

AUTHORITARIAN DURABILITY AND DEMOCRATIC TRANSITION IN MEXICO

Elyssa Van Osten  
Graduate Student  
University of Virginia  
Woodrow Wilson Department of Politics  
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### *Introduction*

How did Mexico's durable one-party regime maintain its grip on power for over seventy years? Why did such a durable, seemingly unstoppable, regime eventually fall? When it finally ended, why did it do so through a controlled and gradual transition process rather than a spectacular collapse? These are the questions this paper seeks to answer. Transitions to democracy cannot be studied in isolation. The implication with any *transition to* democracy is that it is also necessarily a *transition from* something else. The unique aspect of the Mexican case is that the seemingly unstoppable durability of the authoritarian regime was eventually overturned. Even more provocative, from the perspective of regime transitions, is the benign and controlled manner in which the transition occurred. This essay will demonstrate how the special multi-sectoral corporatist nature of Mexico's authoritarian regime contributed both to its durability and also set the stage for its future vulnerability.

Providing a rare example of a one-party authoritarian regime, the *Partido Revolucionario Institucional* (PRI) controlled politics in Mexico from 1929 until as recently as 2000. While technically elections took place during its reign, the outcome of these elections was never truly uncertain. As such, the PRI regime should be considered a clear case of authoritarian rule, perhaps similar in degree to regimes described elsewhere as *dictablandas*, or soft dictatorships. I will argue that the PRI's ability to resolve intra-elite conflict in a manner which included both rural *and* labor incorporation enabled the authoritarian regime to have such long-term resiliency over the course of the 20<sup>th</sup> century; yet this very same incorporation, when combined with new international

economic challenges in the 1990's, contributed to the controlled quality of Mexico's transition to democracy. The shifting domestic distributional consequences of global economic integration created a catalyst for the eventual breakdown of the authoritarian regime. However, the initial method of rural and labor incorporation established following the Mexican Revolution ensured that the succeeding regime would take a democratic form, rather than an alternative authoritarian form, and that the transition would be comparatively temperate.

### *Paper Outline*

This essay will first analyze existing theory surrounding authoritarian durability and transitions in order to provide a theoretical background for a synthetic explanation. First, several existing theories of regime durability will be surveyed, followed by an assessment of theories explaining transitions from authoritarianism. The contrast space which this paper seeks to address stems from a gap in the existing literature. Existing theory rarely focuses on delayed transitions to democracy from previously durable authoritarian regimes. When it does so, it usually explains without reference to the very mechanisms which created authoritarian durability in the first place. Why should such durable regimes fall? And when they do, why should that dissolution result in a *controlled* transition to democracy? Exogenous variables do much of the work here – leading to new and strikingly urgent socio-economic distributional conflicts that cannot be resolved through existing institutions – but the controlled quality of transition cannot be explained through reliance on exogenous variables alone. Therefore, the unique theoretical contribution of this essay will be a synthesis of authoritarian regime durability

theory and delayed transition theories in a way which explains the controlled transition to democracy in Mexico.

This paper will place particular emphasis on delineating the theoretical insufficiency of existing approaches to authoritarian stability and eventual democratization. Specifically, this essay challenges the notion, espoused most prominently by Seymour Martin Lipset, that economic development leads to democracy. The history of the PRI's modernization agenda pursued in the absence of democratization in Mexico certainly does not support such a claim. Another interesting explanation for consolidation of a democratization process, the capitalist development theory of Rueschemeyer, Stephens and Stephens, will also be considered. The evidence in Mexico is undoubtedly mixed on this subject. The early stages of capitalist development in Mexico never led to the pro-democratic organization of workers; instead those workers were carefully incorporated into the dominant party in support of the existing regime. Intriguingly, though, the liberal economic integration of Mexico in the 1980's and 1990's which could be labeled a second episode of capitalist development, did indeed lead to relatively more space for pro-democratic labor forces.<sup>1</sup> What is clear in the case of capitalist development (mostly in the form of economic liberalization) in Mexico post-1980 is that the emergence of space for pro-democracy labor did *not* directly translate into the widespread emergence of pro-democracy labor forces. Labor forces in Mexico do not seem to be inherently democratic. As will be shown, these inadequacies of developmental explanations in explaining the historic exception of Mexico's durable authoritarian regime may help to explain the gradual, controlled and eventual transition.

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<sup>1</sup> See Levy and Bruhn, (2001) p.73-78, for a discussion of Mexican labor unions and relative levels of workers' support for the PRI following the 1994-1995 economic crisis.

This essay will show how the durability of Mexico's authoritarian regime can be explained by the incorporation of the labor and rural sectors into the ruling party through a combination of coercion and cooptation. Theorists who offer insights into this process include David Collier and Ruth Berins Collier, Deborah Yashar, James Mahoney, and David Waldner. While conceptions of incorporation help to explain the durability of the PRI, explaining the downfall of such a durable regime will require a rethinking and an extension of existing insights to explain long-term consequences in Mexico.

Consequently, this work will also incorporate literature on the relative roles of structure and agency in transitions from authoritarianism in order to better grasp the tension between Mexico's economic liberalization and domestic political responses. Particularly useful in this regard will be Guillermo O'Donnell and Philippe Schmitter and Terry Lynn Karl in their examinations of democratic transitions.<sup>2</sup> Only a theoretical position which combines the legacies of incorporation with the pressures of economic liberalization is sufficient to explain the strategies of domestic elites in Mexico's transition period. Following the theoretical analysis, this essay will turn to the empirical study of Mexican authoritarian durability and delayed transition to democracy.

#### *Argument*

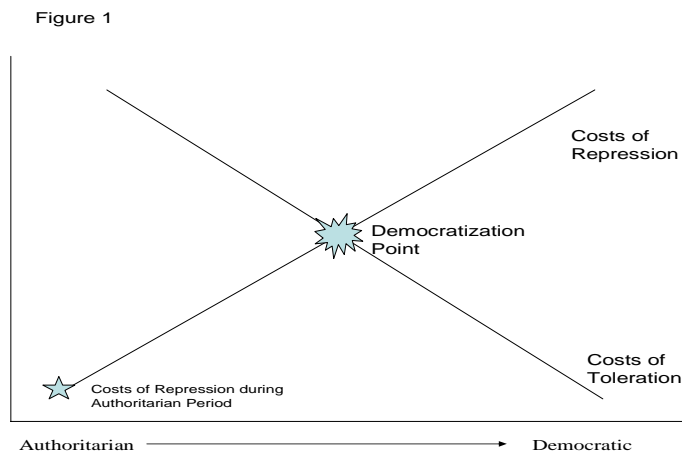
Using a process-tracing method, this paper will demonstrate, at each step of the causal chain, how the method of rural and labor incorporation in the post-revolutionary period led to both authoritarian durability and the controlled nature of Mexico's transition. Although the exogenous variable of economic integration must be introduced to explain the emergence of new challenges to the existing power distribution amongst different societal actors, the prior regime structure created through labor and rural

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<sup>2</sup> O'Donnell and Schmitter, (1986). Mahoney and Snyder, (1999). Karl, (1990).

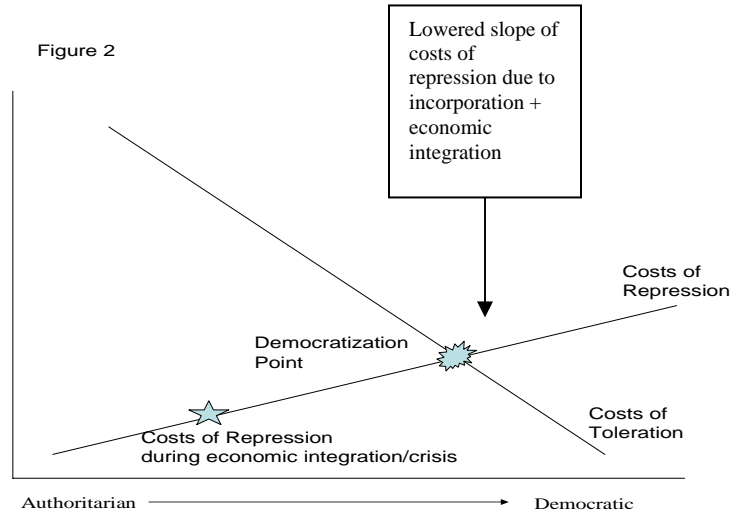
incorporation, led actors to have preferences for a calm transition to democracy rather than renewed authoritarianism or a protracted fight over democratization. Starting with Robert Dahl's axiom that democracy is likely when the costs of repressing the opposition intersect with costs of tolerating democracy, I propose that thorough rural and labor incorporation:

(1) Decreases the costs of repression during the authoritarian period, facilitating its durability. The marginalization of potential regime opponents occurs, ironically, through a process of mobilization within the context of the corporatist regime structure. Even if the costs of toleration were to decrease, the extraordinarily low, and fairly static, costs of repression would give the regime elites the capacity to maintain their hold on power, given their preference for authoritarianism.

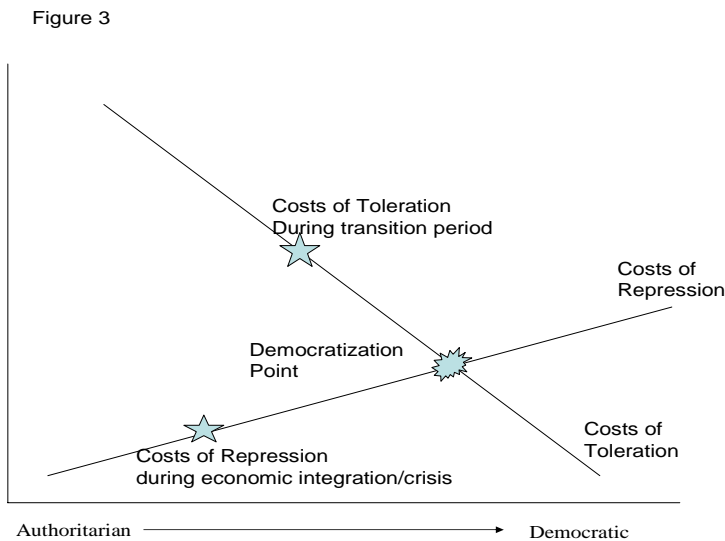


(2) Slows the pace of the rise of the costs of repression during the dynamic period of economic integration by allowing the regime to co-opt challenges from rival groups on the political Left. While the unequal distributional consequences of economic integration increase the frequency or severity of challenges on the Left, the marginalization of these groups through incorporation ensures that the slope of the

costs of repression also decreases. As a result, the costs of repression for the regime rise more slowly than they would absent rural and labor incorporation.

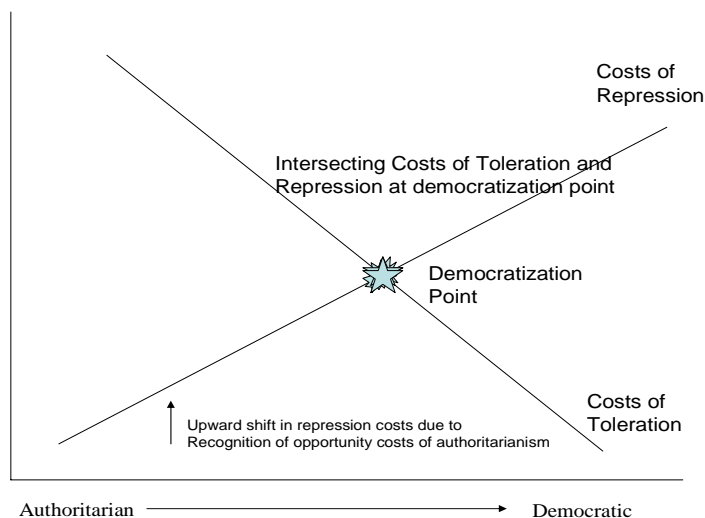


(3) Reduces the costs of toleration during the period of transition by lessening the likelihood that the regime will be forced to democratize without control of the terms of transition. Since the regime retains popular electoral support (albeit, mostly coerced support) from the rural and labor sectors in particular, there is less fear that transition will result in a profound loss of control over critical economic policy. This process, when combined with the process included in the second proposition (above) leads to a more moderate and controlled tempo of transition.



(4) Even given these declining costs of toleration and the slow pace of increasing costs of repression due to challenges from rival groups on the Left, democracy might still have been the less-preferred option for the regime. At minimum, it threatens some uncertainty about policies. Yet, this is not a story of “choice:” there is something else involved. Something must force the regime’s hand and change their preference for authoritarianism to a preference for democratization. For Dahl, rising costs of repression make democracy not just acceptable, but unavoidable. I suggest that the costs of repression which ultimately lead to transition should be conceived of as the *rising opportunity costs of repression* for authoritarian regimes in the era of international economic integration, rather than as the more traditional conception of costs of repression as the literal costs of physically repressing an opposition movement. In other words, in a time of increased international competition for foreign investment, the regime perceived rising international legitimacy and reputation costs if it maintained its undemocratic tendencies.

Figure 4



No explanation is complete without clear identification of the causal mechanisms linking the independent variable and the outcome. Causal mechanisms in this case are inspired by Dahl's discussion of costs of repression and costs of toleration and the propositions above. In the case of Mexico, there are two main causal mechanisms which link incorporation to both delayed transition from authoritarianism and calm transition to democracy: (1) marginalization of potential challengers by facilitating their dependence on the state,<sup>3</sup> which decreases the regime's costs of repression and (2) development of an independent coalition between those in the PRI with technocratic sensibilities and the strong emerging business sector which favored democratization. This coalition both decreases the costs of tolerating democracy during the transition period by ensuring, to great degree, that the PRI's economic policy would remain unchanged *and* increases the

<sup>3</sup> See Eva Bellin (2000), for a discussion of Mexican democratization using state dependence, fear, and aristocratic position as variables through which capital and labor's preferences regarding democratization are determined. While this essay borrows Bellin's concept of state dependence of labor and capital; it adds rural peasants to the evaluation as well. In addition, while Bellin uses variation on these criteria to explain outcome, she does not investigate the underlying causes of these preferences. I seek to address this issue by linking levels of dependence to post-revolutionary method of rural and labor incorporation.

opportunity costs of repression, in terms of lost international business prospects, of continued authoritarianism.

This essay will show that single-party incorporation of rural peasants and urban labor led to a situation of simultaneous mass mobilization and mass marginalization. These potential challengers to the ruling party were offered a supporting role in a regime durability story which then cast them as extras. In addition to their perhaps partially unintended contribution to authoritarian durability, the marginalization of these sectors also contributed to the controlled quality of the eventual transition. The technocratic sector of the PRI, in an informal coalition with the emerging business sector had, in essence, guaranteed that any democratic transition, *even one which resulted in party alternation*, would not affect their fundamental interest in continuation of Mexico's liberalizing macroeconomic paradigm.

#### *Literature Review*

Modernization theory suggests that economic development leads to democracy. Through demonstration of an empirical association between increased levels of wealth and more representative governments, Seymour Martin Lipset proposes that the two variables are related in a causal manner.<sup>4</sup> With this seminal study, Lipset introduced the robust correlation between development levels and democratization. Wealthier states tend to be democratic and the path from underdevelopment to development is then also considered to correspond to a movement from unrepresentative regimes to democracy. However, there are several problems inherent in this classic study.

First, and most striking, is Lipset's insufficient specification of causal mechanisms linking development and democratization. He claims, as do many variants

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<sup>4</sup> Lipset, Seymour Martin, (March 1959).

of modernization theory, that development engenders positive domestic changes that increase societal pressure for democracy. Among the changes mentioned are increases in literacy levels, increased levels of education, and the emergence of intermediary institutions and political parties. In essence, Lipset wants to demonstrate that economic development leads to the emergence of a robust and participatory civil society. What he fails to do is show, first, that these characteristics lead to a strong civil society, and second, that the civil society leads to democratization.

Second and more important for the case of Mexico is the failure of his argument on empirical grounds. Mexico under the guidance of the PRI was fully committed to industrialization and economic growth throughout the entire 20<sup>th</sup> century. In comparison to much of the developing world, and especially relative to its southern neighbors, Mexico managed to maintain a low inflation rate and stable economic growth. According to the data, “The rate of Mexican economic growth was both higher than the world average and relatively stable for a longer period of time. While the industrial economies grew at the rate of 4.5 percent from 1950 to 1970, the Mexican economy grew by over 6 percent per year...An even more relevant comparison is with the other countries in the region. From 1935 to 1956, the per capita product of Latin America as a whole grew by about 25 percent, while that of Mexico grew by about 37 percent, or almost 50 percent faster.”<sup>5</sup> At the same time that Mexico was experiencing such a stable growth rate, it was thoroughly under the control of a one-party regime that could certainly not be considered democratizing. From these facts alone, it can be clearly concluded that Lipset’s robust correlation between development and democracy cannot explain such a discrepancy.

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<sup>5</sup> Cothran (1994), 60.

While the overall correlation should not be denied, a correlation without description of causal mechanisms does little to help one understand the aberration of Mexico.

Building on Lipset's initial discovery, Rueschemeyer, Stephens and Stephens take up the challenge of filling in the remainder of the causal chain left unexplained. Their attempt to explain the relationship between capitalist development and democracy leads them to conclude that "...capitalist development is associated with democracy because it transforms the class structure, strengthening the working and middle classes and weakening the landed upper class. It was not the capitalist market nor capitalists as the new dominant force, but rather the contradictions of capitalism that advanced the cause of democracy."<sup>6</sup> In their theoretical view, the working class is largely oriented towards democracy and the landed upper class is almost unanimously oriented towards the status quo. The propensity for democratization, then, in any given state is a function of the balance of class power that emerges from development. Often, the working class is able to successfully obtain democratization only when it forms a coalition with the middle classes.<sup>7</sup>

Application of this theory to the Mexican case poses an obvious problem which even the authors themselves recognize.<sup>8</sup> Capitalist development in Mexico did not lead to the strengthening of the working classes, even though the regime's prioritization of industrialization did lead to considerable urbanization and close contact for the members

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<sup>6</sup> Rueschemeyer, Stephens, and Stephens (1992), 7.

<sup>7</sup> Ibid, 8.

<sup>8</sup> Rueschemeyer, Stephens, and Stephens (1992) acknowledge that, "Given the degree of urbanization and industrialization reached in Mexico, one would have expected the PRI's capacity to co-opt and control popular sectors to be eroded by challenges from forces seeking to forge an autonomous political articulation of subordinate groups some time ago. However, the PRI has demonstrated a surprising resilience, and though Mexico has undergone some changes towards greater political contestation, it will take considerably greater institutional innovation for this process of liberalization to evolve into democratization than it did in the South American cases." (217)

of the working classes. The PRI's capacity for labor incorporation, *prior to* the period of intense industrialization prevented the emergence of a strong opposition movement amongst the working classes. The authors explain the empirical outlier of Mexico by showing that the regime was able to "...use the state apparatus to prevent the emergence of labor unions or to undercut any independent political articulation of the urban working class by incorporating it into state-sponsored organizations."<sup>9</sup>

However, this should not be seen primarily as a story about relative class power as Rueschemeyer, Stephens, and Stephens suggest. Instead of merely marginalizing the working classes (although this was certainly their ultimate goal), the PRI was able, through the use of patronage and targeted benefits, to engender a significant degree of support for its policies amongst labor. Indeed, even when the political system was experiencing a degree of liberalization in the 1980's and 1990's, the working classes were not universally pro-democratic. In fact, many Mexican unions "...chose to remain within the PRI and cling ever more tightly to the state, hoping that loyalty would give them an edge in the sharpened competition for state resources and assistance."<sup>10</sup> Given these discrepancies, it is evident that a working-class explanation for democratization is not consistent with the aberrant case of Mexico.

In order to explain this anomaly, this paper now turns to theories of labor and rural incorporation. First, David Collier and Ruth Berins Collier offer a critical juncture interpretation of regime dynamics which privileges the moment of labor incorporation as the defining moment for regime durability. In their view, "in crucial phases of Latin American development, labor politics has been kind of coalitional 'fulcrum.' In different

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<sup>9</sup> Ibid, 276.

<sup>10</sup> Levy and Bruhn, (2001), 77.

countries and different historical periods, organized labor has been a pivotal actor, and the choices made by other actors in positioning themselves vis-à-vis organized labor have had a crucial impact on national politics.”<sup>11</sup> Their emphasis on labor incorporation as a moment of *choice* at a critical juncture leads them to conclude that a sort of negotiation between the labor sector and the state occurs at the moment of incorporation (of course the actual negotiating power of each group varies considerably) which then determines the labor policy and relative durability of the regime.

Collier and Collier find, in the case of Mexico, that the weak position of the oligarchy combined with the continuing instability of the state, both during and after the Revolution, led to a situation of greater relative power for the reformists. As the reformists gained the upper hand following the Revolution, labor was incorporated through a method of radical populism, which entailed significant concessions to labor in return for a guarantee of labor mobilization in support of the regime. This method of incorporation then had effects beyond the initial period of incorporation, including a move toward the right in the post-Cárdenas “aftermath” years and a heritage of authoritarian durability through a one-party dominant regime.

Although the Colliers have provided a superb account of the effects of labor incorporation on regime durability, there are several issues relevant to this essay which must be considered. First, this work employs a critical juncture model where it seems no actual choice is necessary to explain the outcome. Indeed, given the political situation in post-Revolution Mexico, it does not appear that either side had any significant room to maneuver with regard to choosing a method of incorporation. Rather it seems that labor weighed the expected costs of going it alone against a reformist agenda which was

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<sup>11</sup> Collier and Collier (1991), 40.

ideologically quite compatible (as evidenced by provisions in the 1917 Constitution)<sup>12</sup> in order to achieve autonomy versus the expected benefits of an alliance with a state which promised to provide patronage and pro-labor policy in exchange for support.

The choice, while it existed, was not necessarily one in which the outcome was unknown. Therefore, the labor incorporation period should properly be viewed as part of the ongoing historic legacy of elite conflicts during and after the Revolution which generated a Reformist government in need of mass support and a nascent labor movement in search of labor-friendly policy and a little patronage on the side. As will become evident, a similar critical juncture could be seen to exist during the period of Mexico's global economic integration which perhaps created a moment of choice for the elites – to democratize in response to the growing demands of domestic and international interest groups or to further repress those groups through electoral fraud or other means. However, this essay ultimately seeks to demonstrate that such periods of perceived choice are not necessarily what they seem. Agents do not face unconstrained choice as certain moments. Rather, they weigh the costs and benefits associated with certain strategies, *given the context*, and make rational decisions based on their calculations.

Beyond this critique, the Colliers' use of labor incorporation to explain the durability of the PRI is quite convincing. The party incorporation through radical populism surely contributed to the electoral stability of the regime by providing the PRI with a mass base that could be mobilized whenever shows of support were needed, in

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<sup>12</sup> Wiarda and Kline, (2000), p.377. The 1917 Constitution included provisions such as: “(1) free, universal, secular education, (2) oil, natural gas, and other subsoil minerals belonged to the state, which could restrict private ownership of these resources, (3) authorization for the division of huge estates into small holdings, (4) required protection of workers' rights, including maximum workdays, equal salaries for men and women, and the right of workers to form unions and to strike, (5) empowered legislatures to limit the number of priests in their states and denied the Roman Catholic church the right to hold property and involve itself in politics, and (6) broached a plethora of approaches – private, public, cooperative, communal – to economic development.”

explicit exchange for patronage. However, as is evidenced by the aftermath period, the incorporation of labor into the one-party regime did not guarantee sustained pro-labor policy in Mexico. As will be shown through the empirical case study to follow, the incorporation of labor allowed the PRI to remain durable. However, the incorporation *in exchange for benefits*, also allowed the PRI to control and manipulate labor as a whole, and particularly the labor leaders and unions.

As a result of the initial method of labor incorporation, the regime was able to progressively marginalize labor and turn toward more business-friendly policy while still retaining support amongst the urban working classes. This support should not be viewed as evidence of ideological ratification by labor for PRI policies – rather, labor incorporation through radical populism moved away from the metaphorical two-way street and toward something more like one-way street with no exits for those who realize too late that they are headed the wrong direction. Although the Colliers do not speculate about the long-term regime consequences of different types of labor incorporation<sup>13</sup>, this essay will take their insights one step further and show how the PRI's incorporation and ensuing marginalization of labor allowed the eventual transition to take place.

Labor incorporation is only one side of the durability story. In becoming one of the most stable regimes in Latin American, indeed in the world, the PRI would also engage in incorporation of the rural peasants and small landowners. Theorists such as Deborah Yashar, James Mahoney, and David Waldner all consider this aspect of regime

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<sup>13</sup> Strikingly, the Colliers did not predict the rapid but paced changes that would take place in Mexico throughout the 1990's. Their work, *Shaping the Political Arena*, was published in 1991 when the PRI regime appeared to be as durable as ever. They did not speculate that radical populist incorporation would provide certain sectors of the PRI with confidence that eventual democratization would not result in loss of elite interests that they would not engage in increased repression in the mid to late-1990's. It seems that radical populist labor party incorporation led to regime durability but also held the seeds of the PRI's long-term ability to transition to democracy.

construction to hold the seeds of durability. Of course the initial recognition of this phenomenon came from Samuel Huntington, who famously claimed, “He who controls the countryside, controls the country.” This essay will demonstrate how rural incorporation leads to durability through coercion and cooptation, and eventually – in the case of the PRI – leads to effective marginalization.

Deborah Yashar’s study of Central American cases claims that legacies of the Liberal period, combined with the use of either labor-repressive or market-repressive means of dealing with the masses led to authoritarian regimes in both of her cases (Costa Rica and Guatemala), and eventually, to reform coalitions with the introduction of popular democratizing movements. Yashar’s acknowledgement that the Mexican regime endured longer than those in Costa Rica and Guatemala infers that this case may have some variable in common with them. In her conclusion, Yashar suggests a variable that may lead to durability: control over the countryside. As will be shown in the case study, the PRI in Mexico managed to accomplish this task with remarkable success. The historical record is evidence that the one-party regime incorporated the rural sector in a way which simultaneously guaranteed an enormous base of mass “electoral” support, placated the agrarian caciques, satisfied the revolutionary desires of the masses, and eventually marginalized the influence of the rural sector to allow more conservative economic policies. Certainly an impressive, though perhaps dubious, feat.

James Mahoney takes up the history of Central American regime dynamics through a path dependence argument that conceives of critical junctures as moments of choice, the institutional repercussions of which then persist over time.<sup>14</sup> Similar to Yashar, Mahoney believes that the legacies of liberalism tend to create coalitional

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<sup>14</sup> Mahoney, (2001).

arrangements which promote either radical or reformist outcomes. In the case of Mexico, as will be shown, the elite conflict between the Liberals and the Conservatives was only overcome with the inclusion of the rural sector as a partner to the reformist Liberals. In contrast to Mahoney's other case with a reformist coalition, Costa Rica, Mexico remains authoritarian way past the initiation of any democratizing movement. It will be shown that the unique character of the PRI's rural incorporation by reformist Liberals contributed to the regime's longevity and its ability to refrain from overt repression.

David Waldner presents an interpretation of regime dynamics which seeks to explain both regime type and regime durability through the use of variables including rural incorporation and the "relationship between structures of political authority and agrarian property regimes at the time of incorporation."<sup>15</sup> Waldner finds that rural incorporation provided the means for long-term regime durability by generating resources which were employed by elites to manage and diffuse potential opposition in the urban sector or the agrarian sector. As such, this theory offers insight into the case of Mexico. It will be shown in the case study that Mexican elites sought incorporation of the rural sector for these very reasons and that the PRI regime was so durable because of its successful use of this tactic.

While the literature on authoritarian durability helps to frame the propositions presented in this paper with regard to the PRI's striking ability to rule for over seventy years, this essay also seeks to answer the question: If incorporation of the rural and labor sectors leads to such regime durability, then why did the PRI eventually fall? After explaining the process through which the PRI became institutionalized, this project seeks to explain the transition from authoritarian rule to full democracy with the 2000 election.

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<sup>15</sup> Waldner, (2004), 1.

In doing so, it is first necessary to consider some of the existing theories surrounding transitions from authoritarian rule.

O'Donnell and Schmitter contend that “there is no transition whose beginning is not the consequence – direct or indirect – of important divisions within the authoritarian regime itself, principally along the fluctuating cleavage between hard-liners and soft-liners.”<sup>16</sup> In the years leading up to Mexico's transition, there was clear evidence of growing tension among the elites of the PRI – the assassination of presidential candidate Donaldo Colosio in 1994 serves as a vivid reminder of the severity of apparent animosity.<sup>17</sup> However, the authors' contention that the outcome of transitions is indeterminate and that “political democracy...usually emerges from a nonlinear, highly uncertain, and imminently reversible process...”<sup>18</sup> does not match the facts of the Mexican case. Indeed, part of what this essay will show in analysis of the Mexican transition is that the PRI elites were willing to allow democratization because they were convinced that the outcome of a true election would not deeply harm their interests.

Terry Lynn Karl responds to O'Donnell and Schmitter's work by asserting that transitions involve much less uncertainty and contingency than previously recognized. This author stresses an understanding that “Even in the midst of the tremendous uncertainty provoked by a regime transition, where constraints appear to be most relaxed and where a wide range of outcomes appears to be possible, the decisions made by various actors respond to and are conditioned by the types of socioeconomic structures

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<sup>16</sup> O'Donnell and Schmitter, (1986), 19.

<sup>17</sup> See Salinas De Gortari, (2002), 861-916 for a discussion by the former president regarding speculation that Colosio had been murdered as part of a conspiracy by the “dinosaurs” of the PRI to prevent any further democratization efforts.

<sup>18</sup> O'Donnell and Schmitter, 70.

and political institutions already present.”<sup>19</sup> This essay applies Karl’s insight to demonstrate that the actors in the case of Mexico’s transition to democracy were responding to structures and institutions already present. While they did have “contingent choice,” their choices were made in an historical context of marginalized masses and elite interests entrenched outside of the PRI – leaving the elites with little reason to fear transition (lowered costs of toleration) and potential legitimacy benefits (increased opportunity costs of repression) if they allowed democracy. Choice in this case is just a matter of weighing the costs and benefits.

This discussion of theory provides a foundation upon which the evidence can be thoroughly evaluated. A process tracing method is now employed to enable the reader to follow the causal chain from the antecedent conditions of elite conflict to the independent variables of labor and rural incorporation and to the principle outcome of durable authoritarianism. Second, the process tracing will demonstrate that these same independent variables (labor and rural incorporation), when combined with the emergent property of Mexico’s global economic integration, provided sufficient conditions for the PRI elite to concede to democratization in a very temperate and controlled manner. Throughout, this case study will highlight the principal causal mechanisms of (1) mass *marginalization* and *dependence* through a process of incorporation and (2) the *development of an independent coalition* between technocratic PRI policymakers and business elites.

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<sup>19</sup> Karl, (1990), 6.

### *Case Study*

#### *First Period: Creation of the PRI and Initial Incorporation*

In 1910, Mexico was on the verge of a revolution. The previous years saw the emergence and intensification of inter-elite conflict as Liberals and Conservatives fought a war of words over such divisive issues as the role of the Catholic Church in the state, political democracy, land reform and privatization, the purpose of science and the pursuit of modernity, and class struggles.<sup>20</sup> The era of Porfirio Díaz from 1877 to 1880 and again from 1884 to 1911 was a period of economic progress but little change in the social or income inequality inherent in the Mexican system. Díaz's policies represented a moderate Liberal approach to the economic and social challenges facing the state. Ultimately, although his rule did see overall domestic economic growth, "...the primary beneficiaries were the wealthy at home and abroad."<sup>21</sup> He privileged the upper echelons of society – the ranchers, businessmen, and foreign investors – with policies that made them even wealthier. All of this wealth disparity, however, did not permanently prevent an eventual uprising from the discontented – “from landowners and small businessmen to industrial workers and peasants.”<sup>22</sup>

In 1911, the wealthy young critic Francisco Madero did the unimaginable and entered the presidential race against the leader of “the Porfiriato.” When the ensuing election was obviously stolen by Díaz, Madero and his supporters were arrested rather than acknowledge the legitimacy of the election. Thus began the Mexican Revolution. Shortly after, Madero assumed office and Díaz fled the country. Indigenous groups in the South led by Emiliano Zapata and small landholders (mainly ranchers) led in the north by

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<sup>20</sup> Camp, (1996), 41.

<sup>21</sup> Camp, (1996), 37.

<sup>22</sup> Waldner, (2004), 38.

Pancho Villa declared their own revolutions against Madero – seeking much greater recognition of the plight of the rural and working sectors of the population and support for land redistribution. Madero never fully gained control over the upstart “true” revolutionaries and was eventually murdered by a member of his military staff, Victoriano Huerta.<sup>23</sup>

Continuing the trend of instability and battles for political power, Huerta himself was not long destined to remain in power. His appointed governor from the northern state of Coahuila, Venustiano Carranza led a Constitutionalist Army in contesting Huerta’s accession to power. However, Carranza was no revolutionary. He was able to overthrow the self-appointed leader only when a perfectly-timed U.S. intervention forced Huerta to divert troops from its battles with the Constitutionalist Army and the *Zapatistas*.<sup>24</sup> Carranza, the consummate elite politician, assumed office. Although he did make some grudging concessions to the left, including promises for “legislation for the improvement of the condition of the rural peon, the worker, the miner, and in general the proletarian classes,”<sup>25</sup> Carranza remained wary of the powerful armies of Zapata and Villa. Rural and labor incorporation remained unaccomplished, and elite fissures continued.

By 1915, the challenges from Zapata and Villa were ended in defeat at the hands of Álvaro Obregón, Carranza’s military commander, and Carranza turned to the issue of forming a Constitution. The 1917 Constitution, one of the most radical in the pre-Russian Revolution world, was written with explicit recognition of rights for labor and support for land redistribution. Carranza certainly did not encourage such notions, but

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<sup>23</sup> Meyer and Beezley (eds.), (2000), 445.

<sup>24</sup> Skidmore and Smith, (2001), 230.

<sup>25</sup> Ibid.

fearing the reemergence of a possible rural threat, he was compelled to concede.<sup>26</sup> This event established a trend of pro-labor and pro-peasant revolutionary ideology that would influence political decision-making for decades to come. Although largely just language, the 1917 Constitution, brought about by elite cleavages and conflict before it, ensured that “After 1917 every aspiring political leader had to adopt at least a rhetorical posture in favor of Mexico’s workers and the peasants.”<sup>27</sup>

Following Carranza’s overthrow by his military leader, Alvaro Obregón, the first real incorporation period began. Organized labor had been helpful to the challenger in his overthrow of Carranza, and labor was rewarded with the creation of the newly funded *Confederacion Regional Obrera Mexicana* (CROM), a union which Obregón then quickly co-opted.<sup>28</sup> Obregón was not a crusader, as some would suggest,<sup>29</sup> rather he was keenly aware that “...organizations – especially labor centrals – as part and parcel of a revolutionary state...could form a counterpoise to foreign entrepreneurs and renegade military units.”<sup>30</sup>

This nascent relationship between labor and the state bore very little resemblance to the future tight bond of dependence. Obregón was not a revolutionary, but his practical realization that labor could serve as a buffer between the state and the true revolutionaries, the rural population and the “renegade military units,” led him to initiate a cautious connection. One can understand how this association was one in which each side – the state and organized labor – appreciated that there would be benefits from a

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<sup>26</sup> Levy and Bruhn, (2001), 45.

<sup>27</sup> Ibid, 231.

<sup>28</sup> Ibid, 233.

<sup>29</sup> See Levy and Bruhn, (2001) for the suggestion that “...Obregón, the statesman, pressed for a new society. If Díaz had represented repression of popular demands for socioeconomic change and Madero a gentlemanly indifference, Carranza represented political acquiescence and Obregón active partnership” (46).

<sup>30</sup> Wiarda and Kline (2000), 378.

pseudo-alliance that could outweigh the costs of potential obligations. Obregón could not be accused of ignoring the lower classes, and labor had some measure of guarantee that their right to unionize would be respected.

After serving for four uninterrupted years, Obregón was able to successfully transfer the Presidency to his successor, Plutarco Elías Calles. Calles immediately felt heat from the Right. The *cristeros*, a group of Catholic militants with massive rural support, sought to overthrow the anti-clerical revolution which they saw as the work of heathens.<sup>31</sup> In order to consolidate power at the top and prevent a possible usurpation, Calles created the Partido Nacional Revolucionario (PNR). Calles' creation of the national party was not intended to serve as the all-encompassing behemoth into which it would evolve.<sup>32</sup>

Rather, Calles sought to establish dominance over the regional leaders and other potential challengers to his rule. It is telling that at the first national convention to organize the PNR, Calles was in charge of inviting, or pointedly *not* inviting, the participants. Among those left out of the planning were the leaders of the CROM and the Partido Nacional Agrarista (the largest group representing peasants at the time). Accordingly, "These omissions meant that the Party, in its first incarnation, was not conceived as a framework for functional interest groups. Instead, it grouped together into a national network those local or regional leaders who had shown the most political (rather than military) ability."<sup>33</sup> It is easy to see how Calles used these invitations as a

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<sup>31</sup> Skidmore and Smith, (2001), 233.

<sup>32</sup> Evelyn P. Stevens (1977) in Malloy (ed.), notes that "There is no evidence to suggest that its founding father, President Plutarco Elías Calles, anticipated some of the functions that it performs today." (228).

<sup>33</sup> Stevens, (1977) in Malloy (ed.), 230.

way to manipulate regional *caciques* and create a precedent of *national* control over regional interests.

In fact, two of the decisions made at that 1933 PNR convention reinforced the shift from a decentralized political system of bloody takeovers to a centralized system of national and consensual decision-making. First, the convention abolished regional groupings – making those regional leaders dependent on the PNR for resources. Second, the plebiscitary procedure through which candidates were selected was replaced by a national convention procedure – secure from the public eye – which effectively ensured that no political leader could hope to gain prominence by relying on popular support alone. Every hopeful would be forced to recognize the power of the PNR. In this way, Calles effectively established the PNR as the dominant political institution and severely reduced the opportunities for regional elites to constitute an independent base of power.

However, the consolidation of regional elites' power under the PNR did not guarantee the end of conflict and disunity. Calles pursued an economic foreign policy that sought to "...reduce foreign debt, balance the budget, and promote efficient administration, conservative goals which were fully compatible with the recreation of the political and economic structure of the ancien regime."<sup>34</sup> With these conservative economic goals firmly ensconced in policy, why would labor not protest? How would the PNR prevent uprisings from peasants who were disenchanted with the replacement of the old oligarchy with a new but similar one? How would the PNR manage to address calls for more focus on industrialization rather than foreign investment? The answer to all of these questions was found in incorporation.

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<sup>34</sup> Waldner, (2004), 41.

Calles managed to satisfy the demands of labor through support for CROM. Although the labor leaders were not fully represented in the creation of the national party, Calles did allow the labor movement to enjoy "...unprecedented levels of political influence within the state, extensive material benefits derived from state resources, and state support for CROM's effort to extend its dominance in the labor movement."<sup>35</sup> In return, "Politically, labor provided legitimacy and support for the government. Economically, a potentially radical and oppositionist working class was converted into a cooperating labor movement that supported capitalist reconstruction and modernization."<sup>36</sup> Despite all this calculated maneuvering, Calles was unable to resolve fears on the part of the business class that labor had too much political influence and the growing demands from the peasant agrarian sector and other reformists that the state resume land redistribution.<sup>37</sup>

Although Calles did not see the need to manage the competing demands of such different sectors, due to his pro-labor stance,<sup>38</sup> the next President of Mexico, Lázaro Cárdenas, changed the Party's structure by incorporating all major sectors of Mexican society into a corporatist whole. Cárdenas responded to the challenge from the bourgeoisie and pro-industrialization elites by initiating rural incorporation into Party and further institutionalizing the relationship between the state and labor. The introduction of

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<sup>35</sup> Collier and Collier, (1991), 217.

<sup>36</sup> Ibid.

<sup>37</sup> See Collier and Collier (1991), 219-222 for more details regarding the opposition to populism from both the bourgeoisie/capital sector and the agrarian base.

<sup>38</sup> Calles' pro-labor stance, in turn, should be seen as a result of Calles political situation and the need for labor's support or at least acquiescence in pursuit of a conservative economic policy. It should not be seen as evidence of Calles relatively unskilled manipulation of events. One should remember that the main initial challenges to Calles came from regional leaders who could potentially usurp his power, and indeed his office. Once Calles had reduced the threat from regional leaders, he could be relatively certain that his base of support in organized labor would provide him with security vis-à-vis the agrarian sector. The delay of incorporation of the rural sector was therefore not solely or even mostly due to Calles inability to incorporate it, but rather due to the lack of structural inducements which made such a plan appear necessary.

a four-pronged Party – incorporating the four most critical sectors, Peasant, Labor, Popular, and Military – ensured that Cárdenas and his newly renamed Partido de la Revolución Mexicana (PRM) would enjoy insulation from peasant revolutions, oligarchic elites, and radicalized labor through a mobilization effort which balanced and internalized parochial interests.<sup>39</sup>

It has been shown that the successful incorporation of labor and rural sector occurred not due to the existence of a critical juncture, but due to the rational response of Mexican leaders and various societal sectors to the structural constraints placed upon them. The fairly unique form of the Mexican party-incorporation represents the outcome of practical mobilizations intended to buffer the presidency and the party's policies from societal challenges. The next issue which must be addressed is: How did rural and labor incorporation contribute to the long-term durability of the regime; especially since incorporation was seen as a response to short-term threats?

*Second Period: Authoritarian Durability and Lowered Costs of Repression*

The durability of the Mexican one-party authoritarian regime was due to the incorporation of labor and the rural sector into a corporatist national party that controlled allocation of resources and patronage in exchange for mass mobilization which provided the regime with a semblance of legitimacy. Throughout the 20<sup>th</sup> century, the renamed Partido Revolucionario Institucional (PRI) managed to maintain political stability through a combination of the use of the *sexenio*<sup>40</sup> and institutionalized corporatism. This

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<sup>39</sup> Stevens, (1977) in Malloy (ed.), 232.

<sup>40</sup> The *sexenio* refers to the six-year presidential term in Mexico. *Sexenio* is also an implicit understanding that presidents will alternate between more populist terms and more conservative terms – in order to manage the competing demands of different societal sectors. Over time though, as will be shown, the populist *sexenios* became fewer and farther between as technocratic elites in the PRI pushed for more neoliberal economic policies.

corporatism ensured long-term support for the regime, but also marginalized the popular sectors by preventing the establishment of any independent organization.

The PRI as an institution was quite successful in its balance of patronage and repression. It appeared that for many years the PRI machine would last forever – providing benefits to the leaders of the four sectors, who in return were expected to guarantee votes from their constituents. Societal leaders who attempted to publicly go against party policy were arrested or removed from power. Since any other organization paled in resources to those of the PRI, it was essentially the only game in town. Thus, “a strong president, backed by the PRI’s political dominance, could establish informal ‘metarules’ governing labor representation, defining overall labor policy, and determining how much individual labor organizations were to be included, rewarded, or punished through the course of corporatist bargaining.”<sup>41</sup> The same mechanism of marginalization through mobilization applied to the rural sector, as incorporation marginalized the traditional oligarchy which could challenge the presidency, provided some measure of assurance that peasant interests would be represented at the national level, and ensured political support for the PRI from the mobilized, but hardly autonomous masses.

The durability of the PRI regime would sustain itself through what some analysts would consider the one of the most difficult episode in any state’s history: industrialization. In the 1940’s Mexico began to pursue industrialization through an ISI model. The rapid growth and development which accompanied such a policy, however, did not have the sort of effects predicted by scholars such as Lipset and Rueschemeyer, Stephens and Stephens. Although “from 1940 to 1970, the Mexican economy became

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<sup>41</sup> Samstad, (2002), 4.

decreasingly agricultural and increasingly industrial,”<sup>42</sup> the PRI was able to maintain control over the working classes and there was little reason for the middle classes to ally with the lower classes even if labor had become strongly pro-democratic. Corporatist incorporation guaranteed that “If the demands of labor went beyond what the regime was willing to allow, the government used the set of control methods available to it, including the imposition of *charro* labor leaders who generally cooperated with the government in holding down wage demands, the settlement of strikes on terms favorable to business, and repression when other methods failed to achieve the desired results.”<sup>43</sup>

The rural sector was also unable or unwilling to wrest control from the PRI during the period of industrialization and development, even though as the poorest sector of the population they were least likely to benefit from the policies. Cothran finds that peasants “...remained the group that most predictably voted for the PRI. This however, was probably due more to the ease of controlling their vote than to any material benefits they received from the regime.”<sup>44</sup> While the idea that peasants did not get *any* material benefits from the PRI is exaggerated, they certainly did not get enough to make up for an industrialization policy that privileged labor and business at their expense, and surely repression alone does not explain their submission. The answer to the acquiescence of the rural sector is again found in the mode of incorporation.

With the PRI in control, the “party-*ejido* links were a channel for organizational co-optation in which government affiliated mass organizations put dissident organizations at a serious disadvantage as the conduits for material and organizational

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<sup>42</sup> Cothran, (1994), 73.

<sup>43</sup> Ibid, 82.

<sup>44</sup> Cothran, (1994), 80.

benefits.”<sup>45</sup> In other words, the rural sector supported the PRI out of something like mild desperation. The mobilization effort had offered carrots in turn for support. Even when fewer and fewer carrots were offered by the PRI, the rural sector kept its support high. In sum, the PRI was the only organization which could offer peasants anything, and therefore they had to take what they could get and vote with a smile.

Although there was a period of dramatically increased opposition, protest, and political turmoil in the 1960’s and 1970’s<sup>46</sup>, the PRI still managed to hold on to power, albeit through increased reliance on occasional heavy repression. Given the level of authoritarian durability, what can explain the eventual transition to democracy in 2000? If labor and rural incorporation enabled the regime to have sufficient mass support to overcome such challenges as the Great Depression, industrialization, protest, political turmoil, and economic crisis, then why, in 2000, did the PRI finally leave power? Relatedly, why did the transition occur in the way that it did – calm, controlled, and largely without violence? This essay will now show how marginalization of independent organizations through labor and rural incorporation combined with global economic integration and the emergence of a new technocratic elite in the PRI allowed the transition to occur.

*Third Period: Transition from Authoritarianism – Increased Opportunity Costs of Repression and Lowered Costs of Toleration*

In 1982, Mexico’s severe debt crisis threatened to disrupt foreign banks and global markets. The United States, the IMF, and several large commercial banks executed a bail-out just in time to prevent a Mexican default on its foreign debt.

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<sup>45</sup> Collier and Collier, (1991), 583.

<sup>46</sup> The 1968 student protest ended tragically with the massacre of hundreds of people in Tlatelolco by the national police at the order of the PRI.

However, in return for the offer, President Miguel de la Madrid was forced to accept the terms of an IMF austerity plan.<sup>47</sup> The implementation of the plan led to a deep recession in Mexico, with falling wages, falling living standards, falling export earnings and cuts in public spending.

Many analysts argue that one of the main reasons for the legitimacy and longevity of the PRI was its ability to promote economic growth. If this was the case, then why did the PRI hold on for almost two more decades and why did it transition when it did? Two reasons: (1) the labor and rural sectors remained dependent on the PRI for benefits and had been progressively marginalized as influential organizations, and (2) the technocratic revolution in Mexico that followed the debt crisis encouraged the building of an informal coalition between some leaders of the PRI and some supporters of the PAN, an alternative party linked with conservative and business interests.

During this period, the *rural and labor incorporation lowered the costs of tolerating democracy* for the PRI by providing some measure of continued popular support, even if only out of desperation on the part of the popular sectors. The development of an *informal coalition simultaneously increased the opportunity costs of repression and lowered the costs of tolerating democracy*. With the alternative PAN party primarily representing the interests of the same internationally-oriented businessmen whose support the technocrats of the PRI had sought, the PAN's apparent rise in relative power led PRI technocrats to realize that they were better off acting decisively to allow democracy at this favorable juncture. The lowered costs of tolerating democracy due to a recognized confluence of policy interests between the two parties helped to change the preferences of the PRI elite. Rather than risk the possibility of a

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<sup>47</sup> Skidmore and Smith, (2001), 248.

Leftist PRD presidency if they chose to pursue a “delay” option, the PRI technocrats chose the more conservative strategy. In addition, the PRI elite began to recognize the significant international legitimacy advantages that would result from a more representative political system, thus raising the opportunity costs of continued repression. These two factors, incorporation and the informal coalition, ensured that any transition would not seriously affect the long-term policy interests of the PRI elite.

Along with the introduction of stricter neoliberal economic policies in the 1980's, the country experienced a “technocratic revolution.”<sup>48</sup> During the presidency of de la Madrid and the succeeding presidencies of Salinas and Zedillo, the PRI experienced a fundamental shift in the manner in which it made policy, particularly economic policy. The corporatist mechanisms remained in place but no longer allowed labor and agrarian leaders to have a say in policy. The labor and the rural sectors became increasingly marginalized, as technocratic policymakers, many of them economists trained outside of Mexico, imposed liberalization and privatization with little input from outside the bureaucratic inner circle.<sup>49</sup> According to one interpretation, in a technocratic revolution, the state is not required to “express the unconsidered thoughts of the crowd, but rather to add to them mature thoughts, which precisely because they are mature, cannot fail to be different. The essential function of the state is to think.”<sup>50</sup>

However thoughtful the technocrats might have been, they could not command power and legitimacy. In order to maintain the political stability that would allow them

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<sup>48</sup> The notion of a technocratic revolution builds on the idea espoused by Theda Skocpol (1985), “Bringing the State Back In,” in Evans, Rueschemeyer, and Skocpol (eds.), that the transition to the market requires that states must be “organizationally coherent collectives...relatively insulated from ties to currently dominant socio-economic interests.”

<sup>49</sup> Centeno, (1994), 40-41.

<sup>50</sup> Badie and Birnbaum, (1983), 14.

to push through economic reforms, the technocrats needed the dependable PRI machine. So, despite the obvious differences between the ambitions of the original 1917 constitution and those who still subscribed on some level to its lofty goals and the ambitions of the conservative, pragmatic technocratic elite, the PRI was able to maintain sufficient mass support to enable the new revolution. According to one analyst, “The Mexican technocratic revolution owes much to the political machine it sought to dismantle. Thanks to the combination of repression and coaptation [sic] for which the PRI was justly famous, the bureaucracy could remain isolated from political pressures that so often stymie economic restructuring.”<sup>51</sup>

The initial incorporation of labor and the rural sector allowed the technocrats to manage potential conflict through devices that were at once time-tested and innovative. For example, President Salinas was certainly aware that the neoliberal economic model had seriously damaged the welfare of many in the rural and labor sectors. In order to effectively control any opposition,<sup>52</sup> Salinas revamped the old corporatist ties between the state and the labor and rural organizations with the introduction of the PRONASOL program, or National Solidarity.<sup>53</sup> An extraordinary increase in social spending, this program “served to provide the government with the political space needed to

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<sup>51</sup> Centeno, (1994), 73.

<sup>52</sup> The 1988 presidential race challenger, Cuauhtémoc Cárdenas, proved that the left would not go quietly. The race resulted in the smallest majority ever for a PRI candidate and accounts of electoral fraud were widespread and credible. Officially, six states had voted in support of the opposition.

<sup>53</sup> According to Jonathan Fox, (1994), 159, PRONASOL “claimed to shift the balance of power away from the bureaucracy and toward organized citizens. The impact of poverty was debated, but it worked politically; the president and Solidarity both had very high 1991 opinion poll ratings, much higher than those of the official party. Solidarity was clearly politically motivated in that it skillfully allocated disproportionate amounts of resources to recover areas of strong center-left electoral opposition.”

marginalize the opposition while the regime underwent its restructuring. In many ways, PRONASOL was the key to the success of the technocratic revolution.”<sup>54</sup>

Although some claim that the Mexican economic crises of the 1980’s and 1990’s and the introduction of NAFTA as a serious possibility caused, in large part, the transition,<sup>55</sup> this essay views the events as catalysts which made the situation more urgent. The shifting distributional consequences of neoliberal economic policies surely guaranteed that the PRI’s two main supporting groups – labor and the rural sector – would experience hardships, and almost just as certainly guaranteed that the members of the main opposition party, the PAN, whose interests were conservative and business-oriented, would experience a windfall. As has been shown, despite the hardships imposed on the rural and labor sectors, their electoral support remained sufficient to allow the PRI just enough time and political space to push through reforms. Using innovative programs (PRONASOL, for example) and traditional methods (good old patronage), the PRI was able to prevent the lower sectors from challenging reforms. In addition, the lower sectors themselves had little choice but to continue to rely on the PRI. Over almost seventy years, labor and peasants had come to depend on the PRI for their stature. They relied upon the benefits, the representation, and the respect they received from the PRI.<sup>56</sup> Very few independent organizations were available, even those

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<sup>54</sup> Centeno, (1994), 65.

<sup>55</sup> For example, see Vikram K. Chand, (2001). He argues that a combination of opening political space, social and economic development, and the economic crises of the 1980’s led to the political “awakening” of civil society. Consequently, opposition parties multiplied, civic organizations gained ground, elections became contested, and the Catholic Church became involved in pushing for democratization.

<sup>56</sup> Although this is true more so for labor than for peasants. The emergence in 1994 of the Zapatista rebellion demonstrated that many peasants felt they had little to lose from radical opposition. However, despite the Zapatistas and the publicity that they engendered, the peasants remained largely marginalized and were not able to stop the PRI from going forward with NAFTA. Part of the reason for this marginalization in the rural sector is that the PRI had been the only organization that successfully promoted the agrarian sector for many years and encouraged peasants to solve the collective action dilemma of

that did exist could not compete with the PRI in term of resources. The PRI was in a position of power over labor and peasants, and they were able to marginalize the influence of these groups while retaining sufficient support, through the skillful use of well-timed programs and slow institutional changes.

If the legacies of labor and rural incorporation and the corporatism of the PRI regime provide one side to the puzzle of the gradual transition, the burgeoning informal coalition between the technocratic-minded elites in the PRI and business elites outside the party provide the second side. In the 1980's and 1990's, the distinction within the PRI ranks between the *políticos* and the *technócratas* grew. The *políticos* were also referred to as the *dinosaurios*, or the dinosaurs. They represented the old vanguard of the PRI, the party politicians who based their careers within the organization, and could not contemplate an opening up of the regime. The *technócratas*, on the other hand, represented the new elites of Mexico. Often educated abroad, “the new elite defended orthodox economic policies, not as a direct articulation of class interests, but because these programs appeared as the only rational option.”<sup>57</sup> It quickly became clear that the fundamental interests and allegiance of the technocrats lay more with the *policy*, than with the *party*.

The principle credible opposition party post-1994, the PAN, represented mainly conservative interests, and indeed, supported macro-economic policies that largely coincided with the PRI's new technocratic outlook. While the technocrats, particularly

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organization. According to a similar interpretation, Levy and Bruhn (2001), 82, claim, “peasants face more obstacles to effective participation than [other] sectors...Most peasants will benefit less from NAFTA over the long run than labor, which anticipates an increase in jobs. Their main crop – corn – is unlikely to be competitive under free trade. Peasants also face formidable barriers to organization. They are more isolated than urban residents, get less education, and have lower incomes and less access to information.” Therefore, despite the relatively lower level of state dependence for peasants than for labor, peasants faced other challenges that prevented large-scale, organized opposition and allowed the PRI to marginalize them.

<sup>57</sup> Centeno, (1994), 191.

under the Salinas and Zedillo administrations were amenable to gradual political liberalization, they certainly were not willing to do so at the expense of the economic reforms. As Salinas himself stated, “the priority is economics.”<sup>58</sup> The result of the interaction between these two factors was that the technocratic element of the PRI could conceive a democratic transition, but only one that could provide a credible commitment from the new leaders that the economic reforms would continue. Therefore, the only acceptable outcome of democratic elections for the technocrats would be a victory by the PAN. The global economic integration had increased international pressures for democratization, thus raising the perceived opportunity costs of continued authoritarianism, but the outlook of the new technocratic elites made the transition possible.

Indeed there is evidence that the technocrats of the PRI were contemplating the possibility of true political liberalization as early as 1990. In order to counteract the challenge from the leftist presidential opposition candidate, Cuauhtémoc Cárdenas, after the 1988 election, Salinas approached the PAN to request an alliance. As “it became clear that the PAN was much more interested in collaborating with the ruling PRI than with the left opposition,”<sup>59</sup> Salinas was able to ally with the PAN to pass a constitutional reform which would give a majority of the seats in the legislature to the party receiving 35 percent of the vote. This episode not only strengthened the chances of either the PRI or the PAN (but not the leftist PRD) holding a majority of the legislative seats, but it also demonstrated the willingness of the PRI and the PAN to acknowledge their common interests in economic policy continuity.

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<sup>58</sup> *Newsweek*, December 3, 1990, p.39.

<sup>59</sup> Centeno, (1994), 62.

In the years leading up to the actual transition to democracy, dated from the 2000 alternation in presidential party, the PRI and the PAN did not work together in any sort of formal coalition or power-sharing arrangement. However, in order for the PRI to even conceive of a transition to full democracy, they had to be sure that their interests would not be damaged. The attractiveness of the PAN then, as a rival, is clear. Even writing in 1993, Miguel Centeno observed that “In general, the government seemed to envision a very selective democracy in which only votes for that opposition with whom it agreed could count and only those voters intelligent or ‘modern’ enough to choose correctly would be recognized.”<sup>60</sup> While Mexico has arguably transitioned to a fully participatory democracy with the 2000 elections, the first part of Centeno’s suggestion appears to have rung true – Vicente Fox, the PAN presidential candidate, won the election and Mexico’s technocratic macroeconomic policy has continued.

These events have demonstrated that, in fact, Mexico’s transition from authoritarianism was not one in which the outcome was uncertain, as O’Donnell and Schmitter suggest. Rather, the transition was one in which the elites of the PRI made a choice, based on the structure of the political system and the economic changes taking place in the world, to permit full democracy. Would they have done so had the changing international economic environment privileging business over the rural and labor sectors never come about? It is difficult to say. However, what is clear is that the legacies of incorporation combined with the growing coalescence of interests between the technocratic PRI elites and the opposition PAN made the costs of such a choice considerably lower than they otherwise might have been. Additionally, the opportunity costs of continued authoritarianism were increasing for the PRI. At a time when the

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<sup>60</sup> Ibid, 225.

international community was increasingly pressuring the Mexican government to fully commit itself to democracy – a change brought about in part by NAFTA and in part by widespread media coverage of the military’s heavy-handed response to the 1994 Zapatista uprising in Chiapas – the PRI technocrats could simultaneously gain legitimacy for the government as a whole, and ensure that any potential alternation would not disrupt their economic programs. This does not seem like an uncertain situation, any more than it seems like a moment of true choice. The decision had been made for them by a structure which made certain options seem highly more attractive than others.

### *Conclusion*

The history of Mexico’s durable authoritarian regime and eventual transition to democracy support the thesis that rural and labor incorporation insulated the PRI from social pressures for most the 20<sup>th</sup> century and also contributed to the temperate nature of the transition. A process of simultaneous mobilization and marginalization of the lower classes ensured that the PRI would remain dominant. It also provided the PRI with a measure of confidence that, in the event of a transition, those sectors would still be too dependent upon the regime to effectively mobilize in opposition. The economic liberalization and global integration of Mexico in the 1980’s and 1990’s increased pressure on the PRI to democratize and the introduction of a technocratic revolution made the chances of this becoming an actuality bearable. With the PAN as a rival, the technocratic PRI elites were reassured that any alternation in presidential party would not effect the long-term pursuit of macroeconomic reforms. In sum, the legacies of rural and labor incorporation allowed the PRI regime to remain durable for an extraordinary length

of time, and when combined with the alliance of technocrats and business interests, made the delicate transition likely.

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