

Ayer pasó, mañana no ha llegado
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There is an ancient Chinese curse: »May you live in interesting times.« In the final decades of the 20th century, Mexico has indeed lived interesting times. At the end of the millennium, it is halfway towards completing a long historical transition. Although the goal is complex, it may be described in simple terms: we are building a prosperous, equitable and democratic country atop the remains of an authoritarian, unequal and poor one.

Problem one: prosperity. Mexico is a country of one hundred million inhabitants and three quarters of a million square miles. In terms of population it is the eleventh largest country on earth, and thirteenth in terms of size. In 1994 it was classed as the thirteenth largest economy in the world. However, in the United Nations' quality of life index, it was not thirteenth, but sixty-seventh.

Problem two: inequality. Mexican society suffers from old and new inequalities. A handful of large companies are responsible for most industrial output and just two banks hold more than half of the country's savings. Three large cities are home to a third of the population. In 1994, the poorest 40% received only 17% of all income and the richest 10% received 34%. Forty of every one hundred Mexicans live below the international poverty line and thirteen out of every one hundred in conditions of extreme poverty. Society as a whole goes to school for an average of six years, but this figure climbs to ten grade years if only the urban areas are taken into account. In public health, epidemics typical of the underdeveloped world coexist with diseases common to developed countries. Life expectancy in Mexico is 70 years, but only 50 in depressed rural areas. It is a society of mixed races, with strong indigenous roots that were bequeathed the Spanish language, where five of every one hundred inhabitants speak an Indian language and only one out of every hundred speaks only that language.

Problem three: democracy. Mexico is a nation of labyrinthine laws, but its political culture does not revolve around any ideal of true law enforcement. The country prefers gray negotiation to black and white law. It is a country that has never suspended elections since the end of the Revolution which gave birth to its modern era in 1917. However it did not have its first effective and clean elections until 1994, when President Ernesto Zedillo came to power. In the interim, despite the separation of powers, the executive absorbed the legislature and judiciary. It is a federal republic in which power has been wielded with an iron hand and where the word »federalism« has been twisted into centralism.

Mexico has a culture both ancient and cosmopolitan, rich in regional cuisine and music, tied to the village pump yet prone to mass migrations born of both adventure and need. As the millennium draws to a close, this modern yet backward country, enormously rich yet enormously poor, plebeian yet plutocratic, hungry for progress yet held back by its historic inertias, is undergoing an immense and truly epoch-making transformation, comparable to any in its turbulent history.

The Great Transformation at the End of the Millennium

Mexico has undergone four major historic transformations: 1. the conquest and colonization by Spain in the 16th century. 2. the Bourbonic reforms of the 18th century which led to independence in 1821, after the fall of the Spanish empire in the Americas. 3. the liberal reforms which took half of the nineteenth century to make true progress and 4. the Mexican Revolution which casts its shadow over most of the 20th century. In the last twenty years of the 20th century, after the country's public finances went

bankrupt in 1982, Mexico began a fifth and just as profound transformation. Affecting every nerve and fiber, visible and invisible, of Mexican society, it may be summed up as a dual change: one of the model of economic development and another of the nature of the political regime.

In the economic sphere, we see a moving away from a closed economy towards an open one. From an inward-looking development model to an outward-looking development model. From a protected economy, striving to satisfy its domestic market, to an export driven, free-trade economy. And from an economy regulated by an interventionist and proprietary state to an economy regulated above all else by market forces and a state more a promoter than a proprietor, with policies of subsidies, not intervention.

In politics, we are witnessing the change from an unchecked presidentialist regime to a delimited presidential regime, in which the other branches are independent. It has evolved from a hegemonic, almost one-party, system, with controlled elections, to a system of competing parties, and it has brought with it government-independent free elections, plural and critical public opinion and citizens with different options as well as government alternatives.

Where did this change begin? Whence did it emerge? Mexicans prefer an insular view of their history, as though everything happening in the patria had an explanation within its sovereign borders. However with a glance at world history one soon sees to what extent the major changes in Mexico coincide with major changes in world markets and politics. This Mexican fin-de-20th-siècle transformation is no exception: it is part of the industrial, financial and technological adjustment that profoundly shifted the coordinates of world markets back in the 1970s. At the time, Mexico held solid stability and development credentials. It was exceptional among the successful cases of inward-looking growth that emerged in Latin America in the 1940s. Such growth was based on import substituting industrialization, trade protectionism and state interventionism.

In the 1970s the secret to success in the world market changed drastically. The emerging economies of those years sought to adapt to new technological and commercial globalization processes. The unprecedented acceleration of those processes

in the 1980s outstripped national borders and planned economies, imposed a new transnational logic of major economic blocs and global opportunities for producers in the world economy's different niches, and this adjustment had profound consequences. The most far-reaching of all, of course, was the unconditional surrender in 1989 of the socialist countries when faced with the evidence of their economic failure, social injustice and political oppression.

More out of need than foresight, Mexico also had to adjust its conditions to the challenges of the day. It did so after the foreign debt crisis of 1981-82, which had a severe and irreversible effect on public finances and the State's economic and political thinking. Until that date, Mexico's economy and politics were heavily subsidized and protected from competition. Mexico had subsidized and protected businessmen, subsidized and protected labor, subsidized and protected peasants, subsidized and protected middle classes – where individuals, journalists, artists and students were at home.

It was also a country of subsidized and protected voters, with a subsidized and protected political opposition and a subsidized and protected hegemonic official party. At the end of the line, or at the top of the pile, there was a strong, subsidized and protected president. Everything in Mexico, or almost everything, was subsidized and protected, to some extent, by the state shroud. Everything was, when all was said and done, to some degree paid for out of the public purse. Therefore, when the government's finances went bankrupt, Mexico suffered not only the bankruptcy of an economic organization, but the beginning of the end of a political regime. It meant the death knell not only for an economic development model but also for a model of political stability.

The nation's governing class had to set itself the task of what at the time was called »structural change«. This translated as putting an end to subsidies and protectionism, cutting back the state, opening the economy up to international competition and modernizing the country in line with world realities and the new economic miracles taking place in countries capable of exporting and exploiting their comparative advantages in the world market. The liberalizing reform moved

forward at a gradual pace during the government of Miguel de la Madrid (1982–1988) and took off during the administration of Carlos Salinas de Gortari (1988–1994). However, both governments' discourse was dominated by economic change, reluctant as they were, to different degrees, to dismantle the political apparatus that supported them. However, as the economic reforms advanced, the old corporatist political structure was dealt a blow from which it would not recover. Amid the long-lived economic crisis of the 80s, political actors emerged who were not controlled by protection and subsidies, and demands for democratic change were made heard. These were the demands of a society irritated by economic crisis, a society which was in many aspects modern as a result of enormous but silent changes, in particular towards an open Mexico of educated middle classes, whose capacity for protest and political leadership was nurtured in the student movement of 1968.

It was soon to become obvious that the decision to liberalize and open up the Mexican economy meant not only economic reform but also a reform of the back-scratching state and corporatist policies which is a Mexican specialty summarized in the acronym PRI, which stands for the Institutional Revolutionary Party, the hegemonic party which has governed Mexico since its foundation in 1946. And so the liberalizing reform was also looking to a transformation of the political culture. For a large part of the 20th century, until 1982, Mexico's political culture revolved around a limited number of guiding principles that may be condensed into the expression »revolutionary nationalism«.

According to that doctrine, driven by its historic vocation and national essence, Mexico had no choice but to be certain things. First, a secular country, inasmuch as the Catholic Church did not have the right to take part in public life. Second, a peasant country focused on agrarian issues, inasmuch as it kept open the possibility of giving land to the peasants, supported communal »ejido« farming and limited the spread of private property in the countryside. Third, a labor unionist country, inasmuch as it supported the organization of workers in unions and the defense of their labor rights. Fourth, a nationalist country, inasmuch as it was capable of containing the influence and pres-

sure exercised by its historical adversary, the United States. Fifth, a statist country, because the State was the guarantor of social equilibrium, through the corporate distribution of protection and subsidies, and was also the manager and owner of the nation's greatest assets: education, oil, electricity, telephones, airlines and sugar mills.

The reform begun in 1982 challenged all of these pillars. The secular country was told that the Church was to regain its public rights. The peasant country was told that the distribution of land and communal farming were to be replaced by the development of the countryside. The labor unionist country was told that efficiency and productivity were incompatible with the political and labor privileges rife in Mexico at the time. The nationalist country was told that the nation's opportunities lay not in defensive distrust but in open association with its former adversary, the United States. Finally, the statist country was told that the State was too large and inefficient and had to be reformed, to become smaller. During the reform, the government sold nationalized goods, such as the banks, the airlines, the sugar mills and the telephone company. It cut subsidies to a population that had got used to them, abolished protection for an economy used to captive markets, slashed privileges for a labor union organization used to privileged dealings and imposed restrictions on a bureaucracy used to a lack of controls.

Nobody undertakes reforms on this scale without the risk of fractures. Such reforms are not skin deep. No country has been able to take such steps without high social costs and even dictatorial impositions, such as the case of Chile under Pinochet or Peru under Fujimori. Alternatively, no country in the Americas has not reformed because putting off reform has an even higher price, as may be seen in the case of Cuba.

The price of change was high. In 1987 it exacted the first split in the history of the PRI. Cuts in government subsidies and steps to make public finances healthy threatened old networks of political and social loyalties. The scaling-down of the state was seen by many sectors as a rejection of the government's social duties and affected many clients of the budget. The opening of trade meant that many companies, efficient under protectionism, went bankrupt. Privatization processes saw

few winners and many losers. The normalization of relations with the Church were a stake through the heart of official Jacobinism. Productivity was given such importance that old labor victories were actually annulled and relations between the unions and the government cooled. The end to land distribution shook old interests associated with tutelage and corruption in the countryside, one of the pillars of traditional political control in Mexico. The Free Trade Agreement and rapprochement with the United States were seen by many as a cession of sovereignty and economic surrender by the country. It is no coincidence that NAFTA was blamed by the Zapatistas for its rebellion because, it said, the agreement formalized Mexico's turning its back on its poor.

Mexican reforms faced the difficulties foreseen by Machiavelli in his famous passage on unarmed prophets: »... there is nothing more difficult to take in hand,...or more uncertain in its success, than ... the introduction of a new order of things. Because the innovator has for enemies all those who have done well under the old conditions, and lukewarm defenders in those who may do well under the new ... Men ... do not readily believe in new things until they have had a long experience of them.«

The Mexican reformers were not as unarmed as Machiavelli's prophets. They were at the pinnacle of the state. They used the vertical tools of corporate Mexico, and the unchecked powers of presidentialism, to lay the foundations of change. The problem was, and still is, the fact that the benefits of the new order not only took a long time to bear fruit, but in 1995 led to a new crisis considered even worse than the 1982 *débat* which actually gave birth to the reforms. To preserve political stability, the reformers had spent too much and made the mistake of generating the very economic imbalances that they wanted to correct. The trade deficit was high, as were the administration's hidden deficits. The dollar-denominated public debt, in national treasury bonds, on that account alone amounted to thirty billion dollars. The crisis hit Mexico in the shape of an aggressive devaluation of its currency and an abrupt halt to growth.

In the 1995 crisis, for the first time, it was not just the government and large companies that ran up large debts. Small and medium-sized companies, families and personal budgets, all went into

the red. The middle classes were caught with heavy debts on their credit cards, home mortgages and cars. They had believed in the new miracle and they paid for their innocence with hard-earned cash. In turn, they made the government and reformers pay, at the ballot box. The rotten fruits of economic reform led to the changes at the political level, and brought to the fore of national demands the implementation of a democratic system that could control the government, protect society from its knee-jerk mistakes and provide it with the means to change governors and the governing party when their mistakes so warranted. After decades of political stability under the domination of an almost one-party system, the last decade of the 20th century in Mexico was characterized by political competition. The PRI, with previously undisputed domination, struggled to survive in three hard-fought elections in 1988, 1994 and 1997, the year in which it lost its majority in the federal congress. The opposition parties became parties of cohabitation. They ended the century in power in both state and city governments which represented a third of the country's population, and half of its economic base: Mexico City and the two richest states in the republic: Jalisco and Nuevo León.

The government of Ernesto Zedillo (1994–2000) persisted in the economic reforms. Finding virtue in necessity, his administration also opened the gates to political reform and the establishment of democratic rules for the by now solid parties that channeled unconformity with the old regime. He also changed the rules for his own party, the PRI, and in the Fall of 1999 it held its first primaries to elect its presidential candidate, heretofore designated by the president in office.

Everything that used to guarantee political stability is on the wane in Mexico: the unchecked presidentialism of the past, the hegemonic »revolutionary« party, the corporatist control of society and the centralization of public life. And the risks posed by the situation are all too clear: new actors might not be up to the task of standing up to a world on the way out, of containing its last stand and channeling the fractures it will cause. There are institutional vacuums and tasks pending that could buck the trend towards democracy. A summary of Mexico's strengths and weaknesses at the end of the millennium would read as follows:

Mexico's Weaknesses

Violence

The first weakness rearing its head in Mexico lies at the very heart of the State: the control of violence in all its forms – political violence, criminal violence and social violence. There are two aspects to this problem: inaction on the part of the authorities and distrust on the part of civil society.

Inaction on the part of the authorities refers to the fact that for a long time now the control of violence and public security have not been fundamental priorities in State discourse or action. After the Revolution, the control of violence in Mexico was a problem that had been historically solved; in the 1920s one group imposed its will on others, took control of national power, put down rebellions and established a solid government whose primary obsession was guaranteeing peace and containing violence. In the 1940s and 50s, Mexican governments seemed to have the problem of security solved. They dedicated their efforts to other matters: industrialization, literacy, balanced bud-gets – all very important priorities but ones that have little or nothing to do with the State's fundamental duty: security. The problem of security seemed to have been mainly solved.

In the final quarter of the century we have seen federal governments whose priority has been the economic and electoral reform of the country, not security. Security has a bad reputation. It is nothing to boast about and it is based on disagreeable things: society's repressive, albeit legitimate, forces. In the final instance, it is a question of using violence against criminals and those who violate the social pact. It involves a legal activity, but a repressive, dark and violent one. Governors do not want to know about such things, and therefore tend to delegate them. This passing off of the State's central problem from leading players to other actors, from a primary to a secondary priority, is one of the root causes of the crisis in public security, corruption in police forces and rise in unpunished acts of violence.¹

Hand in hand with the authority's historical failings when it comes to a legal monopoly on violence goes the problem of political culture. There is an intangible, yet absolutely real, limit which restricts the use of the means of constraint

by the authorities. For some time Mexico has been experiencing a credibility crisis on the part of civil society vis-à-vis the legitimacy of the use of force by the State. Governors are reluctant to use the forces of constraint mainly because citizens do not believe that they will be used with legitimacy and impartiality by the authorities.

In all aspects of political life we have authority that cannot use the forces of constraint, whereby they are not believed to have the moral or political standing, common sense and good faith to use the force necessary to enforce the law. Every time those in power openly use constraint, citizens question their actions. As a result, rather than gaining prestige through enforcing the law, they tend to lose it: by using violence to catch a criminal, by collecting taxes and jailing evaders, by preventing the right of way from being abused, which infringes the citizen's right to movement, by removing squatters from buildings and land, by charging for the use of public services and punishing non-payers, etc. For the government, the control of violence, which is the State's prime duty, is not a priority commitment. However, neither is it considered such by civil society, and in time it has become Mexico's main and most dangerous weakness.

Illegality

Mexico's second weakness is intimately tied to the first: the survival of an entrenched culture of tolerance for illegality. This is a serious matter, given the new democratic tide sweeping the nation. For many decades, the benign authoritarianism that characterized the political life of Mexico overcame problems by stepping over, or under, the law. Throughout this long period,

1. The list of heads of public security and police commanders who have turned out to be criminals, partners of criminals, godfathers and patrons of organized crime is a long one. They have all gone from the highest positions in public security to jail. In the eighties, there was the powerful head of the Mexico City police, Arturo Durazo Moreno. In the nineties, the director of national security, José Antonio Zorrilla, and the general responsible for the fight against drugs, Jesús Gutiérrez Rebollo. It would be hard to come by a more illustrative example of the passing off of the State's central duty, and its consequences.

sometimes with more and sometimes with less sense, but always with final and binding decisions, the authorities said what was just and what was not, who was guilty and who was not. It was an arbitrary but effective way of assigning and distributing decisions regarding justice in the country. That authoritarian system has been worn away in its transition towards a democratic system and today we have a system where the authorities do not and cannot decide with the discretion, legitimacy and/or final character that they once had. The new world of a democratic system which Mexico has now joined can only be governed by equality before the law. But law enforcement faces the inertia of the culture of illegality.

In a recent report on the country's political culture, »Mexicans in the 90s«, based on a national survey taken in 1994, Mexicans were asked if laws should be respected in all cases. Almost a third of those interviewed said that laws should only be respected when they are fair. Who decides if those laws are fair or not? What does it actually mean, when it is said that laws must be respected only if they are fair? It means that they must be respected if I think they are fair; in other words, they must be respected if I feel like it. The fact that a third of Mexicans think this shows that Mexico has unsound foundations in its civil society when it comes to entering a regime of effective application of the law.

Once more the coin has two sides: civil society and the authorities. On the one hand, citizens do not feel obligated by the law, they feel unjustly constrained by it. On the other hand, the authorities do not feel capable of enforcing the law, they feel overrun by it. The problem is that the only stable reference point in a democracy is the equality of rights and duties before the law. It is this reference point that is the object of suspicion and arbitrariness at the heart of Mexican political culture. When it comes to the culture of legality, many Mexicans still hold to the old tradition of political legal negotiation where the law is seen as a reference point for negotiation or pressure. The politicization of legal trials has been systematic in public life, as has been the legalization of political life. This remains so. The basic problem is that a democratic system in which actors are not bound by the law but act in line with the logic of bending the law to meet the pressure brought

by interests, is condemned to fragmentation and anarchy.

Weak Presidency, Fragile Political Majorities

The third weakness is a conjunction of political changes: the erosion of presidentialism and the absence of players to replace the central actor. In the second half of the 20th century, the president of the republic was the central actor in the political life of the country. The nascent democracy in this turn-of-the-century Mexico was to a large extent built by delimiting the powers of the President and of presidentialism. By delimiting that power, Mexico could suffer the paradox of becoming a weak power, with no substitute, which could lead not to the so-sought-after balance of powers but to a paralysis of government and even a power vacuum. This, in turn, could lead to authoritarianism.

Presidentialism is disappearing with nothing to replace it as the basis for the governability of the country. Democratic competition has destroyed the old hegemonic majority of the PRI without replacing it with anything else. Mexico's nascent democracy produced a stage of fragile majorities. There is no stable and solid majority among the country's political contenders. If things remain as they are, it is foreseeable that the 2000 elections will give Mexico a winner who represents an absolute minority and an opposition, with a majority created only by adding all the votes together. This is a recipe for more acute or chronic crises like those that befell Congress in the final years of the century: a government with a fragile majority and an opposition with an absolute majority that instead of trying to govern, only sniped at the government. The result could be a no win situation, neither for the government nor for the opposition. No verdict, no government formed, only a catastrophic tie. This could only be followed by a paralysis of government. Which is just some short stop to a power vacuum.

Divided Elites

In the aforementioned conditions of a weak President and fragile majorities, the fourth severe weakness faced by the country lies in the fact that

Mexico's democratic transition is not founded on an explicit pact of elites regarding the essential bases that must form the common ground for the development of the new democratic country. The two successful transitions in the Spanish-speaking world, Spain and Chile, so different in their direction and content, had this one common aspect: adversaries agreed on a few essential and untouchable things, and their transitions were based on that explicit agreement. This is no coincidence. All modern democracies are based on unquestionable tacit agreements.

Of course, a democratic country is expected to produce fierce discussion and competition on such matters as power, access to power, and the figure in power. This discussion is also expected on the question of public policies, government priorities, spending and revenue. Fundamental or spectacular U-turns are not expected; take for instance Mexico's own recent history, in 1982 the then president decided to nationalize the banks, just a few short years later (1990) another president privatized them again. What will the next president decide? Presidents no longer have those powers, but the forces that have yet to replace them cannot agree as to what the fundamental standpoints ought to be upon which their disagreements should be built.

Mexico is still a country where fundamental or radical U-turns are possible. It has yet to define its new national consensus. There is dispute surrounding essential aspects of economic policy. There is dispute surrounding essential questions of the development model to be followed. There is dispute on the historical and geopolitical space the country must occupy and dispute on the stance it must take on globalization. In other words, the foundations of the nation in the immediate future are called into question.

Bureaucratic Discontinuity

In the light of the above, operational weaknesses are of the greatest importance, and it is against this background that we now turn to the country's fifth strategic weakness which appears at first sight to be a merely administrative one. Not only is there no President to take the lead in everything, there are also no solid political majorities to replace him.

There is, moreover, no pact of elites to provide a fundamental agreement on direction. There is no government bureaucracy guaranteeing a degree of continuity in the passage between governments when power alternates. There is no such thing as a stable bureaucratic structure. There are no set routines for the figures in power to pass on the baton, which would guarantee that governments would not make serious problems and mistakes simply through lack of administrative coordination.

Much of the crisis of December 1994 was due to a deficient transmission of power in the fields of public finances. Confidential areas of government may only be transferred on the basis of previous agreements and pacts among the old and new governing teams. Finance is one and national security another. All the Departments have operating secrets and confidential aspects which makes it impossible to administer if they are unknown. But none of them have teams guaranteeing continuity in the handling of those key questions at the highest level. The lack of a career civil service is in these conditions a hole through which the most legitimate, talented and well intentioned of governments might fall.

Inequality

Mexico's final strategic weakness is its oldest imbalance: inequality. The backdrop to many of Mexico's errors and crises is its excessive levels of inequality. Sometimes, when talking of inequality, certain groups start saying: »What are we supposed to do? We can't be expected to go in for charity and philanthropy«. It is not out of a philanthropic desire that we must attain a less unequal country, more socially and economically homogeneous. It is to give the country true feasibility: economic feasibility, market feasibility, feasibility in social cohesion. To provide countries with long-term feasibility, inequality must be reduced and equal opportunities provided for all.

To sum up, the profound weaknesses faced by Mexico at the end of the millennium may be resumed as follows: First, a crisis in the control of violence. Second, a crisis in the culture of illegality and the rule of law. Third, the erosion of presidentialism against a background of fragile majori-

ties. Fourth, the lack of a well-founded pact of elites that can guarantee the basic agreements for future development. Fifth, the absence of a bureaucracy guaranteeing operational continuity of government in the event of alternation of power. Sixth, chronic inequality, which without a solution will prevent the harmonious long-term development of any national community.

Mexico's Strengths

However Mexico is not only constituted by weaknesses. Its strengths may be listed as follows:

The Economic Sphere

In all probability, the fundamental costs of the liberalizing reforms have already been paid and the task ahead consists mainly of conserving such macroeconomic equilibria as have been attained. Maybe that will be enough to guarantee a sustained growth horizon, sufficient to confirm in the collective mind that the path chosen was the right one and provide a new political atmosphere for the reforms taken.

The modernizing reforms of the economy are not only on the right path – that of world change – but they have also found their practical niche, a strategic alliance with the United States and Canada in the framework of NAFTA. This is not only a trade treaty, but also an umbrella for strategic economic alliances.

The strength of the exporting economy is one first indication of the success of economic reforms and openness. The value of exports doubled from 27 billion to 96 billion dollars between 1987 and 1995. In 1998, Mexico exported for 117,500 million dollars, this was more than Argentina, Chile and Brazil put together. In addition, there is obvious dynamism in the most modern parts of the economy and not only the export sector. There is an entire network of first-world competitors with an extraordinary set of possibilities. A substantial institutional step has been taken towards correcting the number one structural problem, domestic savings, with the establishment of a modern pension system.

Despite this, without further profound changes in the sphere of economic liberalization, the prospects for Mexico's economic performance in the

coming 20 years are not spectacular. One scenario foresees growth rates of 4.5–5% for the next thirty years, which would mean a climb from 4,300 to 12,000 dollars in per capita income.

The Political Sphere

Mexico is well equipped to see its search for democracy crowned by success. It has demonstrated an institutional capacity for change in the number one aspect of its political agenda over the last ten years: electoral honesty. This has not only been a political opening up, but also an institutional undertaking by new actors. For the first time in its history the country has the basic ingredients for free elections and an effective democratic life in the field of political competition. Its citizens have finally become proper citizens who vote and defend their vote. It has political parties with effective plans and focuses. It has electoral institutions whose rules and decisions are accepted by contenders. It has a political tradition of negotiation, inclusion and agreement.

It also has an up-and-running consensus regarding its future. Exaggeration should be avoided when it comes to the differences and lack of consensus among elites, lest passing priorities or individual divergences be confused with a lack of fundamental consensus. Even those forces most fiercely opposed to the reforms of the last fifteen years concede that some of them are irreversible. Nobody is suggesting we simply return to the past. The privatization processes are criticized for a lack of transparency and the state ownership of oil or electricity is blindly defended, but nobody is proposing nationalization as an expedient route to economic efficiency, political need or social emergency. The cutting back of the state and what is seen as its renunciation of social duties and necessary redistribution are questioned, but nobody is suggesting a return to the proprietary, inefficient, deficit-ridden and obese state that existed before the reforms. The effectiveness of monetary or public-spending policies are questioned, but nobody is proposing systematic deficits as a budgetary tool, nor an unlimited national debt as a public investment resource, nor the printing of currency as an act of monetary sovereignty.

There is a consensus afoot, not only in Mexico but throughout the world that is taking shape in the agenda of the country's central actors and that could be summed up in a few points:

- ▶ Full acceptance of the market economy, open to the challenges and opportunities of financial, commercial and technological liberalization;
- ▶ the need for a modern state capable of guaranteeing macroeconomic equilibriums, legal security, improved physical and human capital;
- ▶ a political system capable of generating democratic govern-ability and giving itself a broad and systematic social policy in order to respond to the scale of inequality in Mexico.

In all of these aspects, Mexico is at the stage of an unfinished transition, a blend of misshapen inheritances and new directions still without a definitive face. The process to destatize the country has not brought full political democracy and the modernizers have had to bend their knees to the authoritarian and corrupt past on which so far most of the political apparatus and political negotiation have been based. The privatization of public corporations did not bring the hoped-for economic efficiency, and the opening up to trade did not make the industrial base competitive, but in many cases actually ruined it. A social pyramid which for centuries has been branded by inequality has been yet further punished with poverty and plutocratic concentrations of wealth and opportunities. The dismantling of state control has left open a worrying scope for growth both in social and criminal violence.

Yet, for the first time, Mexico has held credible and certified elections. Political competition and alternation in government have become an everyday fact and a real horizon, together with full freedom of the press. Certain companies show a dynamism and productivity as good as those seen anywhere in the world. The modernizing reforms have set out encouraging scenarios of healthy public finances, free trade with North America, institutional checks on bureaucratic patrimonialism and corruption, a clarification of land ownership, political freedom for churches, a reform of the legal system, a reform of the social security system and a process to refederalize national life that has already taken substantial steps in the field of education.

This article could dwell on other rays of light and dark shadows. The truth lies in the *chiaroscuro*. If the gateway is to be the construction of a prosperous, equitable and democratic country, Mexico shall be democratic before it is prosperous, and prosperous before it is equitable. At the end of the millennium, it is half way. ◀