

# Modernization as a Challenge

In the midst of a severe economic crisis, Mexican society is undergoing deep changes as it approaches the end of the century. The concept of "modernization" is used to denote the changes currently under discussion by politicians, economists, sociologists and other experts. The debate centers on the viability of the different modernizing proposals, on the internal and external factors involved and on the processes' effects on society as a whole. In an attempt to reproduce part of the debate, *Voices* consulted renowned Mexican academics Lorenzo Meyer, General Academic Coordinator at the Colegio de México, José Luis Reyna, Director of the Latin American Social Science Faculty (Flacso), Rolando Cordera, Director of Economic Research Magazine (*Investigación Económica*) and professor at UNAM's School of Economics, and Juan Molinar, a member of this University's Institute for Social Research. Their opinions are extremely helpful to the understanding of change in Mexico today.

*Voices of Mexico: One hears frequent allusion in various political and academic circles to the fact that Mexican society has recently undergone a process of modernization. In general terms, what is modernization, to what point has this process become reality, and to what is it due?*

*Lorenzo Meyer:* In my opinion modernization is a relative concept. The first modern societies were European and, because of this, the initial search for modernization in Mexico — which began before Independence in 1821— took the form of an attempt to copy —in its institutional, political and cultural forms— England, France or the United States. To a certain extent, the situation has not changed since then. Mexico continues to pursue modernity and takes as its models other countries, the dominating powers, particularly the United States. The idea of modernity is encapsulated in the capacity of a society to assimilate constantly, and without trauma, the incessant economic, cultural, social and political changes in an industrial, or more specifically a post-industrial civilization.

Historically, in Mexico these changes — political involvement of the masses, creation of an internal market, etc.— have occurred only partially and have been accompanied by enormous social conflicts and tensions: the War of Reform (1855-1867); the dictatorship of Porfirio Díaz (1877-1910); and the Revolution (1910-1920). Sometimes changes have taken place more in the economic than the political

sphere and on other occasions the opposite has occurred, but in fact the real changes that have taken place are less than imagined by their sponsors. The entire history of modern Mexico can be seen as an attempt to overcome the colonial condition and a definite search for modernization. For Mexico the ultimate objective of this search is the consolidation of its independence of the great powers and the achievement of a decent standard of living for the majority of its population. Both objectives were formed two centuries ago and yet they are still aims rather than achievements.

The last stage of this process began with the Second World War, when Mexico became involved in a process of economic change prompted by the governmental urge for rapid industrialization of the country through import substitution. The aim was to move the emphasis of our economy from the external demand for primary products —minerals, petrol and agricultural goods— to the internal demand for consumer goods and capital. For some time the scheme worked: it worked so well that a decision was made not to change it and to postpone the moment for political changes, and because of this the Mexican political system, in its essence, remains the same as in the forties: a presidential system, with a dominant party and limited pluralism, but with a society which is no longer, as in the forties, rural and illiterate.

*Juan Molinar:* A modern society implies the institutionalization of change and the frequent





**From a strictly economic point of view, Mexico changed greatly between 1950 and 1980, but the political system failed to modernize at the same speed.**

and permanent shift in the manner of doing things. This is one of the first aspects of the modernization process. The institutionalization of change. A second aspect is the following: traditional societies are characterized by the fact that, in great part, the social roles played by individuals have been assigned to them by their birth, or social origin, or their sex, external characteristics. In contrast, in a modern society the majority of social roles, or social activities, are chosen independently of their sex or social rank, etc. In other words, a second aspect of modernization would be the degree to which social roles are chosen rather than inherited.

A third general element present in traditional societies is that their economy is based on internal consumption, while the modern societies gear their economy to the market. The modernizing element here tends therefore to the extension of the market and the diminishing of the economics of internal consumption.

There are other elements in the modernization process seen from the sociological point of view, but perhaps these three—increase in role choice; institutionalization of change against the prevalence of custom; and the extension of the market at the cost of production for internal consumption—could be considered a synthesis of the modernization process from the sociological point of view.

In more general terms, Mexican society is a modern society showing these three aforementioned characteristics, as well as some others pertaining to a modern society. It is a

society where the greater part of production is destined for the market; it is governed by the rules of the market; it is a society where the majority of social roles are chosen rather than applied by birth; which implies a greater social mobility, both horizontal and vertical, as well as a geographical mobility. Also, change is now much more institutionalized than it was in Mexican society a century ago. Nevertheless, as a rule, modernization is not a uniform process and the example of Mexico is not an exception to this rule, since it has occurred at different rhythms. There are some social levels and some regions in the country where modernization has not had a profound effect.

*José Luis Reyna:* It can be approached from various angles. It seems to me to be a complex process. If one takes the time lapse of the last 30 years, the country has undergone great changes, and modernization is change. If one looks only at the economic process, between 1950 and 1980 the country changed its appearance drastically. From being a predominantly rural country it became fundamentally urban; industry and manufacture developed with great speed. Nevertheless, from the political point of view, the country did not become modernized with the same speed in spite of the fact that there have been important changes in educational terms. Illiteracy has been drastically decreased and although there are still noticeable deficiencies in the general scholastic level, Mexico in 1987 is now a country where primary education is completed. This change in the educational system, up until now, has not had a modernizing effect on the political system, in spite of the fact that education and participation in general are two related phenomena. Looking generally at the process of modernization, one could say that the most important change has taken place in the economic field, and that change has been less intense in the political. Nevertheless, the granting of the vote to women in 1952 can be seen as part of the modernizing process. Another example is in the lowering of the voting age from 21 to 18 years which opens general political participation to a wider section of society. Adolfo López Mateos, then President of the Republic, established proportional representation and, from 1952, marginal opposition political parties were permitted. Until 1958 the Chamber of Congress consisted in one hundred percent of members of the PRI. These, and other legislative rules established in the LOPPE, and passed in the last Presidency, and the electoral law presently in force, all indicate new possibilities. I would say that without being changes as important or as marked as those that have taken place in the economic sphere, they have made way for a gradual, and relative widening, but nevertheless a widening of the political sphere that allows for the participation in the Mexican political process of some groups in institutionally-organized parties. Now, for example, we can see legalized parties from the left as well as the right; the centre continues to be the official party. Even although the opposition still has little importance, it now has





**Imitative forms of modernization have been predominant in the country. We have tried to import ways of life, kinds of goods and services, above all from the U.S.**

some official institutionalized means of demonstrating itself. Seeing it from this point of view, there is a tendency, an indication of change, and therefore of modernization.

I think that this country still has a long way to go to achieve a more democratic situation. Nevertheless, I consider that there are now existing institutionalized conditions that will gradually allow a movement towards democracy. I think that political modernization has to be achieved through a relatively widened political participation which will take us towards democracy.

The level of modernization achieved by the economy of this country, and the relative level of organization reached by society in general, does not correspond to the political advances. There are certain delays, imbalances, asynchronous situations, implied in the different dimensions of change.

*Rolando Cordera Campos:* Data such as literacy, urbanization, changes in the form of domestic life, access to communication media, ownership of apparatus such as radio and television, are details of modernization. And they are not cold data but illustrate new situations in the life-style in underdeveloped countries such as Mexico. If we put these data in a historic perspective, we could say that Mexico underwent an important process of change in the thirties, which placed our society on the path towards a value production system and a social organization format which could well be called modern.

It is very important to recognise that, unfortunately, in this process of social and economic change undergone by the country, there has predominated imitative forms of modernization. We have tried to import a way of life, kinds of goods, particularly from North American society. We have sacrificed internal creativity, innovation and justice. We have sacrificed another form of modernity which is the more or less equal access to the basics of life and, at the end of this long process of change, we have a country with patches of consumist modernity or a modernity molded in consumism surrounded by large social and territorial extensions where there prevails basic dissatisfaction, enormous shortages in educational materials and serious employment problems. Ours has been not only an unequal modernization but also one that is dependent on and imitative of the exterior.

***Voices of Mexico:* At a political level, what are the measures, the facts that, in the present presidential period, express this tendency towards modernization?**

*José Luis Reyna:* I would say that, at the beginning of this presidential period, there were demonstrations in the ballot, where various electoral triumphs were conceded to the opposition in some states in the north. Some means of participation and representation that indicate modernizing elements in the political system have now become institutionalized. I do not mean to say by this that the elections in

Mexico are not questioned. They are questioned by many groups, by many segments of society. Nevertheless, it would be unjust not to recognize that the elections now taking place in this country are very different from those in the 'forties and 'fifties, when there was no possibility of any choice except that dictated vertically by the State. Now at least there is a degree more of participation and of opposition and the political game is wider, not as structured as society might wish, but finally more important than it was. Aside from this, there has existed since the 'seventies relative freedom of the press, where one can practically say what one wants. This is an indication of modernization. It has to start somewhere. I would say that this began fifteen years ago, when new spheres of participation appeared that have gone on opening up. We should also remember the electoral reforms in 1973, 1977, 1983 and now we can count on new examples such as the electoral tribune, which is going to be the last resort in federal elections. These, from my point of view, are symptoms of modernization.

*Juan Molinar:* There is a kind of lagging behind in modernization of the political system in contrast with social and economic modernization. This lack of synchronization in the rhythms of modernization in economics, society and politics may help to explain some existing political conflicts which are permanently occurring throughout the country. The structures of political representation for example, have resisted the process of modernization, and this as much in the employers', workers' or peasants' corporations as in the field of citizens' representation. In this last aspect there have recently been some modernizing impulses. The Law of Political Organizations and Electoral Processes was not only a modernizing impulse in Mexico's political life because it allowed for the widening of the country's party political spectrum, because it introduced substantial modifications to the scheme of political participation and because it generated a better political expression of social pluralism. That is, various currents from the left and also from the right had been legally and politically prohibited from expression in party terms. In 1977 these prohibitions were overcome and this series of party and political expressions, which did not have an electoral channel, could be defined.

Recently, measures such as the Federal Electoral Code express some advances in the integration of political representation. For example, they make proportional representation more equal. These could be seen as a series of recent measures and successes with respect to the political modernization process. Nevertheless, I think they are insufficient.

*Lorenzo Meyer:* Since the great economic crisis of 1982—a crisis which after five years is not yet over—a great number of politically active Mexicans—who, in spite of material and cultural advances, continue to be a minority—began to doubt the political way of being which



José Luis Reyna.



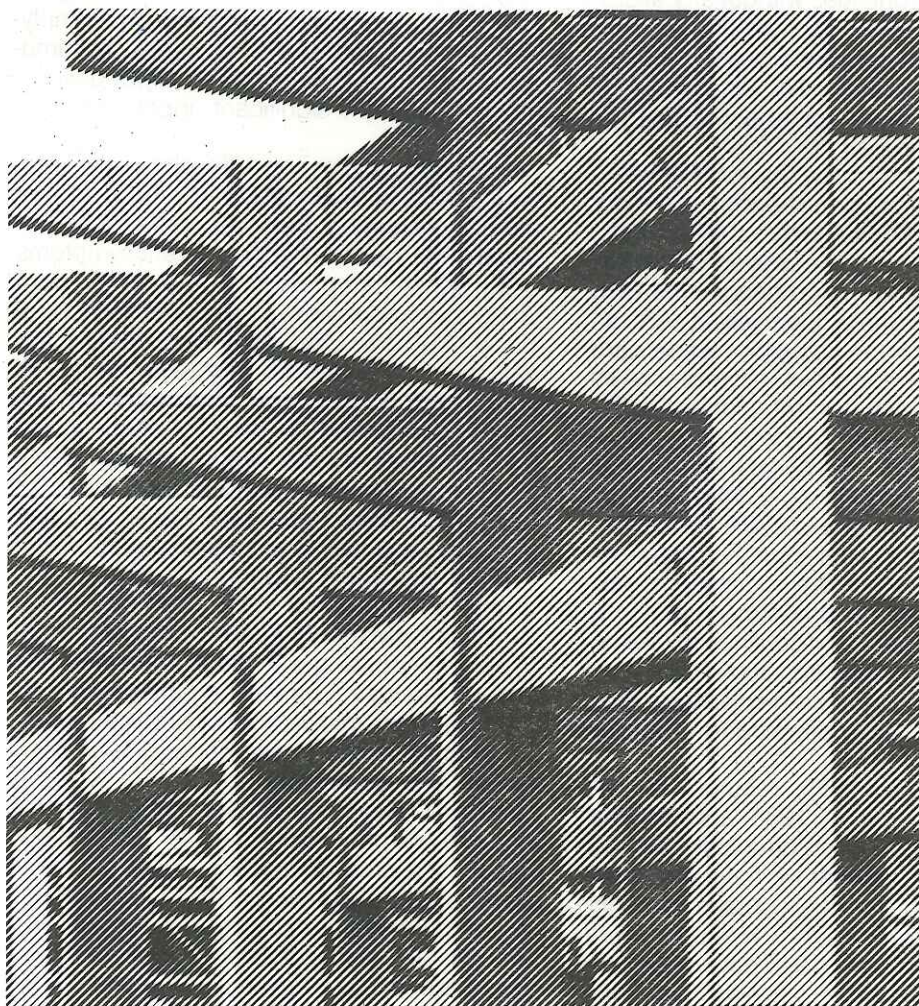
Ever since the sixties the press has been relatively free to express practically whatever it wishes to. This is a sign of modernization.

has prevailed in the last fifty years.

Perhaps what I am about to say is unjust but it appears to me that in the present Presidency no really important measures have been taken in the field of political modernization — authoritarianism continues basically intact— while the situation is very different in the case of economics. In this field the project initiated by Miguel de la Madrid is very different from that of his predecessor. What the present government, now in its last few months, sought to do was to erase the bases allowing them to abandon the idea of a productive apparatus determined almost exclusively by the demand of the internal market, since this gave the country, since the 'sixties, an external commercial structural deficit and led, among other things, to an enormous external debt, now over one hundred thousand million dollars.

The destruction of the old tariff protection of industry and Mexico's entrance into the GATT, illustrate the political wish to abandon the economic nationalism of the past and to make the external demand for prime materials, services and relatively simple manufactured goods the new basis of the Mexican economy. In the short term this means very difficult adjustments paid for basically by the workers with a deepening of unemployment and structural sub-employment. This is the heavy payment for attempting modernization in a situation of crisis.

*Rolando Cordera Campos:* My opinion is that there are two political modernizing factors.



One is the new Electoral Code and the other is the municipal reform. The reform to the constitutional Article 115 is designed to make it possible for the Mexican City Councils to be formed in a proportional manner. At another level, informal but equally real, and perhaps more important, is the fact of the mobilization of public opinion, a growing interest in political processes and the attack on the political scene, particularly at the electoral level, on the part of groups that act openly in opposition to the government through the PAN or other parties. The formalization of this political modernization is unsatisfactory as much in the Electoral Code as in the municipal reforms. The President's original idea, that the City Councils would effectively be constituted in a proportional way, was distorted and the local legislative bodies introduced variations in each state which to a certain extent blocked this fine idea.

On another level, there exists an element in conflict with political modernization: electoral practices are the object of great scepticism on the part of the population because of the predominance of manipulation and control on the part of the government. The mobilization of public opinion and the middle groups in electoral matters are without doubt a healthy sign, but they have to be accompanied as rapidly as possible by a more ambitious plan of the country's institutional organization. The process of political modernization is still very limited and precarious, and a conscious effort must be made with it, since it is still in its initial phase, by the governors and political forces.

One of the best possible advances would be to form a constitutional mandate where the political parties are entities of public interest. This is not going to happen on its own. There has to be created in Mexico a legal and financial context for parties.

There exist proposals for the democratization of national life, creating more open political relations, less controlled by the State, giving greater opportunities for other groups in society to organize themselves politically and participate in the electoral process which is rigorously supervised from the heights of power.

It is not an exaggeration to say that, in the matter of political modernization, there tends to be a consensus of opinion expressing dissatisfaction and the demand for effective changes.

***Voices of Mexico:* With the approaching elections of 1988 in view, what new modernizing elements of the Mexican political system have been put into practice?**

*Rolando Cordera Campos:* None. What has become evident is the archaic quality of the Mexican presidential succession and its absolutely pre-modern character. I think that the presidential succession will occur in exactly the same terms as before, but it is very probable that it will be for the last time. There is no longer any justification, either political or historical, for this and it appears to me that Mexican political-society and the general population are com-



**Representative political structures have resisted modernization, and this is true of business, labor and peasant corporate structures as well as for voters in general.**

pletely tired of a process of this nature. I think that we are living at the end of the presidential succession as something that depends on the decision, without consultation or discussion, of a person who is the President of the Republic. I think that the people in power will have to give up, faced with the evidence that they have in their hands a worn-out process which no longer convinces any one and is only allowed to occur one more time because of the political wisdom of the Mexican population. But the need for renovation in this matter is alive in the minds of the people. There is one very clear fact: people do not think about the succession but about what is going to happen after. Before, there was always a great uproar about the succession, now this only happens among very restricted groups. What the people would like is to see ahead and begin to reflect, hear proposals for feasible changes, which would not alter their basic security. I think that we are living this transition very acutely even although on the surface everything seems the same.

*Juan Molinar:* There have been modifications made to the political electoral system which would not necessarily be seen as modernizing changes. Much is said about the electoral tribune, but I do not think it is very important. The presidential succession has not been modified in the last thirty years. Perhaps since the 1952 or the 1958 succession, the process, known as "*tapadismo*" (hiding) and "*dedazo*" (appointing), to decide the presidential succession, has been in existence and I think that it continues without any alteration. The presidential succession has not changed, it continues within a closed process, almost strictly one-person. It not only excludes the bases of the governing party but also the very leaders of the party in power.

What has changed is the response of some sectors of society to this mechanism. In the political sphere, in the last thirty or forty years, there has been a long succession of modernizing elements which have changed the form in which people organize themselves politically, the form in which the opposition leaders are integrated, the form in which representatives are elected, but what has not changed is the form of the presidential succession.

Maintaining intact, unchangeable, the election of the PRI presidential candidate, indicates that one part of society and some of its political organizations have not changed. Because, in the moment in which the successor is revealed, "*la cargada*" and all those traditional elements of PRI politics will continue to take effect. Nevertheless, there are various sectors of the country that show their displeasure, their rejection of these clearly pre-modern practices

*Lorenzo Meyer:* With relation to the presidential elections in 1988 and political modernization there is unfortunately not too much to say. It is true that we have new electoral legislation, but we should take into consideration—as Juan Molinar has commented—that since 1940 each presidential election in Mexico has involved new legis-

lation. Today, in 1987, there is almost nothing new in the form or the content of the process of transference of power that has already begun. The President of the Republic is the one to choose the successor, whose triumph in 1988 is assured. The elections serve no particular purpose except in the margin of victory won by the official party.

In reality, what is new is the attitude of the public, who now consider worn-out the political system where, since 1940, the President and only he decides who will be the presidential candidate in the dominant party that has not lost one election, either presidential, gubernatorial or senatorial, since its creation in March, 1929. This system gave Mexico notable political stability, but no longer has credibility.

Seen from this point of view, I think that Mexican political modernization is still to come, and should no longer be delayed. The new President—whoever he is—should govern in an atmosphere where the legitimacy of the principal—and at times apparently the only—Mexican political institution, that is the presidency, has diminished irreversibly. I have the impression that from 1989, as never before, the Mexican presidency should take into account the opinions and attitudes of the principal political actors and share with them some of the enormous power concentrated in him from the 'thirties to the present day.

The tendency is towards a greater participation of lay society in the formulation and execution of the policies that concern them. Nevertheless, the resistance of tradition, of the huge political bureaucracies, to this change is enormous. The Mexican political elite simply does not want to lose the privileges accumulated over more than half a century of government without any significant opposition.

*José Luis Reyna:* The 1988 elections will be very similar to those of 82, 76, 70, if we are merely discussing the presidential election. Since 1982 we see slightly different symptoms in the sense that there is a break in the continuity that has existed in presidential elections since 1952. The idea is that since 1982 there has been an important decrease in the PRI votes. 1982 was the year when a presidential candidate, backed by the PRI, obtained the lowest number of votes, proportionately speaking, than on any other previous date. It did not reach 70%. What I mean is that even although this party continues to win majority support, the PRI has less public support than before. And this will become clear in the 1988 elections. I think that there will be greater participation from those sympathizing with parties both from the left and the right. The ideal situation would be a greater participation from opposition parties. It would be a way of expressing the citizen's doubts and discontent.

In conclusion, I would say that in 1988 the non-PRI will grow. But I have to add that this is part of a gradual process where participation is effectively growing. This participation is going to be distributed over different political groups, still unconsolidated but that in some way are opening a new political game. These

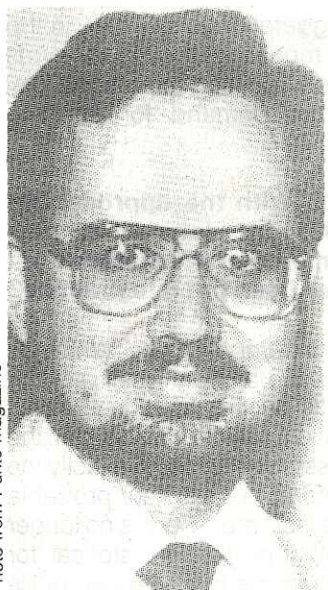


Photo from Punto magazine

Lorenzo Meyer.



**It is no exaggeration to say that agreement exists concerning political modernization, and this can be summed up in dissatisfaction and in the demand for effective change.**

are the initial stages leading towards a democratization of Mexican society.

***Voices of Mexico:* In the economics field in Mexico, what have been the aspects where the government has indicated a wish to modernize the system?**

*Lorenzo Meyer:* As far as economics is concerned, as I have already said, this is where the government has most indicated a wish to modernize the system, that is, to change it in order to survive a crisis that has resulted, from 1982 until now, in the reduction of the growth of the Gross National Product to practically zero, just when around 800 thousand young people per year are entering a satiated job market. Of course, the so-called "informal" or "subterranean economy" takes care that not all of them remain unemployed, but there is urgent need for a solution that will give productive employment to everyone.

The main measures of the economic modernization program, begun in 1983, consist in the first place of the dismantling of protection of industry, in order to force it to be efficient and enter into successful competition with other developing countries for the markets in the industrialized world. The other large step—which has been only half taken—is of making state economic activity more efficient (and less corrupt); this involves the famous "slimming" of the State, a phenomenon not only to be found in Mexico but also in other developed and de-

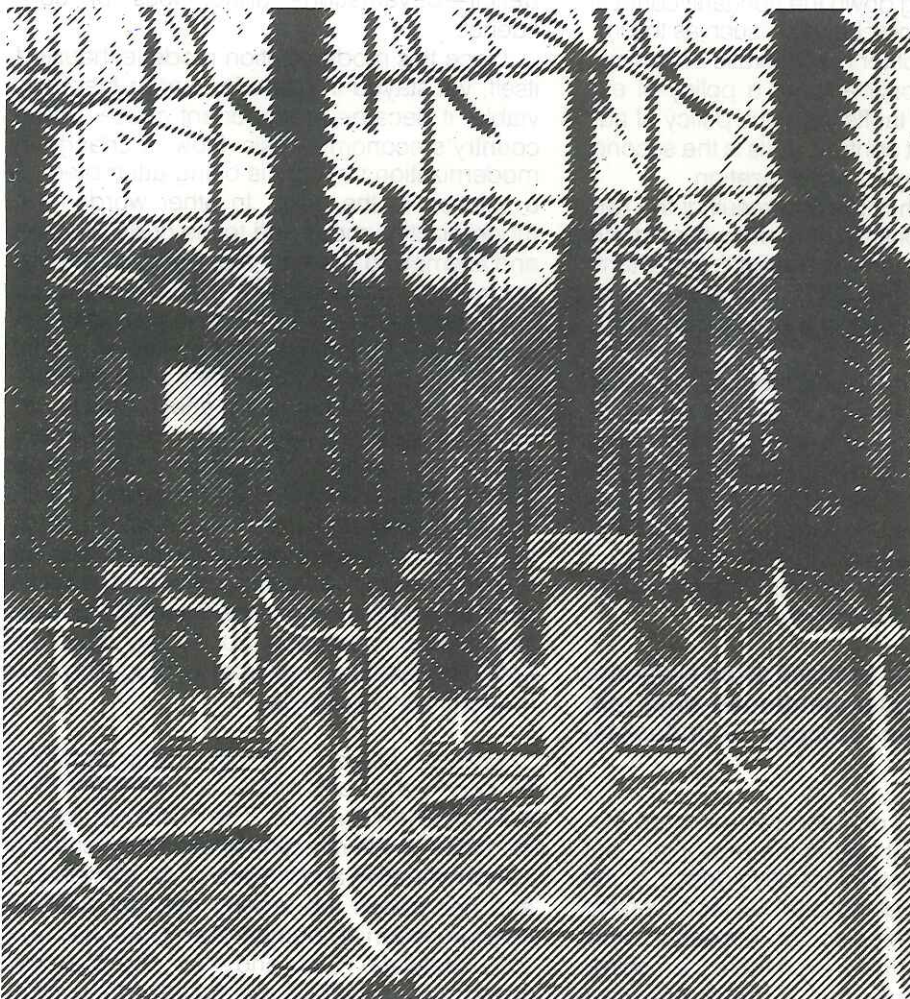
veloping countries. The result has still to be seen.

*José Luis Reyna:* I have the impression that there is an idea of modernizing the system through a greater use of technological advances instead of the use of the work force. That is, modernization consists above all of increasing the use of technology in the economy, and the cost is a diminished demand on the work force.

I don't know if this is an inevitable choice within the capitalist system. Nevertheless, this is what we are seeing taking place in other countries. The conversion to technology in Brazil, for example, has particular effect on the work force demand in that country. In Mexico we can clearly see a series of elements pointing in this direction. It has been fundamental to modernize the economic system. In spite of the crisis, the economic infrastructure has not been dismantled by the State. So much so that one can observe that the infrastructure and the initially-installed capacity allow the manufactured exports to grow at an impressive speed. I don't mean that with the modernization of the economic system, the problem of inequality is solved. I do not think that that is implied in what I say. Nor is it implied that the modernization of the economic system at the level of exports, of installed and established capacity is very great. Nevertheless, I would say that one of the ways of confronting the economic crisis has been the modernization of the productive apparatus.

*Roland Cordera:* Economic modernization is stated explicitly in the idea of the freeing of Mexican external trade. In this way we would rid ourselves of archaic or deficient production methods which have developed in Mexico as a result of the protection of industry from outside competition. Mexican companies would be challenged by this opening up: they have to either modernize themselves, bring themselves up to date, become efficient, or they will disappear. The other point is the proposals for industrial renovation, creation of new plants, substitution of old plants for new ones, and the substitution of old products for new ones, which now all comes under the term industrial reconversion.

At present this process of change has to be propelled along the paths of opening up to the outside, and internal conversion. I think that the countries that at present are in the economic and industrial vanguard have achieved these production changes through long term efforts and internal decisions on long processes of consensus and articulation of interests with regard to a national project. I believe that we are thinking wrongly if we imagine that we are going to modernize simply by opening up to the exterior, and we may also endanger what we have. What is needed is better stimulus to production methods and more active participation of the work force in production. All this depends to a great extent on internal decisions and the capacity for articulating interests and social forces and necessarily contradictory





**The foreign debt, servicing the debt, is the factor which most conditions the ongoing modernization process. It is the factor that determines the narrow limits within which economic policy decisions are made.**

symbols, that could nevertheless result on a long term basis in agreement on objectives of a national character. If this does not happen what will be achieved is only a superficial modernization which will, to a great extent, only reproduce an imitative process.

*Juan Molinar:* There is one fundamental aspect. Mexico attempted a strategy of economic development through the model of import substitutions, with protection as much through the exchange rates, which make external competition very expensive for the Mexican market, as through the route of direct protection, tariffs or worse on licences and import permits.

This modernization scheme has been declared dead, with a certain clarity, by the present government and there are proposals for a different scheme of modernization that consists of the following: to open the Mexican economy to exports; to make economic growth less dependent on external credit—something that has not been totally achieved because of the enormous weight of the interests on the external debt—; to make it more competitive, and to this end protection on the Mexican economy has been removed in stages.

In the first place an exchange rate with a very undervalued peso has been maintained. Mexican export products have been cheapened while imports have become dearer.

These actions have had a positive effect on the balance of trade during this presidency. The government has tried to modernize the economy knocking down the non-tariff controls on importation of merchandise, such as the import licences and other bureaucratic limitations.

There is more confidence in a policy of exchange rates and tariffs than in a policy of administrative import controls. This is the second element of economic modernization.

The third, which is the end result of the two previous ones, consists of Mexico joining the GATT, through which it is hoped that the tariff precedences that the GATT members share, will benefit the country in the sense of giving it export facilities.

Non-competitive national industry will either have to change, raise its productivity in terms of capital and work, or it will be swept away once the entrance to GATT is completed. This then is a process of modernization in the way the present government is looking at things and it will doubtless make a very important impact on the economy of the country in the immediate future and in the long-term.

***Voices of Mexico:* In these three elements which you have just mentioned what role is played by the process of industrial reconversion?**

*Juan Molinar:* I can see two or three elements standing out, not in the reasoning, but in the political and administrative deeds, of the government. One of these is that reconversion implies the cheapening of Mexico's most privileged merchandise, even more than petrol, its work force. This, so that, by cheapening the

work force costs, the work productivity will rise. This has been seen on different occasions. Not only is the work force cheapened but ways of deepening its exploitation are sought, by limiting some rigidity in their reactions that, from the capitalist point of view, existed in the work organization process due to the demands and gains obtained over many years in the collective work contracts. This is one very important aspect of modernization that has to be taken into consideration

***Voices of Mexico:* How do the economic crisis and the modernization process interrelate?**

*Juan Molinar:* There's a double relationship. On the one hand, the so-called stable development modernization model is responsible for the long-winded economic crisis the country has been through since the early 70's up until recently, with the oil boom as its only short-lived breather. This long-lasting crisis came about precisely because once (the economy) was well into the process of substituting imports by means of protectionist measures, the process became unsustainable because it led to cyclical crises, current accounts deficits and currency devaluation, all of which finally takes on the form of a seemingly structural "loss of confidence". Subjectivity and capitalists' sensitivity to possible changes in economic policy increased, and these losses in confidence immediately translated into capital being exported and the flight of foreign exchange, reinforcing the cyclical process of current accounts deficit—devaluation—further loss of confidence.

Once this modernization model exhausted itself, yet stayed in place for longer than was viable, it became an important cause for the country's economic crisis. Now, a change in modernization strategy is being attempted as a solution to the crisis. In other words, one modernization model led to the crisis situation and attempts to resolve it are relying on a different model. This is one way of looking at things.

Another angle to the issue is that while the crisis spurs a change in modernization model and points to the need for other ways and means, it also has a hindering effect, mainly because of Mexico's huge deficit in investment capital. For starters, the foreign debt service conditions the process slated to go into effect. This factor determines the very narrow limits within which economic policy decisions can be made. In fact, if we are to judge on the basis of these last six years, it's the main factor in economic policy decisions. So, I'd say the crisis both detonated and restricts the struggling new modernization process.

*Lorenzo Meyer:* The relationship between economic crisis and modernization is complex but it is also very clear. The crisis has forced the nation in the direction of economic change—modernization and the search for efficiency—and has posed the urgent need for political change, meaning democratizing Mexican society. Between 1940 and 1982 the Mexican economy behaved in a way that was unique

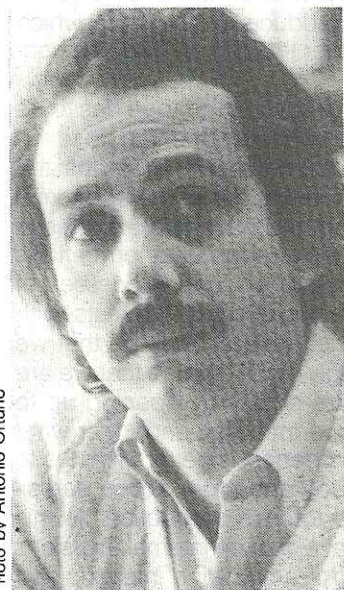


Photo by Antonio Ortuño

Juan Molinar.



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**Modernization as a great process of change must attempt to resolve a problem that has been present throughout Mexico's history, and that problem is inequality.**

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in Latin America. It allowed for inefficiency-plagued but steady growth of the Gross National Product (GNP), at a rate of about 6% a year. Mexican society became accustomed to this and came to see it as a naturally guaranteed process. This is why, for the most part, public opinion accepted political authoritarianism as a sort of fair price to pay for a kind of economic security that did not exist elsewhere in Latin America. This held especially true in the case of businessmen, organized labor (which is not a majority) and the middle sectors. It was less so for the great losers in the process, namely the peasantry and the deprived sectors of the urban population. When the Mexican economy entered a crisis situation in 1982, the basic premises underlying the political pact drawn up after the Revolution crumbled. The crisis also began to erode the legitimacy of the authoritarian politics that were so successful from the end of the Great Depression up until the mid-1970's. Today, people who previously thought the lack of mechanisms for political participation a normal state of affairs, maybe even convenient, see it as intolerable. This is especially the case of large-scale private enterprise, long protected and subsidized by the state.

At present, the politicians in charge of Mexico realize there's no alternative to broadening and democratizing the political process, but they try to put it off because it would seem to be the beginning of the end for the official party's political monopoly. There is also the

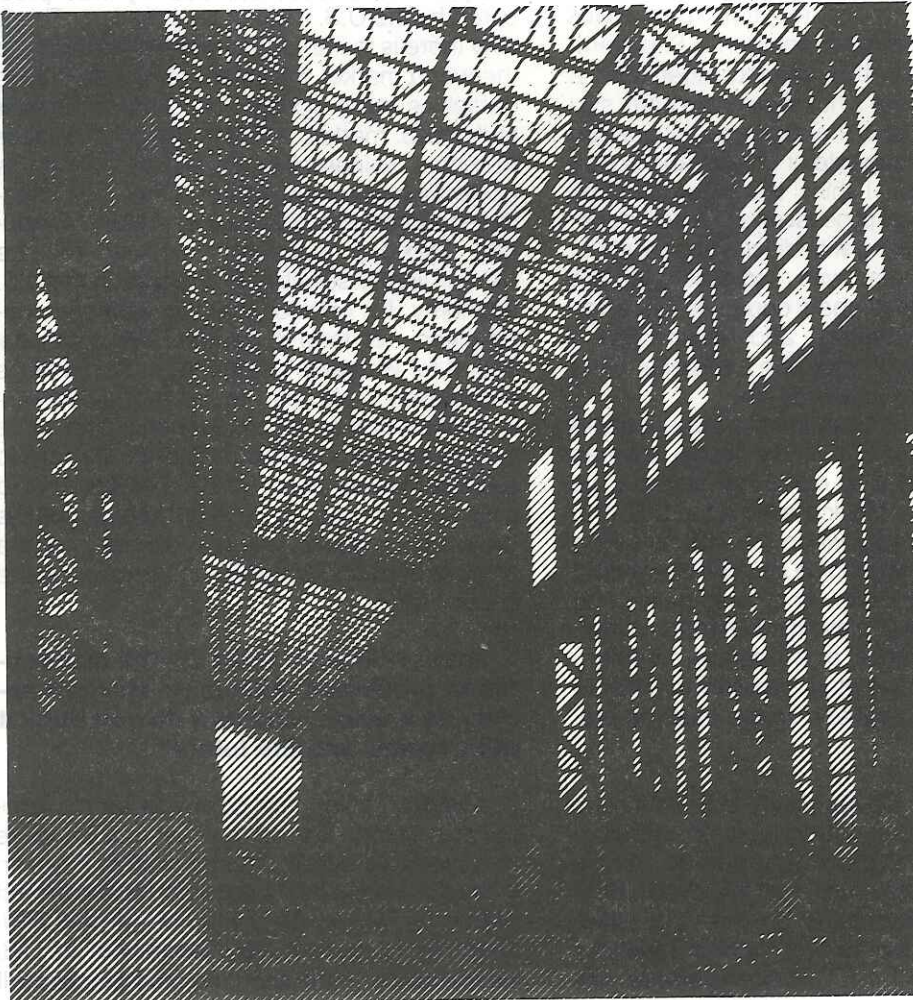
temptation to further close the system and use force to deal with the currently widespread inconformity with Mexican politics. But a hard hand —overt exclusionary authoritarianism Chilean style for example— would merely mean a short-term solution which in the long run would cause more problems. History shows how in the large Latin American nations, exclusionary authoritarian regimes have never been institutionalized nor have they avoided coming to a tragic end. Furthermore, today this type of policy is inconvenient because the international situation is not favourable to such solutions. In truth, the authoritarian solution is no solution for Mexico.

*José Luis Reyna:* I'd say modernization has been a way of dealing with the economic crisis. I don't know what you mean by modernization in this question, but I'd say that all in all it's a process that must be sped up in order to overcome the economic crisis Mexico's going through. We touched on this somewhat in the answer to the previous question. I'd say that in a certain sense, modernization is being accentuated to obtain goods for export. When seen from a financial point of view, from the point of view of economic growth, it would seem that the export market is one of the solutions to the problem.

But the local market's needs and possibilities should of course also be kept in mind. A country that doesn't take care of its own is losing sight of inequalities that may already exist and will probably make them worse. I believe you have to take care of both aspects. To a great extent, there's a modernization experiment underway in the attempt to increase industrial productivity by expanding manufacturing activities. In addition to this, farm regions such as those in the northeast, are rapidly being modernized in terms of their productivity. Yet I would like to mention the fact that to a certain extent, modernization comes in response to the country's problems. The crisis isn't being dealt with unless modernization and change processes are put into effect. I believe this is the sense in which the crisis and modernization processes interrelate.

*Rolando Cordera Campos:* It's an inescapable fact that the world is changing very rapidly. The world crisis is fueling accelerated change processes that to a great extent are produced by new waves of technological innovation made possible by scientific advances in certain areas that have great impact on nations the world over. This began in countries like the United States and Japan, but the process is developing world-wide implications that no country can be oblivious to. Important changes taking place in the structure of industry and of the overall economy are forcing nations to act accordingly. This in turn provokes certain reactions, particularly among the different power groups and at the state level, and everyone tries to be prepared to react and avoid being swamped by the changes taking place.

National states are trying to respond to what





**In an already modern society such as ours, it is impossible to succeed in economic development if the political system remains closed.**

they understand to be new social demands produced by new social relations. This is particularly the case with new and very active and dynamic middle groups in the cities and with new economic power groups that demand other forms of government and of organizing the economy. Underlying all of this are changes in economic relations on a world scale and structural changes in Mexican society.

On the other hand, I believe the idea of modernization has also been used in a very ideological manner by proposing modernization as an alternative to the social and political reforms the country needs. I think this is a false alternative. I'd say it's hard to conceive of, to even imagine truly modernizing the country without being imitative and without greater equity and greater internal capacity for innovation and creativity in art and culture.

**Voices of Mexico: What do you think the modernization process implies in terms of U.S.-Mexico relations?**

*José Luis Reyna:* Given that two thirds of our exports go to the U.S. market and that two thirds of our imports come from there, it is obvious that in economic terms any kind of modernization is going to have either a positive or a negative effect on U.S.-Mexico relations. From a political viewpoint, I believe the U.S. government tends to express opinions in situations where it is not fit to do so. This was the case in the 1985 elections in Chihuahua, where they really wanted the Mexican political system to behave like the one in the U.S. Plus, political modernization processes vary from one country to another. U.S. government officials say they cannot understand a country where there's not even a two party system. We could take the exact same position and say we're incapable of understanding the two-party system. I think this would be the same. The political processes are different because we are dealing with different social structures and cultures, with societies that are different. The developed countries have followed a certain course, and Mexico has a course of its own. It would be a mistake for us to try to follow or imitate them.

Mexico's modernization will no doubt affect relations with the U.S. The relationship between the two countries is so close that any change that takes place in Mexico is felt in the U.S. and viceversa, especially when the U.S. is telling others what they should be doing. They should let other countries follow their own paths, find their own modes of development and modernization, be it political or economic. As neighboring countries we must certainly maintain a dialogue, but its field and scope must be precisely defined.

*Juan Molinar:* Obviously the U.S. continues to be the great conditioning factor for development strategies in Mexico. This may seem contradictory to the statement that the foreign debt is the main limiting factor, but it isn't so when you take into account that most of Mexico's debt is contracted with U.S. banks and private

institutions. Mexico's situation has become, or rather has always been, a very important issue that is constantly under observation and in which strong intervention takes place through the economy. Relations with the U.S. are also strongly marked by the fact that the crisis has accelerated age-old migration patterns of Mexican workers to the U.S. It seems that the Simpson-Rodino Bill imposes rigid constraints on this flow of labor seeking employment mainly in the south-eastern U.S.

U.S. interference in Mexico, in a way that may limit internal decision-making processes, has also taken place in two aspects that are not intimately part of the modernization process but do serve to illustrate the U.S.' role as a conditioning factor. I'm referring to the issues of drug traffic and foreign policy, especially concerning Nicaragua.

*Lorenzo Meyer:* Economic modernization currently underway in Mexico has profound and not necessarily favorable implications for U.S.-Mexico relations. In fact, the semi-autarchical economic model Mexico developed after the World War II resulted mainly from the political and economic elite's desire to link the country's economic future as little as possible to the United States. One of the revolutionary forces' main criticisms of dictator Porfirio Díaz was aimed precisely at his policy of opening the economy to foreign capital and increasing dependence *vis a vis* the world market. On several occasions during the difficult years of political upheaval surrounding the Mexican Revolution, our country was pressured by the U.S. in economic matters. This is why there is fear that opening our economy to the world market will mean, above all, linking ourselves more closely and clearly than ever to the U.S. market, a fact that would increase Mexico's vulnerability to pressure from its powerful northern neighbor. Once our ongoing economic process reaches a state of maturity, Mexican economic activity will be extraordinarily sensitive to changes in the U.S. economy. It's obvious that this economic dependency will tend to translate into a political one. If for whatever reason the U.S. market is ever closed to Mexican products, the economic, political and social consequences could be truly catastrophic, particularly since it's hard to see how Europe, Japan or Latin America could ever be—or want to be—substitutes for the great U.S. market we are currently in the process of joining ourselves to as never before in our history.

**Voices of Mexico: What are the modernization processes' effects on Mexican society as a whole, and how do you think it will develop into the future?**

*Lorenzo Meyer:* The prospects for modernization in Mexico are not clear yet, but the future does seem to be full of ambivalence. From an economic viewpoint it's possible that the project begun by Miguel de la Madrid will succeed, especially if it receives real support from the U.S. Nevertheless, in the short term the process will

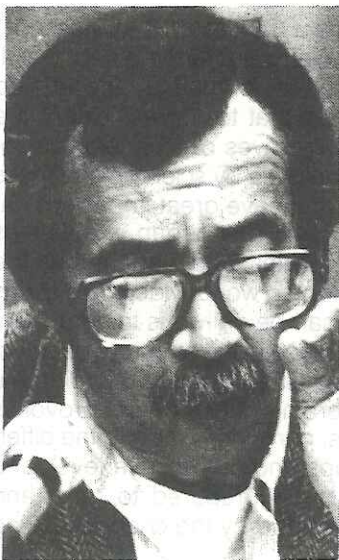


Photo by Elsa Medina

Rolando Cordera Campos.



**Economic modernization in Mexico has profound implications for U.S.-Mexico relations.**

mean tremendous hardship for the social sectors who are the least prepared to meet the challenge of liberalizing trade and increasing productivity, as opening up our economy requires. Marginal businesses, un-qualified workers and youths just entering the job market will pay the price for what we are calling "industrial reconversion." As I said before, structural unemployment may increase in the immediate future. Only in the very very long term can we expect to see the bulk of Mexican society incorporated into the modern productive process. Even though it is hardly ever mentioned, the fact is that Mexican leaders are conscious of the Darwinian overtones in the breakdown of the old economic model.

As far as political aspects are concerned, modernization has already been identified with democratization. Yet in practice, no one in Mexico knows the meaning of democracy because we have never experienced it over an historically significant period of time. Each social sector expects a lot from democratization, and expectations are often contradictory. Businessmen expect less government interference and more efficient services. The middle class hopes for less corruption, a greater sense of responsibility in government bureaucracy and greater opportunities for participating in politics. Organized labor wants less authoritarian leadership and greater independence from state policy to better be able to pursue their own class interests. But I really don't know what democratic change can mean for the large

deprived sectors of our society. It would seem to me that during the initial stages of the process, the demise of populist authoritarianism will leave them vulnerable and unprotected. I'm afraid political modernization may come to mean that these sectors will suffer net losses, at least in the initial stages. The old order was paternalistic, and the ruling party's government dedicated a large part of its fiscal income to subsidizing the basic needs of marginal sectors of the population. But today resources are no longer available for these subsidies, nor will they be in the foreseeable future because the new model tends to make each social sector more self-sufficient, more capable of looking out for their own interests and less dependent on the state. Thus, I believe that over the next few years democracy will not favor a lot of Mexicans. Political freedom comes hand in hand with risks and responsibility for the inexperienced. Nonetheless, there's no better alternative because populism as we have known it is not viable in today's economic modernization model. In our case, as Winston Churchill once said, even though democracy turns out to be a defective system, all others are worse.

*José Luis Reyna:* I think Mexican society is much more modern and complex and allows for greater political participation than it did 25 years ago, for example. I believe that at least certain segments of our society yearn for a greater role in the overall process of change. The media's development has opened the way for means of solving problems or being critical. Information has been and tends to become an important factor in the modernization process, something which did not previously exist. To a certain extent, Mexican society today is relatively better informed in comparison to how things were just a few years ago. I'm not saying that all of society is perfectly well informed, but rather that there is a greater level of information in comparison to a few years ago.

Mexico can expect an economic upturn as far as GNP growth is concerned, although it will probably be at lower rates than the ones we knew between the forties and the sixties when the economy moved ahead at about 6% a year. This will be hard to repeat. At any rate, our society today is much more complex and so is the economy, so lower growth rates can nonetheless allow in-depth advances.

The most important point to make is that economic growth should have the effect of reducing inequality. In other words, a process of modernization seen in terms of great changes should try to resolve a problem that has been present throughout Mexico's history, namely, inequality.

In order for modernization to provide a viable outlook for the future, it should mean opening political spaces for greater participation. It's very important that this society find democratic solutions to its problems. The quickest way out of the crisis is to provide democratic solutions to the problems it causes instead of attempting to resolve them in the usual vertical, top-heavy manner. Increasing opportunities to



Photograms by Juan Escareño



**The crisis has forced the nation in the direction of economic change—modernization and the search of efficiency—and has posed the urgent need for political change.**

participate in decision-making processes will make it possible to integrate more social sectors and thus to become a more modern country in which there's less inequality, a country in which there's a little more room for partaking (in the political process).

*Rolando Cordera Campos:* I'd mention three essential aspects. One is that our Constitutional right to be informed should be regulated so that it translates into rights and obligations for those who produce information as well as for its recipients. The mass media is the crucial burning issue. A population as large, diversified and spread out as ours requires an efficient multi-party system. The mass media, and especially television, are still controlled in a savage pre-modern way. It is totally unusual for the main mass media to be controlled by a few individuals who are accountable to no one. This has nothing to do with democracy nor with modern society.

Moving on to a second issue, I believe we have a serious problem in Congress, particularly in the Chamber of Deputies' internal organization and in its relationship to other state powers, especially to the executive branch. We have a political system dominated by the federal government. There's a lot of room for action in this area, and it could spur other institutional innovations and different ways for building agreement on matters of national development and organization. In the third place, we need a critical body of scientists and technicians who are familiar with the nation's problems and who have enough information and knowledge to make the correct technological choices (for the nation). There are other aspects in addition to these, such as the need to further integrate the rural areas. I think justice is a difficult issue in Mexico. Ours is a modern country which at the same time shows serious cracks in its social make-up. Too large a part of the population is on the brink of absolute poverty and unsatisfied. We would have to move on these broad issues to effectively be able to speak of national modernization.

*Juan Molinar:* There are several factors to consider. Over the previous decades, modernization led to enormous changes in Mexico's population. The process modified the size of the population as well as its composition and geographical distribution. It made an urban country out of Mexico, whereas 50 years ago it was a rural country. The majority of our population today is under 20 years of age, so we have become a country of young people. These changes in the structure of the population and in its spacial geographical distribution, are two aspects that will further limit and condition whatever path is followed towards modernization. It is merely a question of taking a look at the increase in the economically active population and at the number of young people who enter the job market each year without a hope of landing a paying job. This situation will continue unrelenting during the next ten years at least, and the number of unemployed and underemployed will increase

steadily, especially among the young. In a capitalist society there is practically no way to provide an occupation for the whole of the population (born of the modernization process) joining the work-force. We will be facing enormous problems in urban areas, in housing, in assigning resources to the countryside and to the city, and most of these will probably not be solved during the next decade.

A social pact that will allow us to delay these solutions must be found, for they will not come about before the nineties or the early XXI century. These are factors from the past and in the present that strongly condition prospects for the future. This obviously has political consequences, society will require considerable internal political adjustments. I believe there are two aspects that need adjusting and that in fact are already in crisis. On the one hand, corporative structures such as labor, peasant organizations and business will surely have to make adjustments in their relationship toward the state, and they will have to adapt to the new processes. And the same is true for citizens in general, particularly because the social sectors that are not or cannot be corporatively organized are on the increase. For example, how can you corporatively incorporate the great number of young people who are going to be joining the job market over the next 15 years?

*Voices of Mexico:* **Does the danger or risk of failure exist for the modernization process the regime has been following?**

*Juan Molinar:* Yes. If the political system cracks we loose factors that are fundamental to carrying out the modernization process. The government might choose an authoritarian or maybe even a dictatorial path to impose this type of project, but the social and political costs could well break the economic process. This has been the case with the South American dictatorships which attempted to adjust their political problems to the pace of modernizing society. They practically decided to cancel and close down politics and take over the modernization process at their own risk and under dictatorial conditions. This resulted in unprecedented economic crisis in addition to enormous costs in lives and in human rights' violations.

What I'm saying is that it's impossible to attain successful economic development in an already modern society such as ours if the political system remains closed. The government may well attempt to go ahead despite the fact that it would be a tremendous historical failure. But this in no way eliminates the possibility of seeking a "dictatorial" and repressive way out of the crisis, truly a form of useless escapism. Any attempt to impose economic modernization without at the same time trying to bring the state's bonds to society up to date, would be the worst possible historical error. Extreme solutions must be avoided at all costs, and the only way to do so is to set the course for political modernization. The process is not an easy one, yet it must be undertaken.

