Mexico after the elections

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The July 2 Mexican elections, the first in the country's history to transfer power from one party to another, have been hailed by both the Mexican and US media as a triumph of democracy.

Typical was the British magazine the *Economist*, which wrote that Mexican voters "ended seven decades of rule by the Institutional Revolutionary Party (PRI), put a whole era in Mexico's history behind them and turned their country into a real democracy at last." Similarly, the *Wall Street Journal* called victorious right-wing presidential candidate Vicente Fox the David who took on and defeated a seemingly "unbeatable Goliath," thereby making Mexico a "full-fledged democracy."

In reality, the ouster of the PRI and victory of the PAN (Partido Accion Nacional) do not signify a new flowering of democracy, but rather an intensification of the free market policies initiated by recent PRI governments, under pressure from the US and international finance capital, and the eruption of social tensions long held in check by the stranglehold on public life exercised by the old ruling party.

President-elect Fox, who easily defeated Francisco Labastida of the PRI and Cuauhtemoc Cardenas of the left-populist PRD (Partido Revolucionario Democratico), does not take office until December 1, leaving a lengthy transitional period in which the PRI will remain in control of the presidency and other levers of power. Already, in the first two weeks after the vote, signs of coming political conflicts have emerged.

The defeat of the PRI after 71 years in power has historic significance. The party was long associated in the popular mind with the Mexican Revolution of 1910-17, and still claimed, despite decades of corruption and bureaucratization, to represent the interests of Mexican workers and peasants. It was soundly defeated, by a margin that surprised the leaders of all three major bourgeois parties.

For millions of workers, peasants, small business people and students, PRI governments had come to be associated with political repression, bribery, corruption and, in recent years, the drug trade. The PRI lost heavily in the more industrialized northern half of the country, and finished a poor third in the capital, where more than 10 percent of Mexico's 100 million people live.

Founded in 1929 by Plutarcho Elias Calles, leader of the clique of generals who dominated Mexico after the revolution, the PRI traditionally maintained itself through its control of the Mexican presidency. The PRI has never been in opposition, and has never been forced to organize or finance political activity without the power and patronage of the executive branch—nearly all civil servants, for instance, pay dues to the PRI as a condition for their jobs.

The victorious PAN is a right-wing clerical party, with historical roots in Spanish fascism and sympathy for conservative Catholic doctrine. PAN-controlled states have shown themselves to be intolerant of women's rights and prone to censorship. In the FOBAPROA banking scandal, the PAN joined the PRI to hide evidence of corporate fraud and looting by prominent bankers and financiers, who included relatives and cronies of both Fox and Zedillo.

The supposed "left" alternative to the PAN and the PRI, the PRD, was widely discredited by its performance in governing Mexico City since 1997, as well as its role in the repression of the 10-month-long strike by university students at UNAM. Besides utilizing the appeal of a *caudillo*, the "man-on-the-white-horse" (the father of Cuauhtemoc Cardenas was the famous President Lazaro Cardenas, who carried out popular land reforms and nationalized the oil industry in the 1930s), the PRD presented no political alternatives. Throughout the campaign, Cardenas made it clear that he would not challenge the policies of privatization and deregulation demanded by the International Monetary Fund and Wall Street.

The impact on the PRI of the loss of the presidency can already be seen. A section of the PRI old guard, dubbed the "dinosaurs," has blamed outgoing President Ernesto Zedillo for the election defeat, although the entire party hierarchy had backed Labastida. Such old guard figures as former Interior Minister Manuel Bartlett, believed by many to be responsible for stealing the 1988 presidential vote, were brought in to bolster Labastida's campaign in the final weeks.

After the PRI defeat, Bartlett publicly denounced Zedillo, saying he had no legitimacy as a leader of the PRI because his decision to open up the election process had contributed to the opposition victory. After Dulce Maria Sauri resigned as PRI chief executive, in the wake of the July 2 vote, another "dinosaur," Roberto Madrazo, governor of the state of Tabasco, declared that Zedillo should not be allowed to choose a successor. Six of the eight members of the PRI executive committee resigned July 12, plunging the party's internal affairs into confusion.

The PRI is badly split over how to deal with the incoming Fox administration, which does not control a majority in Congress. Zedillo and his supporters have called for a cooperative relationship—and in terms of economic and social policy, there is little that separates the PAN from the current regime. Madrazo, however, struck a populist pose, suggesting the PRI should wage all-out resistance against measures such as denationalization and cuts in subsidies for rural areas, a tactic which could lead to legislative paralysis.

The election defeat will have a particularly strong impact on the PRI-controlled trade unions, the Mexican Labor Congress (CT) and the Mexican Federation of Labor (CTM). These corporatist bodies, which hinted at a general strike if Fox won, have quickly dropped such threats. The bureaucrats of the CTM all recognized the victory and congratulated Fox on July 4 in a bizarre communiqué which included the signatures of several dead labor leaders, according to a report by the Mexican weekly *Revista Proceso*.

Since then, the CTM leaders, closely associated with the PRI old guard, have expressed fear that the workers will stampede out of their discredited organizations now that they no longer have a close

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connection to the executive power. For his part, President-elect Fox announced that he would limit the Interior Ministry, which had regulated labor union affairs, to coordinating relations with state and local governments.

PRI candidates from the union bureaucracy fared among the worst on July 2. Out of 29 congressional seats allotted to the CT and CTM by Zedillo, only five candidates won. In comparison, in the 1978 elections, when the PRI totally dominated Mexican politics, 115 union officials were elected to the two houses of the legislature.

Disaffection and demoralization within the ranks of the PRI are evident. In the state of Chiapas there were reports of mass defections from the ruling party. In municipalities near Mexico City some PRI supporters took out their frustration in street battles with supporters of the PAN or the PRD.

The PRI will still retain many positions of bureaucratic and legislative power after Zedillo vacates the presidency. It will remain the largest party in both the House of Representatives and the Senate, narrowly ahead of the PAN, although neither party commands a majority. The PRI controls 20 out of Mexico's 31 state governments, although it lost the only two statewide votes held July 2, and faces further losses in other state elections next month. PRI nominees also control the nationalized oil company PEMEX, a vast source of patronage.

As for the PAN, its victory in the presidential race is an extremely contradictory phenomenon. The party's social and economic policies are highly unpopular: further denationalizations, cuts in social welfare spending for both urban and rural poor, a greater role for the Catholic hierarchy, which has long been excluded from influence by the secular traditions of the Mexican Revolution.

The PAN presidential candidate Vicente Fox sought to evade responsibility for this program with a campaign based on populist demagogy, denouncing the political monopoly and corruption of the PRI, promising instant solutions to social problems like crime, poverty and deteriorating public services and infrastructure, and even pledging to resolve the Chiapas rebellion peacefully “within 15 minutes.”

Fox relied heavily on the strength of his personal image as a *caudillo*, which is by no means a new phenomenon in Mexican politics. By dint of his experience as an executive of Coca Cola and his one term as governor of the state of Guanajuato, Fox assured all that he could clean up Mexican politics and assure a period of prosperity and social justice for all.

In an effort to distance himself from the right-wing image of the PAN, Fox surrounded himself with a coterie of liberal intellectuals who rallied to his campaign on the grounds that any alternative to the PRI, regardless its policies, was better than a continuation of the old regime. Fox also had the support of the Green Party, which increased its seats in the House of Representatives and won seats in the Senate for the first time.

This “left” posturing continues in the post-election period. Fox named a 17-member committee to coordinate the transition from Zedillo's administration, including two prominent intellectuals, Jorge Castaneda and Adolfo Aguilar Zinser, in charge of foreign policy, while Porfirio Munoz Ledo, a former leader of the PRD, will coordinate “political reform.”

With his populist demagogy Fox has raised the expectations of the Mexican people and compounded his difficulties once in power. His talk of democracy, justice, prosperity and equality cannot be reconciled with his assurances to foreign and native capitalists that his administration will guarantee the unfettered exercise of property rights and the pursuit of profit. It is not difficult to guess which of these two pledges the former Coca Cola executive will honor.

A few days after his victory, before leaving for a vacation at the mansion of a Mexican billionaire in Yucatan, Fox held a press conference and gave an interview with a Spanish newspaper. He left no doubt that the policy of strict economic discipline demanded by the International Monetary Fund and pursued by the outgoing Zedillo administration would continue. “We will respect the management of financial variables, to elicit a favorable response from international financial markets and investors,” said Fox.

As governor of Guanajuato, Fox pursued a double strategy of attracting foreign investors, such as GM subsidiary American Axle, and aggressively slashing public investment and social benefits. Fox and the PAN boast that Guanajuato's domestic product increased by 21 percent between 1995 and 1999. Exports rose from $1.6 billion in 1995 to $4.2 billion in 1998. This was accompanied by cuts in education and health services and by an increase in income inequality.

Sooner or later, the pursuit of such policies on a national level will require methods of an overtly anti-democratic and authoritarian character. Fox's inclinations towards bonapartist and personalist forms of rule have already been signaled in an interview with *La Jornada*, in which he emphasized he would rule independently of his own party. “The PAN knows that they need to respect the president's right and power to choose his cabinet,” he said. “They need to respect these decisions. The one governing is Vicente Fox, not the PAN! Vicente Fox, not the PAN, is the one who messes up or makes errors. The one who is successful is Vicente Fox, not the PAN.”

Fox's victory—and the quick acceptance by Zedillo—touched off a financial rally. The Mexican stock exchange jumped 6 percent the day after the election. The peso gained 5 percent in value, as foreign investors bid up the price of the Mexican currency and capital flowed into the country. The euphoria surrounding Fox also raised stock prices in Argentina, Brazil and Chile.

The *Wall Street Journal* wasted no time in giving Fox advice. On July 5 it called on Fox to complete the privatization policies began by his three predecessors, de la Madrid, Salinas and Zedillo, through the dismantling of Mexico's public utilities and selling off of its petrochemical industries. While recognizing that Fox may not be in a position in the short term to place Mexico's national oil company, PEMEX, on the auction block, the newspaper counseled that new oil leases be opened up to foreign capitalists.

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