

Mexican Chiaroscuro

The 1998 Scenario

*Leonardo Curzio**

The administration of President Ernesto Zedillo went into its fourth year in 1998, and it is perhaps the first time in Mexico's recent past that the nation's state of mind is not reflected in the barometer of official speeches. Under previous administrations, at the beginning of the fourth year of the six-year presidential term, the government's propaganda machine was operating full blast. All possible means were used to bombard the country with the success story of administration policies in every conceivable aspect of public life. The abuse of governmental optimism as a mechanism of political propaganda has increased Mexican society's distrust of official statements.

The 1998 display of optimism has been cautious. The drop in oil prices that kicked off the year sparked a cut in public spending, and the international recessionary context has cast a somber tone on the official landscape for the year that is just beginning.

In any case, the public now receives government information with greater caution than before. It no longer lets itself get carried away as it used to by illusions designed to put a clean face on reality. Today, the public is less apt to be seduced by official propaganda because under previous administrations it was only a harbinger of disappointing crisis.

Today, Mexican society views the beginning of the year with a King Solomon-like combination of moderate optimism and prudent skepticism. There are clear signs of advances. The

most concrete is that the economy has registered high growth rates since the second quarter of 1996. Inflation has slowed and the peso occasionally rises. In the political sphere, also, enormous progress can be seen. Democracy has begun the process to get full naturalized citizenship and, as if that were not enough, a real balance of powers has made its debut.¹ There are things, however, that, while not overshadowing the whole, do provide for a brutal contrast. The most vulnerable layers of the population still have not recovered their income levels, and the nation watches with concern as public safety and the administration of justice deteriorate. Both these concerns reach colossal proportions in the case of Chiapas. Let us examine each one of these issues in detail.

THE ECONOMY: BETWEEN SUCCESS AND THE SOCIAL DEBT

Mexicans are no longer forced as in the past to look to the severe speeches of Finance Ministry officials or public statements from the lofty heights of the business leaders—who have

been shown sorely wanting in accurate predictions—to see signs of improvement in the economy. Indications of economic recovery are now more visible and more believable. Employment rates are rising and collective bargaining agreements tend to be more stable.² The purchasing power of the peso is stabilizing and the double demon of devaluation/inflation has stopped being an immediate concern.

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During the last few months, the pressure on interest rates has lessened, thus lightening the burden for individual and corporate debtors, and, although the banking system crisis continues to affect the nation's economy, some banks have allowed themselves the luxury of offering substantial discounts to mortgage holders, a very significant symptom. If a banker eases his clients' debt, it is not a sign of altruism; it means that economic conditions have changed radically.

And the recovery is not only noticeable in macro-economic indicators. The luxury consumption to which Mexicans are so prone has reactivated. The nation's fleet of automobiles is being renewed; airports are attracting more crowds; and lines are getting longer at malls.

Besides what they can see around them, Mexicans can feed their optimism with international opinion about their economy, which has also improved. After being seen as a patient dying from the "Tequila Effect" in 1995, at the end of 1997, covered with the mantle of success, Ernesto Zedillo allowed himself luxuries undreamed of a few short years before, such as offering up informational capsules for Asian market consumption about the Mexican lesson on how to deal with a financial crisis at the Vancouver APEC meeting.

There is, however, a flip side to the coin. The economic policy is not very popular since it has been Draconian, even rigid, in certain aspects. The main criticism of Zedillo's handling of the economy is that he has used the perverse mechanism of socializing the losses and privatizing the gains. The public sector

has acted as a hospital for the private sector by transferring enormous resources (subsidies) to bail out the banking system, convert the pension system and come to the rescue of companies licensed to build and run the nation's highways.

Despite the criticisms and the government's bad showing in the 1997 elections, the economic policy passed its trial by fire when the Finance Ministry convinced the right-wing National Action Party (PAN) deputies to vote with the Institutional Revolutionary Party (PRI) to approve its proposal for 1998 government revenues and spending. This had a dual impact. In the sphere of the economy, it meant that a PRI-PAN majority supported the fundamental lines of government economic policy. In the sphere of politics, it meant the break-up of the opposition bloc that had been the source of so many headaches to the administration since the beginning of the legislative session, September 1, 1997.

The fact that today's economic prescriptions have gotten the country out of the crisis does not mean they are effective in other areas. Real wages continue to be wretched. The average wage that the Mexican Social Security Institute (IMSS) based its contributions on in 1997 was under U.S.\$300 a month.³ But if average wages are low, the income of less skilled workers bor-



Members of the congressional Chiapas Peace Commission (COCOPA).



Members of the National Intermediation Commission (CONAI), headed by Bishop Samuel Ruiz (bottom left) negotiate with the government delegation, headed by the Minister of the Interior (bottom right).

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der on the most dramatic possible. Minimum wage is under U.S.\$120 a month and almost half the economically active population earns less than U.S.\$240 a month. In an open economy most of whose prices are level with international prices, wages are extraordinarily low.⁴

In many other spheres, like the declining peasant economy and migration both within the country and abroad, arguments are to be found that question the merit of the economic model. The real challenge to the Zedillo government is to show that as of 1998 poverty in Mexico is on the decline. If the administration does not manage this, the president's stubborn defense of his economic policy will have served for little.

There is, then, a new vision of the national economy that combines the serenity of seeing the light at the end of the tunnel with the expectations of an improvement in the living standards of the poor. Recovery for the middle and upper classes would be insufficient for a country on the verge of finishing up the century with social and economic indicators on a level with those of the 1960s.

It is harsh to say so, but we must not forget that according to the United Nations Development Program, Mexico is one of

the countries which has not shown any per capita growth in the last 30 years.⁵ The social debt cannot be put off, particularly because an economy that does not create social well-being is an exclusionary economy.

POLITICS: BETWEEN CIVILIZATION AND BARBARISM

In politics, things can also be looked at from two angles. Many positive developments have occurred in the political transformation of Mexico. Local and federal elections have become consolidated as mechanisms for conflict resolution. The Mexican electoral system, which in the past aroused deep, well-founded suspicions, today has reasonable social support and permits international observation. The culmination of the process of credibility in the electoral system was the July 6, 1997 election.

The dark side of Mexican politics continues to be the southeastern part of the country. It is in the South where the most intense conflicts exist. In Yucatán, a traditional form of government that includes gubernatorial reelection still survives. In Tabasco, 1994 PRI campaign financing gave rise to one of the longest post-electoral conflicts in recent times, a conflict which was never resolved. The state of Campeche is run with a polarized, mutually exclusive bipartisanship between the PRI and the PRD that causes uncertainty and makes governability difficult. But the region that inspires by far the greatest disquiet is Chiapas.

Chiapas is one of the most backward areas in Latin America. Although the area had already been in a state of embryonic



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Left to right: COCOPA member Luis H. Alvarez, Minister of the Interior Francisco Labastida and government Commissioner for Peace in Chiapas Emilio Rabasa.

rebellion for the last few years, since 1994 the situation reached new, alarming levels. By declaring war on the federal government, the Zapatista Army of National Liberation (EZLN) brought the area's problems under international scrutiny. Since then, Chiapas has been the thorniest problem the Salinas de Gortari and Zedillo administrations have had to face.

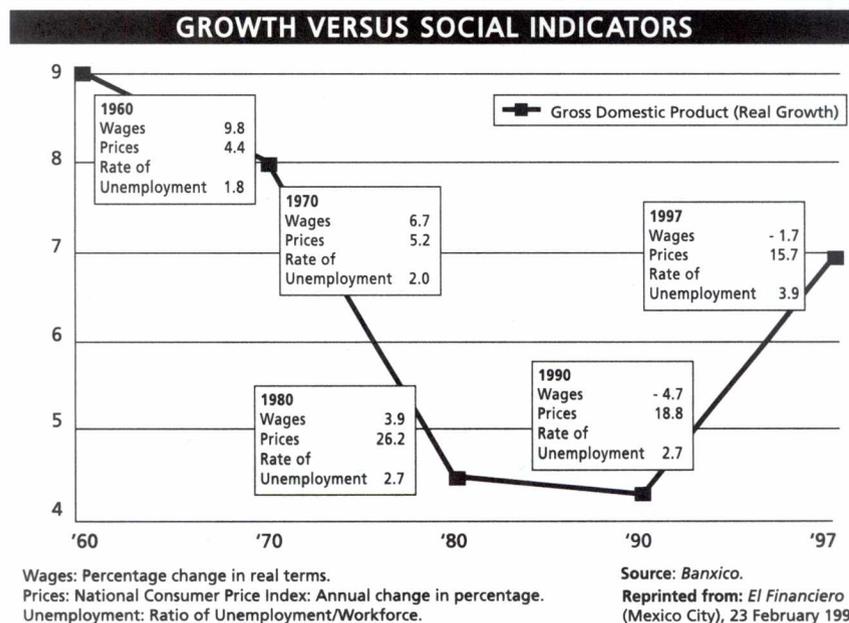
Although always recognizing that marginalization, discrimination against indigenous people and poverty gave a certain legitimacy to the Zapatista uprising, the fact is that the government has not been capable of confronting the problem. Six perfectly distinct, and even contrasting, phases of government treatment of the situation can be clearly discerned:

1. The armed response, which lasted only the first few days of 1994.
2. Political negotiations combined with a political and social public relations offensive to buy the public's good will (1994-95).
3. The police offensive combined with a political media and propaganda campaign against the EZLN, after revealing the supposed identity of Sub-commander Marcos and issuing a warrant for his arrest (February 1995).
4. The halt of the police offensive and the beginning of the negotiations that would lead to the San Andrés Larráinzar agreements on indigenous autonomy (1996).

5. The debate about the constitutionality of the San Andrés Agreements and an attempt to let time lessen the importance of the problem (February 1997 to December 1997).
6. The explicit renunciation of the use of force and the decision to give legal form to the Larráinzar agreements (January 1998).

After the Acteal massacre on December 22, 1997, which reactivated the conflict, the Mexican government has paid a very high price in terms of its image. It is unimportant to the international observer whether the federal government was neither directly nor indirectly responsible for the massacre or not. The lack of consistency in how the case has been dealt with and the sluggishness of the negotiations have made the Mexican government lose credibility in the international arena.

To compensate for this, a change in the focus of the negotiations and some of the negotiators was devised. The exit of Minister of the Interior Emilio Chuayffet and Chiapas Governor Julio César Ruiz Ferro reopened the road to a political solution to the conflict. President Zedillo established a new policy for Chiapas in his January 23 speech (see p. 23), the main features of which are the non-use of force, the non-internationalization of the conflict and the development of the San Andrés Larráinzar Accords in legal form.



This new governmental offensive opens up the possibility—and the hope—that in 1998 a way out of the Chiapas conflict will finally be found. If existing tensions in Chiapas do not drop, all the political advances will be overshadowed and the public will come to the conclusion that the government is gravely lacking in political creativity. And Zedillo's political legacy, electoral normalization, will lose significance because a democracy incapable of generating harmony is an ineffective democracy.

THE JUSTICE SYSTEM, UNFINISHED BUSINESS

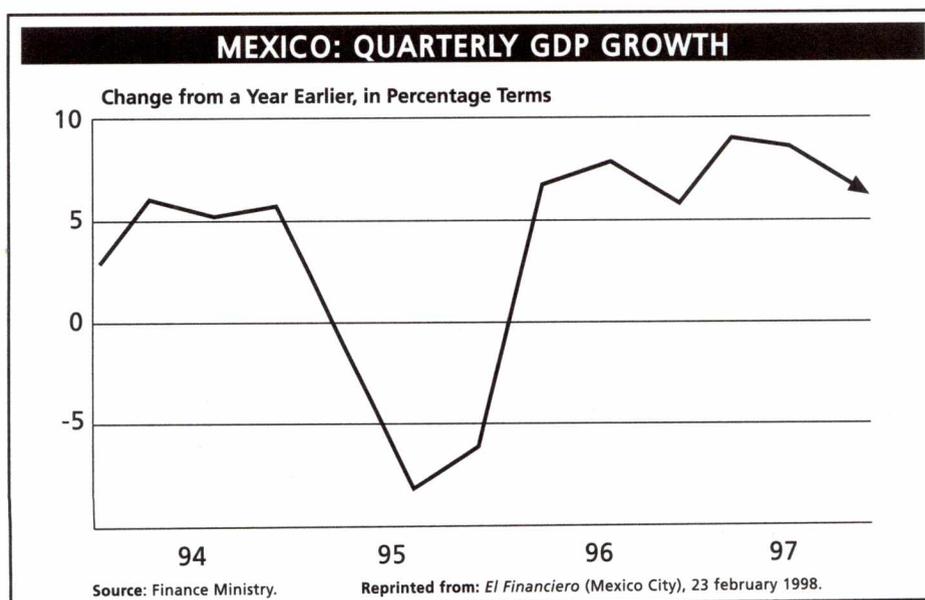
While in the fields of politics and the economy optimism is gaining over caution, in questions of public safety, the panorama is much darker. The question of the justice system has been the brick wall against which the government has knocked its head time and time again. One of the demands most widely voiced by the Mexican people is around public safety. Crime rates have increased significantly nationwide. Some cities such as the capital, Guadalajara and Ciudad Juárez, are caught in a permanent atmosphere of apprehension and fear. The growing number of crimes is reflected in official statistics. About 60,000 investigations were opened in 1994 and by 1996 the figure had risen to 73,418, a 24 percent jump.⁶

But, beyond figures is the fact that issues related to the justice system and public safety hurt the Mexican government's image the most at home and abroad. The administration has made an effort on three levels to alleviate the problem, but up to now the results have been contradictory. The first level is the legal-institutional one. In the sphere of the administration of justice, the contrast between proposals, laws and government restructuring on the one hand, and the poor results, on the other, has been enormous and very bad for the government's image. The reforms themselves have been important. The most outstanding among them are the following:

1. Reform of the judicial branch of government;
2. The creation of the System of Public Safety;
3. The passing of the Law Against Organized Crime;
4. Placing military commanders in some police forces.

People do not have the impression, however, that things are changing. The institutional reform have not had a positive influence in solving the problem.

On a second level, official efforts have gone into fighting high-impact crime, concretely the fight against drugs. This is where the profile is better. The government decided to continue to use the armed forces in the fight against drug trafficking and, despite all the problems and scandals (the most significant





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Public safety is one of the most widely voiced demands of Mexican society.

of which was the arrest of General Jesús Gutiérrez Rebollo, head of the anti-drug efforts) the results seem to be more positive. Important drug lords have been caught (Juan García Abrego, among others) and politicians like Jalisco ex-Governor Flavio Romero jailed for alleged links to the trade. Recognition from abroad of the successes in the fight against drugs has also become more manifest. In the last few years, Mexico has been “certified” by the U.S. government, which—whatever the criticisms aimed at the procedure—shows that in Washington’s eyes, it is on the right road.

The third level is the solution to crimes of high political impact. In this area, things have not worked as well as could have been expected. The investigations into the 1994 assassinations of Colosio and Ruiz Massieu⁷ are still open. Different people have headed up the Attorney General’s Office and the Special Investigator’s Office and the results of the investigations are still inconclusive.

In brief, there is an overall perception of impotence in the areas of public safety and justice. From the beginning of his administration, President Zedillo has said that Mexico must be

a country where the rule of law operates. If he does not ensure that this begins to become a reality in 1998, justice and the justice system will continue to be his unfinished business. **MM**

NOTES

¹ This refers to the fact that for the first time in history, the party in power (the Institutional Revolutionary Party) does not have a majority in the legislative branch, concretely the Chamber of Deputies, and that therefore federal deputies now have an unprecedented opportunity for independent decision making. [Editor’s Note.]

² The number of workers on the rolls of the Mexican Social Security Institute (IMSS) went from 8,501,119 in 1995 to 9,385,970 in 1997. In other words, almost 900,000 new stable jobs were created. See IMSS, *Trabajadores asegurados permanentes* (Mexico City: 1997).

³ *Tercer Informe de Gobierno, Anexo estadístico* (Mexico City: Poder Ejecutivo Federal, 1997), p. 58.

⁴ The price of gasoline is a good indicator. In Mexico a liter of fuel costs 41.6 U.S. cents; in Canada, 37.5 U.S. cents; and in the United States, 31.2 U.S. cents. *Reforma* (Mexico City) 20 January 1998, p. 1.

⁵ Programa de las Naciones Unidas para el Desarrollo, *Informe sobre el desarrollo humano* (Madrid: Ed. Mundiprensa, 1996).

⁶ Poder Ejecutivo Federal, *Tercer Informe de Gobierno* (Mexico City: 1997), p. 8.

⁷ Luis Donaldo Colosio was the PRI candidate for president when he was assassinated in March 1994. José Francisco Ruiz Massieu was PRI general secretary until the day of his assassination in September 1994. [Editor’s Note.]