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Mexico: Uncontrolled Mobilisation and the Retreat from Developmentalism

For decades, both Mexico’s boom and the PRI’s electoral success seemed unstoppable. In the 1960s and through much of the 1970s, it appeared that Mexico might be the first Third World country since the Second World War to get close to First World levels of industrialisation and living standards. In the 15 years to 1981, its real GDP rose by a cumulative 66%. Thus the collapse, when it came, was very hard indeed. In the seven years after 1981, real GDP actually fell by 16%.1 In 1982, Mexico became the first Latin American country to default on its huge foreign debt, heralding a decade of debt crisis and IMF restructuring. Mexico had gone from being amongst the most acclaimed, to one of the most discredited, economic performers in the world.

The Mexican boom was made possible by the autonomy of the Mexican state. In its ascending phase, this autonomy was maintained through political structures linking the state with bureaucratic mass organisations. Early signs of the erosion of this autonomy and of increasing pressure on these political structures began to appear in the late 1960s. From the 1970s, there were unmistakable signs of panic in the ‘revolutionary family’ of the PRI; public policy swung from one extreme to another as they attempted to maintain control. But each oscillation failed to satisfy the social class it was intended to placate – while it enraged others even more. Attempts by the state in the 1970s to spend its way out of trouble only exacerbated the economic situation. Finally, in the early 1980s, the Mexican state gave up its developmentalist role altogether and allowed its economic and social policy to be largely dictated by domestic and foreign capital and the IMF.
In part, this, the descending phase of the PRI state, was a product of its own success in transforming Mexican society. The working class, expanded by industrialisation, had much greater social weight than before 1940. Much of it was unwilling to meekly follow the dictates of PRI union officials. Workers began to challenge the union bureaucracies which anchored the rigid system of state control. The ejidal peasantry, once the stronghold of the PRI, had declined numerically. But even here, because of the neglect of their needs by successive administrations in favour of commercial agriculture, they too had become restive by the late 1960s. Though now much less powerful than the urban working class, many peasants deserted the PRI; in a few cases they took up arms against it. A new, educated middle class had also emerged. There were many inducements – including careers in the state bureaucracy – for this section of the middle class to support the regime and most continued to do so. But some, at least, were moved to protest the lack of democracy and the manifestly unequal nature of the Mexican boom. In this, the students led the way – their protests in the late 1960s sparking more open defiance of the regime from others.

While workers’ wages continued to rise slowly until 1975, Mexican society became much less egalitarian. About 70% of the population experienced a decline in their share of national income between 1950 and 1970. In 1958, the richest 5% of the population was 22 times wealthier than the poorest 10%. By 1970, it was 39 times wealthier. Unionised workers employed in manufacturing, mining and the oil industries did best – although their wages lagged far behind the rate at which profits grew. But the boom led to extreme poverty for many others. Many peasants were forced to leave their land. Others who survived on it did so in increasing poverty. Industrial development was capital-intensive and unable to absorb the potential labour force being created by migration to the cities and by natural increase. Hence the number of shantytown dwellers and the underemployed in the cities – marginal to the main economy – rose swiftly and became an obvious feature of every sizeable Mexican town. Eventually, even sections of the bourgeoisie began to work up the courage to fitfully oppose some aspects of the regime. Whereas, in the preceding three decades, the PRI had great power to determine the direction of Mexican society, during the 1970s it seemed surrounded by ever stronger enemies to which it felt forced to make concessions. Its economic policies began to be driven by very short-term political imperatives rather than longer-term developmentalist aims.