

RÉSUMÉ

Le Mexique à la croisée des chemins: les travailleurs dans le contexte de l'intégration continentale et de la transition politique

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Le Mexique subit présentement une double transformation : économique d'une part et politique de l'autre. L'économie est passé d'un mode de développement national centré sur l'industrialisation rapide et basé sur un capitalisme guidé par l'État à un mode dépendant et basé sur une production intégrée à l'échelle continentale. Ce virage a causé la désindustrialisation de régions complètes du pays, augmenté la main mise étrangère, et rendu les travailleurs et l'économie mexicaine plus vulnérables aux crises externes.

De plus, l'intégration continentale fait partie d'un ensemble de réformes néolibérales qui ont fait dépérir les droits sociaux et économiques de citoyenneté qui ont émergé après la révolution de 1910. En effet, l'aspect politique de la double transformation consiste en l'élimination du vieux système hégémonique corporatiste Mexicain au profit d'une conception de la démocratie vidée de son sens, basé sur des principes néolibéraux déguisés par le nouveau bloc dominant, formé de segments du capital mexicain ainsi qu'étranger. Ces principes ont justifié une attaque systématique sur les droits sociaux et économiques qui, superposée à la crise économique, a mené à un désillusionnement généralisé de la population, évidente dans les pertes électorales substantielles du parti présidentiel et dans la montée en flèche du taux d'abstention lors des élections législatives de juillet 2003.

Ce nouveau Mexique 'démocratique' de l'après-2000 surgit de plus dans un contexte de plusieurs années successives de détérioration des droits des travailleurs et des conditions de travail, une constante malgré les fluctuations de l'économie. Malgré tout, et bien qu'il y ait amplement de mécontentement parmi les travailleurs, la contestation politique est demeurée limitée et fragmentée. Ainsi, les années à venir devraient devenir une période charnière dans l'histoire mexicaine, alors que les travailleurs mexicains relèvent le défi de créer de nouvelles façons de contrecarrer ces attaques à leurs droits et conditions de travail.

**Mexico in the Crucible:
Workers, Continental Integration
and Political Transition**

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Introduction

The transformation of Western Europe in the late 18th and 19th centuries involved a dual revolution that played itself out differently in various places. The democratic revolution involved the gaining and subsequent expansion — through struggle and pressure from below — of citizenship rights. The industrial revolution involved the transformation of the mode of production. The modern working class emerged as a new type of exploited labour, a type with an unprecedented potential for collective action to change both its own condition and that of society.

Mexico is going through a new dual transformation with tremendous impact on the working class. This dual transformation differs in fundamental ways from the “dual revolution” that England and France went through in the late 18th and 19th centuries. The political aspect of the European dual revolution was the triumph of the notion of democracy and citizenship. The economic aspect was the triumph of industrial capitalism over previous modes of production, creating a market for labour as a

commodity, and also creating the modern working class as an integral part of the process. The characteristics of the new industrial working class (its relation to capital, its concentration in factories and cities, its common though varied oppression) gave it a need and potential for collective resistance. The concept of citizenship provided a banner and, over time, a framework for the gaining and expansion of citizenship rights to include the right to vote, the right of association, and a variety of economic and social rights to education and a minimum of welfare. Citizenship and class struggle were intertwined. The political framework and the claim to these new rights as citizens meant that class struggle could, and often did, lead to an expansion of citizenship rights. The way the dual revolution combined in Western Europe varied, and, in some countries, social citizenship rights were expanded to preclude democratic political rights, as in the Prussian route.¹

Mexico experienced a unique version of the dual revolution in the 20th century, one that combined features of both the Western European and the Prussian routes. The Mexican Revolution of 1910-1920 ushered in the authoritarian populist regime in which some symbolic and some concrete citizenship rights were gained as part of the process of the consolidation of Mexico's peculiar dictatorship. The extreme unevenness of development and backwardness, the power and importance of foreign capital, the belief that the state had to shape the role of capital to make it act in the interests of national capitalist development, and the popular pressures unleashed by the Mexican Revolution all combined to encourage the state to play a leading role in economic development. The state went beyond strong guidance of investment and the development of infrastructure; it also took over key industries that were fundamental to economic expansion. This strong state role was the underpinning for the later dramatic growth of the Mexican economy through Import Substitution Industrialization (ISI) in the period of the "Mexican Miracle." There has long been a strong opposition to the statist character of Mexican capitalism that has been concentrated in

¹ The Prussian route refers to a conservative capitalist modernization process initiated and guided by the state in contrast to capitalist modernization coming from "below," or from capitalists themselves with the state playing a supporting or secondary role. The Prussian route seeks to combine the development of capitalist industry with the continuation of the traditional social and political structure.

major factions of the big bourgeoisie (most notably the Monterrey group), in foreign capital and governments, and in sections of the middle and small bourgeoisie.

In contrast to both the Western European experience and the 20th century Mexican one, the present dual transformation involves the loss of the social and economic rights of citizenship along with the gaining of greater electoral choice, for the so-called democratic transition comes as a package deal with neoliberalism, the latter guaranteed by international power relations and treaties. In contrast to the old dual revolution that expanded citizenship rights, this “democratic” transition comes with an assault on the social and economic rights of citizenship and an attempt to atomize the working class to prevent collective struggle for these rights. As well, the economic transformation does not produce self-sustaining industrial development but a combination of deindustrialization and dependent industrialization. The full opening of the Mexican economy to imports is destroying older, industrialized areas, while the new industrialization is fragmented internally and integrated externally in a continental production system controlled by powers outside Mexico. Neoliberal continental integration has made the Mexican economy and labour market vulnerable to fluctuations in the U.S. economy and to decisions by U.S. corporate and governmental authorities. As well, continental power relations (economic and political) and the North American Free Trade Agreement (NAFTA) tie the hands of the Mexican government from doing or continuing to do exactly those things that fostered the expansion of citizenship rights and the growth of a domestically integrated economy in the past.

Capital, with the energetic backing of international organizations (such as the IMF and the World Bank), and with the collaboration or subordination of the state, has been seeking to reduce labour costs and increase managerial control over workers. Workers’ resistance through collective organization and struggle has been central in the expansion of citizenship rights in the past. The attack on workers’ rights requires the breaking of workers’ collective organization and resistance.

This article will explore this new dual transformation. In the first two sections, we will discuss the nature of the new industrial revolution in Mexico. In the following two sections, we consider the political implications of this process for the extension of

democratic rights. In the conclusion, we discuss some of the links between the economic and political transformations and their implications for Mexican society and the Mexican working class.

The New Industrial Transformation and the Working Class

Mexico is undergoing a structural transformation the short and long-term consequences of which are disastrous for the working class. Both the previous period of rapid growth in the North and the present one of sharp recession have brought with them two different sets of horrors for the working people of Mexico. Maquila growth brought new jobs to the north but under degrading conditions for human dignity, health and safety. As well, this growth lacked multiplier effects for the Mexican economy. The sharp recession today is catapulting people out of these terrible jobs into the abyss of unemployment and reverse migration to communities lacking the resources or jobs to absorb them. The options created by the continentally integrationist transformation of Mexico are miserable exploitation or unemployed immiseration. This structural transformation is based on an integrated package of policies: 1) the unconditional opening up of Mexico to foreign capital; 2) austerity measures to service the foreign debt; and, 3) neoliberal reforms that break the old social contract. These policies were not created by NAFTA. NAFTA deepened them and gave them international guarantees.

Advocates of continental integration argued that NAFTA and other neoliberal policies to protect investment would lead to a great increase in the flow of investment to Mexico and a consequent expansion of jobs, and eventually to an improvement in living standards and the quality of life. They were correct about the growth of investment but wrong about its human and labour market consequences. Investment flow per se does not help Mexico if it doesn't produce sustainable growth. Mexico needs investment that produces jobs and sustainable economic expansion. But the big expansion of investment in Mexico in the early 1990s, responding to liberalization, was short-term portfolio investment. From 1989 to 1994, purchases of government bonds accounted for 44 per cent of investment. Another 29 per cent involved shares in existing Mexican firms, and the remaining 27 per cent consisted of buy-outs of existing companies and invest-

ment in the construction of new auto and petrochemical plants² (INEGI, 1999a, Tomo II: 663-781). In other words, very little of the new investment produced new production facilities and jobs. It did offset Mexico's trade deficit and foreign debt service but this was "fly by night" investment that had no stake in the country. This speculative capital fled after the December 1994 currency crisis which led to the huge bailout by the IMF and the U.S. and Canadian governments.

The northern border of Mexico has become an integrated sector of U.S. industrial production. This transformation has had many consequences, including a transformation of the geography of industrial relations in Mexico. It has also made these new industrial zones totally dependent on U.S. economic cycles. The expansionary cycle of U.S. economic growth in the latter part of the 1990s greatly increased the market for Mexican labour on both sides of the border. The rapidly growing maquilas in the north of Mexico and the need for cheap labour in the U.S. served as safety valves for the rapidly expanding Mexican labour force and the failure of neoliberal policy in Mexico. The industrial working class grew tremendously on both sides of the border. A remarkable segment of the industrial Mexican working class is employed in the new industrial districts of the southern and Pacific regions of the United States. Employed as skilled workers in industry were 1,786,964 Latinos, mostly Mexicans. Another 2,920,960 worked on assembly lines, and 3,000,000 more were in service activities (U.S. Department of Labor, 1999b: 426). In all, the Latino/Mexican labour force engaged as salaried employees by the urban economy of North America amounted to 8,000,000 workers in 1999.

There was a significant flight of less skilled jobs from Canada and the U.S. to Mexico. Two million new permanent jobs were created in Mexico between the first half of 1994 and that of 1999 (Secretaría del Trabajo y Previsión Social, Table 1). One million of these new jobs were in manufacturing, half of them in the maquilas of northern Mexico. In sharp contrast, the manufactur-

² The exemption from payment of taxes on the new machinery introduced for these plants is part of the fiscal privileges granted investors in maquilas and is not included in the statistics on total foreign investment. However, the investment in the construction and development of non-maquila auto and petrochemical plants is included in the statistics on total foreign investment.

ing labour force in the U.S. has declined by one million from the 1989 total of 19.5 million industrial workers (U.S. Department of Labor, 1999a, Table 20-29). And, in Canada, manufacturing jobs decreased from 2,196,740 in 1986 to 2,039,845 in 1996 (Statistics Canada, 1996). They then slowly recovered, reaching 2,326,200 in 2002 (Statistics Canada, 2003: Table 282-0008).³ Plant relocation can no longer be seen as an exaggerated fear of trade unionists. The job losses resulting from the restructuring of production come both from downsizing existing plants and from relocation. Relocation has become a powerful tool for manipulating the labour market to reduce labour costs.

Nevertheless, the real rate of unemployment in Mexico has not decreased, nor has migration to the U.S. Are we faced with a paradox? Yes! In Mexico, employment *and* unemployment have grown simultaneously in absolute terms. The reason for this growth is demographic. Every year since 1990, 2 million young people reach the age of 18, and a large percentage of these 18 year olds, whether or not they continue their schooling, join the labour force (INEGI, 1999b: 34). This demographic fact is key to understanding NAFTA. Mexico is a small and sluggish economy, but possesses a wealth of human resources in its huge and constantly growing supply of workers. The continuing addition to this reserve army of labour tilts the balance of power in labour relations even more dramatically in favour of capital. The labour force in Mexico has been increasing rapidly. It grew to 35.8 million by 1995 and reached 45 million in 2001 (INEGI, 2001). If we add the estimated 5 million Mexicans that work in the U.S. to this latter figure, the total Mexican labour force in North America increases to 50 million: this figure is equivalent to 40 per cent of the entire labour force of the U.S. and more than three times that of Canada (Commission for Labor Cooperation: 64).

Mexico has gone through a remarkable urbanization process over the last two decades that has involved a massive geographical relocation of industry and restructuring of the labour market and of labour processes. Mexico experienced an expansion of the industrial proletariat following the crisis of 1995. The number of workers employed in industry rose from 7 to 10 million in the

³ The number of jobs only tells part of the story. There is an increasing casualization of labour in all three countries.

1990s, while their share in the economically active population grew from 23 to 26 per cent nationwide. According to social security statistics, which exclude workers contracted by the underground economy with its precarious working conditions, the number of industrial workers leaped from 3.4 million to 6.2 million from 1995 to 2000.

This expansion involved a massive relocation of industrial employment to 30 manufacturing cities in the northern part of the republic. The majority of workers laboured in the cottage industry or for small- and medium-sized companies. The percentage of the manufacturing labour force located in the northern states almost doubled from the 1980s to 1997, rising from one quarter to nearly one half. In 2000, at the peak of the economic cycle, almost 50 per cent of the 4.5 million industrial workers with coverage under the *Instituto Mexicano de Seguridad Social* (Mexican Institute of Social Security, or IMSS) were in the northern states. However, the recession has led to a dramatic reduction in industrial employment in the whole northern region. The number of industrial workers in the north fell to 1,730,000 for 2002, reducing the northern share of the industrial labour force to 43 per cent of the national total (INEGI, 2002).

The industrial population of Ciudad Juarez, Tijuana, Matamoros, and Reynosa, four of the more important northern cities, grew in an extraordinary manner between 1985 and 2000. This growth was spurred by the development of world manufacture and the fragmentation of industrial processes in the United States. The number of industrial workers in these four cities increased from 158,000 to 736,000 in this 15-year period, an expansion which, for example, raised the economically active population in Ciudad Juarez to its all time high of 45.8 per cent, thanks to the growth of the industrial work force in respect to the total population. The proportion of industrial workers along the border corridor from Tijuana to Matamoros rose to one-fourth of the total population of that area. The economically active population in the area is ample, amounting to 2.1 million as a result of the practically complete incorporation of women into the work force. The recession has led to a major contraction of industrial employment in these cities, approximately 20 per cent from 1997-2002.

In terms of its effect on union resistance, the relocation of manufacturing to the northern states has not been innocuous. Labour's ability to organize and achieve gains through trade union struggle has been undermined by the existence of two de facto labour laws in the country. In the north of the republic, labour relations are characterized by the individualization of hiring, enormous managerial flexibility in defining job responsibilities, the elimination of collective bargaining, and the unilateral determination by companies of working conditions. These characteristics amount to the Mexican version of the anti-union legislation that exists in many U.S. states, including "open shop" and "right to work" measures (INEGI, 1998a, Table 3: 17, 65). They are made possible by protection contracts administered by phantom unions, company unions, or officialist unions.⁴ Managerial autocracy is freed from the constraints that the officialist labour bureaucracy or the rank and file could sometimes impose in the old industrial districts. In practice, labour relations in the north are not regulated by article 123 of the Constitution⁵ or by labour laws.

Undoubtedly, globalization has produced a second industrial revolution in Mexico. Perverse, filled with imbalances and monstrosities, responsible for a severely detrimental impact on the environment and for engulfing human beings in unsafe work and living conditions, globalization nevertheless has simultaneously created a new seedbed for fostering an oppositional movement.

Concomitant with the geographical restructuring of industrial relations, the labour market was profoundly modified more generally through the increasing casualization of employment. Large groups of the economically active population were pushed into precarious employment situations. They moved from formal

⁴ The officialist unions are the unions that have been linked to the ruling party and/or the state through a variety of institutional mechanisms and through mobility between the union hierarchy and party and governmental offices. Phantom unions refer to unions that only exist on paper through deals between union officials and companies, often without "members" even knowing of their existence. They are set up to legally preclude unions.

⁵ Article 123 is the famous labour section of the Constitution adopted in 1917. It had many progressive aspects and provided the constitutional basis for state intervention to defend the rights of workers. It also, however, provided the basis for state control over unions. The labour movement has struggled to gain a progressive interpretation and effective implementation of Article 123. There are now discussions about changing Article 123 in order to make it congruent with neoliberalism.

employment to a condition of chronic job instability, part-time work, and prolonged periods of unemployment amongst a diversity of jobs. The precarious employment situation of the work force can be seen by the growth of part-time employment. Part-time workers increased from 4.1 million people in 1990 to 9.8 million in 1996, or from 17.4 per cent to 28 per cent of the economically active population.⁶ Therefore, the number of part-time workers doubled in only six years. As the century came to a close, almost one in three Mexican workers had a marginal position in the labour force.

Other indicators of precariousness derived from statistics on urban employment further confirm these changes. The labour market is being increasingly segmented. The number of workers who earned less than the minimum wage and worked more than 35 hours weekly doubled between 1992 and 1996, going from 4.7 per cent of the employed to 8.2 per cent. As well, the minimum wage of 1992 was 40 per cent higher in real terms than that of 1996. Thus, 26 per cent of full-time workers received wages below the minimum wage of four years earlier. Another indication of the growth of precarious work is the increase in the percentage of workers who worked in establishments of less than 5 workers from 41 per cent to 45 per cent between 1992 and 1996 and the associated growth of the percentage of workers without benefits from 44 per cent to 49 per cent in the same period (INEGI, 1998b: 4).

⁶The 1990 figures are based on the 1990 population census which defined part-time workers as those who worked less than 33 hours weekly. The 1996 figures are drawn from the National Employment Survey of 1996 which defined part-time work as less than 34 hours weekly. This may seem almost like full-time to North Americans, but, in Mexico, it signifies highly consequential sub-employment in deteriorated working conditions. The following points will clarify this characterization. First, Mexican federal labour law considers the workweek to be 48 hours and wages are calculated on a daily, not hourly basis. Anyone who works less than 48 hours is considered part-time. For example, someone who worked 6 hours daily, 6 days a week, would only be considered half-time and would be paid half the full-time wage, even though they had, in fact, worked 67 per cent of full-time. Therefore, the reduction in pay for part-time workers compared to full-time workers is proportionately much greater than the reduction in working hours. Second, of the total number of part-time workers, 80 per cent work less than 25 hours weekly. Only 20 per cent work between 25-34 hours weekly. Third, a large percentage of part-time workers do not receive any social benefits.

The working class that emerged from the crisis of the 1990s found itself under much more adverse conditions than previously. If, before the present recession, many workers did return to employment, as the figures on unemployment show, they tended to have part-time jobs, to be dispersed in small and medium enterprises, and to be working under conditions that ravaged their health. The reintegration of the labour force, after a period of high open unemployment in 1995, took place within seriously deteriorated terms, with an intense despoiling of health, severe malnutrition of broad segments of the population, and a premature exhaustion of the life energies of workers.⁷

A partial exception to these trends was public sector employment. While wages and conditions of employment declined, the number of public workers grew, as did their proportion within the working class. The anti-cyclical character of public spending contributed to the preservation of public sector employment that, in turn, provided the basis for the continuing social cohesion and mobilizing capacity of public sector workers.

Vulnerability and the New Industrial Transformation: The U.S. Recession and Industry in Northern Mexico

The present economic crisis of the U.S. economy and, consequently, of the maquilas, has had a powerful impact on Mexico. The crisis makes it much more difficult for the consolidation of the new hegemony of the right as well as for the development of a strong working class opposition. The length, depth, and heterogeneity (both sectoral and geographic) of the crisis will condition both these possibilities. The impact of the crisis will vary both because of this heterogeneity and the unevenness of the crisis.

During the last decade, the growth of the Mexican economy was spurred by the tremendous economic vigour of its exports of goods and services, 88 per cent of which were targeted towards the American market. In this lapse of time, exports valued in

⁷The main private bank in Mexico, Banamex, has pointed to the continuous growth of poverty throughout the 1990s. It estimates that the number of Mexicans living in poverty has grown to 47 million — 15 million in rural areas and 32 million in cities (Banamex-Accival: 442). According to a study by INEGI, 64 per cent of families in Mexico were below the poverty line in 1996, which equals 70 million people. The number below the poverty line was 23 million higher than the number in 1992 (INEGI, 1998c: 77-9).

current pesos rose to account for 35 per cent of the GDP by the year 2000 whereas in 1990 they had accounted for only 11 per cent.⁸ 80 per cent of all exports of goods and services are manufactured goods. In the case of exports of goods, 89 per cent are manufactured goods (Banxico, 2001). With an impoverished working class and a middle class in the process of pauperization, the real market for a growing demand for Mexican industrial products lay in its exports to the American economy. Briefly, this is the Export-Led Industrialization Model (ELI) that has reigned in the Mexican economy for the past fifteen years and has made Mexico so dependent on the ups and downs of the U.S. economy. This vulnerability has been very visible in the last few years. Exports of goods in general fell by 15 per cent between the second half of 2000 and the first trimester of 2001. There has been only a meagre recuperation of exports since then as Mexico's export sector suffers under the double pressure of the slow growth of the U.S. economy and the tremendous presence of exports from China.

As long as the American economy grew, the ELI model in Mexico guaranteed the amplified reproduction of an economy characterized by a severely weakened domestic market. Once the American economic dynamo slowed down, the depressive effect on the Mexican economy was irrepressible. In the second trimester of the year 2001, imports to the United States' economy shrank by an annual rate of 9.7 per cent (United States Department of Commerce). As a result, in July 2001, exports from Mexico suffered a decline at an annual rate of 4.4 per cent, reflecting the weakness of foreign demand. Exports of manufactured goods decreased by 2.9 per cent; non-maquiladora industry exports dropped by 1.3 per cent, and maquiladora industry exports by 4.2 per cent. The consequences were not homogeneously distributed within Mexico. Those industrial districts that had grown at much faster rates than the rest of the country because of their

⁸ If the GDP is valued in terms of units of buying power, its value in dollars increases – creating price equivalences for both economies – from 574 billion dollars to 832 billion dollars, which is equivalent to 1.97 per cent of world production, slightly less than one tenth of the economy of the United States, and equivalent to the Canadian economy (IMF, 2001). In this case, the value of exports in the same period rises from 9.3 per cent to 24 per cent.

structural links to export manufacture are now the ones experiencing the most rapid decline.⁹

With the decrease in external demand for manufactured goods, the other productive sectors entered a period of involution, from an imperceptible decline in goods and services (-0.6 per cent) to a drastic drop in the construction industry (just under 7 per cent) during the first semester of 2001. Were it not for agriculture and communications, the recession in the Mexican economy would be irreversible at this point.

The fall in Mexican exports is even more significant, as we can see if we compare the first semester of 2001 to the second semester of 2000. In this period, exports dropped by 8 per cent in general, and, in the case of the maquiladora industries, they decreased by 11 per cent of their monthly average value during the second half of 2000. The northern border, historically the seat of the maquiladora industries, has not managed to cushion the abrupt contraction of its market. What was previously hailed as a never-ending boom is increasingly turning into a disaster. Layoffs now plague many industrial districts and industrial parks throughout much of the northern frontier.

To sum up our discussion so far, the integration of the Mexican labour force into the U.S. production system has had dramatic consequences for Mexican industrial geography and for the geography of industrial relations in Mexico. Continental integration and industrial restructuring were part of the same process of reconfiguring the labour market, reducing costs, and enhancing managerial discipline over the working class. This integration and restructuring and associated neoliberal policies have been reshaping the working class as well as the historically developed institutions of control over the working class. Both the old officialist union institutions and the old rank and file networks of resistance to these institutions and to capital have been undermined by these

⁹ Examples of this phenomenon are the economies of the states of Baja California, Chihuahua, and Aguascalientes in the five-year period from 1995 to 2000. In all three cases, the growth rates for the state GDPs were 50 per cent higher than the growth rate for the Mexican economy as a whole, which was 5.4 per cent. The Baja California economy grew by 7.3 per cent, the Chihuahua state economy increased by 7.6 per cent and that of Aguascalientes by 8.1 per cent. The absence of a base in the domestic economy meant that there was no cushion for fluctuations in foreign demand.

developments. As well as state and company repression, the new character of these working class areas and the high turnover rates in employment make the task of organizing unions and collective resistance in the new northern industrial districts very difficult. The new moment of recession, massive unemployment, and reverse internal migration complicates the situation even further as it significantly disassembles the working class.

However, the newly unemployed don't evaporate into thin air. They return to their old communities or remain, in more pauperized and marginalized conditions, in the new workers' barrios of the maquila cities. Those who return to the old communities may become involved in relations of solidarity and struggle, or, conversely, in ones of conflict over scarce resources with people still living there. And those who remain in these new workers' barrios have to focus on new strategies of survival which may involve competition, conflict, or new/old forms of solidarity. These processes create strong pressures towards individualistic and familial survivalism rather than class collectivism, but a collectively assembled working class continues to exist, albeit in smaller numbers and with enhanced vulnerability.

The demobilizing tendency of economic recession is facilitated by the absence of unifying alternatives. The task of a new unionism would be to develop demands and organizational forms that would bring together the still-employed, the precariously-employed, and various layers of the unemployed in common struggle and organization. The inadequacy of economic unionism is even greater in the context of increased capital mobility, continental integration and globalization, especially in a period of recession of the continental economy. These attempts to build an inclusive unionism must also stretch across borders within this continentally integrated economy. These new conditions make any form of worker resistance difficult but, at the same time, make these new forms of transnational, inclusive unionism all the more essential.

The Rise of the Bourgeois Right and Electoral Alternation

The victory of Vicente Fox of the right-wing PAN (Partido Acción Nacional – National Action Party) in the Mexican presidential elections has been hailed by many as a crucial moment in Mexico's transition to democracy. For the first time in over

70 years, the ruling party was defeated at the national level. Many enthusiastic commentators asserted that this was a turning point in Mexican history, the triumph of civil society over a one-party statist dictatorship.

The triumph of Fox *is* a defeat for the old ruling party. But it doesn't represent a rupture with the socioeconomic policies of the last several national governments of the ruling party. Rather it continues the neoliberal policies of social exclusion, the diminution of citizenship rights, and the ongoing disempowerment of the popular classes in the city and countryside. It also represents continuity with the strategy of continental integration with the United States. The old guard of the PRI (Partido Revolucionario Institucional – Institutional Revolutionary Party), who already had been significantly marginalized from the centres of national power by recent PRI presidents, has been further weakened.

The struggle of civil society for a democratic transition has been hijacked by a powerful section of the bourgeoisie who have long been struggling for direct control of the Mexican state. This faction of the bourgeoisie, with its leadership in the northern city of Monterrey, has always disliked the Bonapartist populist Mexican state¹⁰ that resulted from the Mexican Revolution. This powerful sector of the Mexican bourgeoisie lived unhappily with the political elite of the PRI. As in Bonapartist regimes generally, the bourgeoisie received economic benefits but were excluded from direct control of the state. The political elite maintained a good deal of autonomy from the bourgeoisie as a whole and from this very powerful faction. This autonomy was based on the quasi-corporatist institutions that were developed for the contained mobilization of the popular classes through populist and nationalist rhetoric and practice. This popular mass base in whose name

¹⁰ Bonapartism refers to a regime in which a political elite can consolidate power with great autonomy from all social classes because of the stalemate in the struggle between various classes and class factions. It also involves the hypertrophy of the state and the use of populist or nationalist rhetoric to sustain some popular support. The concept is most brilliantly developed by Marx in *The 18th Brumaire of Louis Bonaparte*. The concept of Bonapartism fits the Mexican Revolution very well. The political elite that came to power through the Mexican Revolution of 1910-1917 sustained itself by enlarging the state as a source of riches and patronage, playing off different social forces against each other as well as through the use of populist rhetoric and practice. Important sectors of the capitalist class were very opposed to these policies and their occasional unpredictability.

the elite ruled was the leverage that could be used in bargaining with foreign interests as well as with the domestic bourgeoisie. And this autonomy allowed the political elite to impose reforms or extort financial benefits for themselves.

While the strategy of state-supported capitalist development strengthened the Mexican capitalist class, their political power remained contained. The economic crisis of the 1970s heightened the discontent of the large capitalists with this arrangement. Their demand for more direct control over the state intensified after the dramatic bank nationalization of September 1, 1982.¹¹ Their more aggressive political strategy involved the reinvigoration of the PAN in order to ensure that a transition to electoral democracy would mean the political ascendancy of the large bourgeoisie.

This new power bloc included a section of the political elite and big national and international financial capital. It involved the triumph of that wing of the technocratic and political elites that were free marketers and in favour of ELI and the “opening up” of Mexico. These developments coincided with the shift in economic thinking of the 1980s and the pressures exerted by the IMF and other international financial institutions. The presidential election of 2 July 2000 has to be understood in terms of the dynamics of development of this new power bloc in Mexico, which, of course, has its own internal tensions and conflicts, as well as conflicts with the sections of the old power bloc that has been pushed from the centre of national power. The image of 2 July 2000 as the triumph of civil society over one-party rule, and as a transition to democracy, obscures the continuity of the process of the consolidation of a new power bloc.¹² The key underlying dynamic of Mexico’s turn to neoliberal policy and continental integration was the political ascendancy of a new power bloc.

¹¹ The bank nationalization showed the tremendous power of presidentialism. Faced with a great financial crisis, President Portillo decided to nationalize the banks without informing his cabinet or the incoming president. They were only informed one hour before the official announcement. The next president, De la Madrid, reversed the policy and re-privatized the banks.

¹² The understanding of the significance and the potential of the change from one-party rule to alternation must be approached from an analysis of its class and class factional nature. The electoral process is one moment in the contention for power and hegemony and the elected government is only one part of a power structure that has national and international, class and institutional aspects.

This rising new power bloc received a great scare when, in the presidential election of 1988, a centre-left populist candidate appeared to win the presidency in a challenge to one-party rule and neoliberal policies. Until that time, the main opposition to the statism, authoritarianism and corruption of the regime came from the right, the PAN. But a split in the ruling party and the coalescence of popular discontent with the left around the dissident candidate, Cuauhtémoc Cárdenas, seemed to produce an electoral victory of the centre-left over the PRI candidate, Carlos Salinas, in the 1988 elections and the relegation of the PAN to third place. The ruling party stole the elections and the leadership of the Cárdenas alliance, later to become the Partido Revolucionario Democrático (PRD), reacted very cautiously, discouraging popular protest. The PRD chose an exclusively electoral strategy and sought to present a more moderate image in the hope of making a future electoral victory acceptable to business and the U.S. This strategy involved a distancing of the party from insurgent social movements. The combination of an inherited top-down style of leadership¹³ with cautious electoralism had a demoralizing and demobilizing effect on the popular sectors without gaining great electoral momentum from the centre. Meanwhile, the neoliberal transformation of Mexico continued apace, the Zapatista revolt developed, NAFTA was formally declared, and the new industrial revolution in the north of Mexico accelerated with deepening coordinated integration of Mexican production into the U.S. manufacturing system. In the 2 July 2000 elections, the PRD ran a distant third and the PAN defeated the PRI.

The victory of the PAN at the presidential level is an event of great political consequence. It further changes the balance of power within the new power bloc, giving more influence to culturally and socially right-wing forces. It also shifts the intra-PRI struggle that was taking place between the old guard and the neoliberals toward the terrain of inter-party struggle. As well, the rupture of the old presidentialist system, in which Congress was just a rubber-stamp, has changed the dynamics of intra-governmental relations significantly. There is now a complex multi-party dynamic in Congress and a good deal of congressional independence from the presi-

¹³ Many of the dissident leaders of the PRI who formed the core of the PRD brought with them a top-down leadership style.

gency. These political changes are all very important. But they have to be understood within the framework of the national/transnational power bloc, now dominant in Mexico, whose transnational character grows with the increasing economic, resource, and military integration of Mexico into the U.S. These political and institutional struggles and processes have to be seen in their interconnection to the rise of this new power bloc.

Part of the ideological triumph of the right in Mexico as well as in the world more generally is its ability to package its power, the triumph of unbridled capitalism, as the triumph of civil society and democracy. This conflation of capitalist power, free market, and democracy is part of the ideological chicanery of the offensive of capital (under the name of globalization) against all alternatives (democratic or otherwise). In fact, the neoliberal transition undermines the democratic transition by its disempowerment of more and more people through social and economic exclusion. The casualization of the employment market creates a more floating, atomized and insecure working class, making the formation of bonds of class solidarity more difficult. And the systematic attacks on collective organization by government and business further diminish the possibility of collective resistance to preserve, let alone to extend, social rights. Workers develop their capacity for informed participation as citizens through the educational processes of their class associations (unions) and the formal educational system. The neoliberal attack both on public education and on unions undermines two of the key potential bases for workers' effective participation in the political system. The atomized act of voting does not substitute for collective union and political action rooted in workplace solidarities.

Right-Wing Hegemony as the Result of a Protracted Exclusion Process

The rise of Fox to the presidency is the consequence of a long process that includes the formation of a new power bloc, the growth of civil society¹⁴, the exclusion of the popular classes from

¹⁴ The relationship between the struggle for bourgeois hegemony and the development of "civil society" and its democratizing demands is a topic worthy of much more study and development. The former involves the increasing translation of concentrated economic power into direct control of the state. The latter involves the

social and economic citizenship rights, and the weakening of the old corporatist centres of power. The deepest crisis of post-war capitalism, which began in 1974, created both the need and the opportunity for the reconstruction of the hegemonic bloc in many countries. Mexico was not an exception. This reconstruction of the hegemonic bloc involved changes in the forms of political representation and the roles of different social actors. The Fox regime's project of deepening neoliberal change will further erode the possibilities of the popular classes gaining and exercising effective citizenship rights. And while the Fox regime seeks to replace corporatist unions with the unbridled tyranny of capital, it has, for the transition, supported the old authoritarian unions.

These corporatist unions were the basis of the prolonged period of economic growth in the 1950s and the 1960s, which was known as the "Mexican Miracle". They are hybrid institutions that blend features of a state institution, a party machine, and an authoritarian union. They have long "represented" the organized sections of the working class in a corrupt and undemocratic manner. They delivered some benefits for their constituencies while using their control over workers to deliver even more benefits for themselves and for the major beneficiaries of the regime's development strategy. Their important political weight in the ruling bloc was partially reflected by their political representation.¹⁵ The rise of plutocracy to the presidency coincides with the political exclusion of the workers, even in the bastard form of the officialist labour bureaucracy.

While the new power bloc is very strong, its internal divisions and tensions in the political arena are producing a fragmentation of central power. This weakening of central power is compatible with the neoliberal strategies of accumulation, but it creates problems for social control. The old one-party presidentialist system gave the president the tools to play the role of arbiter between rival economic factions and elites, as well as between the dominant class and the popular classes. Vicente Fox won the

notion of the diffusion of power from the state to "civil society." It is essential to understand power relations within civil society to approach the question of whether the weakening of state power equals the growth of democracy. It may mean the opposite.

¹⁵ The PRlista worker representation in the House of Representatives in this period grew to 16 per cent of the total in the XLVII Legislature (1967-1970).

office of the presidency but still does not have control of the state apparatus, which largely remains in PRIista hands. Both the old ruling party and the state apparatus are riven by explosive conflicts. As well, the political party of the new president is itself sharply divided with tensions between it and the president himself.

The main contradictions within the combined neoliberal and “democratic” transition persist between: 1) the democratic aspirations of middle sector civil society and the anti-democratic thrust of the hegemony of big capital; 2) the social democratic aspirations of the working class¹⁶ and the socially exclusionary agenda of big capital; and, 3) the communalist demands of the indigenous movements and the appropriating greed of capital. The honeymoon period of the Fox regime was already being dissipated by the real practices of his government. But the sharp increase in unemployment that has resulted from the U.S. recession and job loss to China and Central America has further undermined this combined transition.¹⁷

The disillusionment with the Fox presidency manifested itself in the July 2003 elections, both in the great electoral losses suffered by the PAN, Fox’s party, and in the incredibly high rate of voter abstention — almost 59 per cent.¹⁸ The unevenness in the impact of the crisis presents a political and ideological challenge for the working class movement. The always-present contradictions of this type of transition can best be contained in periods of economic expansion. Periods of economic decline sharpen the contradictions and pose problems both for the consolidation of power blocs and for the development of significant opposition from below. The heterogeneity of the working class requires the development of organizational forms and a program that can unite major sectors of the working class — the employed, the precariously employed, and the unemployed.

¹⁶ The democratic rights of free association, collective organization, and social and economic rights to accompany civic rights.

¹⁷ The economic and employment crisis in Mexico has become deeper as a result both of the continuing U.S. recession and the emergence of a fortress mentality in the U.S. in the wake of the 11 September 2001 attack on New York City.

¹⁸ Abstentions among eligible voters increased from 42 per cent in the previous midterm elections in 1997 to 59 per cent in 2003, an increase of 17 per cent. The total number of registered voters who did not vote in 1997 was about 36 million. In 2003, it was over 52 million.

Conclusion

The dual transformation in Western Europe took place in a period of capitalist expansion. The working class emerged in the process of industrialization and demanded citizenship rights — the right to vote, the right to association, the right to an education — and an expanding panoply of social rights. The struggle for these rights was intense and uneven. In some cases, rights were won only to be lost in later moments. In other cases, social rights were extended to undermine workers' political action and to deny political rights. But the general direction was some mix of the extension of political, social, economic, and symbolic rights of citizenship.

The political aspect of the present dual transformation combines a hollowed-out version of democratic political rights with a powerful attack on the social and economic rights of citizenship, rights that had been gained in the advanced countries and, at least in symbol and rhetoric, in Mexico from the time of the Revolution forward. The economic aspect of Mexico's present dual transformation is the combination of deindustrialization in the older industrial regions and dependent industrialization in newer regions. It also includes an attack on remaining private or communal small-scale agriculture.

The growth of citizenship rights in the expanding and imperialist capitalist economies of Western Europe played a significant role in the defeat and taming of socialist workers' movements though, in some countries, violent repression was the major means. The consolidation of bourgeois hegemony was based on the twin pillars of a generally expanding capitalist economy and the growth of the notion and practice of citizenship rights.

The break-up of Mexico's old hegemonic system, Mexico's peculiar one-party presidentialist regime, is part of the process of the triumph of a hollowed-out transition to "democracy." But it is not simply hollowed out. The notion of democracy as a system of expanding rights of citizenship is the very target of the now dominant factions of Mexican and U.S. capital. "Democracy" comes as an attack on hard-won citizenship rights and, in the case of Mexico, the promise of these symbolic rights being carried out some day. Instead, the Mexican population is advised to advance through individual effort in a labour market that is spiralling downward in wages and working conditions.

The power of capital over both labour and the Mexican state, of big capital over small, of foreign capital over domestic, has all been sharply enhanced by continental economic integration and globalization. But the new industrial transformation that is part of the rise of this new power bloc is creating conditions that are moving back towards the draconian conditions of the 19th century, albeit in the setting of modern technology. The hope for a better life for themselves or their children has been a key ingredient in hegemonic rule in Mexico and the advanced capitalist countries. But the attack on the social and economic rights of citizenship, along with a deteriorating labour market and deteriorating living conditions, undermines hope and belief in the possibility of improvement within the existing system. These are not propitious conditions for the consolidation of a new bourgeois hegemony over the working class.

Further, the political transition has not produced unity within the major sections of the bourgeoisie and the old ruling party. State enterprise and the state itself were important vehicles for the economic activities and enrichment of key members and groups in the old ruling party. These factions of the former ruling party are fighting for a return to power and the Fox group has not developed a hegemonic formula for incorporating the rival factions of the old political elite and bourgeoisie in a common project. The framework of continental integration/dependent industrialization deprives old state-linked elites of many of their old tools of control. Their power had been based on the control of political and union machines that could siphon off funds and resources from the growth of Mexico's internally oriented, resource rich capitalism. The old PRIista union officialdom has seen some of its mechanisms of control weakened but not destroyed. These old tools of control have been undermined by neoliberal reforms guaranteed by international treaties and the reality of the new power of capital in the global context.

The arrival of this new "democratic" world of post-2000 Mexico finds the working class in a fluid state of relative disorganization. The recent industrial transformation has restructured working conditions, the labour market, and the geographical location of industry. The old quasi-corporate union institutions of labour control still sit on top of the working class but they are considerably weaker. The labour elite is no longer an integral part of

the one-party state but, rather, its members are contingent labour lieutenants of capitalism. They are manoeuvring for their existence within a different economic and political framework.

The labour elite has been weakened in its relationship to capital and the state by the dual transformation. But the working class has also been weakened in its ability to fight the labour elite, capital, and the state. There is much discontent among rank and file workers but to date no form, program, or banner of organization able to give momentum and direction to this discontent has yet emerged. The old labour elite fears worker mobilization, and its dissident sections (the main leadership of the UNT) also offer no prospect of a renewed workers' struggle, except in narrow and limited ways, as they cautiously seek to become the interlocutors in a new pact of "modernization" with capital. The centre-left party, the PRD, exercises a classic electoralist caution in its relationship with social movements and workers' insurgency. The fragmentation and weakness of the left has precluded it from being able to effectively offer a clear direction for the working class. The new conditions of continental integration and globalization have also created a downward spiral for the working class in Mexico. The political transition has disappointed many as can be seen in the dramatic growth of the rate of abstention in the mid-term elections of July 2003, the first national elections since the watershed year of 2000. The widespread discontent has not found meaningful and effective expression. New forms of struggle, of unity, and of transformation to reclaim old rights and gain new ones are necessary. The coming period will be a crucial period in Mexican history and in the history of the Mexican working class.

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