign exchange crisis with growing inflation and insurmountable foreign debt.

Teichman's *Policymaking in Mexico: From Boom to Crisis* provides an interesting case study of how policy is made in Mexico. Focusing on Pemex, the Mexican national oil company, Teichman discusses "institutional and clientelistic interests that appear to have been instrumental in patterning bureaucratic policy tendencies" and how they oriented policy decisions during the boom years from 1977 to 1981 (p. 109). In her view, those interests were predominantly related to the capital-intensive industrialization clientele and all decisions were made in the context of the presidential succession struggle in which the Pemex administration was

involved. Teichman draws a broad conclusion about the Mexican government from this analysis:

Despite its ever expanding intervention in the economy and its ability to act contrary to the wishes of the private sector, [the Mexican government] is a weak state. It is a state incapable of acting in the long-term interests of either capitalism or the capitalist class. . . . In the Mexican case, we cannot speak of any substantial degree of relative autonomy. Not if "relative state autonomy" is taken to connote the ability to mediate class and intraclass conflict and to act in the long-term interest of capitalism and the capitalist class. Numerous examples exist of the state's inability to take measures that would have assured the smooth functioning of Mexican capitalism. (P. 144)

If, as Teichman suggests, the Mexican government has little "relative autonomy in its role as rector of the economy," then what about its ability to deal with popular movements? The subject of popular movements and involvement with them by parties of the left has always been an important topic of scholarly analysis. Numerous researchers have studied how the urban poor live, survive, and relate to the political system in such works as Larissa Lomnitz's *Como sobreviven los marginados?*, Susan Eckstein's *The Poverty of the Revolution, the State, and the Urban Poor*, and Wayne Cornelius's *Politics and the Migrant Poor in Mexico City*. But the severity of the economic crisis has raised new doubts about the viability of the PRI's traditional mechanisms of political control.

*The Mexican Left, The Popular Movements, and the Politics of Austerity*, coedited by Barry Carr and Ricardo Anzaldúa, offers six essays focusing on the popular movements and the Mexican left in recent years. Given the severity and extent of the crisis affecting Mexican society, the editors find the lack of a unified leftist opposition to be the most surprising element of the last few years, particularly the lack of overt opposition to the Mexican government's policies promoting modernization through wage controls, elimination of subsidies, and the opening of the economy. Carr and Anzaldúa comment, "The break with the populist and corporatist traditions represents a serious challenge to the 'political left'" (p. 18), which seems to be fixated and captive to its language and policies. It should be noted, however, that this book was written before the 1988 elections, which demonstrated to a limited extent the potential political impact of a truly significant opposition.

The volume edited by Carr and Anzaldúa includes studies of the wage system, popular movements, and the unions. After analyzing the wage system in Mexico during the past decades, contributor Jeffrey Bortz concludes that "the solution to the crisis is an increase in the rate of exploitation . . . , [but that] as long as the world economy does not recover, economic recovery in Mexico is unlikely" (p. 46). In another essay, Enrique Semo analyzes the relationship between the government and the unions, particularly independent unions, and concludes that although the



"left is temporarily inactive . . . , the experience gained from current efforts at unification can prepare the way for unification under more propitious conditions in the future" (p. 32).

The volume coordinated by Pablo González Casanova and Jorge Cadena Roa, *Primer informe sobre la democracia: México 1988*, presents seven different articles encompassing various aspects of the political, economic, and social environment that have become important in the past few years. Miguel Concha presents a detailed and documented analysis of human rights violations during the past three sexenios, which shows that the peasants have suffered the brunt of government and *cacique* repression. Violations have occurred particularly in the area bordering Guatemala, followed by the drug-producing areas of Sinaloa, and on a lower scale, in urbanized and highly politicized parts of Mexico City, where the victims of these violations have been students and *marginados*. Although Concha does not deny the existence of repression in México, his comparison of the numbers of human rights violations in Mexico with those in Argentina, El Salvador, and Guatemala confirm the relative rarity of these occurrences in Mexico: 119 *desaparecidos* between 1976 and 1984 as opposed to 8,960 in Argentina. Elsewhere in the collection, González Casanova emphasizes that the struggle for democracy in Mexico includes the "fight against individual and collective repression" and that it is necessary to understand the PRI as a culture in itself (p. 25). According to González Casanova, the old *priista* culture of unity, discipline, and valiant struggle against the empire, the oligarchy, the bosses, and internal tribalization is being eroded. The causes of erosion are diminishing support from organized workers and the middle classes as well as the shrinking political base of peasants, compounded by the humiliation endured by the traditional politicians during the 1987 candidate selection process. Contributor Aguilar Zinser explains the differences existing between the democracy the Mexicans want and that promoted by American interests. In his view, the crisis has created a false choice between democracy and independence (*soberanía*). The United States has been promoting

not an ideal democracy, but the destruction of the political model based on nationalism. Mexican electoral democracy and bipartisanship are only attractive as long as they tend to favor entrepreneurs and the middle class identified with the values of "the American way of life." But if electoral democracy facilitated the arrival of a new nationalist and popular leadership supported by workers, peasants, lower urban classes, students, and intellectuals, then democracy in Mexico would be viewed by many U.S. groups as an intolerable breakdown of order and a danger to U.S. national security. (P. 40)

The de la Madrid administration (1982–1988) confronted the economic squeeze with unabashed swiftness. Without disavowing the overall thrust of the political system, this administration proceeded to correct the fiscal and foreign sector imbalances and to reduce inefficiency and cor-

ruption. The result was massive austerity, severe wage contraction, and a persistent decline in standards of living. By 1984 the fiscal deficit had been contained and current accounts showed a surplus. But when the government attempted to revitalize the economy, it discovered that the result of its efforts was not growth but inflation. Gradually, it became clear that the problems of the Mexican economy were not limited to public finances, that the whole economic structure would have to be transformed. The collapse of oil prices early in 1986 forced the de la Madrid administration to initiate the second minirevolution of the last two decades: three years into the sexenio, the whole approach to economic management shifted. The new thrust included a drive to increase exports, the privatization of major government-owned firms, opening the economy to foreign investment, and a full-fledged liberalization of the entire economy. Imports were liberalized and a process of domestic deregulation was begun.

Thus the second revolution in Mexico's recent past took place when the de la Madrid administration decided to reverse course in economic management, and the decision particularly affected the nature of the government's participation in the economic realm. This set of changes may end up being the most ambitious revolution that Mexico has ever embarked upon willfully and consciously. Economic liberalization entails a profound transformation of economic as well as political relationships because it changes the whole power base of society. As businesses begin to face domestic and foreign competition without the protection of a powerful and ubiquitous bureaucracy, the relative strength of all sectors changes dramatically: union confederations are gradually eroded as individual unions have to negotiate tailor-made contracts with firms (as opposed to sectoral agreements); the bureaucracy's power diminishes as its control mechanisms are eliminated; consumers—individual and industrial—have options they never had before and a wholly new source of freedom vis-à-vis domestic producers. Indeed, the “de la Madrid revolution” is rapidly eroding traditional Mexican power structures (which partly explains the presidential election outcomes in 1988) and represents the beginning of a profound transformation of Mexican society.

Making a major policy shift toward the end of the first half of any administration is politically much more painful than early on because political support is harder to come by at this point. By 1986, when the prices of oil collapsed, Mexico had experienced a deepening crisis accompanied by rising inflation, a situation that prompted many analysts to suggest a showdown on the debt problem.

Norman Bailey and Richard Cohen argue in their Twentieth-Century Fund paper, *The Mexican Time Bomb*, that the diagnosis of the debt problems of Mexico and other Third World countries developed in 1982 by the international financial community was mistaken. According to the authors, the same misdiagnosis was made in the Baker plan of 1985, which



first benefited Mexico following the earthquakes in September 1985, and in the drop in oil prices early in 1986. The crux of the misdiagnosis was that the debt problem was basically considered to be a temporary liquidity problem, and therefore the measures taken to resolve it have failed. Bailey and Cohen claim that the core of the debt problem is not lack of liquidity but structural overindebtedness. They conclude that what is needed is a real solution to the debt problem so that the economy can resume its growth pattern. Similarly, Wayne Cornelius concludes in *The Political Economy of Mexico under de la Madrid: The Crisis Deepens, 1985–1986* that what seemed to be a short-term financial crisis in 1982 was by the end of 1986 revealed to be deeper, more complicated, and more intractable in nature. The simple, straightforward nature of the crisis has branched out into social and political spheres, showing “more glaringly than before the contradiction between the de la Madrid administration’s economic modernization project and the truncated, now moribund political modernization effort” (p. 42).

Analytical consensus has now evolved toward a more correct diagnosis, but specific measures have not developed at the same pace. Bailey and Cohen prescribe “structural reform of the overindebted economy sufficient to relieve the symptoms of overindebtedness. It must also provide debt relief sufficient to permit the overindebted economy to grow without resort to greater fiscal and trade imbalances, and hence, greater indebtedness” (p. 48). Meanwhile, Mexico continues to suffer severely from its past mistakes, but it is nonetheless a victim in dire need of relief. Creditors must assume that part of the responsibility that belongs to them, and Mexico will have to continue down the path of economic and political reform. As Cornelius has observed, although there seems to be no quick solution to such a potentially conflictive situation and “the central state may become progressively more distanced from civil society, more internally divided, and more incoherent in its behavior . . . , no knowledgeable Mexican observer expects the present political system to collapse in the near future” (p. 49). This reality provides the basic structure for the needed economic and political reforms.

Most of the books that discuss the economic side of Mexico’s *problematique* fail in one major regard: they have neither studied nor followed the reform process carefully. Many, like Bailey and Cohen, do not even realize the depth of the economic change undertaken by Mexico over the last few years. Yet most books stress one critical issue of the economic reform: it has not had much popular support. No constituencies have been built to support and fight for the reforms. This lack of political support for the new policy priorities has resulted from two interrelated factors. One was the fact that the new economic thrust entailed a fundamental political change that would affect deeply vested interests in the private sector, the bureaucracy, the PRI, and the labor unions. Conse-

quently, no one with a stake in the status quo was likely to support the new policies, and many decided to actively oppose them. The other factor in the lack of political support for the new policy priorities, which paradoxically involved those who stood to benefit most, resulted simply from the lack of a political drive geared toward developing supportive constituencies. Hence, the new economic policies were not accompanied by a new political push.

But the lack of a constituency for reform does not imply that there is no support for change. It means that no broad constituency for reform has been organized and developed to strengthen and legitimize the process of change. In other words, the Mexican equivalent of *perestroika* has not been accompanied by an equivalent of the Soviets' *glasnost*, which has served as a means of building support for change while putting the opposition to reform on the defensive. No such process has taken place in Mexico so far, probably because the de la Madrid administration opted for a gradual process of change rather than for an intellectual revolution that would have radically altered the relative strengths of the many strongholds of power in Mexican society. Carlos Salinas de Gortari's administration, however, has had no choice but to actively pursue the development of such a constituency for change or face the death of the reform.

The main political initiative of the de la Madrid administration centered on electoral politics. In an effort to reduce conflict in federal elections while securing a PRI majority in Congress, the administration modified the electoral legislation. The new law constituted a continuation of previous electoral bills that reflected the persistent attempts of post-1968 administrations to develop institutional channels for maintaining control of opposition parties and dissenting groups.

In his analysis of the political reform of 1986–87, *La reforma electoral de 1986–1987 en México*, Manuel Barquín observes that even though political alternation among parties is unlikely in the near future in Mexico, the maturing of the electoral system as it becomes more democratic will undoubtedly present that possibility. The inclusion of more groups and the creation of new parties have expanded the possibilities for political participation. Silvia Gómez Tagle's contribution to the volume coordinated by González Casanova and Cadena Roa points out the importance of elections not only as means of legitimation but precisely as mechanisms for political integration, participation, and solution of conflict: "elections open important political spaces for internal negotiation between aspiring political candidates, interest groups or ideological currents and among social forces outside the PRI, whether represented by a political party or acting autonomously, thus serving to maintain the cohesion of the political system" (pp. 224–25).

In a contrasting view, Arturo Alvarado contends in *Electoral Patterns and Perspectives in Mexico* that the positive expectations created by the

reforms of 1977 and 1986–87 have proved illusory: “Comparing the electoral results of 1979 with those of 1985, we might say *grosso modo* that they tend to demonstrate bipartisanship, that the left has fragmented, that absenteeism has ebbs and tides, and that social acceptance of parties on the right has increased. Apart from the latter, democracy cannot be considered any closer in the current context of economic crisis” (p. 33). The process of political reform has been tightly controlled by the government, using the mechanisms of the interior ministry, the PRI structure of controls over the unions and the peasants, and the whole clientele system built up over the years. Thus the Mexican system has not yet accepted the ultimate test of a mature democracy—alternation in government. The essays in Alvarado’s edited volume offer ample explanations of the road that has been traveled, but it also testifies to the long road ahead of Mexico before it becomes a mature democracy. According to contributor Juan Molinar, allegations of electoral fraud, extensive PRI control over the rural masses, the composition of the electoral entities, and the “*carro completo*” policy of winning each and every election have all combined to “warp the very essence of the Mexican electoral process. The situation has reached the point that the PRI always loses—be it because the opposition wins or worse, because the system is so discredited that even if PRI wins it loses. If this situation persists, it will destroy the electoral arena, since an effective electoral system requires confrontation among political adversaries, not war among political enemies” (the Alvarado volume, p. 31). But even with all the limitations, it is important to note that for the past several years, the Federal Congress has been serving as a critical forum of discussion. This trend will increase with the active participation of more than 230 opposition representatives in the current congress. Although the Mexican Congress does not yet have the power of analogous bodies in other countries, it is clearly evolving in that direction.

The elections of 1988 demonstrated the limits of economic reform in the absence of political liberalization. The solid opposition to continuing the economic reform initiated by de la Madrid is ironic in composition: those who voted for the leftist opposition included the middle classes and urban dwellers, while those voting for the PRI included the peasants and some unions of the oldest and least efficient sectors of industry. In other words, the groups who opposed the economic reforms were often those who stand to benefit most from economic liberalization and vice versa. No one can say what the future will bring for Mexico, but much more study is needed of the interaction between the Mexican political system and economic policy.

One issue that recurs throughout most recent scholarly analysis of Mexico, though few (if any) of the books published recently deal with it directly, is governability. No studies on the governability of Mexico are to be found in the recent literature. Except for an older article by Laurence

Whitehead,<sup>1</sup> the recent literature assumes either that Mexico is not governable or that its problems of governability, like those of any other country, will be resolved or not resolved in time, and therefore the issue of governability is not critical. The only book under review that deals with the issue in a rather straightforward way is John Bailey's *Governing Mexico: The Statecraft of Crisis Management*. He analyses the Mexican government from presidential politics to the all-sustaining party, and from electoral politics to the bureaucracy and the social and economic actors who have given the Mexican system its unique resilience and adaptability. At the same time, Bailey points out the characteristics that Mexican governance shares with other systems. His main argument is that "the current political crisis stems from the growing tensions between the ideological justifications of the Mexican regime and its real structure and practices" (p. 6). The ideology stressed in the Constitution of 1917 included a liberal project, a social welfare project, and a nationalist project. The ability to promote these projects has provided the legitimizing force for the PRI government structure. After 1969, according to Bailey, "the struggle intensified for the money and confidence of the wealthy, the hearts and voices of the middle strata and the leadership of the organized lower classes. Over time, government may have lost the confidence of the monied groups and is hard pressed to retain that of the middle strata; but it has kept surprisingly firm control over the organised poor" (p. 22). The direction of changes that the Mexican government could attempt can be summarized in terms of three basic goals. The first would be to keep the system's political base fairly intact, adopting a nationalist development project. The second would be to do nothing and hope that the government will be able to muddle through. The third option would involve creating an economic opening by renegotiating pacts with the private sector and the international business community. Bailey comments: "A positive assessment of the de la Madrid administration might emphasize the President's determination to stay the course of austerity and to avoid radical policy shifts, especially those that might rekindle the sort of populist adventures that marked the second half of Echeverría's term and the last months of López Portillo's presidency. . . . Furthermore, de la Madrid has shown greater openness and tolerance for dissent than his predecessors" (p. 194).

The last two decades of Mexican history have been truly revolutionary: the country as a whole is in flux, society is changing, and the economy is being transformed. In this context, the political system could not be allowed to go astray. A review of the literature reveals, however, how much more scholarly research needs to be undertaken to fathom the actual processes of change and the issues they raise. Many critical issues and questions remain unaddressed. How will the Mexican political system change as a result of economic reform? Can such an ambitious

program of economic reform be undertaken without an equally ambitious program of political liberalization? What might the implications of change be for stability, governability, and Mexico's relationship with the United States?

The issues that require close scholarly attention are many and varied, but they can all be grouped under one large heading: the economic implications of political change and the political implications of economic change. Within that range, issues such as the role of the government in society, in the economy, and in political stability become paramount. The same is true for political participation and the *de facto* attempt to foster in an underdeveloped country bottom-line entrepreneurs who succeed or fail in a process of "creative destruction" that brings about overall wealth in a society. Scholarly research could do much to not only explain Mexico's past but illuminate its future.

NOTE

1. See Laurence Whitehead, "On 'Governability' in Mexico," *Bulletin of Latin American Research* 1, no. 1 (Oct. 1981):27-47; it was published in Spanish as "Por qué México es ingobernable," *Revista Mexicana de Sociología* 62, no. 1 (Jan.-Mar):203-34.