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Mexico

The making of neoliberal Mexico

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Edgard Sánchez Ramírez is a longtime member of the Revolutionary Workers Party (PRT), the Mexican section of the Fourth International. He is on the steering committee of the PRT and an active member of the Workers and People's Political Organization (OPT), a political organization founded by the Mexican Electrical Workers Union (SME) in 2011. In this interview conducted by Héctor A. Rivera in Mexico City, Sánchez talks about the neoliberal turn in Mexican politics in the late 1980s, its consolidation throughout the political system in the 1990s and its full-on implementation in the 2000s. A future q-and-a from the same interview with Sánchez will take up the current trajectory of Mexican politics.

IT'S MORE than 20 years after the North American Free Trade Agreement (NAFTA) went into effect, and Mexico has not become the developed country that was promised back in the early 1990s. Meanwhile, on the political front, what was considered a democratic opening with the end of the 70-year reign of the Institutional Revolutionary Party (PRI) defeated by the National Action Party (PAN) in 2000, has closed—12 years later, the PRI is back. Why was the PRI able to return to power?

THE REFERENCE you make to NAFTA is very useful in answering this question. Many analysts even talk about the "restoration of the PRI," but we in the Revolutionary Workers Party don't consider the return of the PRI as a "restoration" as such. This is not the return of the same PRI of the 20th century.

Even though the current president, Enrique Peña Nieto, is part of the Atlacomulco group [a political clan inside the PRI], this is not a restoration of the PRI from the times of the welfare state and revolutionary nationalism. This is not the PRI that we characterize as a Bonapartist regime after the Mexican Revolution. [\[1\]](#)

That Bonapartist regime saw itself as the heir of the Mexican Revolution and as a revolutionary government. It didn't just elaborate an entire ideological discourse, but it also implemented a politics typical of Bonapartism, which gives way to some popular demands. This coincided with the implementation of Keynesianism and the rise of welfare states in other countries throughout the world.

Today, Peña Nieto has nothing to do with that. On the contrary, the structural reforms that he pushed through Congress in 2013 and 2014 aren't just reactionary and neoliberal—they are actually counterrevolutionary, since they push the country back to before 1938. This was the case with the energy "reform" law he pushed through, which will allow the return of American and British oil companies that were expropriated in 1938.

So this is the return of the PRI, but it has nothing to do with the PRI from the 20th century, from the period known as revolutionary nationalism. On the contrary, this is a neoliberal PRI.

The Bonapartist regime ceased to exist in the 1980s when the neoliberal wing took over the PRI. This new generation of PRI leaders, such as Carlos Salinas de Gortari, Manuel Camacho Solís, Luis Donaldo Colosio and Ernesto Zedillo—this whole group of the "Chicago Boys," as we would call them, returned to Mexico, took control of the party and began to change the regime. The process began with the former President Miguel de la Madrid, from 1982 to 1988, but it wasn't consolidated until the imposition of Carlos Salinas de Gortari in the election of 1988.

This neoliberal regime came to power pushing a neoliberal project in terms of the economy and society, but also with a whole discourse about democracy and the end of one-party rule. However, neoliberalism isn't democratic, and that

was proved here in Mexico with the imposition of Salinas through electoral fraud of 1988.

HOW DID the Salinas candidacy and then his presidency reflect these changes in the PRI?

SALINAS HIMSELF had many criticisms of his party, the PRI. He often argued that the concessions that had been made historically to the peasantry or the unions had become a burden on the state. Salinas instead emphasized "solidarity" through a social program, called "solidaridad." He even went as far as to flirt with the idea of founding a new political party—the Solidarity Party—in order to break free from these historic concessions to the popular sectors and to corrupt union leaders.

Salinas' anti-corporatist discourse even attracted some figures from the left to his side. His whole discourse emphasized the rights of the individual over those of "special interests groups" like unions and peasant organizations. In the end, Salinas was unable to found a new party and instead relied on the PRI's anti-democratic structure and its connections to unions and peasants to pull off an electoral fraud in the election of 1988.

In fact, as soon as he came into power, Salinas jailed Joaquín Hernández Galicia, alias "La Quina," the head of the national oil workers' union, as a sign that the government would no longer tolerate corrupt union leaders. Peña Nieto did exactly this in 2013 when he jailed Elba Esther Gordillo, the corrupt boss of the teachers' union.

In the case of Salinas, however, it should be made clear that he jailed "La Quina" first of all, to punish him for supporting the candidacy of Cuauhtémoc Cárdenas [the son of former Mexican President General Lázaro Cárdenas well known for nationalizing Mexico's oil industry—it is widely believed that the presidency was stolen from him in 1988 due to massive fraud engineered by the PRI].

Secondly, we're talking about the oil workers' union—the most important in the country because of the power of those workers—but also because this is the oil industry. This was the beginnings of an attempt to tame the nationalist tendencies within the union so that it wouldn't get in the way of its privatization.

HOW DID the rise of neoliberal politics in the PRI affect the political arena? How did the left react?

THIS BROUGHT about a transformation of the political regime and all of the other political forces. We often speak about the crisis of the left at the onset of neoliberalism, but it wasn't just the left. All the major political parties were transformed—first of all, the PRI as it left behind its nationalism and became neoliberal.

This transformation within the PRI is what provokes the break by Cuauhtémoc Cárdenas [who founded the Party of the Democratic Revolution in 1989]. Cárdenas actually represents the old PRI and its revolutionary nationalist project. Cárdenas himself acknowledged this when he was running on the Democratic Front ticket against Salinas in the 1988 election. He said that the main goal was to save and defend the historic program of the PRI against Salinas and the neoliberals.

This is why it was impossible for us as the PRT to support Cárdenas' candidacy in 1988. He argued that the goal was to return to the old PRI, the regime with which we had been fighting since before the neoliberal wing took over—since the student massacre of 1968, since the student massacre of 1971 known as "El Halconazo," since the legalization of the left, since the disappearances of the "dirty war," since the aftermath of the Mexico City earthquake of 1985.

Throughout that whole period, Cárdenas and his group remained in the PRI. So when Cárdenas came out declaring

he would save the old PRI, we rejected his project completely, because not only are we an alternative to the neoliberals, we are also an alternative to the old PRI.

It must be said, though, that back then, we perhaps didn't fully grasp the neoliberal transformation underway in the PRI. This shift also had consequences for the PAN, as well as for the left.

In the case of the PAN—a bourgeois party following the line of Christian democracy—there was a split, just like the split in the PRI between Cárdenas and Salinas. The split in the PAN was between the orthodox wing which followed the line of Christian democracy and which acted as the historic opposition to the PRI, and the neoliberal wing led by Diego Fernández de Cevallos, Manuel Clouthier and a group of northern businessmen who put forward a more pragmatic view of politics.

After the 1988 presidential election, the PAN came out with a thesis arguing that a political regime that isn't democratic in origin can still legitimize itself through its actions once it is in power. This led to a historic agreement between the PAN and the PRI. The PAN effectively made peace with the PRI. At the root of this agreement was the neoliberal turn in both the PRI and the PAN.

WHAT DOES this agreement consist of and how does it benefit the PAN?

THE ALLIANCE between the PRI and the PAN resulted in the so-called "concertaciones," which were a series of secret meetings, where the Salinas administration and the PAN leadership would negotiate the PAN's rise to power in gubernatorial races. From these negotiations, the PAN "won" its first governorships in the states of Baja California and Guanajuato.

In exchange, the PAN recognized and supported Salinas' government—it had won through electoral fraud in 1988, and Salinas needed an undisputed control of government. So in effect, these two parties decided to negotiate on democratic rights—and for the first time suggest the possibility that the presidency could change hands. This provided a cover for the idea that democracy is advancing.

In fact, the PAN wanted something like the American model—a two-party system. In practice, however, both the PRI and the PAN represented the interests of the bourgeoisie, and they both competed for the support of American imperialism, seeking to prove which one was most capable to push forward those interests.

In the end, there aren't any substantial differences between the PRI and the PAN. It's therefore irrelevant if the PAN comes to power or if the PRI remains in the presidency because they serve the same interests.

For example, when Peña Nieto pushed forward the neoliberal structural reforms, the PAN was, in fact, upset because they had wanted to push these reforms since the times of Vicente Fox [the first non-PRI president in 71 years, elected in 2000] and Felipe Calderón [Fox's successor, who won the 2006 election over Cárdenas on the basis of widespread fraud]. The PRI resisted the reforms when the PAN proposed them—not because they were against privatization but because they wanted to be the ones pushing forward the reforms.

Furthermore, the PAN claims that the shifts within the PRI are a historical cultural triumph for the PAN—meaning that privatization and the break with unions and peasants organizations had always been a centerpiece of the PAN project.

WOULD YOU say that this transition to a new political status quo had been planned beforehand? And how

did the neoliberal project manifest itself when the PAN came to power in 2000?

I WOULDN'T say that this political-ideological transition was planned beforehand, in a Machiavellian way. But it was a transition that had always aimed to do away with the Bonapartist regime and was marked by the arrival of a neoliberal oligarchic power structure that pushed out the old regime.

So in the so-called transition to democracy when Fox became president in 2000, he made a famous statement that his government would be "a government of businessmen, by businessmen and for businessmen." This officially marked the point when the bourgeoisie took over from the Bonapartist regime. From this point forward, the personnel of the bourgeoisie took control of the state, arguing that politicians are corrupt and that's why they put forward Vicente Fox "someone who's not a politician, but a businessman."

The PAN promoted Fox as an individual, exalting the neoliberal principle that what matters are individuals, not parties or programs. For example, Fox was more informal, unlike the PRI. He didn't dress formally like PRI politicians "in fact, he wore cowboy boots and a big belt buckle that said "Fox" on it. And he didn't speak like a politician. So it appeared that he was independent as an individual, rather than a representative of his party. But this was just the cover. After winning office, Fox's first act was to go to mass in the cathedral and walk into the national Congress bearing the cross.

Fox's argument was that businessmen aren't corrupt like politicians, because the wealth of their businesses was the result of their own work. This is, in fact, a mystification because as the saying goes, "Private property is theft." The PAN, however, claimed that they weren't thieves, like the PRI politicians. We argue, of course, that class exploitation is also theft.

Once the PAN was in power, however they also became vulgar thieves, like the PRI. One example was the sons of Marta Sahagún [Mexico's first lady during Fox's presidency, who reputedly used her influence to help her sons' company get large contracts with Mexico's national oil company]. Another is Zhenli Ye Gon [a Chinese businessman implicated in a drug-trafficking scandal in Mexico in 2007], who was discovered with mountains of cash in his living room and who was dealing with Javier Lozano Alarcón, the secretary of labor in the Calderón government.

Lozano Alarcón is also responsible for the destruction of a national electricity company Luz y Fuerza del Centro [dismantled by the Calderón administration in 2009 "its workers, organized in the SME, have continued the struggle to get their jobs reinstated]. He basically became public enemy number one for the Mexican working class. His case clearly speaks to the complicity between the political class "the party and the government" and organized crime.

HOW DID the neoliberal turn affect the left? What became of the project of the PRD, formed by Cárdenas after the fraudulent election in 1988?

THIS TRANSITION wasn't planned beforehand, but it took place at a historic coincidence "the entire system of political parties was transformed by the arrival of the neoliberals in the PRI, which then affected the whole opposition. So the transition to "democracy" took place at a time when the alternating rule of the two parties was irrelevant, because their neoliberal project is the same.

The Party of the Democratic Revolution came out of a crisis in the left, a crisis similar to that of the PRI and the PAN, when the entire socialist left in Mexico "be they Communists or Maoists" dissolved into a different kind of party following cardenismo. The strategic goal of this party was to push the PRI out of power through elections, and to make taking their turn in power the main priority.

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As these left parties abandoned their socialist programs, the goal of entering government became a goal in itselfâ€”they had become part of a party for a democratic revolution, instead of a social or socialist revolution. Therefore, these parties came to identify the democratic revolution as having a turn at leading the government.

All the shortcomings that PRD members find in their party aren't the defects of individuals lured by corruption, but rather this shift where all social demands were left by the wayside in a search for votesâ€”since votes and posts in government are what would make the democratic revolution.

The PAN didn't like this project, because they would rather be one of two parties in a two-party system. The PRD aimed for a tri-party system, but one that excludes a political project of the left linked to the working class.

To come full circle to the first question, once PeÃ±a Nieto came into power in 2012, the PRI came back with the argument that they were better in charge of government than the other party that had taken its turn in power, because after two terms of the PAN, the country was in a state of collapse as a consequence of the drug war. So the PRI made a comeback, but it was the return of the neoliberal PRI.

What we have in power today is a new neoliberal oligarchy. It is no longer the Bonapartist regime where a political clique administered the state and the bourgeoisie was outside of it. Today, the neoliberal oligarchy has at its service several parties that support the neoliberal project. This is best shown by the Pact for Mexico [signed in December 2012, the day after PeÃ±a Nieto took office], a treaty between the PRI and the PAN, but also the PRD.

Thus, the changes that took place in Mexico were in-depth transformations that also changed the nature of the system of political parties. It's important to mention NAFTA here because it marks the rupture with the past. While the whole discourse of economic development that accompanied NAFTA was false, a historic shift did take place in the political regime of Mexicoâ€”and consequently the nature of Mexico's political parties.

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[1] This reference is to a formulation developed by the Marxist tradition and applied to Mexico by Leon Trotsky, after the Mexican Revolution of 1910-20 produced a stalemate between popular forces on the one hand and bourgeois forces on the other. The revolutionary forces led by Villa and Zapata took over Mexico City in 1914, but capitalism was not overthrown and replaced. According to Trotsky's analysis, what arose was a Bonapartist regime that pretended to stand above the different classes in struggle, while ruling in the context of an international capitalist system.