

Mexico, the PRI, and López Obrador: The Legacy of Corporatism

by George W. Grayson

George Grayson (gwgray@wm.edu) is the Class of 1938 Professor at the College of William & Mary and an associate scholar at FPRI. His latest book is *Mexican Messiah: A Biography of Andrés Manuel López Obrador* (University Park, Pa.: Penn State University Press, 2007).

Abstract: Although differences between the Mexican and U.S. political systems have narrowed of late, a huge gulf continues to separate the two systems. At the heart of this disparity lies the phenomenon of corporatism, a social concept that is virtually absent in U.S. political discourse and traditions. This article considers the intellectual origins of corporatism, why it meshes so well with Ibero-Hispanic society, and how Mexico City's former mayor, Andrés Manuel López Obrador, fashioned his own brand of corporatism to confront the administration of Felipe Calderón Hinojosa, who defeated him in the July 2006 presidential race.

The difference between written statutes and the actual distribution of power in Mexico brings to mind an anecdote told by Frank Tannenbaum, the renowned Latin Americanist, who once described the experience of a young American scholar who traveled to Venezuela to study that nation's constitutional history. When people in Caracas learned of his plans, they observed: "Why, he must be a poet."¹

Like their Mexican counterparts, most Venezuelans could imagine that their fundamental laws might arouse literary or theoretical interest. The nineteenth-century novelist Stendhal, after all, pored over the limpid, inspired prose of the Napoleonic Code to hone his writing style. But few Venezuelans or Mexicans would have believed that these compacts reflected the true allocation of power, much less an effective and respected basis for state authority. As everyone knew, the holders of real power paid little heed to written codes. Military strongmen ran the show in Venezuela and most of Latin America at that time, with frank contempt for legal and political principles.

¹ Frank Tannenbaum, *Ten Keys to Latin America* (New York: Alfred A. Knopf, 1965), p. 148; this section draws on George W. Grayson, *Mexico: From Corporatism to Pluralism* (Fort Worth, Tex.: Harcourt Brace, 1998).

In Mexico, the military, although an important contributor to stability, has played a far less significant role in national politics than elsewhere in Latin America during the last seventy-five years. Yet here, too, the organization of real power bears little resemblance to the formalities of the 1917 Mexican Constitution. This document envisions a political system that—superficially, at least—mirrors that of the United States: separation of powers, checks and balances, dispersal of authority among executive, legislative, and judicial branches, and a presidential veto. Just as with the White House’s occupant, Mexico’s chief executive commands the armed forces, can mobilize state militias, and takes the lead in treaty-making and other foreign policy initiatives. Moreover, the country’s official name, “The United States of Mexico,” implies a federal system of government. Mexico’s thirty-one states also approximate their neighbors north of the Rio Grande in terms of formal organization, institutions, and rights vis-à-vis the national government. In addition, like the District of Columbia, Mexico’s capital—the Federal District (D.F.)—also exists as a quasi-independent enclave and seat of national power.

Of course, its drafters inserted provisions in Mexico’s charter alien to the philosophy of America’s Founding Fathers: an emphatic anticlericalism, strong guarantees for collectivized communal holdings known as *ejidos*, reaffirmation of the old Iberian doctrine of state control over oil and other subsoil minerals, and utopian regulatory principles affecting workplace conditions and compensation of Mexican labor. Furthermore, its framers vested their president with a greater role in proposing laws and budgets than his U.S. counterpart, and they eliminated the office of vice president lest a *número dos* conspire against a *número uno*.

Relying on nominal written and rhetorical descriptions of Mexico’s politics today will blind observers to the underlying distribution of power. While differences between the Mexican and U.S. political systems have narrowed of late, especially through the adoption of the North American Free Trade Agreement (NAFTA) and other external influences, a huge gulf continues to separate the two systems.

At the heart of this disparity lies the phenomenon of corporatism, a social concept with ancient origins that is virtually absent in U.S. political discourse and traditions. Mexican politics is best understood by viewing its evolution as a progressive adaptation of Iberian corporatism in response to both local and global political and economic developments.

Corporatism’s Intellectual Origins

Corporatism can be defined as a sociopolitical system organized on the basis of functional groups rather than individualism, or one man, one vote; it tends to be top-down, mercantilist, statist, and authoritarian: a mechanism for

controlling change and keeping interest groups in line. It is usually anti-liberal, anti-pluralist, and against free enterprise.²

Thus described, corporatism emerges from several intellectual streams. The systematic works of St. Thomas Aquinas (1225–74) comprise the crowning achievement of the medieval synthesis,³ in which, as Samuel Beers writes, “the hierarchic idea portrays a world of particulars . . . ordered on a principle” of more or less whole fundamental natures.⁴ At the apex of this “great chain of being” stands the Trinity, followed by seraphim, cherubim, archangels, and angels; with bishops, priests, and Christian laymen afterward; all of whom rank above innumerable masses of infidels and pagans. This ordering encompassed all types of animate and inanimate matter and spirit, proceeding along St Augustine’s maxim *non essent omnia, si essent aequalia*—“if all things were equal, they would not exist.”⁵

Throughout the history of early modern Europe, the distinction between noble and non-noble remained crucial, “since communities became structured in terms of orders with distinct legal rights and duties in a fixed, unchanging hierarchy that manifest God’s will.”⁶ Most medieval thinkers considered this organization a reflection of what Richard Morse has called the “Thomistic-Aristotelian notion of functional social hierarchy,”⁷ which explains both society and polity in a richly patterned tapestry of classes and castes. The various groups, as dictated by their members’ stations in life, expressed interests through separate juridical tribunals appropriate to the estates, religious and military cadres, or functional corporations to which they belonged. These bodies—each highly autonomous in the regulation of its internal affairs—derived their legitimacy from an overarching system of hierarchy which found its vertex in a single force, the sovereign monarch.⁸ Ambition and attainment were limited by one’s social group: “Men were expected to accept their station in life; there could thus be little questioning of the system and little mobility. Little change could or did take place.”⁹

² For the definition of an “eal-type” of corporatism, see Philippe Schmitter, “Still the Century of Corporatism?” in Frederick B. Pike and Thomas Stritch, eds., *The New Corporatism: Socio-Political Structures in the Iberian World* (South Bend, Ind.: University of Notre Dame Press, 1974), pp. 93–94.

³ J. M. Roberts, *History of the World* (New York: Oxford University Press, 1993), p. 428; see also St. Thomas Aquinas, *On Kingship: To the King of Cyprus* (Toronto: Pontifical Institute of Mediaeval Studies, 1949).

⁴ Samuel Beers, *To Make a Nation: The Rediscovery of American Federalism* (Cambridge: Harvard University Press, 1993), p. 34.

⁵ Arthur Lovejoy, *The Great Chain of Being* (Harvard University Press, 1964), p. 67.

⁶ Roberts, *History of the World*, pp. 447–48.

⁷ Richard M. Morse, “Recent Research on Latin American Urbanization: A Selective Survey with Commentary,” *Latin American Research Review*, Fall 1965, p. 41.

⁸ Howard J. Wiarda, “Toward a Framework for the Study of Political Change in the Iberic-Latin Tradition: The Corporative Model,” *World Politics*, January 1973, pp. 210–11.

⁹ Wiarda, “Toward a Framework,” pp. 217–18.

Twelfth-century Europe witnessed the rise of the first actual “corporations” in history. Scarcely comparable to modern firms, these medieval institutions included craftsmen’s guilds, the military, universities, religious orders, and city-states themselves. In keeping with the Thomistic model, such functional and vocational entities allowed individuals to earn a living, endowed them with an identity, regulated their lives, invested them with special rights and duties, and enabled them to participate in making decisions crucial to their group’s welfare. The corporatist system yielded an entire spectrum of social goods to each individual according to his position in the social structure implied by “natural law.”¹⁰

In addition, the system allowed citizens to take part in politics not as atomized individuals, but instead by pooling their political influence into the corporate groups to which they belonged. Exponents of Thomism believed that collective representation better served the common good than parliaments or other bodies constituted on a territorial basis. As it sprang to life, the corporatist state—without absorbing any groups—fostered a dynamic tension between functional entities and the state, as well as among the groups themselves. One writer observes that the European experience from 1300 to 1600 essentially illuminates how emerging nation-states sought “to expand their authority at the expense of these largely autonomous corporations, and of the latter seeking to hang onto power in the face of an encroaching central government.”¹¹

Compatibility between Corporatism and Ibero-Hispanic Society

Major movements that swept Western Europe—the Protestant Reformation, the Counter-Reformation, the Renaissance, the Enlightenment, and the Industrial Revolution—shook the very ground on which corporatism stood in England and throughout the heart of the continent. Between 1450 and 1850, intellectual, artistic, and political attention in most European societies shifted emphatically from the collective to the individual.

Yet, as scholar Howard Wiarda has noted in a seminal work on the role of corporatism in Latin American development, both Spain and Portugal remained cut off and isolated from their modernizing currents, adhering to fragments and remnants of a peculiarly Ibero-European tradition that was fundamentally two-class, authoritarian, traditional, elitist, patrimonial, Catholic, stratified, hierarchical, and corporatist.¹²

¹⁰ Antony Black, “St. Thomas Aquinas: The State and Morality,” in Brian Redhead, ed., *Political Thought from Plato to Nato* (London: Ariel Books, 1988), pp. 66–67.

¹¹ Wiarda, “Dismantling Corporatism: The Problem of Latin America,” *World Affairs*, Spring 1994.

¹² Wiarda, “Toward a Framework,” p. 209.

Corporatist institutions survived in Iberia more fully than anywhere else in Europe, despite, and often in aggressive reaction to, the wholesale intellectual, political, and social transformations elsewhere. During this period, the major city-states of Spain and Portugal transplanted their now-distinctive social order to Latin America. The conquistadors, adventurers, and prelates whom they dispatched built a legacy far more profound and enduring than any merely political connection.

These social structures, Wiarda argues, thrived and endured in the Spanish and Portuguese colonies through adaptation, accommodation, and cooperation—all in classic corporatist-patrimonial strategic style. Considering the resilience of corporate orders on the Iberian Peninsula, these nations profoundly influenced their overseas colonies for several centuries; it is no wonder that the corporate model still provides a vital prism through which to analyze the contemporary politics of nations like Mexico.¹³

Contrasts among Corporatism, Pluralism, and Marxism

The contours of political development in modern Mexico often appear clearer and more pronounced when viewed as the interaction among three key ideological traditions: corporatism, pluralism, and Marxism. For its advocates, corporatism offers a humanistic alternative to both the interest-group liberalism identified with the United States and other Western democracies and communism as practiced in China, Cuba, North Korea, or the former Soviet Union.

As expressed in the *Federalist Papers*, for example, James Madison and other pioneers of interest-group liberalism viewed collective power as dangerous. Madison argued that the greatest protection for an individual's political and economic rights lay in multiplying the sources and number of "factions" in a pluralistic state. Since each citizen group must yield some portion of its claims, a balance is struck and the dangers of group domination through the state are minimized. What Thomas Hobbes termed the "war of all against all" is avoided not by establishing a Leviathan, but by dividing and sharing public authority.

Still, even in successful liberal-pluralist societies, citizens often decry their inability to affect policy because of the remoteness of state structures from their everyday lives. Furthermore, even when citizens do get their attention, policymakers must contend with a chorus of mighty power-contenders, proficient at drowning out the *vox populi*. Finally, it is argued that corporatist regimes possess greater legitimacy, stability, and solidarity than pluralist societies inasmuch as the practice of corporatism requires leaders to maintain the appearance of a connection between government and governed, while pluralism simply assumes that that link exists through political parties, labor

¹³ Ibid., p. 218.

unions, professional associations, peasant leagues, and other intermediate groups.

Ironically, in the United States and other industrialized nations, exploding complexity has resulted in the formation of effective social institutions much like those found in corporatist societies, such as bodies with memberships determined not by individuals, but by power arrangements in the organizations themselves. In theory, such modern interest groups serve as capillaries between that state and the rank-and-file members—with public policy emanating from negotiation, bargaining, and compromise among several groups' leaders, such as consumer alliances and healthcare providers, labor and management, or environmentalists and manufacturers. Still, as Cornell's Theodore Lowi has argued, the expanding scope of government activity and diversification of liberal politics "eroded clear standards for administrative accountability and consequently ha[s] led to a crisis of public authority over the role and purposes of government in society."¹⁴

Whatever the theoretical virtues of interest-group pluralism, corporatists insist that such a system represents a thin veil for rapacious capitalism. They view pluralism's alleged checks and balances as weak—with affluent power elites running roughshod over their weaker competitors. And even within supposedly transparent organizations, a clique of individuals holds sway in what Roberto Michels felicitously christened the "iron law of the oligarchy." Under such conditions, the truly powerless segments of society find themselves frozen out of—or, at best, marginalized from—the bargaining that gives rise to policy.

Corporatists decry communism as equally divisive and inhumane. After all, Marxism-Leninism originates in a dialectical view of history propelled by class struggle toward a classless society. The experience of the USSR proved that what emerged was anything but a "proletarian" dictatorship based on the application of communist theory to nineteenth-century conditions. For millions of people throughout Soviet Eurasia, Stalin's rule spelled bloody repression rather than earthly paradise.

Marxism has never attained a foothold in Mexico for several reasons: the anticommunism of the period after the 1910–16 revolution; the coincidence of vigorous industrialization and the adoption of an emphatic Cold War stance by Presidents Miguel Alemán Valdés (1946–52) and Adolfo Ruiz Cortines (1952–58)—marked by the timely dominance of Fidel Velázquez Sánchez over the labor movement and the profound religiosity of its citizenry. Perhaps because of its dialectical character, its materialist rejection of the forces of nationalism and religion, its political absolutism, and its focus on class struggle, Marxism has failed to furnish a popular alternative to Mexico's entrenched system of corporatist accommodation. Mexico's Left, now

¹⁴Lowi, *The End of Liberalism: the Second Republic of the United States* (2nd ed.; New York: Norton, 1969), p. 127.

dominated by Andrés Manuel López Obrador's Democratic Revolutionary Party (PRD), has also suffered from rampant personalism and sectarianism, which have militated against forging a coherent front against either the Institutional Revolutionary Party (PRI), which governed from 1929 to 2000, or the National Action Party (PAN), which has held power since 2000.

From Conquest toward Independence

When they arrived in 1518, Mexico's Iberian conquerors began to infuse a corporatist outlook into what they called "New Spain," which appeared more like the Spanish regions of Andalucía or Aragón than an overseas dependency.¹⁵ As in Iberia, no institution more effectively translated this viewpoint than the Roman Catholic Church. While the organization and function of the colonial church typified corporatist practices, the crown also introduced specific institutional measures to contain the worst misdeeds of the population. *Audiencias* and *cabildos*—established by Madrid to discharge administrative, legislative, and judicial responsibilities, as well as to serve as a counterpoise to the viceroy—also reinforced corporatist principles.

A system of special executive-judicial *fueros* conferred on churchmen, military officers, and members of other preferred groups gave these elites distinct rights, prerogatives, and exemptions from judgment unavailable to average citizens. An individual enjoying these advantages was elevated above civil authority and—whether a plaintiff or defendant—answered only to the leader of the organization to which he belonged, both in civil and criminal cases.

In addition, corporatist influences also manifested themselves through the division of the New World's residents into four classes: *Peninsulares*, European-born individuals who occupied the highest social stratum; *criollos*, their offspring born in the Americas; *mestizos*, products of mixed-marriages between Spaniards and Indians; and Indians, who eked out a living at the base of a distended social pyramid.

Independence

The withdrawal of Spanish troops in the early nineteenth century enabled Creole aristocrats, caudillos, and the armed forces to flood into the power vacuum left by their withdrawal. New institutional arrangements appeared, but the key elements of the Ibero-Latin tradition remained undisturbed. Freedom from Spanish hegemony plunged the nation into Hobbesian anarchy. Only Mexico's first president, the good-willed, unpretentious devotee of republicanism, Guadalupe Victoria, managed to struggle through a four-year-plus term (1824–29). During the half-century after independence,

¹⁵ Hugh Thomas, *The Mexican Labyrinth* (New York: Twentieth Century Fund, 1990), p. 13.

some 48 regimes rose and fell in kaleidoscopic fashion as thirty different men occupied the National Palace from which viceroys formerly ruled.

Benito Juárez, who promulgated the liberal 1857 Constitution, stressed individual rights and laissez-faire economics over corporatism, separated church and state, terminated the exemptions from civil jurisdictions enjoyed by clerics and the military, and attempted to dismantle most of the corporatist aspects of Mexican life arising from the colonial era.¹⁶ As part of their economic program, the Liberals selectively invited foreigners to build railroads, establish industries, open mines, cultivate farms, and settle vacant lands. To accommodate the newcomers, many of whom were Protestant, the government tolerated other religions. With official encouragement, North American Protestant missionaries followed their fellow countrymen and other immigrants to Mexico. This period witnessed unprecedented religious understanding and appeared to prefigure the demise of corporatism. However, a medley of factors—Juárez's death, the shortcomings of his Liberal successor, and the ascent of General Porfirio Díaz (1876–1911)—returned the nation to a decidedly corporatist society.

Díaz powered Mexico's industrialization during his 35-year dictatorship. This transformation unleashed forces that sparked the ruthless leader's overthrow, detonated a bloody five-year revolution, and gave rise to the 1917 Constitution. As mentioned above, this Liberal charter, which reprised two-thirds of the 1857 fundamental law, was antithetical to corporatist doctrine and tradition. However, post-revolutionary Presidents Álvaro Obregón and Plutarco Elías Calles bent the articles of the new constitution around corporatist principles in order to mollify successive and competing power brokers. The 1917 compact, for example, enshrined the concept of *ejidos* so admired by revolutionary agrarians such as Emiliano Zapata and Francisco Villa; in addition, it endowed the state with control over the nation's mineral and hydrocarbon wealth, enumerated the rights of working people, and established the framework for organizing trade unions. The constitution provided a preliminary blueprint for the rational management of a modern corporatist state. In the years to follow, Mexican leaders would forge the best-articulated single-party corporate matrix in Latin American history.

Creation of a Single Party

The assassination of Obregón in 1928, combined with a church-state conflict known as the Cristero Rebellion, convinced Calles of the imperative to forge a loose cartel of regional and interest group leaders to preserve order. To this end, in 1929 Calles summoned to Querétaro a motley group of generals, local elites, agrarian chiefs, labor bosses, and presidents of small parties, taking

¹⁶ Howard F. Cline, *Mexico: Revolution to Evolution 1940–1960* (Westport, Conn.: Greenwood Press, 1981), p. 136.

care to exclude communists. They founded the predecessor of today's PRI as a flexible confederation of power brokers, with the president serving as *primus inter pares*. In classic corporatist fashion, the major figures at Querétaro “brought with them into the new party their entire network of followers, people whose personal loyalty was assured through one or another element of the sacred triad of personal relationships consisting of family, friendship, and [god-parenthood].”¹⁷

Evelyn Stevens has drawn attention to the lack of ideological fixation in the “revolutionary party,” noting that “party followers could always find a statement by some leader that seemed to reflect their own political biases. . . . [I]deological imprecision was combined with preemption of the revolutionary mystique.” This example of corporatist adaptation in Mexican politics hinged on the initiation of a domestic “party-state” by Calles. Through innovative governance and forceful leadership, Calles had provided a brilliant entrée for his successor, Mexico's first modern president. In 1934 Calles handpicked General Lázaro Cárdenas, the governor of Michoacán, in an effort not just to find another malleable successor, but one who would appeal to progressives vexed at the growing conservatism of the national administration.

Influence of Lázaro Cárdenas

During the presidential race, Cárdenas barnstormed the country to attain national recognition, acquaint himself with the nation's problems, and recruit loyal cadres. Once in office, he invested meaning in the concept of “Revolutionary Nationalism” that impregnated the constitution. He distributed land to peasants, encouraged the unionization of workers, and boldly challenged international corporations. Cárdenas broke completely with Calles and reshaped the confederal “revolutionary party” into an authoritarian corporatist organization. In achieving this restructuring, Cárdenas imported aspects of Benito Mussolini's “Corporatist State” that accentuated political participation through citizens' occupations or businesses—a concept that found wide expression in Latin America.

Cárdenas emphasized group-focused participation for segments of Mexico's society whose support he deemed crucial for the centralized exercise of power. He built into the hegemonic party's machinery access for three major constituencies—the Confederation of Mexican Workers, the National Peasant Confederation, and the short-lived military sector—each of which exerted top-down influence through a mass-membership organization with smaller constituent parts. Although Cárdenas was chiefly interested in workers and peasants, he reluctantly agreed to establish a “popular” sector that his

¹⁷ Evelyn P. Stevens, “Mexico's PRI: The Institutionalization of Corporatism?” in James Malloy, ed., *Authoritarianism and Corporatism in Latin America* (University of Pittsburgh Press, 1977), p. 231.

successor formed as the National Confederation of Popular Organizations, which embraced bureaucrats, teachers, owners of small businesses, and professionals. He even extended the corporatist framework to the business community, which statutes barred from affiliating with the party. Rather than offer them a sector, he mandated that firms, banks, and commercial enterprises join such government-manipulated “peak” bodies as the National Confederation of Chambers of Commerce and the Confederation of Industrial Chambers. The former linked state and local chambers of commerce to the national organization; the latter embraced small-scale manufacturers.

When he left office in 1940, Cárdenas had adroitly pulled together most of the major components of society under the party’s tri-colored tent, while expanding state control over the national economy. He also immunized the autocratic system from serious challenges by providing lucrative opportunities for the relatively small number of union and campesino leaders. Access to money, land, jobs, and business ventures ensured that their loyalties lay not with their constituents, but with the president and the official party to whom they owed their valued posts. The PRI was never a political party in the sense that it vied with other parties. Its identification with the government ensured its victory in every contest. Rather it was a mechanism for rewarding friends and punishing foes—a characteristic that reinforced its intolerance toward competitors. That many revolutionary party leaders accumulated vast fortunes gave rise to the adage: “Show me a politician who is poor, and I will show you a poor politician.”¹⁸

Mexico’s “Economic Miracle”

The corporatist system’s top-down control enabled Mexican presidents to adopt a new economic policy, import-substitution industrialization, which spurred an “economic miracle” for nearly three decades after World War II. The success sprang from the protectionism that fostered the replacement of imports with homegrown products and services, the provision of cheap, abundant energy, the construction of roads, ports, and rail lines, the guarantee of a malleable workforce, and above all, political stability. Later, American manufacturers cooperated with the Mexican government to create twin plants—the *maquiladora* initiative that provided that Mexicans would do the labor-intensive work on electrical appliances and other items, which would then be reexported at a low tariff for final assembly in the United States.

Certain shortcomings disfigured the economic boom. The high price and indifferent quality of Mexican goods made them uncompetitive internationally, forcing the country to rely on oil, minerals, tourism, and *maquiladoras*

¹⁸This aphorism is attributed to the late teacher-turned-politician-turned billionaire, Carlos Hank González (1927–2001), who held public office continuously from 1955 to 1994.

to earn foreign exchange. Much of the new industry was heavily mechanized and did not generate sufficient employment for the nation's rapidly growing population. The ranks of the dispossessed expanded, while the affluent added to their princely assets: 40 percent of the nation's wealth lay in the hands of 5 percent of the population. Most peasants worked on small, inefficient plots, and Mexico became a net food importer in the 1970s.

The PRI increasingly resorted to patronage, fraud, and outright suppression to maintain its hegemony. Furthermore, the absence of a professional civil service outside the Central Bank and Finance Ministry meant that functionaries had no job security when a new president took office. Insiders referred to the last year of the *sexenio* as the “Año del Hidalgo”—after the austere priest whose stern, pinched face once graced the peso coin—when public officials stole egregiously to provide for an uncertain future.

The political structure resembled a triangle with a monarchical chief executive at the apex—flanked on one side by the disciplined revolutionary party; on the other, by a distended, inefficient, and corrupt bureaucracy. In addition to picking his successor, the president's power was buttressed by his access to enormous amounts of money and his ability to name and remove officials like hand maidens. While authoritarian, PRI's Mexico was not a strong state, as evidenced by rampant tax evasion.

Challenges to the Corporatist System

On October 2, 1968, the political operatives of President Díaz Ordaz ordered troops to fire on a large crowd of unarmed citizens, killing hundreds of protesters who had taken to the streets to decry the PRI's anti-democratic rule and dearth of economic opportunities. This “Tlatelolco Massacre” signaled the beginning of the end of the import-substitution venture that had enriched a favored few at the expense of the nation's 48 million people. López Obrador's professors had experienced the 1968 crackdown and emphasized to their students the venality of a regime that could slay its own people. The bloody incident also produced what might be called the “Tlatelolco Taboo”—that is, the reluctance of future presidents to employ force, even against criminals, lest they be charged with repressing advocates of “social justice.”

The discovery of huge oil reservoirs in Tabasco and Chiapas enabled the corporatist regime to achieve another spurt of growth in the late 1970s and early 1980s. Yet various considerations—a sharp downturn in petroleum prices, the regime's inept response to the September 1985 earthquakes that struck the D.F., and soaring prices amid joblessness—spurred opposition to a system that could not create opportunities for the poor and much of the middle class.

The mid-1980s also ushered in the period when President Miguel de la Madrid (1982–88) and his successors supplanted statism and protectionism with market-oriented policies that included selling off public companies, slashing subsidies, curbing bureaucratic growth, and diminishing protectionism. Mexico

also entered NAFTA and commercial accords with 41 other countries in Europe, Asia, and Latin America. Neoliberalism dealt a severe blow to the PRI's constituencies:

Rupture of the ruling party. As early as 1987, the PRI's "Democratic Current" had bolted the party. Led by Cuauhtémoc Cárdenas, son of the former chief executive, these renegades inveighed against the surging power of foreign-educated technocrats and their free-market tenets. Cárdenas and his allies hung on to protectionism and the welfare state, which had once yielded rich political dividends for the PRI. Following Cárdenas's loss to Carlos Salinas de Gortari in the fraud-marred 1988 presidential contest, the Democratic Current became the backbone of the PRD, a young leader of which was the crusading López Obrador who had run for the governorship of Tabasco the same year that Cárdenas suffered defeat.

Diminished rewards to the faithful. Although corruption remained widespread, the economic opening sharply curbed the discretion of PRI bureaucrats to set tariff rates, fix quotas, and issue import permits. Such prerogatives, which enhanced party loyalty, had converted more than one mid-level official into a millionaire.

Decentralized economic activities. This diminished the control exercised by authorities in Mexico City.

Generated cries for greater choices in politics to match those in the marketplace. Mounting competition at the ballot box struck a body blow to corporatism. The PRI's labor and peasant sectors simply could not find many articulate, attractive, and media-savvy candidates capable of winning fair elections.

Gave rise to opposition-party successes. This was particularly seen at the state and municipal levels and eliminated hundreds of thousands of jobs once available only to *priístas*.

Encouraged businesses to become more efficient to compete in the global economy. This imperative, which doomed many small producers of toys, furniture, textiles, and shoes to bankruptcy, militated against government-sanctioned salary hikes, bloated payrolls, and sweetheart collective contracts for PRI labor unions.

Stimulated scrutiny of politicians. The media and NGOs thrived on highlighting corruption and electoral shenanigans.

Elections of 1994, 2000, and 2006

The appearance of the National Zapatista Liberation Army (EZLN) in southern Chiapas state, the assassination of prominent figures, and a spate of kidnappings enabled revolutionary party candidate Ernesto Zedillo Ponce de León to win a relatively open presidential contest in 1994. Although the new chief executive, a Yale-educated economist, pulled the country from the worst crisis since the Great Depression—a crisis that he had inherited from Salinas—

the people were ready for a change in 2000. The economic recovery, moderate growth, robust foreign reserves, and social tranquility removed the fear factor that the PRI had relied on six years earlier. As a result, PAN standard-bearer Vicente Fox scored a decisive victory.

After his amazing victory, Fox could have either declared war on his nemesis by exposing the corruption that suffused the long-ruling party and its corporatist entourage or smoked the peace pipe to curry favor for critical energy, fiscal, labor, and judicial reforms. The politically inexperienced president pursued both approaches. He maligned the PRI for diverting \$90 million from Pemex to the campaign of its 2000 presidential candidate, and then asked for the party's backing to broaden the unpopular value-added tax. When its lawmakers turned down his overtures, he attacked them with television ads devised to arouse grassroots support for higher taxes—an impossible task!

Fox's bungling, complemented by the election of Roberto Madrazo as party head in 2002, enabled the PRI to regain its bearings. It joined forces with the PRD to block Fox from visiting the United States and Canada; the two parties celebrated the inability of members of the "Montessori Cabinet" to manage the siting of a new Mexico City area airport; and they frustrated the president's effort to move bills through Congress. For his part, Fox hopped from one "priority" to another—courting the Zapatistas, promoting small businesses, waging a war on drug cartels, and beseeching Washington for changes in immigration policy. Meanwhile, Mexico City Mayor López Obrador engendered sky-high approval ratings with his measures to provide stipends to the elderly, single mothers, and other vulnerable groups, to rehabilitate the capital's Historic Center, and to construct highly visible bridges, connector roads, and second tiers on busy thoroughfares.

Upon taking office, Fox believed that his close ties to his American counterpart would yield liberalized U.S. immigration statutes. The bilateral relationship deteriorated when Mexico failed to give the White House its full support after 9/11 and worsened when Mexico's UN representative deplored the dispatch of troops to Iraq in 2003. The two nations did cooperate in an offensive against narco barons, but the prospect of overhauling U.S. immigration laws had faded by the end of Fox's time in office.

Fox's economic cabinet did handle macroeconomic strategy well, lowering inflation from 16.6 percent in 1999 to 4 percent amid 5 percent growth in 2006. The Fox administration also deserves credit for honoring the decisions of the Federal Electoral Institute (IFE), which registers voters, organizes elections, and renders the initial vote count, and the Federal Electoral Tribunal (TRIFE), which ultimately decides electoral outcomes. Still, the country's traditional control mechanisms—labor unions, campesino organizations, police agencies, the presidency, political parties, the bureaucracy, and Congress—have lost influence and legitimacy. This erosion of once-formidable institutions exacerbated the ubiquitous street violence, police corruption, and drug-trafficking.

In the presidential contest that terminated in mid-2006, widespread poverty, corruption, animus toward the U.S.-promoted economic opening, and hostility toward politicians and their parties amplified the appeal of López Obrador, who presented himself as the incarnation of the struggle of Mexico's downtrodden. He promised—and continues to promise as the “legitimate president”—salvation from a pro-capitalist government that he deems rotten to the core.

López Obrador: New Version of Corporatism

Globalization undermined the PRI's corporatist structure, which had vouchsafed the nation's stability for more than a half century, and Madrazo failed to win a single state in the presidential showdown. Nevertheless, López Obrador proffered his own corporatism style, which nearly landed him the presidency. A product of the PRI, to which he belonged until he was 30 years old, López Obrador also headed the PRD in Tabasco. There, he spawned a parallel structure to the PRI government by mobilizing peasants, fishermen, and Indian communities exploited by the government. As mayor of the D.F. from 2000 to 2005, he accentuated his messianic appeals, projected an austere image, completed infrastructure projects, and organized groups that the PRI had neglected. He began to weave a new tapestry of marginalized groups.

López Obrador made housing available to his supporters, provided low-interest loans to small business operators, launched preparatory schools for impecunious youngsters, gave grants to farmers in the rural outskirts of the city, and opened an Autonomous University of Mexico City for disadvantaged students. Despite rhetoric about enforcing the law, he turned a blind eye to thousands of unlawful “pirate taxis” whose owners lacked proper documentation, ever-present street vendors who sold contraband, and pitchmen who hovered around pricey restaurants and functioned as irregular parking attendants. Moreover, he welcomed to his cause the National Social Security Workers Union, the Mexican Electrical Workers Union, and the Confederation of Revolutionary Workers, which had once formed part of the PRI's corporatist gestalt.

Independent voters and poor people responded to López Obrador's vow to undertake a “real purification of public life” and to end the travesty of “a rich government and an impoverished people.” But his fortunes began to turn when he started flailing the chief executive for his blatant involvement in the contest. On March 10, 2006, López Obrador publicly demanded that President Fox “shut up.” While Mexicans may have concerns about a given holder of the office, they do honor the office of the presidency, which the Tabascan continually condemned.

On election night, IFE President Luis Carlos Ugalde stated that the tiny separation between Felipe Calderón Hinojosa and López Obrador made it impossible to declare a winner. What accounted for the photo finish? One explanation lies in Madrazo's inability to become a serious contender. His poor

showing converted the contest into a clash of opposites. While López Obrador emerged from a modest background, Calderón was raised in a comfortable middle-class family, studied at a private law school, and followed his father's footsteps into the PAN. He had won election to the D.F.'s city council, as well as two terms in the Chamber of Deputies. As head of the PAN deputies from 2000 to 2003, he had a ringside seat from which to observe Fox's missteps. Calderón committed himself to the economic model that he inherited and, inspired by Social Christian thought, promised to bridge the chasm between the country's "haves" and "have nots." He ran strongly among women, young voters, well educated people, party loyalists, individuals concerned about security, and lower-middle class citizens. He also did well in the relatively prosperous north and west, the private sector, and with beneficiaries of Oportunidades, Seguro Popular, and other measures to uplift the downtrodden.

López Obrador fared better among PRD loyalists, men, low-income citizens, senior citizens, voters with only primary- and secondary-school education, and Fox's foes. He attracted more votes from the impoverished southern states, while he and Calderón finished in a virtual tie in the countryside.

López Obrador installed encampments for his supporters in the Zócalo, the Historic Zone, and along five miles of the Reforma avenue, determined to force the Federal Electoral Tribunal to undertake a precinct-by-precinct recount of the nearly 42 million ballots cast in the presidential competition. But local shop and hotel owners lost tens of millions of dollars to the strangulation of the downtown tourist and business center, while drivers were outraged at having to bypass a major artery and the Historic Center. López Obrador's faithful impeded access to the agriculture ministry and prevented employees from reaching their jobs. Other López Obrador janisaries pushed open barriers across the major highways joining the D.F. to contiguous states, permitting thousands of commuters to enter the city without paying tolls. They also blocked entry to the Stock Exchange and buildings housing large banks. All this "peaceful civic resistance" cut López Obrador's approval rating both within and outside Mexico.

Constructing a Parallel Government

The TEPJF awarded Calderón the victory by a margin of 233,831 votes (0.55 percent). Even before this determination, López Obrador had begun making plans for a parallel government modeled in part on a shadow structure that his party had amplified after he lost Tabasco's statehouse twelve years earlier. Then, the PRD furnished free textbooks to students, unlawfully connected homes to electricity lines, helped the poor to sign up for social programs, assisted squatters in occupying property and erecting modest dwellings, and furnished free legal, medical, dental, and veterinary care. To impel this initiative, López Obrador convened the National Democratic Convention (CND) on September 16, 2006, Mexico's Independence Day.

CND organizers emphasized their determination to resist “a fraudulent operation that damaged electoral democracy” and to expose the “democratic fiction” of the current government. López Obrador based the legitimacy of the CND on Article 39 of the 1917 Constitution, which states: “The national sovereignty resides essentially and originally in the people. All public power originates in the people and is instituted for their benefit. The people at all times have the inalienable right to alter or modify their form of government.”

López Obrador continued his quest for the presidency by campaigning for César Raúl Ojeda in the October 15 gubernatorial race in Tabasco. While López Obrador had garnered 56.3 percent of the ballots cast in his home state in mid-year, Ojeda lost decisively. López Obrador’s light had clearly dimmed in his own bailiwick with his quixotic antics following his defeat by Calderón. Nevertheless, on November 3 López Obrador named his “cabinet” of twelve. He then made a two-week tour of the country, and swore the oath as “legitimate president” on November 20, ten days before Calderón’s inauguration. At his investiture, the informal national leader enunciated his “20 Points,” in which he urged revising the agriculture chapter of NAFTA, safeguarding state energy monopolies, and a “cradle to grave” welfare scheme. Next, he set off to visit the nation’s 2,500 municipalities.

The CND may serve any one of several functions. First, López Obrador and his loyalists could seek a total rupture with the system, creating institutions entirely distinct from those of the government. This appears unlikely because of the need to finance such an endeavor. While the D.F.’s government can supply some funds, new PRD mayor Marcelo Ebrard would shrink his chance of succeeding Calderón if he diverted substantial funds to López Obrador’s reckless undertaking. A growing number of PRD bigwigs, including the governors of Michoacán, Guerrero, Baja California Sur, and Zacatecas, have kept their distance from López Obrador’s activities while expressing their readiness to cooperate with the PAN administration. Cuauhtémoc Cárdenas, who lost three presidential races as the Left’s candidate, deplored naming a parallel president. “It is a grave error that may come at a high cost to the PRD and the democratic movement,” he said. Still, the CND plans to send envoys to the Inter-American Commission on Human Rights and other international bodies as part of its campaign to discredit Calderón and force him from office.

Second, the ex-mayor could use the Convention to shape public policy. Successful legislative candidates from the three parties that backed López Obrador’s candidacy—the PRD, Convergencia, and the Workers’ Party—have not only taken their seats in Congress, but have also formed a Broad Progressive Front. This coalition offers a means to introduce legislation emanating from the CND’s several committees. The obstacle is that López Obrador’s platform—energy nationalism, protectionism, subsidies, welfare schemes, and big government—collides with Calderón’s priorities.

In the final analysis, the movement will provide López Obrador and his stalwarts with an instrument to challenge the government’s appointments,

bills, and policies. As moderates turned their backs on him, López Obrador increasingly relied on radical elements within his corporatist movement. These include Mexico City PRD President Martí Batres, members of the party's National Democratic Left faction, radical unions, El Barzón debtors' movement, the Pancho Villa Popular Front, university protestors, and organizations of rogue taxies and street salesmen.¹⁹ Although reluctant to break the law, the CND is spoiling for showdowns such as the demonstration that prevented President Fox from delivering his state of the nation address to legislators on September 1 and the unsuccessful gambit to thwart Calderón's swearing-in three months later. Mexico City is extremely vulnerable to sabotage, and a few hundred agitators could disrupt its transportation network, water system, electric grid, and food distribution capability.

Between confrontations with the regime, López Obrador has also assumed the role of "Messiah-in-Waiting." For two months after Calderón's December 1 inauguration, López Obrador barnstormed the nation, declaiming his status as the conscience of the country, lamenting the victimization of himself and the poor, and ridiculing Calderón's every move. He is also counting on a downturn in the U.S. economy to exacerbate unrest in Mexico.

Calderón's Mammoth Challenges

Agustín Carstens, former deputy managing director of the International Monetary Fund and Calderón's choice for finance secretary, has emphasized the need to forge tax policies in a "humane" manner and give priority to the poor "without forgetting that our resources are limited." During his first week as president, Calderón appropriated two planks from López Obrador's platform: he ordered a 10 percent reduction in the salaries of high officials (López Obrador urged 50 percent), provided a stipend to old people in the countryside, and visited Tlacoachistlahuaca, the dirt-poor, largely Indian community in Guerrero state where López Obrador had begun his latest national tour. There, the president unveiled anti-poverty measures that would be reprinted in 100 towns afflicted by disease, hunger, dirty water, and unpaved roads. Upon taking office, Calderón also demonstrated that he would not be imprisoned by the Tlatelolco Taboo; he ordered the arrest of four ringleaders of the Oaxaca upheaval. In December he dispatched military units to Michoacán state, where they arrested dozens of people, including several big shots in the local drug cartel.

To achieve sustained growth, Calderón must address fundamental problems that impede both his country's domestic development and its ability to compete internationally with China and other Asian powerhouses. Mexico exhibits democratic trappings, but its politicians' deep-seated intolerance leads them to regard foes not as the loyal opposition but as the enemy. This

¹⁹ "Integrantes del Frente Francisco Villa Marchan Rumbo al Zócalo," *La Crónica*, July 9, 2006.

perspective emerged over the PRI's years in office, during which adversaries were suborned, manipulated, or repressed. The restriction on lawmakers' serving consecutive terms diminishes constituency influence and magnifies the clout of party bosses, affluent interest groups, and media conglomerates—now a virtual fourth branch of the political system. The viciousness of the presidential campaign also complicates devising agreements. In addition, there is no consensus on an economic model. This is why Calderón must reach out to the results-oriented PRI and PRD governors, Cárdenas, SNTE teachers' union chief Elba Esther Gordillo, business and labor leaders, and other sectors. These big wheels—especially governors who helped with nominations and funding—can lobby new deputies and senators to back the PAN administration's key reforms in return for assistance in obtaining their local budgetary priorities.

Hostile dinosaurs controlled the PRI during Calderón's first months in office. If powerful governors and other pragmatists depose this old guard, the new PAN president may cobble together a functioning coalition. On the one hand, the PRI state executives seek more resources from the federal government; on the other, they want to improve the image of their party, which failed to capture a single state in the presidential showdown. Just as every lieutenant in Napoleon's army was said to pack a marshal's baton in his knapsack, the PRI's young, dynamic governors are said to carry presidential sashes in their briefcases.

The gradual emergence of mutual respect could lead, later in Calderón's term, to the formation of an accord among the nation's power brokers similar to the Moncloa Pacts in Spain. These agreements reconciled that nation's warring Left and Right on new political (democracy) and economic (socially sensitive capitalism) terms following the death of Generalissimo Francisco Franco in 1975. As a result, Spain—once a corporatist regime with a lower per-capita income than Mexico's—has flourished.

Such an agreement is crucial to smashing the ubiquitous monopolies, oligopolies, and private conglomerates in telecommunications, television, cement, transportation, processed foods, and other sectors. These Goliaths impede efficiency, productivity, and competition, thus contributing to the nation's loss of foreign markets to Asian competitors. Absent a Moncloa-style compact, Mexico has the raw material for two major legislative factions: the "reformers" (the PAN, progressive PRI activists, the Ecologist Green Party of Mexico–PVEM, and the New Alliance Party–PANAL) and the "anti-globalists" (the PRD, PRI graybeards, and the Workers' Party).

Wake-up Call of López Obrador

López Obrador has sounded a wake-up call to Mexico's elite, who live extremely well in a country that boasts a cornucopia of assets. The corporatist CND will prosper only if the nation's establishment fails to recognize the

wellspring of discontent that López Obrador tapped with respect to the abuse of power and the indifference to inequities that beset the nation.

Fortunately for Calderón, expectations are low concerning his prospects, and analysts tend to underestimate his ability. He is intelligent, enjoys a high approval level, has named a cohesive cabinet, and knows how to work with Congress. One of the ironies of his administration may be that its success depends on the once-corporatist PRI, which risks irrelevancy unless it shows itself to be a competent actor in fashioning solutions to seemingly intractable problems.

Calderón will need these assets to successfully dismantle the bottlenecks that impede his nation's ability to compete in the global economy, particularly because an expected downturn in the U.S. economy will slow his nation's growth. Above all, he must convince his country's leaders to use Mexico's enormous wealth to address the serious needs of the poor. Otherwise, López Obrador—or another authoritarian corporatist who proclaims a message of salvation for the humble—may accomplish a “second coming” in the 2012 presidential race.

