Globalization and the crisis of the PRI

Mexico's ruling party fragmenting

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On March 4, Mexico's ruling party, the PRI (Institutional Revolutionary Party) commemorated its seventieth anniversary. The celebration took place under conditions of a profound transformation of Mexico's economy and society which is ripping apart the country's ruling party. With the collapse of Stalinist rule in the Soviet Union, the PRI in Mexico has the longest continuous tenure of any ruling party on the planet. But globalization has put an end to the PRI's longstanding nationalist program, and the ruling party is undergoing unprecedented upheavals and challenges.

The 70-year history of the PRI revolves around the dilemma of the Mexican ruling class. It made use of the working class to help establish its independence from foreign capital and at the same time it fears the strength of the working class--and the cruelly exploited peasantry--more than it fears the domination of foreign capital.

The PRI was established almost 10 years after the assassination of Emiliano Zapata and the defeat of Francisco (Pancho) Villa, events that closed a decade of civil war and marked the end of the Mexican Revolution.

The revolution had been initiated in 1910 by northern landowners who opposed the policies of dictator Porfirio Diaz. The revolt rapidly spread among the laboring masses. The northern oligarchy's program called for returning to the Mexican Constitution of 1857, which prohibited presidents from being elected to a second term. Socially, their aims were a mix of liberalism and nationalism, aiming to prevent the mortgaging of the Mexican economy to US imperialism, to limit the influence of the Catholic Church, and to recognize civil liberties, at least for the privileged layers of society.

The uprising of 1910 began amid widespread struggles of the working class and the peasantry. A series of bitter strikes had taken place in the northern copper mine of Cananea in 1906. Following that, a strike wave by textile workers spread, in 1908, to the major cities in Mexico. A young socialist movement led these struggles.

Among the peasantry in the central region of Mexico, a struggle over land had long been simmering. This involved the relation between the peasantry and the Catholic Church, which had recovered from the anti-clerical laws imposed by Benito Juarez in the 1860s and become the largest landowner in Mexico.

The insurgents of 1910 drew both these forces to their side. This was an uneasy alliance. Already in 1913, Zapata, the leader of the peasant rebellion, denounced the northern forces who had expelled Porfirio Diaz for betraying the cause of the peasantry, and put forth the Ayala Plan of land reform.

Victory finally came to the Constitutionalist Army of the northern leader Venustiano Carranza. In order to win, Carranza took advantage of Villa and Zapata's lack of program for the working class and appealed to the workers of Mexico City. His "red battalions," made up of workers, helped him conquer Mexico City from Villa and establish his regime. Once in power, Carranza dissolved the red battalions and persecuted their leaders. Carranza and his generals were careful to keep workers and peasants divided and subordinate to the Mexican bourgeoisie, with the Constitutionalist Army playing a classic bonapartist role, serving as the arbiter among the contending classes.

In 1917 the Constitutionalist officers adopted a new program which reflected the powerful democratic component of the Mexican Revolution. It called for a free and secular education for all. It prohibited religious schools. It incorporated the Ayala Plan, asserted state control over land and provided for land reform, prohibiting foreigners from owning land. It also established the eight-hour day, six hours for youth under 16, job safety regulations, a minimum wage, health facilities and schools for workers, and union rights.

Within a few years, however, after the death of Zapata and Villa's defeat, these radical democratic measures had become dead letters. Much of the land reform was reversed, and the conditions for the working class and peasant farmers did not improve. The decade between the end of the revolution and the beginning of the Great Depression was one of reconstruction and consolidation.

Carranza managed to rule until 1920 but was overthrown by one of his generals, Obregon, who had Carranza assassinated. It was Obregon who initiated the tradition that the president should leave office after choosing his own successor. This gave the final shape to the state structure of Mexico, a self-perpetuating presidential autocracy in which power has been passed along from president to president within the ruling elite.

Obregon named Plutarco Calles, another general in Carranza's army, to succeed him in 1924. While Calles's term technically expired in 1928, he was the power behind the next three presidents, and in 1929 organized the founding of the PRI, first called the National Revolutionary Party or PNR.

The formation of the PNR--it was renamed the PRI after World War II--was a deliberate effort to create a party that would subordinate all classes to the state and the military. Any independent political or industrial action by the working class was prohibited, with the incorporation of trade union officials into the PNR and the outlawing of the Mexican Communist Party.

The new ruling party was founded on the eve of the Great Depression, whose impact on Mexico was very severe. Fearing social unrest, the Mexican ruling class turned to Lazaro Cardenas, who, as governor of Michoacan state, had initiated popular social reforms. Calles named Cardenas president in 1934 and was compelled to concede him real and not merely nominal power.

Cardenas revived the radical democratic promises of the 1917 constitution. Under his regime, the long-postponed agrarian reform was finally carried out, the foreign-owned oil companies were nationalized in 1938 and the state began to take a central role in the economic life of the country.

Like the Peruvian APRA and the Justicialista Party of Peron in Argentina, the PRI was a party that preached class harmony and nationalism under the aegis of a "progressive" military. It combined

reactionary and repressive policies with respect to the working class with a more or less defiant attitude toward US imperialism. Its ability to prevent a social explosion during the Great Depression was made possible by Stalinism, that admitted no criticism of Cardenas or the PRI and blocked the development of a class alternative to the leadership of the national bourgeoisie.

During the Cardenas administration (1934-40), the PRI fully acquired its corporatist characteristics, analogous to Italian fascism, formally incorporating workers, farmers and the army as separate organizations within the structure of the PRI. In that way the PRI controlled the struggle of classes.

At the same time, President Lazaro Cardenas lifted the proscription on the Communist Party and opened Mexico's borders to left-wing political exiles, including thousands from fascist Spain and, most famously, exiled Russian Bolshevik leader Leon Trotsky.

Cardenas's PRI managed the nationalization of important industries, such as oil, all the while insisting that workers not strike against the new owner (the state.) It also carried out extensive land reform measures. During his regime the unions, under the CTM (Federation of Mexican Workers), grew and became integrated into the state apparatus. Once granted legal status the Stalinists of the Mexican CP and its offshoot, the PPS, became fervent supporters of the PRI and its corporatist control of the workers movement.

Mexico came out of World War II as an emerging producer of oil and a supplier of minerals and other natural resources to a world that had gone through vast destruction of its industrial capacity and economic infrastructure.

From 1940 until 1980 the economic policies of the PRI were regarded as impressive for a country outside the Stalinist camp, and celebrated as the "Mexican miracle." In 1970 Mexico's rate of growth, 6.5 percent, was only surpassed by five nations in the capitalist world (Japan, Finland, Libya, South Korea and Israel).

The working class and peasantry, however, derived few benefits from this growth because of the collaboration between the CTM, the PPS, the Stalinists and the PRI. The growth of real wages was restrained, and any direct challenge to private property blocked, insuring that the lion's share of the growing wealth was appropriated by the national bourgeoisie.

The debt crisis which erupted in 1982 reflected fundamental changes in the world capitalist economy. The Lopez Portillo government came to the brink of default and his successor, Miguel de la Madrid, under pressure from the IMF, initiated a transformation in economic policy which meant the junking of the PRI's time-honored doctrine of economic nationalism and widespread state intervention.

It was not a matter of the PRI "betraying" a revolutionary program, as some latter-day nationalists now claim. The PRI was the ruling party of the Mexican bourgeoisie and its program was always centered on the defense of bourgeois property. In the repression of massive strikes in the 1940s and 1950s, and the massacre of students at Tlatelolco in 1968 during the Mexico City Olympics, the PRI demonstrated its fundamentally reactionary character.

Since the 1980s, however, the PRI has been openly repudiating its old nationalist program, the basis for its demagogic appeals to workers and peasants. By rejecting economic nationalism and privatizing the mineral and industrial wealth of the nation, by pushing aside the promises of land to farming communities and allowing foreign ownership of the land, by relaxing the restrictions on the Catholic Church and welcoming the Pope, recent governments have initiated a new period in Mexican politics.

Particularly since the Salinas administration of 1988, the interests of the Mexican ruling class have been increasingly integrated into the global market. A new group of capitalist billionaires has emerged, while international competition has laid waste to many traditional sectors of the Mexican economy.

This is the source of crisis within the PRI.

The current state of the PRI is a reflection of the determination of the Mexican capitalist class to abandon the old forms of rule. Forced by the global market to attack past reforms and to cut social programs, the bourgeoisie is looking for political instruments that do not necessarily include the PRI.

At the seventieth anniversary rally on March 4, President Ernesto Zedillo declared that unlike previous presidents, he would not appoint a successor to serve as the candidate of the PRI for president in 2000. Instead, the candidate will be chosen by as yet to be determined internal balloting at a party National Assembly. This is not a measure to "democratize" the PRI, but rather an admission that Zedillo no longer can control the factional struggle within the ruling party.

Both in 1987 and in 1993, the designation of a presidential successor led to divisions in the PRI. When De la Madrid designated Salinas as the successor, Cuauhtemoc Cardenas (Lazaro's son) and Munoz Ledo led their faction out of the PRI and formed the PRD (Party of the Democratic Revolution). Cardenas probably won more votes than Salinas in 1988, but the PRI machine was able to falsify enough ballot results to prevail. In 1993, when Salinas designated Luis Colosio (who was assassinated soon thereafter) and then Zedillo as his candidates, Manuel Camacho Solis led his faction out of the PRI and formed the PCD (Party of the Democratic Center).

Today the PRI is even more deeply divided than in 1987 and 1993. Important sections of the PRI are calling for a return to the nationalist policies of the past. An attempt by Zedillo to impose a presidential candidate could lead to another major split in the party.

The strong possibility is that there will be another major division in the PRI. There are roughly a half dozen factions that now fight over the candidacy. The main division is between the "technocrats" and the *rudos* ("rough ones," paraphrasing a Mexican wrestling term).

The "technocrats" represent that layer of the capitalist class that is most closely linked to international finance capital and Wall Street. Typically, they favor the unrestrained activity of the market, when it comes to wages and prices of tortillas and other staples. As the recent rescue of failed banks and highway builders suggests, however, they favor government intervention on behalf of wealthy investors. Zedillo, former president Carlos Salinas, and Government Secretary Francisco Labastida Ochoa, who has the backing of the Clinton administration to succeed Zedillo, are considered representatives of the "technocrats."

The *rudos* represent that bourgeois layer that has suffered most under the economic laissez-faire, as well as those who want to avoid possible social strife if conditions of increasing poverty and inequality persist. In neither case do these factions represent real alternatives for the Mexican working class and peasant farmers.

One of the *rudo* factions, *Grupo Renovador* (Renewal Group) demands that the PRI turn its back on economic liberalism, and turn to a policy of social reforms. *Grupo Renovador* is demanding a party congress to reconfirm the PRI's return to the policies of economic nationalism. It is also demanding that the government give up its policy of privatizations, canceling the imminent selling off of Mexico's electric utilities.

In a recent ceremony, former presidents Echevarria, Lopez Portillo and De La Madrid threw their support behind Echevarria Ruiz, former Mexican Ambassador to Spain, who heads *Grupo Renovador*. They all posed symbolically for a photograph with Lazaro Cardenas's widow, Amalia Solorzano, who is also the mother of Cuahtemoc Cardenas.

It is by no means clear that the PRI candidate, whomever it may be, will prevail in the 2000 election. In the most recent state elections PRI candidates won in the central state of Guerrero and the Yucatan State of Quintana Roo, with the PRD a close second. The PRD controls Zacatecas, Tlaxcala and Baja California. Even though the PRI held on to Guerrero and Quintana Roo, there was an increase in reported electoral fraud in

both states. When the first-ever election for mayor of Mexico City was held in 1997, Cauhtemoc Cardenas and the PRD won the vote easily.

The 1999 austerity budget, which includes the rescue of the banks, will cripple manufacturing and commerce. Unemployment will rise, as real wages fall. Coupled with that is a constant state of inflation, and devaluations every day affecting the living standards of the population. These conditions will increase the misery of the masses and lead to inevitable social explosions by the working class.

As the collapse of the peso in 1995 demonstrated, the Mexican economy has lost any shred of independence or insulation from the world economy, and is directly subordinated to the dictates of Wall Street and the movement of global capital. This has put an end to the protracted political domination of the PRI. It also means that Mexican workers and peasants will come into struggle for their own social interests, increasingly connected to the struggles of the working class throughout North and South America and the world.