

Rise and Fall of PRI and Its Inspirations

PROSPÉRITÉ ET DECADENCE DE PRI ET SON INSPIRATIONS

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Abstract: PRI, which was in power for 71 years, had been the most powerful party in Mexico. However, it was defeated by AC, the union of PAN and PVEM, in 2000 election. The firm position of a party in power is based on its social foundation that relies on its abilities to mobilize and control over society. The rising and declining experiences of PRI show that the party in power must have the abilities of forming and strengthening ideological condensation, transforming system, adjusting policy as well as coordinating and condensing the varied interests of society, then can it make itself remain invincible.

Key words: PRI, ideological condensation, transforming system, policy ability, coordinating interests

Résumé: PRI, qui a été au pouvoir pendant 71 ans, a été le plus puissant parti au Mexique. Toutefois, il a été défait par AC, l'union de PAN et PVEM, dans l'élection en 2000. Que la position solide d'un parti au pouvoir est basée sur sa fondation sociale repose sur ses capacités à mobiliser et à contrôler la société. Les expériences de prospérité et de décadence de PRI montrent que le parti au pouvoir doit avoir la capacité de former et renforcer la condensation idéologique, de transformer le système, d'adapter la politique ainsi que de coordonner et condenser de divers intérêts de la société, ainsi peut-il se faire rester invincible.

Mots-Clés: PRI, condensation idéologique, transformer le système, capacité politique, coordonner les intérêts

Continuously holding power for 71 years from March 1929 to December 2000, PRI Once was the most powerful party in Mexico. In 1980s, it even had a party membership of 13 million² and therefore became the most populated party and the one remained in power for the longest period of time in Latin America.

Such was a miracle in a political arena with numerous opposition parties, heating competitions and frequently reshuffles of power like Latin America that a party had been able to steadily stay in power for such a long time. However, in the July 2000 election of Mexico, PRI candidate Labastida lost to Fox, candidate of AC, the Union of PAN and PVEM, which finished the 70 years' regime of PRI and brought the country into the first period that an opposition party governs in modern Mexican history.

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* Received 25 December 2007; accepted 5 March 2008

The result of the election astonished the whole world. Why did a party as powerful as PRI degenerate from rising to fall, from a party supported so heartedly and extensively by its people to one complained all over the country and was eventually extricated from its position? This essay attempts to explore this question from the perspectives of ideological condensation, transforming system, policy ability and aggregation of interests, and seeks to find valuable enlightenment.

1. THE FACTOR OF IDEOLOGICAL CONDENSATION

PRI (Institutional Revolutionary Party) was the outcome of the Mexican Revolution from 1910 to 1917. It was formed in 1929 as Revolutionary National Party (Spanish: "Partido Nacional Revolucionario" or PNR). The party, reorganized for several times, changed its name to its current name Partido Revolucionario Institucional in 1946. At the time PNR was founded, Mexico was under a period when political turbulence and disruption was exacerbated by countless caudillos. The situation was deteriorated further by sharp social conflicts, slow economic development, fewer export increase rate, decreasing employment rate, falling proportion of industrial labor, declining payment to workers and increasing proportion of agricultural labor. Facing these contradictions together with political and social problems, PNR drew a conclusion out of years experience: Western theories could not meet the actual need of Mexico, and thereby could not help to solve those problems in reality. Mexicans could only depend on themselves to search for a path suitable to their own development. PRI was established under such guidelines.

Since its founding, PRI was a party "paid special attention to ideological struggle"³. In the early twentieth century, Mexican revolutionaries summarized their own "revolutionary principle"⁴ in the struggles against foreign military intervention and despotic dictatorship, that is: the theoretical principle of nationalism and populism.

1.1 The Principle of "Revolutionary Nationalism"

Nationalist ideology was proposed by PRI according to its national state.

As early as 1870s and 1880s, Latin American countries started to get out of the static economic situation and entered a growth period with export as leading factor, and their modern industries was developed as a result. However, the development did not extricate these countries from the abnormal economic situation formed during the colonial period. Quite to the contrary, as late development countries, Latin American countries found their economies fell into a semi-marginalized circumstance. The fact shows that, if Latin American countries want to develop from agricultural society lagging behind other countries to modern society, they have no choice but to get out of the economic dependency, and further to realize the nationalization of their economic development. In his book "Peripheral Capitalism: Crisis and Transformation", Raul Prebisch put forward his "center-periphery" theory which pictured the whole system of world economy and revealed the contradiction between "center" and "periphery" and the backward roots of the peripheral countries. Prebisch linked the development of peripheral countries with the independence of the nation, and demonstrated the necessity of those peripheral countries like Latin American countries to seek for a development path suitable for their own national interests.⁵

³ ZENG Zhaoyao. 1996. *Political Stability and Modernization: A Historical Investigation on the Political Model of Mexico*. Beijing: Oriental Publishing House, p.142.

⁴ ZENG Zhaoyao. 1996. *Political Stability and Modernization: A Historical Investigation on the Political Model of Mexico*. Beijing: Oriental Publishing House, p.142~146.

⁵ LIN Beidian. 2003. "Rethinking of Mid 20th Century Social Reforms in Latin America". Paper presented on the Symposium of "Reforms and Development in 20th Century Latin America", October

In Latin America, Mexican Revolution lead the trend of following the path of national autonomous development. The heart of the basic principles of Mexican Constitution of 1917 is “revolutionary nationalism”, which emphasizes the protection of economic sovereignty and the resistance of the invasion of foreign capital. Former president de la Madrid defined “revolutionary nationalism” as following: “Nationalism is the basic value for the existence of Mexico”, it is “one of the basic concepts in Mexican revolutionary thoughts system”, and “without nationalism, it is hard to imagine what kind of way of living would Mexicans live to enjoy their freedom, and what format of democracy we would have, and how the value of justice would be embodied.”” If we want to become a free people, if we wish to live democratically, and if we want to establish social justice, all of these is simply because we want to do so as Mexicans, to think so as Mexicans, and to make up our mind so as Mexicans. Therefore, I believe, nationalism includes all other valued, decisions or values that should determine other values.” “We can not survive without nationalism”⁶ Revolutionary nationalism becomes an important thinking weapon for Mexicans to protect their national sovereignty. Through revolutionary nationalism, PRI united Mexicans together, and finally broke away with the path of blindly following the West that had been pursued for over 100 years, and therefore explored a brand new development road of national autonomy. With no exception, all Mexican presidents before 1980s adhered to such principle, which “truly launched the transition of Mexico from traditional society to modern society”⁷

1.2 The principle of “Populism”

In Latin countries, nationalism is closely connected with populism and is chiefly symbolized in the form of populism. Populism, as it is called, basically imply to emphasis the value and ideal of common people and “social equality”. In the process of the modernization in Latin America, the rising bourgeoisie would have to mobilize the masses to form alliance with them so as to jointly participate into political reforms and economic development to fundamentally change its marginalized social position and to further smash the oligarchic monopoly over power. At the same time, the masses who were depressed deeply by foreign capitalists and oligarchies were suffering despicable living condition, and vehemently demanded to change their situation. Thus, populism was developed reasonably. In 20th century, populism turned out to be a by-product of the modernization of Latin America, which reflects the modernization tendency of these countries. Hence many scholars identified it as “populism of developism”.⁸ As early as the beginning of the 20th century, after the failure of political westernization movement in the past 100 years, Mexican liberalists had come to the conclusion that European and American constitutional principles with individualism as foundation could not meet the Mexican need in reality. As a late development country, Mexico is facing multiple goals which indicate that it can not solely consider the one or two goals of a small group of people and ignored other goals. After the breaking out of Mexican Revolution of 1910, movements initiated by Mexican peasants fighting for their land ownership and workers striving for their rights developed vigorously. Hence, in order to coordinately reach the multiple goals facing the country on a basis of common interest principle, it is urgent to find a common interest and legal basis for Mexican political and social development.

Out of the above concerns, as achievements of the revolution from 1910 to 1917, Mexican Constitution of 1917 modified the individualism principle in Constitution of 1857 into “Social Rights” principle, and also revised the stipulations of civil rights and human rights in previous constitutions. The Constitution of 1917 inherited the rules of equal right, security right, property right and freedom right settled in preceding constitutions, and based on which, it further proposed new theoretical principles such as “equally distribute public wealth”, “enforce equivalent development of the nation and improve

⁶ ZENG Zhaoyao. 1996. *Political Stability and Modernization: A Historical Investigation on the Political Model of Mexico*. Beijing: Oriental Publishing House, p.144.

⁷ LIN Beidian. 2003. “Rethinking of Mid 20th Century Social Reforms in Latin America”. Paper presented on the Symposium of “Reforms and Development in 20th Century Latin America”, October

⁸ LIN Beidian. 2003. “Rethinking of Mid 20th Century Social Reforms in Latin America”. Paper presented on the Symposium of “Reforms and Development in 20th Century Latin America”, October

living conditions of both urban and rural people”.⁹ The implementation of such social rights was warranted with the government interference.

During the presidency of Cárdenas in 1930s, the government pursued populist route, and supported movements of workers and peasants. In the alteration of the party name from PNR to PRI, the government even brought workers and peasants into party system of the government. In Cárdenas administration for 6 years, radical land reform was executed, peasant organizations were merged into National Peasant Association to protect peasantry benefits and to guard the principle of “farmer possesses farm”. As to the relationship between labor and capitalist, the government took a stand of protecting legal rights of labor, and at the same time helped workers fulfill their requirements of raising their payments and improve their working conditions.¹⁰

In 1969, PRI reaffirmed in its Manifesto of PRI Principles that “PRI is a political organization maintaining the principle of ‘Mexican Revolution’”, its main goal was to “endeavor to establish a new society”. “The characteristics of this new society are: Everyone can fully benefit from material and cultural welfare that is needed for a living with freedom and dignity; Citizens frequently participate the management of government; The state has absolute right of domination and exploration over the entire natural resources of the nation; Productivity should be increase to its utmost limit; The state would interfere economic activities with plans so as to preserve and develop national heritage and distribute wealth and income fairly and equally.”¹¹

The nationalist and populist ideology of PRI did meet the need of social development in Mexico and it reflected the national and majority interests. The ideology displayed a image of maintaining social justice of PRI and therefore received extensive support from the mass which formed a broad social base for PRI and enabled PRI to stand still for a rather long time in that historical period.

However, ever since 1980s, coming together with the change of national economic strategy and the alteration of economic policy, great transforms took place in the ideology of PRI. It dropped the revolutionary principle upheld for a long time, and “Neo-liberalism” took the place of “Revolutionary Nationalism” and “Populism”. Even though Miguel de la Madrid, the newly elected president of Mexico in 1982, repetitively stressed that “revolutionary nationalism will guide all my actions”, and “revolutionary nationalism will continue to be the basic guidelines for our people in the coming years”,¹² in fact, start from de la Madrid government, PRI gradually abandoned revolutionary nationalism, and instead, “Neo-liberalism” under the name of “Social Liberalism” displaced “Revolutionary Nationalism” and “Populism”, and the principles of Mexican revolution were also discarded.

In July 2, 2000, PRI were defeated in the election. On the meeting of PRI National Executive Committee the second day right after the election, committee member Orti sharply pointed out that the reason for PRI’s failure in the election existed in the fact that the party “deviated from revolutionary direction and its party principles”, “the party betrayed itself by changing nationalism into neo-liberalism and replacing sovereignty with globalization.” Manuel Bartlett Diaz, PRI senator, pre-Interior minister and ex-governor of Puebla, held that PRI failed because “the party lost its direction, and deviated in ideology, the epidemic of neo-liberalism were infested too widely within the party,” and “social liberalism was imposed onto the party, which distorted the principles of the party, weakened the power of party and therefore disconnected with the grass-roots”.¹³

After dissenting its previous theoretical principles, PRI failed to timely put forward new theoretical

⁹ ZENG Zhaoyao. 1996. *Political Stability and Modernization: A Historical Investigation on the Political Model of Mexico*. Beijing: Oriental Publishing House, p.19.

¹⁰ LUO Rongqu. 1993. *Comparative Studies on Modernization of Each Country*. Xian: Shanxi People’s Publishing House, p.480.

¹¹ ZENG Zhaoyao. 1996. *Political Stability and Modernization: A Historical Investigation on the Political Model of Mexico*. Beijing: Oriental Publishing House, p.147.

¹² XU Shicheng. 2001. “Why did PRI lost after 71 years of Uninterrupted Ruling”. Beijing: *Latin American Studies*, Issue No.5.

¹³ XU Shicheng. 2001. “Why did PRI lost after 71 years of Uninterrupted Ruling”. Beijing: *Latin American Studies*, Issue No.5.

principles that could either fit the reality and requirement of the new epoch or the ones that could serve the interests of the mass. As a result, ideologically it lost its cohesiveness and call among the mass. The prestigious American political scientist Samuel Huntington ever pointed out that consensus is a prerequisite for every institution.¹⁴ The degree of government in one nation can be identified in the following fact: whether the country can acquire “national identity, legitimacy, institutions, potency, stability”, and “whether its people have highly consensus on the legitimacy of the political system, whether common sense and ideals about public interests and basic principles on which the power depends upon can be reached between citizens and leaders”.¹⁵ This is especially true in a country where its people uphold such a “high level sense of citizen potency”¹⁶ like Mexico.

It is a requisite capability for one party in power to form a series of extensively supported theoretical ideas that fit the reality of the nation as well as the basic and long term interests of common people so as to keep ideological cohesiveness. Such is also the foundation for one party in power to withhold its long term stability. Without this capability, deviation on ideology could give rise to deviations in political and policy actions of the party in office which would result in the lost of popularity and eventually lost the support and backup of its people.

2. THE FACTOR OF SYSTEM TRANSFORMATION

Ever since its date of foundation, PRI had been showing up as official party. For many time, either in its party programme and party constitution, it declared that it would adhere to principles of both nationalism and social democracism, and belong to the alliance of revolutionary classes constituted of workers, peasants, bourgeois and capitalists. PRI had been a party organized with corporatist structure, which had been PRI's institutional foundation that helped sustain its regime for years.

According to the interpretations of Western scholars, so called corporatism is the kind of “theory and practice of various corporations that brings the whole society under the control of the country” .¹⁷ Those corporatist structures established in PRI period were not a result of western theories. On the contrary, different from pluralism, they were structural system representing various interests, which were institutional structure created on the basis of Mexican's own political environment. In such structural system, corporations protect the interests of their own industry. As representatives of social interest group and their own industry, some of the most important corporations like Labor Union and Farmer Union kept a cooperative and co-supportive relationship with the state. Such structural system integrated social interests with national interests, and for a rather long historical period, had played an important role in sustaining political stability in Mexico and the ruling status of PRI.

In 1920s, PNR, the precursor of PRI, had been a unification of social elites and excluded workers, peasants and middle class who were the majority of the society. At that time, Mexican politics was in great turbulence. The political practice indicated that the mechanism of such elite cooperation had obvious weaknesses and could not uphold political stability in the long run. In 1930s, Lázaro Cárdenas started out to reform. He established Party of Mexican Revolutionary (PRM) on the floor of PRN, and absorbed workers and peasants into the newly born ruling party. Rather than applying organization of previous official parties that divided administrative areas geographically, he incorporated the

¹⁴ Samuel Huntington. 1983. *Political Order in Changing Societies*. Translated by Jiang Bingwen. Taipei: Liming Culture Enterprise, Co, p.19

¹⁵ Samuel Huntington. 1983. *Political Order in Changing Societies*. Translated by Jiang Bingwen. Taipei: Liming Culture Enterprise, Co, p.1

¹⁶ Samuel Huntington. 1983. *Political Order in Changing Societies*. Translated by Jiang Bingwen. Taipei: Liming Culture Enterprise, Co, p.326

¹⁷ ZENG Zhaoyao. 1996. *Political Stability and Modernization: A Historical Investigation on the Political Model of Mexico*. Beijing: Oriental Publishing House, p.82.

organization of corporatism instead, which divided the whole party into four professional departments: worker department, farmer department, popular department and militant department (which was later dismissed). Under such organization, social classes at all level were incorporated into the official party system, exchanges and checking mechanism among the departments were also established.

The above settlement enabled the coordination and resolutions of the discrepancies among social classes to be conducted under the framework of ruling party. More importantly, it largely expanded the social basis of the ruling party, and at the same time moderated the earlier tendency among different social class members to care much about the gains or losses of their interests and rights, strengthened the centripetally trend of social classes to support PRM. The systematic structure together with the official political route of populism won the heart of social classes so much that they willingly cooperated with the ruling party, and therefore, Mexican political stability and the firmness of the ruling party was guaranteed.

Ever since 1930s, the economic nationalist policy of Mexican ruling party (originally PRM, and later transformed into PRI) brought great benefits to workers: the government revised labor law and relative regulations which clearly stipulated the minimum of payments; it also backed up the benefits of workers in the negotiation between labor and capitalists; the government also provided workers with many social welfare beside payments, such as social insurance, medicate, education, living necessities and house allowance. During this process, the ruling party further unified dozens of national professional associations into Confederation of Mexican Workers (CTM) which kept labor organizations in a close relationship with the state.

In rural areas, Cárdenas satisfied poor farmers' eager demand for land with land reform as precursor. During the efforts providing farmers with water resources, credit, fertilizer and other means of production and welfare, National Peasant Confederation (CNC) was set up through which farmers were pulled onto the government track. Consequently, rural poor farmers became the greatest supporters of Mexican government and official party since 1930.

In addition, PRI formed National Confederation of Popular Organizations (CNOP) for artisans, merchants, transport contractors, the cooperative members, bank clerks, small factory owners, small farmers, urban migration, engineers and technicians, professionals, State civil servants, which contained 13 occupational groups and turned into "a party shelter for any supporter."¹⁸

Construction of PRI corporatist system was based not only on its better understanding of national conditions and needs of Mexican people, but on the ground of Mexico, which enabled it to be effective in a rather long historical period. However, such corporatist institutional structure also had drawbacks. Those contradictions caused by such shortcomings were covered in certain period, when major changes occurred in society, it emerged prominently, and became one of the reasons that cause PRI to back down..

Firstly, the connections between the state and all social circles, especially with workers and farmers, established through the three Confederations had become a shelter relationship , The corporatist relationship built on weak economic foundation economically further worsened the dependency of workers and farmers on government, and displayed certain degree of vulnerability. Once such protection relations turned loose, the corporatism system may collapse.

Secondly, in the course of maintaining the corporatist system, PRI fostered part of the corporatist elites, it cultivated an elite circle in CTM and CNC, and formed a reciprocal relationship between PRI and the elites in CTM and CNC. These elites played an important role in retaining the regime of PRI, and the elites themselves also won many benefits in the process. At the times when the state economic was under restructuring and marching into market oriented economy, when these corporatist elites got the sense that the past reciprocal relationship between the state and themselves could not be maintained, and when they felt that their own vested interests were in danger, they turned against the government, against the ruling party, and thus became a threat to dominant position of the ruling party.

¹⁸ ZENG Zhaoyao. 1996. *Political Stability and Modernization: A Historical Investigation on the Political Model of Mexico*. Beijing: Oriental Publishing House, p.97.

In addition, the corporatist structure maintained by the official party for a long time also presented the appearance of conservativeness and rigidity. When major changes occurred in national politics and economy, it increasingly displayed its inadaptability.

Since 1980s, facing the serious debt crisis, PRI in submissively accepted the neo-liberalist reform model under the pressure of "Washington consensus" and domestic industrial and agricultural exporters in Mexico. The neo-liberalist reform had such a tremendous impact on traditional populist political system of Mexico that previous corporatist structure gradually collapsed. At this time, the severe challenges facing PRI were the reconstruction of the institution in the new situation, and the making of a choice for the future. Obviously, returning to the past was impossible. Then, what foundation should the reconstruction be based on? Under the pressures, neither did PRI prevent the collapse of traditional social infrastructure and corporatist system, nor did it transform its system to introduce new social class into a new track of institutional structure.

As Huntington proposed in his study of situations in changing societies that a political community must have consensus toward law and a notion of common interest, which must be reflected in behavioral dimension and its combination must be regular, stable and secular. In short, it must be institutionalized. In other words, the establishment of a political system stable enough to reflect ethical consensus and mutual interests is another condition crucial for a political community to maintain itself in a complex society. These institutions, in turn, could grant common goals with new sense, and create new links between individuals and groups of special interests.¹⁹

As a developing country, the reconstruction of institutions is both an innovation and inheritance of their own culture and tradition. Only those institutions established on the basis of absorbing and integrating their own historical experience, deriving beneficial factors from other countries in accordance with the law of development can acquire real vitality. Institutional reconstruction is not easy to resolve, it may inevitably lead to various problems which may have serious results such as social instability, the loss support of the ruling party and even may threaten the regime of the party.

The reason why PRI had been able to keep its brilliancy and stability in Mexican political arena since 1920 for over half century is because that it found a path of development that was suitable for itself and, at the same time, created an effective institutional structure. Just as Zeng Zhaoyao mentioned, "The reason why people have so much interests in Mexican political system is, besides its long term stability, mainly because of the characteristics that whether the political structure of the system, the organizational structure of the party, or the power structure of social classes were all localized, which are not available in ordinary political system."²⁰ James Burns, the famous American political scientist, praised the Constitution of 1917 as "the first example of constitutional document that reflect the experience of home country without simply copying political ideas from either Western Europe or the U.S."²¹ However, in the face of the changing international and domestic situation since 1980s, PRI lost its initiative together with its ability of renovating its institution which cause the deviation of Mexican political and economic development from its own track and thus lost its foundation where PRI was base upon.

Evidently, it is important to find a development path that meets the condition of their own and to transform the system in time when developing countries are trying to learn from the achievements of advanced civilization and successful experience of modernization in western countries. It will be a major challenge for ruling party to enhance their ability of system transformation and to guide the society into the right track.

¹⁹ Samuel Huntington. 1983. *Political Order in Changing Societies*. Translated by Jiang Bingwen. Taipei: Liming Culture Enterprise, Co, p.9~10

²⁰ ZENG Zhaoyao. 1996. *Political Stability and Modernization: A Historical Investigation on the Political Model of Mexico*. Beijing: Oriental Publishing House, p.66.

²¹ ZENG Zhaoyao. 1996. *Political Stability and Modernization: A Historical Investigation on the Political Model of Mexico*. Beijing: Oriental Publishing House, p.21

3. THE FACTOR OF POLICY ABILITY

Among the discussions of the reasons for PRI's stepping down, there is no lack of disclosure of corruption in PRI. Obviously, strengthening the supervision of the party and preventing its corruption has been an important and institutional construction issue for the one-party system. However, an uncorrupted ruling party is not necessarily a party that is too capable in governance, it is even less necessarily to be one with strong policy abilities. The practices in the political and economic development in many countries show that a party that does not have much policy abilities will bring great losses to the state due to its policy fallacy which may cause further damages to the interests of common people. On account of these reasons, it is necessary to look for useful inspirations by analyzing policy abilities of PRI throughout its reign.

In investigating the ruling strategies of PRI, many scholars proposed the "pendulum effect"²² in the policy procedure of PRI, which refers to the procedures and features PRI applied to adapt to changing circumstances, resolve social conflicts, adjust social relations and maintain political stability by way of replacing presidential candidate and timely adjustment of policies. Just as Zheng Zhencheng put it, "With the change of the balance of power between private and public which influenced the pressure on the government, policies in Mexico switched between the two ends of ideology."²³

For a rather long time, Mexico had been a mixed economy that had a variety of ownership coexisting. The incorporation of means of production and producers were not unified. There were both private economy and state ownership; it even included the ejido system and Indian commune system. With the development of market economy and modernization, private economy expanded steadily, ejido system and commune system gradually disintegrated, the rich and poor gap increased, latifundium re-emerged, and social polarization went worse. In such circumstances, the relationship between the owners of means of production and the labors must be adjusted with care to guarantee the regular operation of production system and the continuing growth of the economy. Either ejido system and commune economy, or the basic rights of the labors should be protected with caution. Not only should the activities of the owners of means of production be fully used to promote the development of market economy, but also should the enthusiasm of labor be emphasized so that capital accumulation will not be too excessive. Based on the above considerations, Mexican constitution had take both kinds of enthusiasm into account and not only stipulated the principle of populism and social interests, but affirmed the existence of private ownership so that complemented both principle to ensure the balanced development of the economy.

Thus, PRI presidents since 1930s had always been swinging between "Cárdenasism" and "Alameinism". "Cárdenasism" refers to policies emphasizing both populist principle stipulated in constitution in economic development and land reform and the nationalization of oil and other policies as orientation, while "Alameinism" refers to policies limiting land reform, encouraging the development of private enterprises and stressing the principle of "private initiative" in the constitution.²⁴ Before 1980s, PRI had been moving between these two doctrines trying to tend benefits and keep away from harms. Presidents up to this time had been carrying out policy adjustment and macro-control according to the necessity of situation and the balance of social forces.

Since 1940s, Mexico entered into the "era of economic development".²⁵ The acceleration of the accumulation of capital, the rapid growth of private capital and the worsen unequal income distribution attributed to the intense relationship among social classes. In this case, Mexican government seized the opportunity and initiated two social security institutions successively in 1943 and 1958, with the former

²² ZHENG Zhencheng. 2002. Neo-Liberalist Reform and Populist Administrative Power: On the social origins of PRI's failure. *Dissertation of Chinese Social Science Academy*, May, p.27

²³ ZHENG Zhencheng. 2002. Neo-Liberalist Reform and Populist Administrative Power: On the social origins of PRI's failure. *Dissertation of Chinese Social Science Academy*, May, p.27

²⁴ ZENG Zhaoyao. 1996. *Political Stability and Modernization: A Historical Investigation on the Political Model of Mexico*. Beijing: Oriental Publishing House, p.180

²⁵ ZENG Zhaoyao. 1996. *Political Stability and Modernization: A Historical Investigation on the Political Model of Mexico*. Beijing: Oriental Publishing House, p.183.

one provide Mexican masses with free medication and subsidies for birth, aging, sickness, death, disabilities, unemployment and accidents, while the latter one supplied state government servants, public school faculties, staffs and their families with old-age insurance, payment protection, child welfare and working protection besides free medication. After the Second World War, in the process of industrialization, the reason why the lower class in Mexico were able to stand with the pain of lower payment and made "the greatest sacrifice"²⁶ was that the government implemented the social security policy so that the interests of the mass were compensated. When the interests of the private sector were affected and dissatisfied, the government formulated coordinate policies for macro-control and offered private enterprises with benefits such as tax cuts, free tariffs and higher price for commodities.

But entering into 1980s, Mexico plunged into serious economic crisis caused by rapid increasing of international loan rates and falling of oil price. The crisis pushed Mexico into a neo-liberalist reform process. "Washington Consensus", IMF and the World Bank and other international financial institutions began to play bigger roles in Mexican economic policy makings and model selections.

Initially, Mexican government was not interested in foreign economic intervention. According to the descriptions given by one of the officials participating in the negotiations with the World Bank during the administration of President Madrid, "World Bank hoped that Mexico should immediately realize free trade, but the government did not think so, since World Bank did not have to consider domestic response---but we did. So we must follow our own steps."²⁷ Several government departments, such as the Ministry of Trade and Industrial Development and the Ministry of Finance, opposed excessive and radical free trade at first, but under the pressure of the outside world and the further deterioration of Mexican economy, these departments soon changed their attitudes.

Neo-liberalist economic reform since 1980s had brought series of problems to Mexican society and economy. Because the market was opened too abruptly, domestic enterprises, especially small and medium enterprises fell into difficulties and even bankruptcy in front of the sudden attack of outside competition. Enterprises' abilities to create employment declined which lead to the rising of domestic unemployment. In 1995, the unemployment rate of Mexico city was as high as 6.8%.²⁸ From 1982 to 1994, the index to both the minimum payment and actual income level of Mexican workers presented a declining tendency.

Neo-liberalist policies allowed free trade of ejido land, as a result of which the ejido system existed only in name and poor farmers especially Indian farmers lost their living resources once lost their land. As statistics shows, by the end of 20th century, Mexican in poverty reached 46 million, of which the number for extreme poverty was 27 million. 10 percent of the rich population owned 80 percent of the national wealth.²⁹ Because of too much dependency on foreign capital, Mexico immediately plunged into crisis when foreign investment situation reversed in 1990s. When Mexican society and domestic politics was shaken by the incompatibility of economic development, foreign investment discouraged and even withdrew capital which further exacerbated Mexican economy.

Neo-liberalist policies caused obvious incompatibility in Mexican economic growth and social development. The self macro-control abilities of Mexican government were weakened and it was unable to introduce effective policies to alleviate the increasing domestic polarization of wealth and many other social problems. The gap between rich and poor was intensified which brought about the issue of social justice. The "sense of injustice" grew fast which indicated that the government is under "faith crisis". In 1990s, Monterrey city of Mexico had a demonstration of 40,000 people protesting the government. Demonstrators burnt their party certificate and announced to "put an end to all their political

²⁶ ZENG Zhaoyao. 1996. *Political Stability and Modernization: A Historical Investigation on the Political Model of Mexico*. Beijing: Oriental Publishing House, p.184.

²⁷ ZHENG Zhencheng. 2002. Neo-Liberalist Reform and Populist Administrative Power: On the social origins of PRI's failure. *Dissertation of Chinese Social Science Academy*, May, p.31.

²⁸ XU Shicheng. 2003. "Economic Reforms and Development in Mexico(1982-2003)". in Latin American Economic Department of Chinese Social Science Academy ed. *Reforms and Development: Article collections on Latin American Economy*, Oct.

²⁹ XU Shicheng. 2003. "Transformation of Party and Political System in Mexico At the turn of the century". Nanking: *Journal of Jiangsu Administrative Institute*, Issue No.1.

dependency”.³⁰ Indian farmers in southern poor mountain areas rose even in rebellion, there broke out the largest scope of armed peasant uprising ever happened in the ruling of PRI. At this moment, as the ruling party, PRI's resignation was within sight.

Evidently, policy capabilities were crucial for a ruling party. A party lack of policy capability may ruin the good reform situation in one day. The life and property of the state and its people may accordingly suffer great losses that usually exceeded the disaster a few corrupted officials could possibly brought to the nation and people.

Huntington ever praised PRI as to have “shown substantial adaptability” ”in the perspective of policy renewal capability”.³¹ PRI did maintain its policy adaptability to development in reality and remain unconquered for a rather long historical period by improving its political system and strengthening its policy adjustment capability. However, it eventually lost its policy autonomy and policy adjustment capability in the process of modernization, and therefore, lost its adaptability to current development together with the hearts of its people and its regime. The experience and lesson could have some crucial inspirations for those ruling parties of development countries under the process of modernization.

4. THE FACTOR OF INTEREST SYNTHESIZING FUNCTION

In order to make itself invincible and retain its ruling and political stability, a ruling party need to put the express of public opinion, political integration and interest synthesizing under the track of its political program and policies. After all, the legitimacy of a party have to attain the support and endorsement of the populace. If it fails to coordinate various interests , could not reflect the interests of the common people and serves the interests of only a few people or even a few of the elite groups, its legitimacy would not be acknowledged and would eventually lost its rule. PRI had just gone through such a process, in which the interests of the common people was met initially, and later when politics and policy deviated, the interests of lower class mass was sacrificed, which led to its lost of the support of these people and its regime.

Over the years, the revolutionary principles of PRI had been based on the Constitution of 1917, which stipulated the rule of “social rights” and had always put it in the first place. According to the situation like war among warlords for years, the majority of the peasants had no land, and the extreme poverty of workers, the constitution went for land reform to meet the need of peasants, and by protecting the interests of workers with law, it saved workers from the exploitation and abuses of factory owners. In PRI's ruling for the past few decades, it sought to make itself into a national party with great unitarity and broad popular support that was inclusive of different political forces. The party further claimed itself as a party system that can “cooperate” with every class. The corporatist structure had been the institutional representation of its interest synthesizing.

The corporatist structure formed by PRI included Ministry of Workers, Ministry of Peasants, and Ministry of People. Among them, Ministry of Peasants built up a bridge between the government and the peasants, which enabled the government to easily understand the sufferings and needs of the peasants, and to get a better idea of the economic conditions and social conflicts in rural areas, so that the government could timely make effective policies and measures to solve the problems and alleviate the conflicts. In reverse, government policies could also win the support of the mass peasants. In corporatist structure, Ministry of Workers was composed of various professional unions, which contained 15% of

³⁰ ZHENG Zhencheng. 2002. Neo-Liberalist Reform and Populist Administrative Power: On the social origins of PRI's failure. *Dissertation of Chinese Social Science Academy*, May, p.37.

³¹ Samuel Huntington. 1983. *Political Order in Changing Societies*. Translated by Jiang Bingwen. Taipei: Liming Culture Enterprise, Co, p.324

the working labor and 25% of the urban labor.³² According to Mexican constitution and labor law, the interests of organized workers are under the protection of government and official party. Government appropriated funds to labor unions for economic allowance from the financial budget, and labor unions could also participate into education, health insurance, housing and other welfare programs sponsored by the government. Of course, in turn, labor unions had to ensure to subordinate to PRI's leadership when they took part in politics. Such political orientation not only protected the interests of workers, but guaranteed greater support from the workers.

Ministry of People was a department with broad social sectors. There was no special limitation for being its member. Both members from lower and upper class were welcomed. It included CNOP, a confederation consisted of various groups from different social classes. Generally speaking, the main part of this ministry was middle class. Even though middle class was not ranked as dominate in Mexican Constitution and political program of PRI, considering their number, strength and their increasing role in the process of modernization, PRI regarded it as one of the basic party pillars and formed a interdependent relationship between the Ministry of People and the state. In addition, PRI also had paid attention to develop and expand the corporative structure to meet political needs from citizens whose political awareness was constantly enhanced and from interest groups whose numbers were increasing with time. PRI even allowed interest groups that were not included in any sector to participate into its decision making. Thus, PRI greatly enhanced its governmental capability in policy making and at the same time, reinforced the capability of the government to synthesize interests.

In the rather long historical period of its ruling, PRI had paid close attention to coordinate the relationship between public and private sectors by taking care of the relationship between economic growth together with capital added value and the redistribution of resources to working force so that to keep balance among different interests. The consultation, adjustment and arbitrate system were established in enterprises for the above purposes in order to solve labor disputes and maintain the normal operation of producing system. For the purpose of coordinating relationships among different social classes, PRI had made clear provisions in its constitution on subjects such as minimum payment, income distribution, the issue of striking, and the closure of enterprises. Special adjustment and arbitrary institutions composed of employers, employees and state representatives were also established, some examples are the Labor Relations Committee, National Minimum Payment Commission, National Committee on labor shareholding of profits, the Mexican Social Security Institute Technical Committee, National Labor Housing Fund Association, National Tripartite Committee and the like, which were responsible for mediating and arbitrating various disputes and going back and forth between the two ends of interests by way of political macro-controls.

As PRI had coordinated and dealt successfully with interests of various class and strata, the majority of Mexican regarded this party as the representative of their interests, thus ensured the ruling stability of PRI.

However, the long term one-party rule of PRI also brought up growing tendencies of ossified polity and internal struggles. The official corporative ministry leaders became increasingly bureaucratic. Out of the consideration of their own political future development and vested interests, bureaucratic elites became more and more responsible for their superiors and more and more perfunctory to the need and appeals from the lower common people. Corporative elites even showed much tendency of corruptions. Increasing dependency on government weakened the ability of corporations to participate national affairs which further damaged their function of reflecting the appeals of the mass. In 1960s, division had already appeared in corporations. Because of the right deviation of national policies, about 35,000 peasants broke away from the Ministry of Peasants and founded the "Confederation of Independent Peasants".³³ The centrifugal indications of corporation from the state began to show up. After PRI

³² NIE Yunlin. 2000. *Political Modernization and Political Stability*. Wuhan: Hubei People's Publishing House, p.372

³³ LIU Dewei. 2000. "Historical Rise and Fall of PRI in Mexico". Beijing: *Matter of Socialism in Modern Time*,

issuing its neo-liberalist economic policies in 1980s, the centrifugal tendency of corporative organization intensified. In 1990s, severe polarization appeared. When the mass felt that the ruling party could no longer reflect their interests, the previous corporative system can not be maintained any more. The collapse of institutional system that maintain the ruling of PRI shook the regime of PRI to its foundations.

PRI president candidate Labastida who was defeated in the 2000 election once commented, "PRI should know that at no time should it abandon the protection of the interests and rights of the mass and majority."³⁴ The fact was once a ruling party gave up protecting the interests and rights of the mass and majority and could no longer coordinate social interests, it would not maintain its own ruling status and the stability of the society.

Huntington once said that the biggest distinctions between modern countries and traditional countries are the degree to which their people participate into politics and the influences they got from it.³⁵ The prerequisite of political stability is to have a party system that could accommodate new social forces appeared in the process of modernization.³⁶ French political scientist Tocqueville also pointed out that among the governance principles of human society, one principle seems to be most explicit, that is, if human race intends to maintain its civilization or to be civilized, when the equality of their surviving conditions were improved, the art of combination must be improved with the same proportion.³⁷ As a ruling party, its status depends on the will of the people. A skillful ruling party must possess the capabilities of absorbing all social classes and coordinating all social relationships and interests can it be possible to consolidate its power.

CONCLUSION

In summary, the solidarity of a ruling party depends to a large extent on its social foundation. Whether it can uphold a broad social foundation depends mainly on its capability of mobility and control of the society. The rise and fall of PRI mirrored the changing of its social foundation. In its early period, PRI had effectively solved a series of problems such as forming ideological cohesion as a ruling party, implementing institutional transformation, executing policy adjustment and synthesis social interests, and it efficiently resolved many social, political and economic problems and thereby won the support from the masses and solidly maintained its regime for a long period of time.

After 1980s, deviation of Mexican development path weakened PRI's capabilities in several aspects. Firstly, it changed the direction of economic policy so fast that the politics and economy of the country suffer a great shock in a short time. All kinds of pressures caused the state losing its autonomy in economic development. Policy fallacies damaged basic interests of the common people. Secondly, without cautious research and analysis of its own condition, PRI hastily changed its constitutional principles pervading its ruling and weakened ideological cohesion of its people, and what is worse, it failed to address the new situation by readjusting its theoretical program and principles to unify its people. This is just like a ship lost its compass in the ocean and thus lost its direction. Thirdly, in the face of the abrupt international and domestic changes, the collapse of corporative structure and incompatibility of previous institution, PRI did nothing helpful and thus failed to transform its institution and form a new, compatible institution to meet the changing conditions. Fourthly, the dislocation of economic and social development lead to the imbalance of social interests which made PRI lose its

Issue No.1.

³⁴ XU Shicheng. 2001. "Why did PRI lost after 71 years of Uninterrupted Ruling". Beijing: *Latin American Studies*, Issue No.5.

³⁵ Samuel Huntington. 1983. *Political Order in Changing Societies*. Translated by Jiang Bingwen. Taipei: Liming Culture Enterprise, Co, p.31

³⁶ Samuel Huntington. 1983. *Political Order in Changing Societies*. Translated by Jiang Bingwen. Taipei: Liming Culture Enterprise, Co, p.431

³⁷ Alexis de Tocqueville, *Democracy in America*, tr., Phillips Bradley, N. Y.: Knopf, 1955, 2. p.118

previous broad social foundation. In such circumstances, a ruling party lost its once solid regime.

In short, the rise and fall of PRI was just like a mirror providing us with many inspirations. It enable us to see that a ruling party must possess not only the capability of forming and strengthening ideological cohesion, but that of institutional innovation, better adjustment of policy and synthesis of various social interests. Except for strengthening its capabilities, the ruling party must be cautious of the current situation, seek truth from facts, and take safeguarding the interests of the broadest common people as its fundamental mission. This is the only way it will make itself invincible.