

Workers' struggles intensify on eve of Mexican elections

Major candidates offer no solution to the social crisis

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On Sunday, July 2, Mexican voters will elect a new president and a new Congress. The election takes place under conditions of mounting class tensions, as hundreds of thousands of teachers, miners and other workers have taken to the streets. None of the major candidates in the presidential election genuinely addresses the needs of the masses for decent-paying jobs, improved living standards and social programs.

The death of 65 coal miners buried alive in Coahuila state in February has been followed by an explosion of struggles by miners and metal workers demanding safe working conditions and decent living standards. Strikes and other actions are continuing, despite police repression. This month saw massive protests by teachers in Oaxaca and Chiapas. These struggles by powerful layers of the Mexican working class make clear that class confrontations will escalate whatever the government that emerges from Sunday's vote.

The election will decide whether the pro-American, pro-privatization policies of the current administration, led by President Vicente Fox of the right-wing National Action Party (PAN), will continue under the PAN candidate, Felipe Calderon, or be modified under a government headed by Andres Manuel Lopez Obrador, the ex-mayor of Mexico City and candidate of the Party of the Democratic Revolution (PRD).

Mexican law requires that campaign activities cease three days before the vote. Lopez Obrador closed his populist-nationalist campaign at a massive rally in Mexico City's historic central square, the Zocalo, before a crowd of more than 200,000 supporters. In Guadalajara, Mexico's third largest city, Calderon spoke before a crowd of tens of thousands. The third major candidate, Roberto Madrazo of the Institutional Revolutionary Party (PRI), which ruled Mexico from 1929 to 2000, closed his campaign with a rally in the port city of Veracruz attended by tens of thousands of supporters.

For the last several weeks, opinion polls have projected a tight race between Calderon and Lopez Obrador, with the latter enjoying a slight edge. Each is expected to receive less than 40 percent of the vote, with most of the balance going to Madrazo, who is running well behind. The closeness of the contest could itself contribute to political instability, particularly if the PAN-controlled government declares the PAN candidate the victor despite expectations of a narrow PRD victory.

Madrazo's showing marks a further decline in the position of the PRI, whose candidate lost narrowly to Fox in 2000. The PRI still controls most state governments and is expected to retain the largest share of congressional seats, well over one third, giving it effective veto power over the policies of the next president, whether it be Calderon or Lopez Obrador.

Calderon, 43, the youngest of the three candidates, is the son of a PAN founder and has been a party activist his entire adulthood. In keeping with the policies of his party, Calderon is socially conservative, Catholic, and

an advocate of the unrestrained capitalist "free market." He studied at Harvard University and has pledged to continue the policies of the current government and negotiate a treaty on immigration with the United States.

Calderon was briefly energy secretary under Fox and, while promising not to privatize the national oil company, Pemex, he has emphasized attracting US capital to that sector, including granting oil concessions in the Gulf of Mexico. This week, Calderon was endorsed by the *Wall Street Journal* and, needless to say, he is favored by the Bush administration.

Calderon has mounted an expensive media campaign—reportedly with the assistance of US Republican Party advisers and Jose Maria Aznar, the former right-wing prime minister of Spain—demonizing Lopez Obrador as a left-wing demagogue who threatens both Mexico's economy and democracy. He has sought to link the PRD candidate to Venezuela's President Hugo Chavez, and suggested that a Lopez Obrador victory would result in a massive flight of capital investments and an upsurge in emigration to the United States.

A pro-business "populist"

For his part, Lopez Obrador has represented himself as a populist who will place ending poverty at the top of his agenda, adopting as his slogan, "For the Good of Everyone, the Poor First." At the same time, he has repeatedly made clear to business and banking groups that he can be trusted to safeguard their interests.

A recent analysis in the Mexican news journal *Proceso* described Lopez Obrador as two candidates. The first is a populist leftist committed to improving the lot of the poor and promising to emulate American President Franklin Delano Roosevelt and his New Deal policies—government transfers to the elderly and the poor and a government-subsidized program to build 1 million low-income homes. The other Lopez Obrador is the pro-business candidate assuring Mexico's business elite that it "will do very well" under his presidency.

The two sides of the candidate have an intrinsic connection, as one of Lopez Obrador's top advisers, Manuel Camacho Solis, told the *Washington Post* in an interview published June 23. "Roosevelt didn't solve all of America's problems, but he gave American society a sense that they were on the right track," Camacho Solis said. "If it wasn't for Roosevelt there would have been great social unrest in the US. We have the same situation here."

In a campaign appearance in Toluca June 20, Lopez Obrador discussed the efforts of Mexican big business to scare voters away from him. "What are they afraid of?" he asked. "That they'll lose their privileges. I would

tell them, ‘Calm down, be serene, nothing’s going to happen.’ Vengeance is not my forte. I’m not going to invent crimes. We’re not going to hunt down anyone.’”

The closer the date of the election, the more that Lopez Obrador has emphasized his pro-business side. At the closing rally in Mexico City, he made it clear that there would be no new indebtedness, that taxes would not be raised on the rich, and that he would respect the independence of the Central Bank. He would accomplish his development programs through fiscal austerity and careful financial management and through a social pact between employers, the unions and other sectors of the population. In effect, no reforms would take place without the approval of the nations’ bankers and international investors.

Lopez Obrador’s populist-sounding proposals, under conditions of a globalized economy, can mean nothing other than the subordination of workers’ jobs and living standards to the requirements of the national bourgeoisie and international finance. The Lopez Obrador candidacy represents a left variant for the Mexican bourgeoisie and international investors. Under the impact of growing unrest in the working class, his candidacy reflects the need of the bourgeoisie to ‘tack left’ to more effectively maintain political control and economic stability.

A Lopez Obrador administration would parallel that of Brazil’s Luis Inacio “Lula” da Silva, which has guaranteed international banking and business interests that their investments and profits will be secured. Moreover, the independent Central Bank, serving as the direct representative of international finance, and a Congress in which the PRD will control only a minority of seats, insure that a Lopez Obrador government would involve no radical departures.

Under conditions in which the “free market” liberalism of the PAN administration under President Vicente Fox has been associated with increasing unemployment, accelerating emigration, deteriorating living standards, particularly in the southern half of the country, increasing social polarization, and the violent repression of miners and school teachers, the more farsighted layers of the Mexican and international bourgeoisie see considerable value in a candidate like Lopez Obrador.

Faced with the certain defeat of its own candidate, Madrazo, who represents only one of its many factions, the former ruling party, the PRI, is badly split between a right wing that backs Calderon and a “left” that is for Lopez Obrador. PRI Senator Manuel Bartlett is openly encouraging supporters to vote for Lopez Obrador, and the CROC, the principal Mexican labor federation with longstanding ties to the PRI, has endorsed him as well.

The social crisis in Mexico

Mexico is at an economic and social impasse. Real wages for unskilled workers have declined since the collapse of Mexico’s economy in the 1980s, but at about \$1.45 an hour are far higher than China’s 59 cents an hour. As a result, many textile and electronics companies are moving production from Mexico to China, a trend that could be stanchd only through a massive devaluation of the peso. The promise of the North American Free Trade Agreement that the wage gap between US and Mexican workers would narrow as industrial capital moved to Mexico not only has not materialized, but in the case of unskilled and semi-skilled workers, the gap has actually widened.

At the same time, the Mexican economy has undergone a dramatic transformation since the 1980s, from one based on exports of oil minerals and consumer items into an industrial economy producing intermediate goods for US industry and consumer durables such as cars and electronics. Crucial to this transformation has been the role of *maquiladora*

factories—subcontractors to US industries, which account for half of Mexico’s exports to the United States.

Mexico sends nearly 90 percent of its exports to the United States, and buys from the United States nearly 75 percent of its imports. It is also a recipient of billions of dollars in direct investment. Accompanying the increasing industrialization has been the rise of a new layer of workers fueled by internal migrations from the agricultural south and from Central America to the industrialized centers and to the factories along the border with the United States.

Ford Motor Co.’s recent announcement that it would increase its production of automobiles in Mexico while closing plants in the United States conforms to the strategy being followed in auto and other industries where transportation and inventory costs make Mexico the most profitable alternative. The increase in direct investment in Mexico is a reflection of growing confidence by international firms in Mexico’s financial stability, due, in part, to the existence of a Central Bank that is not under voters’ direct control.

The Central Bank Law of 1994 established the Mexican Central Bank along the lines of the US Federal Reserve Board. Its officials are appointed by the president, but once appointed cannot be easily removed. Appointments are designed not to coincide with presidential terms, and are staggered in order to further dilute popular influence over monetary decisions. This “independence” of the Central Bank puts extraordinary power in the hands of unelected officials.

Current rules mandate that the Central Bank be primarily responsible for the value of the Mexican peso—i.e., protecting the dollar value of profits—and for maintaining low rates of inflation. These measures were designed to insure that the Central Bank be independent of the popular will and insulated from majority rule. Thus, the country’s Central Bank is made subordinate to the dictates of the International Monetary Fund and the American Federal Reserve Board.

The so-called independence of the Central Bank deprives elected governments of the monetary tools to lower unemployment. In this sense, as well, a Lopez Obrador administration would resemble that of Brazil’s Lula, who, upon his election, ceded monetary control to Henrique Meirelles, a candidate vetted by the International Monetary Fund.

US-Mexico relations

In regards to immigration, the Fox administration has done little to address the issue during its six-year rule, driving tens of thousands north, to the border *maquiladoras* and to the United States.

The remittances of Mexican immigrants in the United States—approximately \$18 billion a year—is the second most important source of foreign exchange flowing into Mexico. This fact is recognized by both major candidates. Calderon proposes to negotiate with the US government a treaty that would protect the rights of Mexican immigrants in the US, something that Fox was unable to do.

Lopez Obrador’s proposal is equally vague: to order Mexican consulates to act as representatives and defenders of immigrants.

The vague pronouncements and petty proposals of both candidates on this issue underscore their cowardice in the face of an increasingly chauvinist and anti-immigrant policy in Washington. An aggressive defense of immigrants would quickly bring Mexico into conflict with the United States.

Of the two candidates, Lopez Obrador has struck a more nationalistic posture, regularly winning ovations at campaign rallies with pledges to “renegotiate” sections of the North American Free Trade Agreement so as to eliminate tariffs on imports of American corn and beans in 2008. “We

are going to protect our domestic producers,” he claims.

Even though the Bush administration and the US ultra-right are hostile to Lopez Obrador, viewing him as another in a series of “left” leaders who have come to power throughout Latin America in the course of the last five years, he would represent no real threat to the interests of American corporations.

The *New York Times*, in a recent editorial, observed, “Mr. López Obrador’s record as mayor does not suggest he has a wild-eyed revolutionary lurking in his soul. It is true that the city’s debt rose by a third during his tenure, but he also improved tax collection dramatically, by about 44 percent. He slashed more than 500 jobs from the bureaucracy, eliminated perquisites for officials and cut salaries. In the end, he balanced the budget, raising both spending and revenue by about 60 percent.”



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