

# Structural change and neoliberalism in Mexico: 'passive revolution' in the global political economy

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ABSTRACT This article examines an enduring context of 'passive revolution' in the making of modern Mexico by developing an account of the rise of neoliberalism during a period of structural change since the 1970s. It does so by analysing and understanding both the unfolding accumulation strategy and the hegemonic project of neoliberalism in Mexico since the 1970s as emblematic of the survival and reorganisation of capitalism through a period of state crisis. This is recognised as a strategy of 'passive revolution', the effects of which still leave an imprint on present development initiatives in Mexico. Therefore, through the notion of 'passive revolution', the article not only focuses on the recent past circumstances, but also on the present unfolding consequences, of neoliberal capitalist development in Mexico. This approach also leaves open the question of 'anti-passive revolution' strategies of resistance to neoliberalism.

In June 1998 a conference entitled 'Forthcoming Latin America: A Hard Look at the Future of the Region' was convened by Latin American Newsletters in London. Funded by the Inter-American Development Bank (IDB) in collaboration with the Institute for European–Latin American Relations (IRELA), the United Nations Industrial Development Organisation (UNIDO), the Economic Commission for Latin America and the Caribbean (ECLAC), and the WestMerchant Bank, the intention was to bring participants into contact with 'the experts' to focus on the region of Latin America. The conference was opened by Enrique Iglesias (President, IDB), who commented on the 'silent revolution' that had swept across Latin America in the context of globalisation. Additionally, Ricardo Hausmann (Chief Economist, IDB) lamented the prevalence of 'weak consumers' across Latin America, Marcos de Azambuja (Ambassador of Brazil, Paris) resolutely affirmed that 'the consumer is to the economy what the voter is to politics' and that 'there is no alternative intellectual discussion' to the reality of globalisation, while Rogelio Pfirter (Ambassador of Argentina, London) asserted that 'the policies of the 1970s took a long time to go away'.

At the same time as such ideologically anaesthetising analysis was under discussion, the Mexican intellectual Carlos Fuentes was publicly commenting on similar issues, in particular, some of the essential problems of the North

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American Free Trade Agreement (NAFTA) and the impact of 'savage capitalism' on the people of Mexico. According to Fuentes, 'the problem of globalisation is that it is only interested in merchandise ... and the unlimited movement of capital ... with no productive purpose whatsoever'. Hence the need, according to Fuentes, to curb the untrammelled movement of capital which has totally speculative and non-productive purposes in order to correct the 'bad face of neoliberalism'. Yet what processes have led to the development of these perspectives on the political economy of Latin America? Indeed, how have some of the leading elites from the region of Latin America come to champion a neoliberal consensus deemed irreversible? What is meant by the declaration that the 'policies of the 1970s took a long time to go away' and how does this relate to an understanding of globalisation? Most crucially, how are these processes specifically related to Mexico? This article develops a critical analysis of these unfolding processes commonly understood under the rubric of globalisation. It will do so by tracing the rise of certain social forces, shaped by a restructuring of relations of production within the form of state in Mexico, to suggest that a shift occurred in the 1970s, which began the move towards a neoliberal strategy of capitalist accumulation. This shift not only heralded an end to the phase of Import Substitution Industrialisation (ISI) growth, or 'desarollo estabilizador', but also fundamentally altered and unravelled the social basis of the hegemony of the once-ruling Institutional Revolutionary Party (PRI). It was this dwindling hegemony that was finally ended by the victory of Vicente Fox Quesada in the 2 July 2000 elections in Mexico. Yet this electoral change raises questions about whether a second generation of neoliberal capitalist development is underway in Mexico, heralding an underlying continuity in policy, regardless of recent debate on the 'post-Washington consensus'.4

To tackle these issues the article will elaborate upon an enduring context of passive revolution in the history of Mexico. This refers to conditions of socioeconomic modernisation so that changes in production relations are accommodated within existing social and institutional forms but without fundamentally challenging the established political order. It is a theory of the survival and reorganisation of capitalism through periods of crisis, when crucial aspects of capitalist social relations are not overcome but reproduced in new forms, leading to the furtherance of state power and an institutional framework consonant with capitalist property relations.5 The main benefit of this recourse to the notion of passive revolution is that it leads one to analyse prevalent consensual aspects within conditions of hegemony. To put it in Hugues Portelli's apt words: 'There is no social system where consensus serves as the sole basis of hegemony nor a state where the same [mismo] social group can durably maintain its domination on the basis of pure coercion.'6 In contrast to earlier debates on bureaucratic authoritarianism and state corporatism in Mexico and Latin America, as well as more recent analyses on hegemony that develop similar conclusions, the following argument does not conflate hegemony with dominance or coercion, nor does it presume that conditions of hegemony are here one day and gone the next.<sup>7</sup> Instead, the following argument draws attention to the variations in, and the gradual erosion of, conditions of hegemony as well as to the mix of consensual and coercive elements that have constituted these conditions within the making of modern Mexico.

To promote this analysis the argument is structured into three main sections. A first section will briefly outline the centrality of a theory of passive revolution and hegemony in understanding the making of modern Mexico. Second, the analysis will concentrate on a context of passive revolution in the history of Mexico by developing an account of structural change to the political economy since the 1970s. This will proceed by 1) examining the accumulation strategy of neoliberalism and 2) analysing how this affected the hegemonic project of the PRI. While neoliberalism was to gain ascendancy as the chief accumulation strategy in Mexico through the 1980s and 1990s, this section draws initial attention to the context of the 1970s in order to account for contingent processes of struggle between social forces that provided the background for subsequent developments. Key developments in this period, linked to the restructuring of production relations, promoted cleavages between social forces in Mexico that would lead to a shift from the accumulation strategy of ISI to the eventual agenda of neoliberalism. It will be clear that the promotion of neoliberalism and the consequent struggle between social forces proceeded in a particular way in Mexico more attuned to specific sociopolitical conditions. Neoliberalism did not involve the rollback of the state in Mexico but was rooted in the restructuring of state-civil society relations that included a constant renegotiation of statebusiness-labour relations and the promotion of interventionist projects designed to harness social mobilisation. This is important because it becomes possible to show how social forces within the state in Mexico authored the globalisation of neoliberal restructuring.8 Put differently, the agency of particular social forces in constituting and reproducing the globalisation of neoliberalism is realised.

Finally, a third section will illustrate how conditions of passive revolution still prevail after the presidential election of Vicente Fox on 2 July 2000. In particular, it will show how there has been an attempt to shift politics putatively beyond neoliberalism, to modernise capitalist social relations and reconstitute social cohesion along the lines of the *Alternativa Latinoamericana* (Latin American Alternative), a variant of the 'post-Washington consensus' promoted by Roberto Mangabeira Unger and spearheaded in Mexico by Jorge Castañeda. While a detailed analysis of resistance movements is beyond the purview of this discussion, linkages will also be made to alternative social forces that have pursued dialectically opposed political strategies in the hope of creating new social and political relations. It will thus be clear how the overall discussion is linked through the notion of passive revolution by considering *both* the restructuring of capitalism, or the 'counter-attack of capital', organised by ruling social forces through neoliberal restructuring, *and* the articulation of 'anti-passive revolution' strategies of resistance by progressive forces in Mexico.9

# The history of Mexico seen as a struggle of 'passive revolution'?

In recent debates in International Political Economy (IPE) the concept of passive revolution has gained currency within a series of similar but diverse 'neo-Gramscian perspectives', 10 to address historical processes of state formation in the industrialising world. While a focus is generally drawn to processes of

capitalist expansion in 'developmentalist states', within which the state mediates between classes, acting as an arbiter of social conflict, little attention is granted to specific conditions *within* states confronted by an impasse in social development. Rarely is there an effort to focus on the arrangements within particular forms of state that lead to the incorporation of fundamental economic, social, political and ideological changes in conformity with changes in capitalism on a world scale. In short, there has been little effort to address the imperatives of class struggle brought about by the expansion of capital and the *internalisation* of class interests within historically determined forms of state. At the same time, scepticism has also been raised about the lack of direct engagement with the thought and practice of the main exponent of the notion of passive revolution, namely the Italian Marxist Antonio Gramsci. Hence a turn, first, to the specific writings of Antonio Gramsci to outline in more detail the notion of passive revolution before, subsequently, considering how these conditions inhere within the specific circumstances of class struggle within the state in Mexico.

The Risorgimento, the movement for Italian national liberation that culminated in the political unification of the country in 1860-61, and a series of other historical phenomena throughout nineteenth century Europe were described by Gramsci as 'passive revolutions'. The concept, rooted in his writings analysing the crisis of the liberal state in Italy, was linked to the rise of bourgeois revolutions, with the history of Europe in the nineteenth century seen as a struggle of passive revolution.<sup>15</sup> According to Gramsci, the French Revolution (1789) established a bourgeois state on the basis of popular support and the elimination of old feudal classes yet, across Europe, the institution of political forms suitable to the expansion of capitalism occurred differently in a more reformist manner.<sup>16</sup> Following the post-Napoleonic restoration (1815–48), the tendency to establish bourgeois social and political order was regarded as something of a universal principle but not in an absolute or fixed sense.<sup>17</sup> 'All history from 1815 onwards', wrote Gramsci, 'shows the efforts of the traditional classes to prevent the formation of a collective will ... and to maintain "economic-corporate" power in an international system of passive equilibrium'. 18 As Eric Hobsbawm has elaborated, this was indicative of mid-nineteenth century European national unifications during which people become ancillaries of change organised from above based on elite-led projects. In underdeveloped parts of the world this process was mimetic, as 'countries seeking to break through modernity are normally derivative and unoriginal in their ideas, though necessarily not so in their practices'. 19 A bourgeois revolution, therefore, was a revolution, marked by violent social upheaval, but it involved a relatively small elite giving a decidedly capitalist imprint to the changes, leading to the creation of state power and an institutional framework consonant with capitalist property relations.<sup>20</sup>

The 'passive' aspect refers to the way challenges may be thwarted so that changes in production relations are accommodated within the current social formation. This might not be done in a 'passive' way but refers to the attempt at 'revolution' through state intervention or the inclusion of new social groups within the hegemony of a political order but without an expansion of mass control over politics.<sup>21</sup> A passive revolution may therefore unfold thanks to popular demands and entail a 'progressive' element or fundamental change in the

organisation of a political order. Yet it was more likely to result in a dialectical combination of progressive and reactionary elements described as 'revolutionrestoration' or 'revolution without revolution'.22 While the ruling classes might garner real political support among the wider population, a passive revolution tends to indicate a highly restricted form of hegemony.<sup>23</sup> Within conditions of passive revolution 'the important thing is to analyse more profoundly ... the fact that a state replaces the local social groups in leading a struggle of renewal'.24 This unfolds when the ruling class is unable to fully integrate the people through conditions of hegemony, or when 'they were aiming at the creation of a modern state ... [but] in fact produced a bastard'.25 It is one of those cases when a situation of "domination" without that of "leadership": dictatorship without hegemony' prevails because it is possible for the state to dominate civil society, which is 'shapeless and chaotic' as it is in 'a sporadic, localised form, without any national nexus'.26 However, there is also an intrinsic weakness within the state, which is 'lacking effective autonomy' linked to both 'internal as well as international relations', because of the narrow and debilitating interests of 'a sceptical and cowardly ruling stratum'.27 Hence, through the expansion of state intervention, a partial or relatively fragile form of hegemony may only prevail, limited to a narrow social group rather than the whole of society. This may have various 'path-dependent' (but not deterministic) effects that shape and define the nature and purpose of state actions during particular phases of development and the distinctive institutional configurations of capitalism.<sup>28</sup>

The conditions of passive revolution therefore differ from 'the real exercise of hegemony over the whole of society which alone permits a certain *organic equilibrium*'.<sup>29</sup> This expression of hegemony is based on the development of a "diffused" and capillary form of indirect pressure' relying on the organic development of a relationship between leaders and led, rulers and ruled, where real predominance is concealed behind a veil of consent.<sup>30</sup> In such cases, opposition elements are assimilated through 'capillary articulations' transmitted via channels of public opinion, albeit still with difficulty, friction and loss of energy.<sup>31</sup>

The 'normal' exercise of hegemony ... is characterised by a combination of force and consent which balance each other so that force does not overwhelm consent but rather appears to be backed by the consent of the majority, expressed by the so-called organs of public opinion.<sup>32</sup>

A situation of passive revolution, by contrast, expresses a condition in which social forces are in conflict, without any prevailing in the struggle to constitute (or reconstitute) an organic equilibrium based on relations of hegemony. The equilibrium of a passive revolution is therefore unstable and contains within itself the danger of disintegrating into a *catastrophic equilibrium*.<sup>33</sup> Within these structural conditions, 'events that go under the specific name of "crisis" have then burst onto the scene'. <sup>34</sup>

Finally, the concept of passive revolution has also been used to describe similar but discrete situations characterised by the expansion of capital and the emergence of the modern state. 'The concept of passive revolution, it seems to me', declared Gramsci, 'applies not only to Italy but also to those countries that

modernise the state through a series of reforms ... without undergoing a political revolution of a radical Jacobin-type.'35 The task was to develop a critical analysis of different passive revolutions and draw out general principles of political science but without succumbing to mechanical application or a form of deterministic fatalism. This involves advancing an understanding of processes of capitalist development in *particular* cases, by unravelling struggles over hegemony in state—civil society relations among social forces shaped by changes in the social relations of production, as part of *general* trends. The following section therefore poses particular questions about conditions of passive revolution in relation to a period of structural change in the history of Mexico, within which the rise of a strategy of neoliberal capitalist accumulation can be situated.

# Structural change in the form of state in Mexico

One way of examining the constitution of neoliberalism in Mexico and the social bases of the state, meaning the specific configuration of class forces that supports the basic structure of state-civil society relations, is to distinguish analytically between an accumulation strategy and a hegemonic project. An accumulation strategy defines a specific economic 'growth model' including the various extraeconomic preconditions and general strategies appropriate for its realisation. The success of a particular accumulation strategy relies upon the complex relations among different fractions of capital as well as the balance of forces between dominant and subordinate classes, hence the importance of a hegemonic project. This involves the mobilisation of support behind a concrete programme that brings about a union of different interests.<sup>36</sup> An accumulation strategy is primarily orientated towards the relations of production and thus to the balance of class forces, while hegemonic projects are typically orientated towards broader issues grounded not only in the economy but in the whole sphere of state-civil society relations. My argument is that the rise of neoliberalism in Mexico can be understood within these terms. The conflicts of interest which eventually culminated in the accumulation strategy of neoliberalism, especially reflected in the Presidency of Carlos Salinas de Gortari (1988–94), were pursued while reconfiguring the hegemonic project of the PRI. This resulted in fragmentation, leading to a contemporary crisis of authority in Mexico. It now remains to give an account of the context within which the conflicts of interest between class forces took place that led to changes in the form of state in Mexico before considering more contemporary circumstances.

## The rise of a neoliberal accumulation strategy in Mexico

In order to account for the period that Mexicans refer to as the 'tragic dozen' (1970–82), the determinant factor for the transition from an ISI strategy of accumulation to that commonly referred to as the neoliberal strategy of *salinismo* has been seen as a set of institutional changes *within the organisation of the state.*<sup>37</sup> The crucial phase that laid the basis for this shift in accumulation strategy in Mexico was the period in the 1970s that set the stage for subsequent develop-

ments.<sup>38</sup> As one informed commentator has put it: 'You cannot explain what happened in Mexico without seeing events intrinsically connected to the global political economy in the 1970s'.<sup>39</sup>

By the 1970s, during the *sexenio* (six-year term) of Luis Echeverría (1970–76), the government needed to revive its deteriorating legitimacy and responded with a neo-populist programme of political and social reforms. The Echeverría administration embarked on a macroeconomic strategy of 'shared development' within a supposed apertura democráta (democratic opening) to forge a populist coalition between national industrialists, peasants, urban marginals, disillusioned labour sectors, students and the middle classes. Yet, faced by pressure from internationally linked industrialists, Echeverría was unable to implement sufficient tax increases in order to support public spending directed towards national industry and the working- and middle-class sectors. Unable to implement tax increases on internationally linked capital, foreign borrowing therefore became the major source of finance for development policies.<sup>40</sup> Also, because of expanded state intervention in the economy and its increasingly anti-private sector rhetoric, the government began to lose the support of significant sectors of capital. Such state intervention increasingly alienated the private sector and, as a result, 'the alliance that ha[d] existed between state and national capital was severely strained'.41 An indication of this was the rise of the private sector in vocally articulating its opposition, notably with the founding of the Business Co-ordinating Council (CCE) in 1975, which proposed economic policies for the first time in opposition to the government following the impact of the oil crisis of 1973 on Mexico's economic performance. It is important to note that, while neoliberalism had not taken hold at this time, crucial cleavages within the organisation of the state were developing that would lead to shifts in capitalist accumulation.

Pivotal in preparing the conditions for such changes was the Mexican financial crisis of 1976. As James Cockcroft has put it, 'capital flight, noncompetitiveness of Mexican products, dollarisation of the economy, and IMF pressures forced a nearly 100 percent devaluation of the peso in late 1976, almost doubling the real foreign debt ... as well as the real costs of imported capital goods—to the detriment of nonmonopoly firms and the advantage of the TNCs'.<sup>42</sup> Yet the financial crisis can be seen to be as much related to the expansionary public-sector expenditure policies driven by the crisis of the PRI as to the macroeconomic disequilibria driven by structural change in the globalising political economy linked to US inflation. While the IMF certainly imposed austerity measures and surveillance mechanisms on Mexico, it has been argued that these were less violatory than feared; however, they did have a strong impact by altering the internal distribution of power and resources between social classes in Mexico.<sup>43</sup>

At almost the same time large oil reserves were also discovered which, by 1982, were estimated at 72 billion barrels, with probable reserves at 90–150 billion and potential reserves at 250 billion, amounting to the sixth largest reserves in the world.<sup>44</sup> Hence the political economy of Mexico became dependent on petroleum-fuelled development under the administration of José López Portillo (1976–82) while attempts were made to balance the tensions between competing social classes. However, a coherent course, capable of

satisfying the interests of national and internationally linked capital in Mexico, was not set. By the time world oil prices dropped in 1981, leading to reduced oil revenues, accelerating debt obligations and a surge in capital flight, Mexico faced another financial crisis that initially led to the nationalisation of the banks on 1 September 1982. This was a 'last-ditch effort' to recoup revenues for the public sector and reassert some form of state autonomy but it resulted in reinforcing private-sector opposition, capital flight, inflation and balance of payments problems.<sup>45</sup>

Similar to the earlier crisis, the result of the 1982 debt crisis was a combination of mutually reinforcing factors both within the globalising political economy and the form of state in Mexico.

The crisis was precipitated by the world oil glut, a world economic recession, and rising interest rates in the United States, but its root causes were domestic: excessively expansionary monetary and social policies, persistent overvaulation of the peso, over-dependence of the public sector on a single source of revenue (oil exports), a stagnant agriculture sector (at least that part which produced basic foodstuffs for domestic consumption), an inefficient and globally uncompetitive industrial plant, excessive labour force growth ... a capital-intensive development model that made it impossible to create an adequate employment base, endemic corruption in government, and resistance by entrenched economic and political interests to structural reforms.<sup>46</sup>

This resulted in another IMF austerity programme—involving reductions in government subsidies for foodstuffs and basic consumer items, increases in taxes on consumption, and tight wage controls targeted to control inflation—which the Mexican administration implemented by exceeding planned targets. Therefore, the crisis arose as a result of a conjunction of factors that also included the rise of technocrats—underway throughout the 1970s—which led to the ascendancy of the accumulation strategy of neoliberalism.<sup>47</sup> Crucial at this time were the institutional career paths of the elite, which began to alter so that ministries associated with banking and finance planning provided the career experience likely to lead to the upper echelons of government. Notably this was the context within which the Ministry of Programming and Budget (SPP) came to rise to institutional predominance as a pivotal *camarilla* (clique) within the organisation of the state.

The SPP was formed in 1976 and created the process of taking economic policy making away from the Ministry of the Treasury and Public Credit (SHCP). Overall, not only was direct control over the most important resources of information for plans and projects in the bureaucracy secured, but competing factions within the PRI could also be circumvented. Significantly, the three presidents preceding Ernesto Zedillo (1994–2000) all originated from agencies related to these changes, with López Portillo (1976–82) hailing from SHCP and Miguel de la Madrid (1982–88) and Carlos Salinas (1988–94) from SPP. By 1983 almost 60% of all cabinet-level appointees had started their careers in these sectors and over 80% had some experience within them, while in the Salinas cabinet 33% had experience in SHCP and 50% had worked in SPP.<sup>48</sup> The rise of such technocrats ensured that precedence was accorded to ministries of finance

like SPP that would subordinate other ministries and prioritise policies more attuned to transnational economic processes. The growing influence of neoliberal ideas can therefore be linked to the existence of a transnational capitalist class connecting IMF analysts, private investors and bank officials, as well as government technocrats in and beyond the PRI in Mexico. To cite Gramsci, this was a process whereby, 'in the political party the elements of an economic social group get beyond that moment of their historical development and become agents of more general activities of a national and international character.'49

A pivotal factor in the formation of this transnational capitalist class in Mexico was the move during the Echeverría presidency after the oil boom of 1975–76 to expand scholarships to foreign universities as a method of integrating dissidents radicalised by the massacre of students at Tlatelolco on 2 October 1968.<sup>50</sup> Thus, throughout the 1970s, not only was there a dramatic increase in the educational budget within Mexico, leading to a 290% increase in university students between 1970 and 1976, but the number of scholarships for study abroad increased even more dramatically.<sup>51</sup> It has therefore been argued that the dissemination of foreign ideas in Mexico increased as a direct result of the oil boom.<sup>52</sup> This led to many tecnócratas adopting a more conservative ideology while becoming dependent on the president for their subsequent governmental position, resulting in the crucial rise of *camarillas* that shifted institutional loyalty from a particular ministry or subgroup within the bureaucracy to close political and personal links with the president. It was this technocratic elite that took for granted the exhaustion of the previous ISI development strategy and engendered a degree of social conformism favouring the adoption of an accumulation strategy of neoliberalism. Yet it was hardly questioned to what extent such structural problems were not just intrinsic to ISI but related also to a series of exogenous shocks, such as the oil crisis, combined with erroneous decisions made in the 1970s following the oil boom.<sup>53</sup> Overall though, the overriding significance of the above changes was that the rise of tecnócratas (or the 'cult of technocracy') in Mexico was advanced by links with transnational capital during a period of structural change in the 1970s.54

For example, during this period of structural change or the 'reformation of capitalism' in Mexico, fractions of a transnational capitalist class became influential in shaping the *maquila* (in-bond) strategy of export-led industrialisation fuelled by foreign investment, technology and transnational capital. While the *maquila* industry has its roots in the Border Industrialisation Programme (BIP), introduced in 1965 after the USA ended the *bracero* programme (which provided a legal basis for labour migration from Mexico to the USA), it was not until the 1970s that economic promotion committees began to bring to fruition the earlier visions of border industrialisation, particularly under the auspices of the Secretariat of Commerce and Industrial Development (SECOFI), the industry ministry, within de la Madrid's administration. Between 1979 and 1985 *maquilas* increased by 40% and their employees almost doubled. 56

At an early stage in this transformation the interests of private capital were represented by organisations within the National Chamber of Manufacturing Industries (CANACINTRA). Along with other capitalist groups—such as the Confederation of Chambers of Industry (CONCAMIN), the Confederation of

National Chambers of Commerce, Services and Tourism (CONCANACO) and the Employers' Confederation of the Republic of Mexico (COPARMEX)—the major fractions of large and medium-sized manufacturers co-ordinated and consolidated capital's influence over the state. This influence proceeded further when such capitalist organisations regrouped through the CCE in 1975, to represent the interests of large-scale monopoly capital within the state. The maguila industry was thus promoted, nurtured and supervised by fractions of a transnational capitalist class in Mexico through processes of carefully managed statelabour-business relations that developed into a full-blown export-led strategy of industrialisation.<sup>57</sup> However, the interests of transnational capital also reached beyond the maquila industry to gradually secure the integration of Mexico into the global political economy. Hence, 'the official agricultural policies of the Díaz Ordaz and Echeverría periods [also] promoted transformations which deepened the integration of local farmers into a transnational system of agricultural production'.58 One consequence of this effort to reproduce the accumulation strategy of neoliberalism in Mexico was the 1992 reform of collective ejido landholdings enshrined in Article 27 of the Mexican Constitution, undertaken as a prelude to entry into NAFTA in 1994.59

A feature that also became crucial in the struggle over the neoliberal accumulation strategy was the introduction of the Economic Solidarity Pact (PSE) in 1987. The PSE was initially a mixed or 'heterodox' programme that aimed to tame the current account deficit and inflation based on a commitment to fiscal discipline, a fixed exchange rate and concerted wage and price controls. It has been heralded as instrumental in achieving a successful renegotiation of external debt following the debt crisis of 1982, in line with the Baker (1985) and Brady (1989) Plans, and further radicalising the import liberalisation programme following Mexico's entry into the General Agreement on Tariffs and Trade (GATT).<sup>60</sup>

Overall, three components of the PSE were crucial: the government's pledge in favour of the acceleration of privatisation and de-regulation; the centrality awarded to the CCE; and the use of large retailers' market power to discipline private firms and further ensure the participation of business elites.<sup>61</sup> The CCE itself formed from a forerunner of big business private sector groups within the capitalist class known as the Mexican Businessmen's Council (CMHN)—became pivotal in initiating and implementing the PSE.62 As indicated earlier, the class interests of the CCE became centred around a 'transnationalised' segment of national capital including direct shareholders of large conglomerates tied to the export sector with experience in elite business organisations.<sup>63</sup> Subsequently, many of the CCE leaders became more closely linked with the PRI via committees and employers' associations to increase interest representation within the state. Little wonder, therefore, that the class interests represented by the CCE had a huge impact on the policies implemented by the PRI, including increased privatisation.<sup>64</sup> One commentator has gone so far as to argue that the relationship between the private sector and the political class became part of a narrow clique exercising a 'private hegemony' so that, 'it would be no exaggeration to say that this alliance was based on a carefully thought-out strategy to bring public policy in line with private sector demands, to effect a global reform of the relationship between the state and society, and hence to redesign Mexico's insertion into the emerging neoliberal global order'.65

As a consequence, there was a shift in the PSE from a commitment to statelabour corporatist relations to a disarticulation, but not severing, of the statelabour alliance in favour of the overriding interests of capital. This has been variously recognised as a form of 'new unionism' or neo-corporatism, 'an arrangement involving the reduction of centralised labour power and the participation of labour in increasing productivity'.66 The privatisation of the Mexican Telephone Company (TELMEX) in 1990, one of the pinnacles of the privatisation programme, particularly reflected the strategy of 'new unionism'. This not only involved manipulation of the Mexican Telephone Workers' Union (STRM), one of the key labour organisations used to secure privatisation. It also entailed Salinas permitting the leader of STRM, Hernández Juárez, to create an alternative labour federation, the Federation of Goods and Services Unions (FESEBES), to further facilitate privatisation. Hence labour became more dependent on the PRI during the privatisation of TELMEX, which generated new resources for corruption and clientelism and lessened union democracy within STRM.<sup>67</sup> What is important here, then, is that the accumulation strategy associated with neoliberalism did not involve a wholesale retreat of the state. As Centeno has commented, 'the pacto [PSE] demonstrated that the técnocratas were not generic neoliberals who applied monetarist policies indiscriminately but were willing to utilise a variety of mechanisms to establish control over the economy'.68 The analysis now turns from discussing the details of how the neoliberal strategy of accumulation privileged particular social relations of production in Mexico to address how the hegemonic project of the PRI was altered and undermined.

# The changing circumstances of PRI hegemony

Intrinsically linked to changes in the social relations of production stemming from the 1970s was an increase in the sources of political instability in Mexico. 'Political struggles over national economic policy began in the early 1970s when problems associated with import-substituting industrialisation began to mount.'69 These struggles were manifest in the *sexenios* of Echeverría (1970–76) and López Portillo (1976–82) to the extent that the PRI faced problems involving an erosion of political legitimacy following the Tlatelolco massacre in 1968, a discontented urban middle class, disaffection with the ISI accumulation strategy, the emergence of new opposition movements outside the officially recognised party system, the additional emergence of urban and rural guerrilla movements and the declining ability of the PRI to compete with registered opposition parties.<sup>70</sup>

For instance, the National Co-ordinating Committee of Educational Workers (CNTE), founded in 1979, came to challenge, particularly in the peasant communities of Chiapas, the state-imposed and privileged position of the National Education Workers' Union (SNTE), established in 1943.<sup>71</sup> This was also the period when independent unions articulated a so-called *insurgencia obrera* (labour insurgency) to question the lack of autonomy and democracy of official unions and to articulate demands across a variety of sectors beyond purely economic concerns.<sup>72</sup> Yet, as a harbinger of reforms under the neoliberal accumulation

strategy, the López Portillo administration coercively suppressed many of these opposition movements and implemented economic reforms in favour of the private sector as a prelude to introducing the Law on Political Organisations and Electoral Processes (LOPPE) in 1977. Between 1976 and 1979 the dynamism of the insurgencia obrera faded and became dominated by the themes of economic crisis and austerity.<sup>73</sup> At the same time the LOPPE became an attempt to manage political liberalisation within the current of the apertura democráta by enlarging the arena for party competition and integrating leftist political organisations while inducing them to renounce extra-legal forms of action. The measures, for example, involved the Mexican Communist Party (PCM) obtaining the official registration as a political party that led to its first legal participation (since 1949) in elections (those of 1979). Subsequently, in 1981, the PCM merged with four other left-wing parties to establish the Unified Socialist Party of Mexico (PSUM).<sup>74</sup> Thus the PCM, the oldest communist party in Latin America at that time, effectively dissolved itself while attempting to compete electorally within the parameters of the LOPPE reform. 75 The reform, therefore, was more than a simple co-optation measure. It was designed to frame and condition the very institutional context of opposition movements and constituted the construction of a specific legal and institutional terrain that was capable of containing popular demands by defining the terms and fixing the boundaries of representation and social struggle.76 It thus epitomised the structures of passive revolution: an attempt to introduce aspects of change through the state as arbiter of social conflict. In the words of Echeverría the political reform strove to 'incorporate the majority of the citizens and social forces into the *institutional* political process'. 77 As Kevin Middlebrook has argued, this was a limited political opening that was essential at a time of severe social and political tension in order to balance stringent economic austerity measures with policies designed to diffuse widespread discontent.78 The capacity of labour to articulate an alternative vision for Mexican economic and social development through either official or independent unions, evident in the 1970s, thus declined throughout the 1980s to become scarcely evident a decade later.79

What was evolving in the social formation at this time in Mexico, therefore, within the context of structural change in the global political economy, was a shift in the hegemonic influence of the PRI. More accurately the attempt at political reform in the 1970s was an indication of the ailing hegemony of the PRI. No longer capable of representing class-transcending interests, the PRI began to reorient the social relations of production towards a new hierarchy in favour of particular class forces. As a result it is possible to perceive the fraying and unravelling of PRI hegemony in the 1970s. The LOPPE political reform was a clear indication of an attempt to balance the competing demands of subaltern classes with those of the private sector and transnational capital in Mexico. It was a response to the erosion of support for the basic structure of the political system.

Yet it is not easily explained as the exercise of 'normal' hegemony as outlined earlier. Hegemony in this sense relies on the organic equilibrium of a relationship between leaders and led, rulers and ruled, based on consent. Instead, the PRI became increasingly unable to conceal its real predominance and relied on more coercive measures. This was a situation when the party turned, 'into a narrow

clique which tends to perpetuate its selfish privileges by controlling or even stifling opposition forces'. 80 It entails a shift in the threshold of power from consensual to coercive means indicative of state crisis and the disintegrative elements of catastrophic equilibrium. As a counterpart to the neoliberal accumulation strategy, the PRI began increasingly to reflect these traits of passive revolution throughout the 1980s.

For example, during the Salinas *sexenio* attempts were made particularly to reconstruct history in order to naturalise radical neoliberal changes to the political economy. As a result, neoliberalism came to represent a 'hegemonic shift' in the attempt to dismantle the nationalism of the Mexican Revolution linked to ISI and to displace its political symbolism as a focal point of national consciousness. Yet the government's ideological use of the legacy of the Mexican Revolution was not merely a straightforward foil for neoliberalism but, instead, was adapted to specific conditions in Mexico. This fundamental reconstruction of the hegemony of the PRI and transformation of state—civil society relations within Mexico was particularly exhibited through projects like the National Solidarity Programme (PRONASOL).

Following the continued crisis of representation facing the PRI and the tenuous electoral majority Salinas received from the electorate in 1988, a significant attempt was made to try and maintain hegemony. A notable feature in this effort was PRONASOL, a poverty alleviation programme combining government financial support and citizen involvement to design and implement community development and public works projects. As the PRI had moved away from being an inclusive party designed to cover all segments of society to an exclusive one in which only some sectors were represented, PRONASOL was emblematic of the attempt to shore up the loss of hegemonic acquiescence.83 It combined material and institutional aspects focusing on social services, infrastructure provision, and poverty alleviation in order to rearrange state-civil society relations and the coalitional support of the PRI.84 There were three main objectives of PRONASOL. First, it attempted to adapt the state's traditional social role to new economic constraints and to redefine the limits of its intervention in the context of a neoliberal strategy of accumulation. Second, it attempted to diffuse potential social discontent through selective subsidies, to accommodate social mobilisation through 'co-participation', and to undermine the strength of left-wing opposition movements. Third, it attempted to restructure local and regional PRI elites under centralised control.85 Clearly PRONASOL was therefore a targeted attempt to buttress both the accumulation strategy of neoliberalism and the hegemony of the PRI that was under threat from these very changes.

Emanating from the Salinas *camarilla* that had dominated the SPP, PRONASOL was officially described as an attempt to modernise, pluralise and democratise state—civil society relations in Mexico as part of the doctrine of 'social liberalism': 'a mode of governance that ostensibly seeks to avoid the worst excesses of both unfettered, free market capitalism and heavy-handed state interventionism, by steering a careful middle course between these "failed" extremes'. Usurping the language and mobilising role of grassroots organisations, PRONASOL was itself portrayed as a 'new grassroots movement', empowering citizens through 'an experience of direct democracy', while also

redefining members of traditional corporatist organisations as 'consumers' of electricity, improved infrastructure, and educational scholarships.<sup>87</sup> This new style of thinking among state officials, 'was reinforced by ideas recommending the involvement of the poor and NGOs in anti-poverty projects promoted by many international actors, including international financial institutions such as the World Bank and the Inter-American Development Bank, the United Nations, and international donors and development specialists.'<sup>88</sup> Between 1989 and 1993 the World Bank directly lent PRONASOL US\$350 million to improve rural service provision and to support regional development in four of Mexico's poorest states—Oaxaca, Guerrero, Hidalgo and Chiapas—while the Bank also supported a health and nutrition pilot project.<sup>89</sup>

Despite the rhetoric, however, PRONASOL preserved and even reinforced presidential rule and complemented the established bureaucracy. As Denise Dresser states, 'the politics of PRONASOL sheds light on why hegemonic parties like the PRI can survive even when threatened by powerful alternative organisations, and why the party has apparently been able to revive after a period of crisis and decline.'90 Essentially PRONASOL was crucial to maintaining the lagging effect of the PRI's hegemony because it provided the political conditions for sustaining the neoliberal accumulation strategy, notably through a modernisation of populism and traditional clientelist and corporatist forms of co-optation. This was carried out through a process of concertación, understood as the negotiation of co-operative agreements between social movements and the state involving division and demobilisation. The concertación strategies espoused by PRONASOL represented a convergence of interests between those of the popular organisations and the technocratic sectors within the PRI and the government.91 Thus, while the Salinas administration presented neoliberalism as a hegemonic project in Mexico, it used PRONASOL to create a sense of inclusion and a durable base of support within civil society. This objective was also fulfilled within PRONASOL by denying the existence of class antagonisms while at the same time claiming to transcend class differences.92

By the time PRONASOL became institutionalised within the Ministry of Social Development (SEDESOL) in 1996, it was clear that the programme had been successful in sustaining the passive revolution of neoliberalism.<sup>93</sup> It was intrinsic in changing the correlation of class forces in Mexico—to supervise the 'counterattack of capital' through passive revolution—within which there was a transformation of the elite from arbiter of class conflict to ruling in its own interests.94 PRONASOL incorporated potentially threatening leaders, alternative programmes and ideas by nullifying substantive differences. Hence, despite the neoliberal accumulation strategy making it increasingly difficult to conceal the real predominance of its narrow basis of interest representation, the PRI still managed to exert some form of dwindling hegemony, albeit relying more on coercion than on truly hegemonic leadership. The increasing prevalence of coercion throughout the late 1980s and 1990s, particularly reflected in negligence of human rights violations evident in the rise in the number and profile of political assassinations and kidnappings, bears this out. As Wil Pansters puts it, 'the combined result of neoliberal economic adjustment, institutional malfunctioning and the decomposition of personalistic networks and loyalties [w]as ... an increase in

violence *at all* societal levels.'95 This conflagration of protest was best epitomised by the resurgence of guerrilla insurrection in the 1990s, which included the activity of the Popular Revolutionary Army (EPR) in the states of Guerrero, Oaxaca, Chiapas, Michoacán, Puebla and Tabasco, as well as that of the Zapatista Army of National Liberation (EZLN) in Chiapas.<sup>96</sup>

Hence the view that there was a worsening crisis of hegemony throughout the phase of neoliberal restructuring in the 1980s and 1990s in Mexico. It was a situation when, 'the ruling class has lost its consensus, ie is no longer "leading" but only dominant, exercising coercive force alone', meaning, 'precisely that the great masses have become detached from their traditional ideologies, and no longer believe what they used to believe previously'.97 As the prominent intellectual Carlos Fuentes expressed it at the time: 'It is as though the PRI has gone out to kill itself, to commit suicide. There are Priístas killing Priístas ... What we see is the internal decomposition of a party, which has, in effect, completed its historic purpose.'98 The PRI, to summarise, became a party that increasingly existed as 'a simple, unthinking executor ... a policing organism, and its name of "political party" [became] simply a metaphor of a mythological character'.99 Social order was increasingly regressive, to the extent that the party was 'a fetter on the vital forces of history' so that it had, 'no unity but a stagnant swamp ... and no federation but a "sack of potatoes", ie a mechanical juxtaposition of single units without any connection between them'. 100

As a result, the changes inaugurated in Mexico that led to the promotion of neoliberalism can be understood as an expression of passive revolution. Neoliberalism continued to reflect the incomplete process of state and class formation in Mexico that was never truly settled after the Mexican Revolution. It represented a furtherance of particular 'path-dependent' responses to forms of crisis and thus a strategy developed by the ruling classes to signify the restructuring of capitalism, or the 'counter-attack of capital', in order to ensure the expansion of capital and the introduction of 'more or less far-reaching modifications ... into the economic structure of the country.'101 Neoliberalism, therefore, can be summarised as less 'tightly linked to a vast local economic development, but ... instead the reflection of international developments which transmit their ideological currents to the periphery'. 102 In Mexico, hegemony became limited to privileged groups and was based on a central core of elite and exclusionary decision making that enacted rhetorically 'revolutionary' changes in the social relations of production, through the neoliberal accumulation strategy, alongside engineered social and political reform. As Jorge Castañeda has described it, neoliberalism as a hegemonic project only achieved a relative degree of consensual acceptance within elite circles, while any mass support was usually based on misperceived or false pretences. 103 It is more reasonable therefore to argue that, beyond a convergence of interests between technocratic finance ministers and global institutions, neoliberalism was imposed in Mexico. 'Neoliberalism was put in place by fiat and it has stayed in place by fiat just the way most politics in Mexico has proceeded. There was no consensus it was just done.'104 Needless to say, as the contradictions of neoliberalism become more apparent, the 'path-dependent legacies of neoliberal errors' will also need to be addressed.105

However, it should not be presumed on the basis of the above argument that both the accumulation strategy and the hegemonic project of neoliberalism entailed the erosion of state power. Neoliberalism in Mexico did not involve the dismantling, or retreat, of the state, but the rearrangement of social relations into a new hierarchy. As Dresser has commented:

Even though neoliberal policy currents underscore the importance of reducing the economic power of the state, the Mexican case reveals that the imperatives of political survival will often dictate the need for continued state intervention through discretionary compensation policies.<sup>106</sup>

The modernisation, rather than dismantling, of the state through projects such as PRONASOL was thus based on a 'neo-corporatist' arrangement that was pivotal in bolstering the accumulation strategy and hegemonic project of neoliberalism.<sup>107</sup>

# Updating the terrain of struggle

It remains to be seen, however, whether the victory of Vicente Fox will amount to radical changes to the accumulation strategy of neoliberalism. As the presidential candidate for the National Action Party (PAN)-supported Alianza por el Cambio, Fox won 42.5% of the votes cast, compared with Francisco Labastida, representing the PRI, who received 36% and Cuauhtémoc Cárdenas, representing the Alianza por México—consisting of the Party of the Democratic Revolution (PRD) and smaller parties—who received 16.6%. The PRI also lost its position as the biggest party in the lower house of congress, with 211 seats compared with the 223 seats held by the Alianza por el Cambio and the 66 seats held by the PRD and its allies. 108 However, as one former PRI veteran admitted after the elections, 'We Mexicans want a president who makes decisions that go beyond a political party's own interests'. 109 In this sense, Fox has been trying to build strong multiparty support in an endeavour to establish a 'government of national unity' by making overtures to centre-left intellectuals, the interests of large-scale monopoly capital and prominent Priístas. Referring to the latter, a report in Business Week declared that appointments in these areas 'would guarantee a measure of continuity in economic policy in Mexico, something that investors would surely welcome'. 110 It is in this regard that the so-called Alternativa Latinoamericana (Latin American Alternative) to the neoliberal Washington Consensus should be considered.

Co-founded by Roberto Mangabeira Unger, a Brazilian political scientist, and Jorge Castañeda, described by *The Economist* as a 'self-anointed guru of Latin America's "new left", "11 the basis of this alternative is supposedly 'a call for radical change in the institutions of the market economy and the state'. The original document drafted by the policy group behind *Alternativa Latino-americana*—including figures such as Luiz Inácio da Silva (aka 'Lula') and Ricardo Lagos, as well as Vicente Fox—outlines an indistinct mix of proposals including the multilateral regulation of speculative capital; the stimulation of regional integration; and the revitalisation of taxation schemes, based on reconciling an increase in the level of indirect taxation of consumption, through value-added tax, with the imperative of promoting private savings and invest-

ment. The aim is 'democratising development' based on the reorganisation and refinancing of the state, the stimulation of small and medium-sized enterprises, and the deepening of citizen participation and social rights.<sup>113</sup>

Yet the Alternativa appears to be a modernisation of neoliberalism, in order to reconstitute social cohesion, involving a mix of renewed taxation, monetary and social compensation policies, rather than the promotion of a truly alternative paradigm.<sup>114</sup> With a focus on market failure it remains, like much of the 'post-Washington Consensus', located within neoclassical economic debate about the sphere of exchange rather than production relations. As Castañeda has admitted, 'it is only an alternative within the existing framework of globalisation rather than purporting to break with it, because you can't'.115 Significantly, it seemed likely at one stage that recommendations within the Alternativa Latinoamericana might be developed as part of a rethinking of neoliberal precepts within a modernisation of capitalism in Mexico.<sup>116</sup> Yet, with an inability to secure support for legislation in congress, what seems more likely in Mexico is less the emergence of a new form of hegemony, based on organising concepts developed around the Alternativa Latinoamericana. Instead, one might anticipate more molecular social changes as part of the ongoing passive revolution, whereby prevailing structures of political power are modified within conditions of recurring crisis. After all, the paramount issue, as Eduardo Bours Castelo (President of the CCE) stated, is to 'assure society that we are not going to fall again into recurrent crises'. 117 The likelihood, then, is piecemeal reform rather than radical transformation: continuity rather than change.

This is most recently reflected in the proposed Plan Puebla-Panama (PPP) initiative to build a Trans-Isthmus development project along the Pacific and Gulf coasts linking southern Mexico to North and Central America. Announced as Fox's 'revolutionary plan', it is precisely the continuity embedded within such development proposals that provides a platform for the coalescence of 'antipassive revolution' strategies of resistance. 118 As the EZLN recently stated to Fox, 'although there is a radical difference in the way you came to power, your political, social and economic programme is the same we have been suffering under during the last administrations'. 119 Similarly, wider resistance is reflected in recent struggles such as that led by the people of San Salvador Atenco, who have embarked on direct action strategies of popular mobilisation to rebut the Fox administration's plan to build an international airport on their land. The proposal to construct a new six-runway, US\$2.3 billion airport at Texcoco on the eastern outskirts of Mexico City were opposed by the Atenco movement, which drew on symbols of peasant identity, notably through machete-wielding protests. 120 They attracted the support of radical groups, both national and international, to quash the expropriation of 4000 hectares (10 000 acres) of land and halt the airport project, further highlighting the contradictions of neoliberal policies.<sup>121</sup> Resistance is also mounting against second-generation neoliberal reforms in the case of the battle over energy privatisation led by the Mexican Electricians' Union (SME). The proposals for privatising the electrical system have met opposition in the Mexican Congress but at stake is whether an alliance between the SME, the umbrella National Union of Workers (UNT) federation, and fractions within another electrical workers' union—the General Union of Mexican

Electrical Workers (SUTERM)—can be successfully forged in order to raise broader questions about the direction of economic development.<sup>122</sup>

# Conclusion: the shifting sands of hegemony

The central contention of this article is that the process of historically specific interest representation and class struggle in Mexico, reflected in the transition from ISI to neoliberal capitalist accumulation, began in the 1970s as a result of structural changes in the nature of capitalism that contain within themselves contradictions. By focusing on these features it was possible to emphasise how the agenda of neoliberalism was constituted, or authored, by particular social forces in Mexico.

It was argued that the accumulation strategy of neoliberalism, especially reflected in the era of *salinismo*, seriously eroded the historical basis of PRI hegemony in Mexico. The demise of ISI and the rise of neoliberalism were accompanied by the exhaustion of PRI hegemony. Since the phase of structural change in the 1970s, the historical and social basis of PRI hegemony began to alter and seriously erode. Throughout the 1980s and 1990s, the PRI increasingly resorted to forms of dominance and coercion to project an increasingly dwindling form of hegemony. It is within this era of structural change that a crisis of hegemony unfolded.

In every country the process is different, although the content is the same. And the content is the crisis of the ruling class's hegemony ... [Hence] a 'crisis of authority' is spoken of: this is precisely the crisis of hegemony, or general crisis of the state.<sup>124</sup>

By thus tracing these shifting sands of hegemony it was argued that the PRI was only hegemonic in a very narrow sense and it continued to lose a large degree of internal coherence and legitimacy from the 1970s onwards. While the lagging effects of such hegemony were evident during the restructuring of state—civil society relations within the accumulation strategy of neoliberalism, the historic purpose of the PRI was ended by the victory of Vicente Fox on 2 July 2000. It is beyond the scope of this article to determine whether a cohesive form of hegemony will be refashioned under the PAN or whether the PRI will be able to revive its historic role. Yet it was possible in this account to emphasise variations or lags in hegemony and how forms of hegemony were discernible but recessive over the period under consideration since the 1970s. This helps to avoid either assuming that hegemony is switched on and off like a light bulb or indulging in crude dichotomies between coercion and consent in understanding the role and influence of the PRI within the conditions of passive revolution and recurring crisis.

More generally the above analysis of neoliberalism in Mexico also highlighted how social forces engendered common perspectives on the importance of fiscal discipline and market-orientated reforms between technocratic elites of a common social background. Put differently, attention was drawn to an unfolding process of class struggle brought about by the expansion of capital and the *internalisation* of class interests between various fractions of classes within state—civil society relations.<sup>125</sup> This involved focusing on how social relations

within the form of state in Mexico were actively and passively implicated in transnational structures of the global political economy. The discussion of the PSE and PRONASOL, two coexisting measures both introduced to offset political instability resulting from the neoliberal accumulation strategy and the reconfigured hegemonic project of the PRI, exemplify this process of struggle.

A further point that the argument has raised is that the case of Mexico does not signify the straightforward reproduction of a uniform 'model' of neoliberalism. Instead, the dissemination and acceptance of neoliberal values in Mexico has meant an adaptation of social relations to culturally specific conditions. To be sure, this may result in resemblances with similar processes elsewhere in the global political economy but, as the development of policies in Mexico demonstrates, there is a certain peculiarity to local tendencies in response to structural change in world order.

The final point that needs to be reaffirmed is that hegemony is always constantly under construction and contestation. The attempt to reconstitute hegemonic accord through the neoliberal restructuring of social relations in Mexico should not be imputed as an historically inevitable act but the outcome of social struggle and protest. Hence the importance of further considering 'antipassive revolution' strategies of resistance to the impending second generation of neoliberal capitalist development in Mexico and the future of those social movements that are probing the social and political foundations of the state.

#### **Notes**

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- The rationale for the conference was reaffirmed within an environment constituted by an overwhelming number of (male) elites on the delegate and speakers lists and in the exclusive surroundings of the Bloomberg Suite in Finsbury Square, London. Matching the exclusionary conference fee, officially set at US\$435, was the main social event consisting of a cocktail reception at the Embassy of the Argentine Republic. I attended the conference courtesy of a complementary ticket.
- <sup>2</sup> Carlos Fuentes, 'Mexico's democratic transition', BBC World Lecture, The Royal Society for the encouragement of Arts, Manufactures & Commerce, London, 16 June 1998. I would like to thank Zina Rohan for a recording of this lecture.
- <sup>3</sup> Personal interview, Carlos Fuentes, London, 28 August 1998. For a more detailed examination of this intellectual's role in Mexico, see Adam David Morton, 'The social function of Carlos Fuentes: a critical intellectual or in the "shadow of the state"?', *Bulletin of Latin American Research*, 22 (1), 2003, pp 27–51.
- See, inter alia, Robin Broad & John Cavanagh, 'The death of the Washington consensus?', World Policy Journal, 16 (3), 1999, pp 79–88; Moises Naím, 'Fads and fashions in economic reforms: Washington consensus or Washington confusion?', Third World Quarterly, 21 (3), 2000, pp 505–528; and Ben Fine, Costas Lapavitsas & Jonathan Pincus (eds), Development Policy in the Twenty-First Century: Beyond the Post-Washington Consensus, London: Routledge, 2001.
- Antonio Gramsci, Selections from the Prison Notebooks, ed and trans Quintin Hoare and Geoffrey Nowell-Smith, London: Lawrence and Wishart, 1971, pp 106–107.
- <sup>6</sup> Hugues Portelli, *Gramsci y el bloque histórico*, Mexico: Siglo XXI, 1973, p 30. I am grateful to Bob Jessop for bringing this *aperçu* to my attention.
- On bureaucratic authoritarianism, see David Collier (ed), *The New Authoritarianism in Latin America*, Princeton, NJ: Princeton University Press, 1979; Guillermo O'Donnell, *Modernisation and Bureaucratic-Authoritarianism: Studies in South American Politics*, Berkeley, CA: University of California, Institute of International Studies, 1973; James M Malloy (ed), *Authoritarianism and*

Corporatism in Latin America, Pittsburgh, PA: University of Pittsburgh Press, 1977; José Luis Reyna & Richard S Weinhart (eds), Authoritarianism in Mexico, Philadelphia, PA: Institute for the Study of Human Issues, 1977; and Guillermo O'Donnell, 'Reflections on the patterns of change in the bureaucratic-authoritarian state', Latin American Research Review, 13 (1), 1978, pp 3-38. The conflation of hegemony and coercion is still a tendency prevalent in more recent studies that beclouds the contribution this notion can make to the study of the Mexican state. See, for example, Ruth Berins Collier, The Contradictory Alliance: State—Labour Relations and Regime Change in Mexico, Berkeley, CA: University of Berkeley Press, 1992; Wayne A Cornelius, Mexican Politics in Transition: The Breakdown of a One-Party Dominant Regime, San Diego, CA: Centre for US—Mexican studies, 1996; and Denies Dresser, 'Mexico: the decline of dominant-party rule', in Jorge I Domínguez & Abraham F Lowenthal (eds), Constructing Democratic Governance: Mexico, Central America and the Caribbean in the 1990s, Baltimore, MD: Johns Hopkins University Press, 1996.

- Leo Panitch, 'Globalisation and the state', in Leo Panitch & Ralph Miliband (eds), The Socialist Register: Between Globalism and Nationalism, London: Merlin Press, 1994.
- Ohristine Buci-Glucksmann, 'State, transition and passive revolution', in Chantal Mouffe (ed), Gramsci and Marxist Theory, London: Routledge, 1979, pp 223, 232.
- For an outline, see Adam David Morton, 'The sociology of theorising and neo-Gramscian perspectives: the problems of "school" formation in IPE', in Andreas Bieler & Adam David Morton (eds), Social Forces in the Making of the New Europe: The Restructuring of European Social Relations in the Global Political Economy, London: Palgrave, 2001.
- Robert W Cox, 'Gramsci, hegemony and international relations: an essay in method', *Millennium: Journal of International Studies*, 12 (2), 1983, pp 162–175; Cox, *Production, Power and World Order: Social Forces in the Making of History*, New York: Columbia University Press, 1987, pp 218, 230–244; and Kees van der Pijl, *Transnational Classes and International Relations*, London: Routledge, 1998, pp 105–106.
- Partial exceptions here might include Enrico Augelli & Craig N Murphy, America's Quest for Hegemony and the Third World: A Gramscian Analysis, London: Pinter, 1988; Kees van der Pijl, 'Soviet socialism and passive revolution', in Stephen Gill (ed), Gramsci, Historical Materialism and International Relations, Cambridge: Cambridge University Press, 1993; Matt Davies, International Political and Mass Communication in Chile: National Intellectuals and Transnational Hegemony, London: Macmillan, 1999; and Anne Showstack Sassoon, 'Globalisation, hegemony and passive revolution', New Political Economy, 6 (1), 2001, pp 5–17.
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- <sup>15</sup> Antonio Gramsci, *Pre-Prison Writings*, ed Richard Bellamy, trans Virginia Cox, Cambridge: Cambridge University Press, 1994, pp. 230–233 and Gramsci, *Further Selections from the Prison Notebooks*, ed and trans Derek Boothman, London: Lawrence and Wishart, 1995, pp 330, 348–350.
- <sup>16</sup> Gramsci, Selections from the Prison Notebooks, p 119.
- <sup>17</sup> Gramsci, Pre-Prison Writings, pp 20–21.
- <sup>18</sup> Gramsci, Selections from the Prison Notebooks, p 132.
- <sup>19</sup> Eric Hobsbawm, The Age of Capital, 1848–1875, London: Weidenfeld & Nicolson, 1975, pp 73, 166.
- It is worth noting that the concept of passive revolution was developed as an explicit elaboration of Marx's 'Preface' to A Contribution to the Critique of Political Economy. See Karl Marx, A Contribution to the Critique of Political Economy, in Karl Marx & Frederick Engels, Collected Works, Vol 29, London: Lawrence and Wishart, 1987, pp 261–265.
- Anne Showstack Sassoon, *Gramsci's Politics*, Minnesota: University of Minnesota Press, 1987, p 210.
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- Anne Showstack Sassoon, Gramsci and Contemporary Politics: Beyond Pessimism of the Intellect, London: Routledge, 2000, p 72.
- Gramsci, Selections from the Prison Notebooks, pp 105–106.
- 25 *Ibid*, p 90.
- <sup>26</sup> Gramsci, Selections from the Prison Notebooks, pp. 105–106; and Gramsci, Prison Notebooks, Vol I, pp 214–215.
- <sup>27</sup> Gramsci, Selections from the Prison Notebooks, p 90; and Gramsci, Prison Notebooks, Vol I, p 151.
- <sup>28</sup> Bob Jessop, *The Future of the Capitalist State*, Cambridge: Polity Press, 2002, pp 40–42, 58.

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- <sup>29</sup> Gramsci, Selections from the Prison Notebooks, p 396, emphasis added.
- 30 Ibid, pp 110, 188.
- Antonio Gramsci, Selections from Cultural Writings, ed David Forgacs and Geoffrey Nowell-Smith, trans William Boelhower, London: Lawrence and Wishart, 1985, p 384.
- Gramsci, Prison Notebooks, Vol I, pp 155–156.
- <sup>33</sup> Gramsci, Selections from the Prison Notebooks, pp 219–223.
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- <sup>40</sup> Diane E Davis, 'The dialectic of autonomy: state, class and economic crisis in Mexico, 1958–1982', Latin American Perspectives, 20 (3), 1993, p 55.
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- <sup>42</sup> James D Cockcroft, Mexico: Class Formation, Capital Accumulation and the State, New York: Monthly Review Press, 1983, p 259.
- Laurence Whitehead, 'Mexico from bust to boom: a political evaluation of the 1976–1979 stabilisation program', World Development, 8 (11), 1980, pp 846–847, 851.
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