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## Mexico After The Elections: The Crisis of Legitimacy & The Exhaustion of Predatory Neoliberalism

by Alejandro Álvarez Béjar

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Alejandro Álvarez Béjar is a socioeconomist and permanent lecturer at the Faculty of Economics, National Autonomous University of Mexico (UNAM). He is a member of the '68 Pro Democratic Freedoms Committee (Comité '68 Pro Libertades Democráticas).

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The Mexican general elections of July 2006 produced an official result that some felt was “very typical of advanced democracies.” But this result defied Mexican political experience, resulting in a major legitimacy crisis. With over forty million voters turning out this time, the proclaimed winner of the presidency was Felipe Calderón, the right-wing National Action Party (PAN) candidate, who in the official count beat the center-left candidate of the Democratic Revolution Party (PRD), Andrés Manuel López Obrador, by 0.58 percent. Calderón took 35.89 percent of the vote while Obrador took 35.31 percent.

This outcome was as astounding as it was unbelievable. Just three months earlier, the polls gave López Obrador a big lead, at the same time that Calderón was being accused of making murky concessions to the Hildebrando Corporation (in which his brother-in-law and his own wife were senior partners) during his term as energy minister. Hildebrando Corporation also had a Federal Electoral Institute (IFE) contract to design the electronic computing system for counting votes in the 2006 election, and was charged with crossing its information with the Secretariat of Social Development (SEDESOL), which manages all antipoverty governmental programs. This is not proof of a stolen election, but it comes very near that when government officers and private companies to which they have close connections have access to privileged information at the time of elections.

López Obrador immediately rejected the official result as a fraud requiring a recount “vote by vote and booth by booth” until all doubts had been settled or the electoral process had

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been declared null and void. Remarkably, over a million and a half people turned out in answer to his call to march through downtown Mexico City in the first demonstration of post-electoral protest.

All the seats in Mexico's National Congress, comprising the Chamber of Deputies and the Chamber of Senators, were also up for grabs in these elections. But here the official gap between the parties was not only just as close, but mysteriously there were more votes for legislators than president. The end result is that, between the PAN and the Institutional Revolutionary Party (PRI)—in power for seventy-one years, but now the third force in the two chambers—there is today a comfortable center-right working majority. These results have gone uncontested, and legislators rubberstamped their seats as fast as possible in an attempt to lend legitimacy to their positions.

This PAN-PRI working majority will be of strategic importance in the attempt to implement the second generation of neoliberal structural reforms demanded by the United States and international financial organizations: the privatization of social security (especially pensions), tax reform, the opening up of the energy sector to private capital, the deregulation of the labor market, and growing commoditization of education and health—reforms designed to crank up the dismantling of the welfare state.

In the PAN's hands, the Mexican presidency will also be able to pursue the security agenda instigated by the Bush administration for the whole of North America immediately after September 11, 2001, but publicly launched in Waco, Texas, in June 2005 with the name Security & Prosperity Partnership of North America (SPPNA). This mechanism is beyond legislative scrutiny and was designed to step up NAFTA-related activities via agreements between the presidents of the United States, Canada, and Mexico—all defined today as political conservatives.<sup>1</sup>

### **The Dual Political Crisis: Legitimacy & Credibility**

The entire electoral process led to a grave political crisis. This has two sides to it: a crisis of legitimacy for the new president and a severe crisis of credibility for the country's electoral institutions. In a broader historical view, this political problem is the expression of an unresolved transition involving the dismantling of the previous welfare state and the subsequent crisis of the neoliberal predatory state.

But the scope of the political crisis must not be exaggerated, or the consequences of the right-wing triumph underestimated. Today the right has the financial backing of the major domestic and foreign monopolist groups. It also controls the presidency, most of Congress, the judiciary, the television stations, the top brass and sectors of the army, as well as the hierarchy and sectors of the Roman Catholic Church. As a result, we are also liable to experience fresh and more acute political and social tensions in Mexico, not just in the context of elections.

The seriousness of the political crisis in the 2006 elections was due not just to the narrow margin of difference between the right and center-left candidates, but to the abundant evidence at every stage of the process that a manipulative state operation had been mounted—a complex anti-democratic strategy encompassing a combination of economic and political factors. These included diverting public resources to buy votes, staging media attacks, ballot tampering in many poorly supervised localities, and even the electronic manipulation of the election results. There were also ludicrous prohibitions, such as banning campaigning during the Christmas vacation or in cities in the United States, regardless of the fact that many expatriate Mexicans were still entitled to vote.

Chiefly and most blatantly, the maneuvering led by the outgoing entrepreneur president, Vicente Fox Quesada, was a disgrace. Fox diverted public resources to the PAN to be used in passing on confidential information belonging to the IFE to both the Hildebrando Corporation (awarded a contract by none other than the IFE itself to design the operational calculation and the electronic vote counting system to be used in 2006) and SEDESOL, which handles all special programs in the war against poverty.<sup>2</sup> For this and many other reasons, Fox has more than earned the nickname “traitor to democracy.”

The coordination of official public statements on television by IFE president, Luis Carlos Ugalde, and President Vicente Fox was decisive in this complex fraud operation. They almost simultaneously announced Felipe Calderón on national television as the “winner of the presidency” by just over 250,000 votes—a duty not theirs by law.

This maneuvering had the immediate connivance of PRI presidential candidate Roberto Madrazo. By publicly admitting the failure of his candidacy, he added his voice to

those recognizing Calderón as the winner. This is further evidence that there was a coordinated effort between the PAN and the PRI to impose the new president de facto. In fact, political operators from the PRI were present throughout the process. This was especially true of the leader of the National Union of Education Workers (SNTE), Elba Esther Gordillo, who went to San Diego long before the elections to set up a sophisticated strategy using union members to control polling booth administrators. And there were also PAN operators, in particular the veteran anticommunist, Manuel Espino, who admitted to calling on PRI governors to “coordinate” actions.

The two parties were vetted by U.S. and Spanish experts. The U.S. International Republican Institute is on record as providing consultancy to young PAN members using funds from the National Endowment for Democracy. And experts from Spain’s People’s Party (PP) set up mass media strategies to put fear into the middle classes, with former Spanish president, José María Aznar, even traveling to Mexico and publicly discrediting López Obrador. But it was the disciplined, centralized force of the army under the command of Vicente Fox that was the decisive lever in putting Calderón into the president’s office and paving the way for a dangerous militarization of life in Mexico.

Broad sectors of the population—including PAN and PRI voters—were left with grave doubts about the cleanliness of Felipe Calderón’s “victory,” as he neither accepted a recount nor offered any serious arguments for refusing. Nor did he join the spontaneous celebration of victory by his voters. He remained silent, waiting for the electoral institutions to confirm his “victory” while he began to function as the true and definite winner. It was clear that the legitimacy crisis was affecting not only him but the whole electoral system, so why not accept a recount?

Despite hundreds of thousands of people taking to the streets to protest against the fraud, we must face up to the fact that they did so under relatively weak political conditions—having been outmaneuvered in what was undoubtedly a corrupt political process against which there were insufficient preparations. The excessive optimism and lack of foresight shown by the teams of López Obrador and the PRD over legally documenting the electoral irregularities left the door wide open for power finally to be passed from Vicente Fox to Felipe Calderón under the mask of “constitutionality”—with the PAN-PRI majority, backed up by the armed forces (albeit

through the backdoor of the Congress building).

In contrast, a National Democratic Convention in Mexico City's Zócalo and adjacent streets, attended by over a million people, had declared Andrés Manuel López Obrador the "legitimate president" just days before. He announced the appointment of a cabinet shortly afterwards.

Due to the monopolistic media's campaign of fear and lies, a climate of alarm and confrontation, and widespread exasperation, social polarization and civic tension reigned in Mexico before, during, and after the elections, and was expressed on the streets in various different ways. This culminated in collective frustration, as there was no confidence in the result, and no clarity or flexibility from electoral organizations. So the crisis of legitimacy and the lack of credibility in electoral institutions were left politically unresolved.

Scrutiny of the Calderón administration's first hundred days reveals the spectacular deployment of the army in maneuvers against drug dealers in several Mexican states. The goal was clearly "legitimacy through the use of force" in response to a socially distressing issue—a continuation of the use of fear as a means of winning minds and votes. It also cast the military in a new role as arbiter and executor of a strategy of territorial control, of live war games to train the armed forces in rapid intervention operations up and down the country. This was accompanied by the military threat of employing force to take back control not only of territories held by autonomous rebel indigenous communities like the Zapatistas in Chiapas, but of all Mexico's indigenous territories, now in turmoil as elsewhere in Latin America.

The repeated presence of the army high command at any public event of any importance attended by Calderón is meant to legitimize its participation in areas where it had no business before. The militarization of Mexican life is a process that heralds, on the one hand, the determination to impose neoliberal policy by force if necessary. On the other, it seeks to criminalize social resistance in order to justify the use of extreme violence. As the power of the PAN-PRI state gathers momentum, the idea of forcibly suppressing dissident social forces is gaining ground.

Even more pronounced is the overwhelming deployment of a "working majority" by the combined forces of the PAN and the PRI. This majority is forcing through complicated legal

reforms (only decided upon by small like-minded corporate groups), right at the start of a holiday period in order to break up the continued street protests. This is the case with the reform of the Law of the Institute of Social Security & Social Services for State Workers (ISSSTE) to privatize public sector workers' pensions.

For this very reason, on the strictly political level, there may soon be a groundswell of popular opinion demanding exercise of the right to revoke Calderón's mandate. This would not only lend continuity to the defense of the civic will frustrated by this act of fraud, but it would establish a way of neutralizing the spurious majority now formed in Congress by the PAN and the PRI.

#### **Four Dangerous Trends: The Discrediting of the Mexican Electoral System, the Religious State, the Criminalization of Social Movements, and Authoritarianism**

Many analysts feel that the crisis of credibility of electoral institutions has triggered a crisis of governability and will aggravate it in the medium term. Neoliberals behave as if they were a single force with an absolute majority in Mexico, apparently convinced that nothing is less pressing than the need for the radical reform of electoral institutions.

But the truth of the matter is that serious doubts have been raised over the quality of the voter database, the authenticity of results, fairness of access to financial resources and to radio and television campaigning space, transparency in the administration, recount and classification of ballots, not to mention accountability and the shirking of responsibilities in the event of allegations over irregularities by electoral officers.

There is a crisis in the party system too, but this is hidden by the fact that all parties receive excessive amounts of public funding. Besides not being reliable, elections are astronomically expensive. Parties operate as franchises bought by corrupt economic and bureaucratic elites controlling electoral clienteles using corporate methods, and are increasingly removed from serving the civic interest.<sup>3</sup>

Other post-electoral outcomes include the polarization of the national debate on public health issues such as the decriminalization of abortion in the Federal District. This is exploited by the right not only as a defining moral issue, but as an opportunity to inflame an ideological debate in which

the hierarchy of the Roman Catholic Church—an ally of Calderón’s—adopts a high national profile in an attempt to reverse the long history of separation between state and church, precisely in order to influence the definition of public policy in education, culture, and health. However, such intervention is not looked on kindly even by believers. According to a recent survey, 80 percent of Catholics reject the idea of the church influencing public policy.

We are clearly faced with an agenda of the right designed to promote transnational action and mobilize its masses throughout Latin America. Even Pope Benedict XVI uncharacteristically made public his opposition to a specific Mexican law that seeks to decriminalize abortion in Mexico City.<sup>4</sup>

Extreme social tension surrounds issues like the privatization of pensions. A new social security law for state workers that affects the pensions of millions of workers in the education and health sectors—pillars of the welfare state—was approved by the PAN and the PRI with lightning speed on March 22, 2007. Of course, the “working majority” also had the blessing of PRI-controlled union bureaucracies, who will be temporary beneficiaries of the management of the pension funds before handing them over to the financial power of the Retirement Funds Administrators (AFORES).

Meanwhile, the rank-and-file workers that have protested this action now number tens of thousands and many more are getting ready to take to the streets to fight this devious and dangerous legislation. As with pensions, the most combative unionists and López Obrador’s most faithful followers mobilized “preemptively” in a complex war of movement to prevent the privatizing agenda of Mexico’s energy companies from entering Congress out of the blue. Recently, tens of thousands of workers from the energy and other sectors took to the streets to restate their rejection of privatizations.

There has also been widespread disquiet over the price hikes in basic goods, especially after Calderón allowed a rise, in January 2007, of over 66 percent in the price of corn tortillas, the staple source of nutrition and calories for the poorest section of the Mexican population. This issue is by no means resolved, for the “pact” promoted by the government to cap the price of tortillas only lasts until August 2007 and benefits the major business chains.

Concern over unemployment is widespread throughout

Mexico. In February 2007, the National Institute for Statistics, Geography & Data Processing (INEGI) reported that, at the close of 2006, Mexico had almost 43 million formal and informal workers. Out of this total 1.6 million were officially unemployed (one of the lowest figures in Latin America, explained by the “peculiar” means of measuring it), 3 million were underemployed, 12 million were informal workers, and another 5 million were officially no longer seeking work, feeling that they have no chance of finding any.<sup>5</sup> Half of the work force is unemployed, underemployed, or in informal activities.

Such a wretched performance in employment is not only due to neoliberal policies and the impact of NAFTA, but also reflects three trends, each more worrying than the other. These are migration, social breakdown as expressed in public insecurity (assaults, robberies, kidnappings, etc.), and the persistence of social street protests.

Mexican migration breaks all world records: nobody has exported more manpower than Mexico has in sending workers to the United States. In the Fox administration alone (2000–06), an average of 450,000 people a year are thought to have crossed the border. This means that almost 2.5 million workers left their families and country in search of higher incomes or simply in search of a job.

Remittances sent by migrants to their relatives back home are growing by the year as a result of this, putting Mexico at the top of the world table for remittances, \$16.6 billion in 2005.6 (It is estimated the figure will have risen to just over \$26 billion by 2007).

Despite this landscape of social devastation, and surprisingly amid the mass fear and anger exacerbated by neoliberalism, a peaceful civil resistance movement came through right across Mexico during the electoral process and the subsequent political crisis. It has on occasion spilled over into—peaceful—civil disobedience in several areas and in specific contexts. On two occasions this has been met by the state with extreme police and paramilitary violence on the pretext of “criminal behavior.”

The first of these occasions were the events in San Salvador Atenco, just as the Other Campaign organized by the Zapatista Army of National Liberation (EZLN) was arriving in convoy in Mexico City from Chiapas on May 3 and 4, 2006. Briefly, the townspeople fell victim to government action against local flower dealers, which was calculated to

provoke a popular protest that would warrant an “instructive” backlash. The private television companies took it upon themselves to broadcast this repression nationwide as a symbol of the treatment to be dished out to “radical” forces from then on. In this case, it was the Peoples’ Front in Defense of the Land (FDPT).

The FDPT formed part of the peaceful dynamic of the Other Campaign. The FDPT was successfully constructed and mobilized thanks to firm popular resistance against the Fox administration when it launched a plan to build a new airport for Mexico City on San Salvador Atenco lands.

This time, as an act of revenge for this political defeat, the same administration visited repression upon the FDPT in San Salvador Atenco in May 2006: two people were killed, 207 imprisoned, thousands persecuted, and over two dozen women raped by agents of the Federal Preventive Police. Twenty-nine people are still in prison today. Participants in the movement and all those arrested—even the ones not taking part—were criminalized permanently as “radical,” “violent,” and “intransigent.”

Government repression was also used on a second occasion when neither the federal government nor the Oaxaca state government were able to stop mass demonstrations by the Popular Assembly of the Peoples of Oaxaca (APPO), demanding the resignation of PRI governor, Ulises Ruiz.

Between October and November 2006, in the conflict-ridden climate of post-electoral Mexico, the Federal Preventive Police attacked demonstrators of the APPO. At the heart of this mass-movement struggle was the democratic Section 22 of the Education Workers Union, accused by the governor of “politicizing” union demands by calling for, in addition to wage hikes, improvements in schools and financial support for food and footwear for their pupils (many attend classes barefoot, on an empty stomach).

This opened a sad chapter of serious human rights violations. More than twenty-three people have died since the conflict began. Another 141 have been jailed, sent to a prison in Nayarit State over 1,200 kilometers from Oaxaca City. Dozens of women have suffered sexual violence and there have been hundreds of arrests. These include elderly people, women, and children not taking part in the movement, but taken by police to instill fear into the population as a whole. This is the same pattern of repression and criminalization of

the social activists employed in San Salvador Atenco.

But it is important here to highlight the originality, complexity, and significance of APPO's struggle. APPO is a popular organization that emerged from Mexico's most intensely transnationalized indigenous communities. It is yet another unprecedented step toward the subaltern classes' quest for self-representation and self-government. Not only has it thrown corporatist Mexican culture into crisis, but it also displays social experimentation through creative forms of resistance to predatory neoliberalism, which is being stepped up regionally via the implementation of the Puebla Panama Plan (PPP).

The PPP is a regional development program for the nine states of south-southeastern Mexico and Central America. It seeks to create a panoply of modern expressways and railroads in a multimodal interoceanic transport system, with telecommunications networks, and the modernization and creation of sea- and airports, right in the part of Mexico that contains the bulk of the oil, petrochemical, and hydraulic resources, and biodiversity. This region has the largest indigenous population (six out of almost ten million), the highest numbers of poor people, and the highest levels of marginality. It is necessary for the success of the PPP to dismantle not only the precarious welfare state, but the indigenous community's forms of organization and culture—especially the kind of culture that considers natural resources its own—for all such projects require drastic changes in the uses of land.

This explains why both federal and state governments under the Fox and Calderón administrations used outright brutality against the APPO leaders and militants (as it did against sympathizers and members of the Other Campaign led by the Zapatistas of Chiapas). This has been duly documented by local, national, and international human rights organizations.<sup>9</sup>

Oaxaca's transnationalized indigenous communities are now undergoing a political assault on two fronts: the criminalization of their social movement in Mexico and the criminalization of migrants by the Bush administration in the United States.

Issues of national security are cited in both cases but this is a mere means for seeking to impose disorganization and social and political isolation on the poorest segment of workers.

These workers have become essential, and will go on being so, in a transnational labor market between Mexico and the United States. This is grounded in complementary demographics and the dual economic impact of the destruction of the means of subsistence in Mexican and Central American agriculture, and the creation of jobs in U.S. agribusiness. These jobs are mainly in low productivity services and industrial activities considered dirty, dangerous, or unpleasant by U.S. workers. There is no doubt that Oaxaqueños and the APPO are paving the way for fresh transnational action by Mexican migrant workers in alliance with North and Central American, Asian, and European workers in the United States.

#### The Exhaustion of the Neoliberal Model of Accumulation in Mexico

We must now look, albeit briefly, at the structural economic background to Mexico's political crisis. This will help us to account for the exhaustion of the neoliberal model of accumulation in Mexico. This is expressed in five fundamental outcomes: economic stagnation, squandering of the surplus, inequality in income distribution, financial parasitism, and growing monopolization. These features contrast with national and international projections of it as a successful model for a market economy.

If we look at economic growth during the Fox administration of 2000–06, annual average GDP was up just 2.3 percent, and for three years running, 2001–03, growth was negative or did not keep up with population growth. In one account of the last twenty-five years—the time the neoliberal model has been in place—average annual growth was 1.93 percent, while the population grew by just under 2 percent (1.76 percent). Over these twenty-five years, average annual per capita GDP grew 0.17 percent. This means it would take Mexico over 400 years just to double it. Millions of Mexicans have been forced to migrate due to unemployment and low wages—the clearest living proof of the failure of neoliberalism.

José Valenzuela has estimated that, in Mexico, the increase in the ratio of surplus product to aggregate product (i.e., the economy's potential for expanded reproduction) has been due to the depression in real wages. Only 15–16 percent of the total surplus is used for investment; the rest—unproductive uses—account for the remaining 84–85 percent. If what counts in maximizing economic growth is the relationship between the surplus, investment, and national income, it is

extremely significant that 85 percent of the surplus product is used unproductively; and that only 15–16 percent of the surplus goes toward capital formation. And if we look at investment in production, the indicator is below 10 percent. In short, the neoliberal model has brought high exploitation of urban and rural workers and squandering of the surplus on a vast scale.

Historically, Mexico is a country of vast social inequalities. Not even neoliberals deny that with the policies of the last twenty-five years these inequalities have grown more pronounced. This is demonstrated by several indicators. According to information from the Mexican Stock Exchange, at the close of 2006, just 173,000 investors (0.16 percent of Mexico's total population) had accumulated capital on the stock market equivalent to 37.7 percent of GDP. According to the World Bank, 50 percent of Mexico's 105 million inhabitants live in poverty on wages of below \$4 a day. Of these, 15 percent live in extreme poverty on incomes of less \$1 a day.

Again José Valenzuela, using ECLAC data for 2004, stresses the fact that, in terms of income distribution for urban Mexican households in 2002, the poorest 10 percent of homes accounted for 3.1 percent of national family income, while the richest 10 percent had 31.2 percent. The inequality is glaring.

Using the most disaggregated statistics available in the country and reviewing over thirty variables of socioeconomic well-being, Gabriel Mendoza Pichardo has identified three significant regional effects in levels of income and well-being in Mexico: (1) polarization between the North (relatively better off) and the South (poorer, backward, and with lower levels of well-being); (2) the fact that the sub-region that is worst off is South–Southeast Mexico (the precise area covered by the PPP); and (3) the reality that, under neoliberalism, the historical trend in the thirty-one Mexican states toward regional convergence of GDP and per capita GDP over 1950–80 has halted.<sup>7</sup>

As we know, neoliberalism at the global level arrived hand in hand with the hegemonic prevalence of the interests of financial capital, which displaced the industrial bourgeoisie within the dominant bloc. Interest, rentier income, and speculative gain not only cut into the importance of industrial profits, but conditioned the workings of the system as a whole, insofar as the “financialization” of the global

economy became a predominant feature.<sup>8</sup>

With the advent of neoliberalism, Mexico has undergone a paradoxical structural shift from an import-substitute industrialization model to an export-oriented industrialization model. This has had several negative or dangerous outcomes. Imports are outgrowing exports. Mexico has a high concentration of foreign trade with the United States (slightly over 90 percent) in a low number of product groups (just ten). Numerous industrial links have been broken leading to the disappearance of thousands of businesses and even entire branches. The industrial sector's relative importance in the economy is on the wane, as is the importance of the strategic metalworking branch within the industrial sector. And the composition of the total product has been distorted, as the financial sector has grown in importance in terms of GDP. The Mexican economy also suffers from the grave general problem of financial parasitism, apparent in public finances on the spending side, but also in the levels and costs of borrowing of large government enterprises and for the lowly consumer. This is due to the low percentage of loans to the productive sector and the high cost of bank service commissions.

Although Mexico saw the elections out without a financial crisis like 1982, 1987, and 1994, because its debt payments were relatively affordable,<sup>9</sup> we should not forget that the external national debt stands at \$40.3 billion and that, over the last twenty years, we have paid out hundreds of billions of dollars in servicing this debt. Since the early 1990s, we have seen how external debt falls as "internal debt" rises; the federal government's internal national debt currently stands at \$110 billion.

Financial parasitism is a serious problem. The public finances bear two extremely heavy financial burdens: (1) the bailing out of the banks and expressways given as concessions to private businessmen around the time of the Mexican peso crisis of 1994; (2) the added burden of stock exchange certificates of public corporations, states, and municipalities throughout the country, representing 38 percent of total spending. At the same time, the cost of financing private investors building infrastructure for Mexico's energy companies was almost \$19 billion in 2006.

Finally, neoliberalism in Mexico has been the business ideology responsible for the highest number of enterprise deaths due to growing monopolization in all areas of the

economy. A small core of no more than twenty powerful Mexican financial groups plus another twenty foreign groups have secured a nationwide presence throughout the country. Mexico as a result not only has several of the richest men in the world, but the financial groups' power extends both to productive activities (industry and agriculture) and to trade, services, and finances. They play a decisive role in activities like telecommunications and electronics, and the production of automobiles, cement, glass, beer, and textiles.

Oil exports, the activities of the maquiladora industries, and remittances from migrant workers are still the main sources of Mexico's foreign earnings. This suggests at least two significant uncertainties about their continued existence. First, oil reserves are rapidly running out and, aside from being a significant part of Mexico's foreign earnings, oil exports generate over a third of the state's tax revenue. Second, future remittances from migrants will depend to a great extent on the kind of migration policy implemented by the United States.

In short, the neoliberal model of accumulation in Mexico is showing signs of flagging and the predatory neoliberal state is in political crisis. Yet this does not mean the death of neoliberal policies. Rather, due to the loss of legitimacy, it means there will be a tendency to resort to those populist-type policies specifically benefiting the clientele of the right. This will be combined with a far-reaching campaign of repression targeting the left to prevent discontent in Mexico from becoming generalized when the project to plunder labor and natural resources is stepped up.

Still, as the exploitative nature and repressive agenda of neoliberal reforms is growing clearer by the day, protests will tend to spread at almost the same rate as the social breakdown caused by the model.

To these problems of the Mexican economy, we will have to add the implications of external and fiscal imbalances within the U.S. economy, which herald a slowing of growth, a possible surge in inflation, and an austerity policy in terms of social spending. All of this goes hand in hand with stepped-up military spending on the war in Iraq. The stability of the U.S. political economy is therefore in doubt with potential dire consequences for Mexico.

In spite of everything, there is no room for pessimism. Behind the contingent defeats of the electoral and social struggle, there are strong indications that a new democratic

culture is being forged across Mexico—new bottom-up alternatives of popular organization and international solidarity. There are clear signs that the resistance is alive and well throughout Mexico and that, slowly but surely, it is ripening.

### Notes

1. I analyze this process in greater detail in Alejandro Alvarez Béjar, “Economía Política de la Integración Profunda de México con América del Norte,” in Alejandro Alvarez Béjar & Gabriel Mendoza Pichardo (eds.), *Integración Económica: impactos regionales, sectoriales y locales en el México del siglo XXI* (Mexico: Editorial ITACA-UNAM-UNISON-UV, 2007), 36–42.
2. See the shocking account of the PAN’s abuse of public funds for rural housing, rural production projects, support for the elderly, and temporary employment documented by the journalist, José Reveles, in *Las manos sucias del PAN* (Mexico: Editorial Planeta, 2006).
3. We must not forget there have been several collapses of the party system in Latin America. For the case of Venezuela, see Jana Morgan, “Partisanship during the Collapse of Venezuela’s Party System,” *Latin American Research Review* 42, no. 1, (2007): 78–98.
4. See Juan Balboa, “Rechaza el papa Benedicto XVI despenalización del aborto en el DF,” *La Jornada*, April 21, 2007.
5. See INEGI, *Población Económicamente Activa*, at <http://www.inegi.gob.mx/>.
6. See Raúl Delgado Wise, “Migration & Imperialism: The Mexican Workforce in the Context of NAFTA,” *Latin American Perspectives* 33, no. 2 (March 2006): 35–39.
7. See Gabriel Mendoza Pichardo, “Evolución Económica y social de las Regiones de México 1990–2005,” in Béjar & Mendoza Pichardo, *Integración Económica*, especially tables 1, 2, and 3.
8. I examine this hegemonic rise for Mexico in *La Crisis Global del Capitalismo en México 1968–1995* (Mexico: Editorial ERA, 1987), chap. 3. There is an important account of the complexity, trends, and problems associated with the financialization of capitalism in John Bellamy Foster, “The Financialization of Capitalism,” *Monthly Review* 58, no. 11 (April 2007): 1–12.
9. This partly explains the prevailing sense of “financial calm” in the 2006 elections. I have developed this argument in “Mexico 2006 Elections: The Rise of Populism & the End of Neoliberalism?,” *Latin American Perspectives*, no. 147 (March 2006): 17–19

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