

Association for Information Systems

AIS Electronic Library (AISeL)

ICEB 2001 Proceedings

International Conference on Electronic Business
(ICEB)

Winter 12-19-2001

Economic and Political Transition of the Mexican State in the Threshold of 21-th Century: From the Entrepreneurial State to the State of Enterpeneurs

José G. Vargas-Hernández

Follow this and additional works at: <https://aisel.aisnet.org/iceb2001>

This material is brought to you by the International Conference on Electronic Business (ICEB) at AIS Electronic Library (AISeL). It has been accepted for inclusion in ICEB 2001 Proceedings by an authorized administrator of AIS Electronic Library (AISeL). For more information, please contact elibrary@aisnet.org.

ECONOMIC AND POLITICAL TRANSITION OF THE MEXICAN STATE IN THE THRESHOLD OF TWENTY-FIRST CENTURY. FROM THE ENTREPRENEURIAL STATE TO THE STATE OF ENTREPRENEURS

José G. Vargas-Hernández
Centro Universitario del Sur
Universidad de Guadalajara
Prol. Colón SN
Cd. Guzmán, Jalisco, 49000
México
Telafax: +52 341 25189, 24044.
E-mail: jvargas@cusur.udg.mx

ABSTRACT

This paper has the purpose to analyze most recent economic and political changes in the Mexican States, which show a clear transitional tendency from an entrepreneurial state toward a state of entrepreneurs through the following stages: The PRI-presidential Mexican Entrepreneurial State with an emphasis in the welfare state model, followed by a period marked by the transition of the Mexican State focused on a neoliberal PRI-presidential reinventing of the state, as the result of the economic and political impact of globalization and its pervasive effects on an unequal income distribution, weak governance, political instability and lack of property security, besides a new relation's interface between government and enterprises. Finally, the regime's transition under the change of party in power opens the stage of a Mexican State of Entrepreneurs in the new period PAN-presidential.

1. INTRODUCTION

Mexico is a country highly centralized with a powerful government, no reelection and until recently, strong and open political competition. Since the independence of Mexico and for the last two Centuries, the dominant political system has been authoritarian and presidential oriented. Starting with the emerging governments from the Mexican Revolution (1910-17), it settles a dominant party's dictatorship that monopolizes political representation and a deforming presidentialism, that Krauze has denominated the Imperial Presidency, which weaknesses faculties and duties of legislative power and subdue the judicial power. The forms of patriarchal power represented another feature of Mexican government before and after the Mexican Revolution.

2. THE MEXICAN ENTREPRENEURIAL, PRI-PRESIDENCIALIST STATE

Mexican economic nationalism emerged as a result of promoting public and private Mexican capital to avoid foreign investments, mainly from US. The Mexican State was characterized by a historical distrust of capitalism and a belief in the ability of the government to intervene and regulate economic affairs by explicit constitutional mandate [11, p.245]. However, a model of import substitution industrialization (ISI) favored private Mexican investments and also was understood to provide benefits to

the population, since the 1930s and until the 1970s. The Mexican public sector formed by publicly owned corporations enlarged. In 1982 the state property enterprises produced 14% of gross national product (GNP), received net transfers and equal subsidies to 12.7 per cent of GNP and represented the 38 percent of investment in fixed capital.

In the name of great conquests of Mexican Revolution, during the times of the Mexican welfare state, organizations were constituted which grouped corporately militias, peasants, working class and popular sectors that evidenced the political control of state's party bureaucracy in power and the "charro" (Mexican horsemen) leaders. The "charrismo" (scornful term for union leaders) subdue workers to the rules of the official party, the Institutional Revolutionary Party or Partido Revolucionario Institucional (PRI). The workers are treated under pressures and threats of wage reduction and loss of employment, benefits, agricultural credit, traffic of urban and rural poverty, etc., to guarantee an important reserve of voters.

Although since 1929 all the Mexican presidents came from The Institutional Revolutionary Party (PRI), the economic policy continuity did not follow a regular and coherent pattern of policy making. Nevertheless, during the period of the hegemonic PRI, the government cultivated a degree of social consent that avoided levels of repression in such a situation that has been called the "perfect dictatorship". In line with the so-called meta-constitutional powers, the President of Mexico was also the true head of the PRI and had as his duty the designation of national leaders and candidates for popular election. The Mexican president had both extensive constitutional and unwritten supra constitutional powers and committed to the retention of his political power during his mandate and the continuation of his power required to follow the "ritual" of choosing who was his successor.

As a ruling political party, in the sense that it dominated the country's political life, the PRI held power in the federal executive branch of Mexican government during 71 years. It was the center of the Mexican political system through political control mechanisms of workers, peasants and popular sectors and organizations, such as "cuadillismo" (leadership), corporatism, etc. Also, institutional control mechanisms of electoral processes were enforced. The PRI's corporatism bet to workers and

peasants to whom it promoted but not liberated, guarantying them patrimonial rights and with the pretext of institutionalizing the Mexican Revolution, it was identified trickery with the causes of democracy and social justice. Its achievements in both assignments are very poor, although it maintained social stability. The President in turn appointed his successor through phenomena known as “tapadismo” (Overcoat candidate) and the “dedazo” (the finger pointed) to signal who was the chosen.

Analysts [1] [2] acknowledge three stages in the PRI's evolution: Hegemonic, bipartisan, pluripartisan. The hegemonic stage goes from 1929 to 1979, the PRI dominates over the other political forces to which it was infinitely superior and maintains total control of political power. During the bipartisan stage, which goes from 1979 to 1985, the PRI maintains dominance over political parties from the opposition but lost positions in municipal and state governments in front of the National Action Party or Partido Acción Nacional (PAN). During the pluripartisan stage that goes from 1988 throughout the 2000, it opens the political competence between the PRI, PAN and the PRD (Partido de la Revolución Democrática or Democratic Revolution Party) and share the power in municipal and state governments.

The effectiveness of the “perfect dictatorship” according to Vargas Llosa, or to the presidential monarchy (Ortiz Pinchetti, 2000) had an era of prosperity which coincides with the period of stabilized development, from 1940 to 1970 and the period of shared development, from 1970 to 1982. During both periods there had been great advancements in matters of social policy, although never poverty and social inequality were eradicated, it emerged a strong middle class which claimed spaces for political participation. The “perfect dictatorship” was underpinned by bloodshed from the less favored Mexicans. The State model which distributes power emerged from the Mexican Revolution enters into crisis and generates institutionalized violence.

After 22 years of monetary stability and sustained growth, at the final of the Echeverría's period (1970-76), the peso (Mexican monetary unit) devalued, and economic crisis started and the constant tensions between entrepreneurs and government officials were crucial. The entrepreneurs founded the Consejo Coordinador Empresarial (Entrepreneurial Coordinating Council) to defend their interests from the intervening state. In 1982, President López Portillo nationalized the bank system in the middle of a generalized economic crisis caused by a fall of oil prices, the devaluation of the peso, the increasing interest rates. The country declared practically in default of payments. This decision fractured the pact between the State and the entrepreneurs.

3. TRANSITION OF MEXICAN STATE: PRI-PRESIDENTIALIST NEOLIBERAL RESTRUCTURING

Much of Latin America experienced financial crisis in the 1980s and the mid-1990s. In Mexico, large economic crises occurred in 1976, 1982, 1987 and 1994-95, therefore

economic crises have been repeated and intense with intervening periods of mild economic recovery. Mexicans suffered periods of dramatically high inflation and external imbalances, devaluation, currency flight, increasing unemployment and declining purchasing power.

In front of the pressures to Mexican creditors to guarantee payment of external debt, since the beginning of the eighties, it was instrumented the so-called “Washington Consensus” which imposes the infallible neoliberal rule of free market and a democratic system with free elections. Therefore, the “neoliberal agenda” which proposed structural adjustment programs and economic stability were imposed as the conditions to negotiate the Mexican “debt crises” of 1982, 1987 and 1994-95 by the international financial organizations such as the World Bank, the International Monetary Fund and the Interamerican Development Bank.

Thus, after the 1982 crisis, Mexico entered in a painful, distressful and controversial period of state restructuring, which implied the economic reorganization, national market openness, elimination of commercial barriers, elimination of price controls and subsidies, privatization of public enterprises and state property, reduction of social policy expenses, free money exchange. Also wide political reforms and administrative modernization. It was abandoned the import substitution model and it was called into question the economic intervention of the state.

The main thrust of the reforms encouraged in Mexico was to develop a competitive, broad-based export sector of nontraditional goods. Mexico joins the General Agreement on Trade and Tariffs (GATT) in 1986 and becomes a manufacture exporter. The reduction of state structure and faculties, privatization state owned enterprises and the economic deregulation, were the strategies adopted for the design of the Mexican State, as it were also for other states.

Starting with the implementation of these reforms to the Mexican State, this begins to lose its capacities and functions of nation state, although it maintains high indicators of intervention, in such a way that the reforms benefited to the owners of capital. These reforms to the structure of the Mexican State's apparatus give sense to its transition and change from the welfare state model towards a neoliberal state model. This transition and change are understood in terms of Roitman as forms of behavior, loss of centrality in politics, loss in the building of wide citizenship, transformation of politics in one electoral technique, in a market problem. Also, in loss of the ethics and principles as the task of politics and the political, evidently appeared in Mexico during the government of Miguel de la Madrid (1982-88) and continued with Salinas de Gortari (1988-94), also with Zedillo (1994-2000) and now with Fox (2000-2006), [3].

But the crisis of 82 also was meaningful for the “crisis of hegemony” which was present in the old alliance between the state and the entrepreneurs representing the national capital and the direct beneficiaries of economic policies based in the import substitution model. Nationalization of the bank system was the event that provoked the rupture

between the political and entrepreneurial hegemonic block and their representatives, the politicians and government officials from the party of the state and the fractions of the great capital. As it is said by Fazio [10], they were living in one tortuous lover relationship of subterranean blurred rinses, in dense shady deals and complicity networking.

With nationalization of the bank system, Mexican capitalists who felt were betrayed had broken the alliance with the political bureaucracy and redefined the strategy to their re-composition. Under the impulse of an intervening state but with a strong neoliberal technocrat orientation to benefit the owners of great capital, it was initiated the reinventing of the new Mexican State. This was based on a process of neo corporatist negotiation between the entrepreneurs and the government, building on mutual compromises and interests.

A. Economic and political impact of globalization upon the Mexican State

Under the influx of the PRI, the Mexican State initiated economic modernization and its insertion in globalization processes. As a response to the trends of economic globalization of markets and the technological revolution which advanced during the last two decades of the past century and with the pretext of cleaning economics, the Mexican State has privatized strategic enterprises of the public sector. Most of these privatized enterprises have been acquired by foreign investments that have penetrated already in all the economic sectors. The high concentration of capital in few corporations through privatization processes of public enterprises, have unchained the phenomena of political privatization.

In 1987 inflation achieved 159 per cent and a crack in the stock exchange devoured savers. In the interior of the PRI, a dissident group formed the Democratic Current (Corriente Democrática) that later split to form a new party, the Frente Democrático Nacional (National Democratic Front). President Miguel de la Madrid Hurtado (1982-88) is the first that stands questionings in his sixth and last governmental inform. The sixth of July of 1988, Salinas achieves power in the middle of a generalized crisis of legitimacy and total discredit for the fall of the system, which controlled results of the electoral contests, where irregularities and electoral fraud were present.

Salinas deepened the neoliberal reforms: public enterprises were liquidated, the economic openness was accelerated, free commerce agreements were signed with Chile, with United States and Canada (NAFTA), Venezuela and Colombia (Group of Three), Costa Rica, Nicaragua and Bolivia. Amendments to Constitutional Article 27 allowed investments in the Mexican countryside. The activism of the Mexican State during the Salinism allowed the transference of public enterprises to determined financial groups that maintained links of political complicity.

Programs of privatization of public enterprises in Mexico have been vast in approaches and to a certain point, successful in reduction of the role of one state that was

interventionist in the economy. Mexico was the second in privatization in Latin America during the decade of the nineties when the government transferred to particulars, assets that amounted 31, 458 millions of dollars, that represented 20.4 percent of the total sale of state owned enterprises in Latin America. Privatization achieved an amount of 3, 160 millions of dollars in 1990, to increase to 11, 289 millions in 1991 and to total 6, 924 millions of dollars in 1992.

By June of 1992, the Mexican government had privatized 361 of around 1200 enterprises owned by the state. Privatization made during 1993 represented 2, 131 millions of dollars. In 1996 increased to 1, 526 millions of dollars, in 1997 increased to 4, 496 millions and in 1998 sales were 999 millions of dollars. A report from the World Bank signals that between 1990 and 1998, privatization of public enterprises achieved an amount of 154, 225 millions of dollars, amount only inferior to the balance of the total external debt of Mexico that was of 159, 959 millions of dollars in 1998.

The year in which the state has caught more for privatization was 1991 with a total of 11, 289 millions of dollars, while in 1998, Mexico caught 999 millions of dollars. The new government of Mexico plans to privatize airports, railways and in the energy sector, the oil and electrical industry.

The benefit of privatization has not been the greater to the Mexicans besides those defenders try to demonstrate the opposite. According to data of Salinas de Gortari (1988-94), privatization opened budget spaces to finance social expenses without running into fiscal deficit. The effects have not been overall satisfactory. Programs of privatization in Mexico had reduced the employment to half while production had increased in 54.3 percent besides a significant reduction in investments. A prior study of Galal et al. (1992) analyze performance after privatization of twelve companies in different countries, including Mexico, documenting that had incremented in 26 percent of profits in eleven cases and increment of benefits to workers in three cases only.

The 17th of December of 1993, Congress of United State approved the North America Free Trade Agreement (NAFTA). Reactions were not waiting too much. The First of January of 1994, the date in which the Agreement started to come into force, the indigenous people of the State of Chiapas upraised as the National Liberation Zapatista Army (Ejército Zapatista de Liberación Nacional). Quarrels, resentment and bitterness of political groups to the interior of the PRI conducted to assassination of the official candidate to the Presidency of the Republic and to the assassination of the General Secretary of the PRI. Although the conflictive situation and the serious problems, the economy did not disarrayed and Salinas give his sixth and last inform in 1994 with a victorious animosity. Zedillo arrives to the Presidency with the major democratic legitimacy given by the greatest number of votes given in his favor in the history of Mexico, 17 millions. But suddenly, after twenty-one days in power,

Zedillo faced the worst economic crises in history of Mexico, the so-called December's Mistake.

Two years after privatization of Mexico's banking system, Mexico was forced to devalue its peso in December 1994 which set off a macroeconomic crisis characterized by increased exchange rate volatility, devaluation of the peso followed by a financial sector crisis and bailout. The meltdown of the Mexican stock exchanges has lost half its value, and share prices for major Mexican companies quoted on Wall Street have dropped 75 percent in a few months. However, the deeper crisis in financial markets after it had been resolved the devaluation and the sovereign-default crises. The majority of governmental credits with a degree of not investment (case of Mexico), are characterized by weaknesses in governance. If local people and foreign investors fear the Mexican peso will be devaluated, they may convert pesos into dollars.

A new structure of sovereign debt during the Mexican crisis of 1994-95 has been widely studied to understand the way in which financial markets, governments and multilateral institutions respond to the new questions of governance. The Mexican crisis left as a teaching the problem to sustain fixed exchange rates in an environment of high mobility of international capital. Mexico did not recover because its weak financial system became strong with the intervention of the International Monetary Fund (IMF). But because it had benefited with the increment of exports to United States as a result of the North America Free Trade Agreement and the accelerated growth of the neighbor economy.

The economic crises through which the Mexican economy has passed, besides the institutional weaknesses to limit the range in social tissue have been the repercussions of the applications of the neoliberal economic policy and the key factors to deteriorate social governance. One of the most pervasive and disturbing aspects of economic crisis has been the effect of this policy on the most vulnerable population groups. In general terms, the economic policies implemented in the majority of Latin American countries present coincident features, although there are some differences in the design of the packs.

However, the motives and circumstances of different economic crisis by which it has pass through Mexico since 1976 to 1994-95 differ although they have been preceded by periods of high economic growth which could not be sustained by the imbalance they caused. The crisis of 1976 showed the limitations of the economic model, which considered that the economic growth depended of a major state intervention. The crisis of 1982 had its origin in the consideration that oil was the lever of economic development oriented toward an active policy of the state prepared to administer the abundance, which had derived in high degrees of external indebtedness and irrational expansion of the state.

Compared with the debt crisis of the eighties and with the Mexican crisis of 1994-95, also called the "Tequila effect", both are considered to have as roots the financial imbalances of the public sector. Quite different was the

later crisis, (Asia, Russia, South Africa, Brazil, etc.) which have its roots in financial imbalances of the private sector and which is the first financial crisis really considered as global that kick the economies of emergent markets. The Asian crisis exploded just after the crisis's weaves of the Mexican peso had lowered. Therefore, it seems that financial crisis occur more frequently in the last years in emergent economies, such as it is the case of Mexico.

If it is controlled the democratic social development and the economic growth of emerging economies, these are not of more significance corrupts than the countries more developed. The pack of credits to Mexico from the International Monetary Fund in 1995 was a reward to corruption of bank credits with more risks. While more lend governments of other countries to Mexico, the bankers of other countries have more security to recover their credits. In reality, privatization of the bank system to financial groups emerged from the "steam" and complicity among investors and politicians who took advantage of international organizations financing channeled to the rescue of the debt crisis. However, their differences in crisis management took them into highly indebted economies, which had the opportunity to transfer invoices charged to society.

As a result of these events, in Mexico was initiated in 1995 a Program of Modernization of Public Management and the elimination of corruption, decentralization of public function and reorganization of intergovernmental relationships within the federal system. The monopoly of power and its discretionary use maintained by some members in the structures of government is the main source of corrupt behaviors and impunity, thus it is required deep institutional reforms.

The program pretends to develop mechanisms to a major responsibility and accountancy to governmental agencies, in matter of management of public services, also to ensure a major disposition to establish associations with non-governmental organizations. It is necessary to consider those non-governmental organizations of human, political, labor, and citizen rights have sustained poor relations with governments emanated from the PRI, which always treated to incorporate them while they wanted to be more independent, the base of credibility and impartiality before the citizens they represented.

In 1996, public and private investments in Mexico kept under the levels of the years seventies and eighties. Results of globalization processes confirmed that it has given in only one direction: the entrance of transnational and multinational enterprises, now denominated global enterprises or contemporary business, which in essence are foreign, they have taken in legal ownership the natural resources, land, etc., and leave few benefits. For example, the market value of General Electric calculated in 520, 250 millions of dollars, it is equivalent to the GNP of Mexico. In fact, 23 of the greatest transnational and multinational corporations have sales that amount a higher value that the GNP of Mexico. Neoliberal governments have showed their inefficiency to reduce pains from integration

processes through negotiations more favorable that allow to take comparative and competitive advantages.

4. DAMNED INHERITANCE

At the end of the period between the years 1982 and 2000 which marks the development and implementation of the Neoliberal state model in Mexico, the results are disastrous. Although the achievements in economic growth during the last four years, the Mexican economy shows several structural imbalances that were expressed in their correspondent fiscal deficit. As Lomas [17] [18] affirms, the inheritance of President Zedillo also included the great pressure that the service of passives from financial rescue will exercise over public finances in the medium term range. Lamentable it is foreseeable that the present administration will inheritance to the next government a great quantity of compromises over the public finances and much more insufficiencies in the attention to the more sensible demands of population. The Zedillo's inheritance ascends to more that two billions (millions of millions in Mexico) in public debt, including the debts of the wasted Institute for the Protection of Bank Savings or Instituto para la Protección del Ahorro Bancario (IPAB).

a. Interface government - companies

In Mexico, the main obstacles for the managers are the crime and the robbery, continued by an inadequate infrastructure offer, inflation, corruption and financing. However, companies that don't pay taxes exist

b. Unjust distribution of income

President Zedillo leaves a country with big differences in distribution of income, a high wealth concentration in a minority and a majority in the poverty, which was increased, from 40.5 to 45.5 million Mexicans. According to estimates of the Cepal, 26 millions, mainly indigenous and rural, live in the misery. Contradictions of growth polarize, according to Boltvinik, expert in the poverty and distribution of income in Mexico. He says that when the economic pattern continued up to now in Mexico, it is able to generate growth. However it makes it accompanied by a growing concentration of income and an increment of poverty among the poorer strata. The crisis of 94 produced a brutal impoverishment of the population. Starting 1996, when it begins to recover the economy, the income concentrates again. In one period like the current one, in which the Mexican economy crosses for a peak when accumulating 18 serial trimesters of growth, the benefits go to a very reduced group of people: "down they only fall the crumbs" it sentences. [6].

The poverty increased from 36 to 38 percent of the total Mexican homes in 1994 to 45 to 47 percent in 1998. With data of the National Survey of Income-Expense in Homes (ENIGH), among 1994 and 1998, Mexican homes that live under the line of poverty, with a monthly income not bigger to 560 pesos at a constant value of April of 1994, increased from 69 to 76 percent of the total. In general terms, researchers coincide in that the poverty increased in more than 5 percent during the sexenio of Zedillo. This redounds in the formation of a society with big contrasts in

the distribution of income, where 20 million Mexicans (the total population's 20%), live under conditions of extreme poverty and more than 40 millions (the population's 40%), live below the line of poverty.

In the last three sexenios, control of inflation has been privileged above the increases to contractual minimum wages, and therefore, of level of workers' life. The World Bank presents figures in those that 42 million Mexicans have salary levels below the twenty daily pesos, the equivalent of less than 2 dollars daily. Between 1974 and the 2000, the real wage of workers had an accumulated deterioration of 72%. Only during the government of Zedillo a strong loss accumulated was presented near to 50 percent of the real wages, registering the lowest purchasing power in the last 18 years. With data of the Organization of the United Nations, the 64.5 of the population perceive two insufficient minimum wages to obtain the nutritional minimal. Women sustain 40 percent of the Mexican homes with almost 20 percent inferior incomes to those of the men [14]. More than half of Mexicans in age of being working they do work in the informal sector of the economy.

The gross internal product per cápita ascended to 7776 annual dollars, with a growth of 3.4 percent on the average annual, during the period 1964-1981. However, when after 1982 it began the implementation of the model of the Neoliberal State in Mexico, the growth of the gross internal product fell. For the period of the Neoliberal State, which lasts since 1982 to 2000, the gross internal product per cápita only grew 0.3 percent on the average yearly. The National Survey of Income-expense in Homes, carried out in the year 2000, reports that the generation of the wealth increased in the last six years, but the distribution of the wealth became more inequitable, with alarming levels of deterioration.

10 percent of the richest homes in the country concentrate 38.11 percent of the national income. In the other end, the tenth part of the poorest hardly perceives 1.50 percent of the total, when in 1996 it was of 1.79 percent. The available monthly income by 10 percent of the poorest homes is 26 inferior percent to that of 1994, while for the tenth part of the most suitable homes the reduction has been of 20 percent [6]. The coefficient of GINI for the monetary income in 1992 was of 0.5086, in 1994 it was of 0.5137 and in the 2000 of 0.4889, which indicates a tendency to decrease. However the concentration of the national wealth, continues being high.

The quick economic growth has not rebounded in the improvement of levels of the population's life, due to the inequitable distribution of income that impedes the transfer of macroeconomic benefits. The higher rates of growth that reached four percent on the average of the gross internal product between 1996 and 2000 have not contributed to the improvement of the well being and standard of families' life, because they contribute in 2.4 percent real product per cápita. According to analysis of El Financiero [9], of each peso (Mexican money) that was generated in the economy in the first trimester of the year, 0.07 cents corresponded the population of scarce resources,

while the population with high levels of incomes obtained 50 cents.

Regional development has also been inequitable and unbalanced, subject to processes of economic separation that have been the result of the integration processes guided toward the markets of the North that the country lives since 1994 when Free Trade Agreement was signed with North America. This way, the Mexicans with lower income per cápita concentrate on seven States of the country's Southeast. They represent less than 10 percent of the national gross internal product, while with a similar population, six States of the North generate 23 percent of the national wealth. The export pattern of growth based on cheap manpower, only allows that a small group of companies benefits of the commercial treaties of Mexico with other countries

c. Weakness of governance

The weak governance in Mexico, for example, has its antecedents in the weaknesses of the economic, social, cultural, educational politicians, etc. and in the weaknesses of their institutions although in the past a strong presence of the Mexican State existed in the creation of institutions and of public policy. They are characterized as weaknesses of the governance: the official and private corruption, the traffic of influences, the corruption and inefficiency of the judicial organs, the influence drug cartels. Moreover, deficiencies in the internal security under the form of guerilla group operating in rural areas, and the violence in the big cities.

Governance deficit is related with the genuineness of the political system, which had its origin in the economic policies erroneously implemented by the elites that made the organizational design for the transition of the Mexican State. Mexico has lived populisms centered more in the expectations of illuminated rulers than in concrete proposals of national development by means of an institutional development. The Mexican State has been able to maintain its genuineness by means of a politics of partial social protection and future promises of more benefits that favor to the diverse social groups.

At the present time, the form in which it is visualized in Mexico, the installation of governance decreases to achieve the political normality. It is a concern to subordinate the electoral democracy to the governance of the system and not necessarily the democracy, such as it is expressed in the Political Constitution of United Mexican States. The Constitution defines democracy "not only as a judicial structure and a political régime, but as a system of life been founded in the constant economic, social and cultural improvement of the population." The electoral democracy not only has as sufficient conditions, free and fair elections, but the electoral processes only spread to be freer and fairer when it is the culmination of a continuous democratic process and not when it is subordinated.

d. Political uncertainty and security of the property

For the case of Mexico specifically, a factor of the political risk consistently high (qualified as "BB", non-investment

degree) it is the quality of governance that embraces the quality of public sector's institution; the efficiency of the government services and the government's capacity to establish the macroeconomic stability. In an analysis of dynamic factors, the estimate of the index of monthly national risk is decisive for the proportions of the imports to the reservations and the debt to the exports. In the national risk, the sociopolitical uncertainty is an important component.

An important aspect is to determine the uncertainties involved in the transfers of the regular governments in order to evaluate the possible uncertainties of the elaboration of the laws. The government's constitutional positions (as a result of the elections) they are usually accompanied by big changes in the rules and regulations that have an impact in the business.

With regard to the uncertainties of the application of the law, it is important to determine if the companies trust the abilities of the authorities of the State to protect the rights of property and to guarantee a predictive judicial process. The robbery and crime are serious problems that substantially can increase the costs of making business. There is not trust in that the authorities of the State protect to people and their property of criminal actions. The unpredictability of the judiciary presents a bigger problem for the operations of the business. The public insecurity in Mexico has placed to the country in a near situation to the chaos, surpassing to the institutions that were already the pillars of a system in decomposition, as the case of the PRI.

The governments priístas leave as balances those "wounds opened up in the national conscience" for the indigenous conflicts of Chiapas. The results are: increasing levels of poverty, the growth of the informal economy, the increment of the violence and public insecurity, corruption and impunity, the precarious conditions of micro, small and large enterprises and the deterioration of the countryside and farming sector.

In sum, the current problem of Mexico is to have a good macroeconomics but a bad microeconomics.

5. THE TRANSITION OF THE RÉGIME OF THE MEXICAN STATE: OF THE STATE MANAGER TO THE STATE OF THE MANAGERS

The pattern of party of State, and more concretely of the Mexican PRI-state it has been drained. The fall of PRI from the federal government and their loss of absolute majority in the Congress of the Union in the last elections is an event that constitutes a new stage that gives place to the alternation of the National Action Party in the Mexican political power. Contrary to the other alternations in the power that there has been in Mexico, this has been for the peaceful road and in an atmosphere of political stability, materializing the arrival of a party contrary to the one which used to held the power.

During the last four administrations has not been evident the transfer of power under conditions of economic and political stability. It was necessary the disappearance of

the State - PRI. The last sexenio priísta coincides more with a party change than with changes of a political régime centered in a party of State and characterized by the hegemony of a political party. The hegemonic party was the PRI that held the power for a period of seventy one years, from 1929 to 2000. It served to sustain a presidential system with meta-constitutional powers, omnipotent about the other powers (legislative and judicial) and over the spheres of the economic life, politics, social and cultural.

Government's change implies agreed and not agreed accommodations among the political and economic interests. First, the President's relinquishment of constitutional powers and the system of patronage established by the PRI to all the presidents who have emerged from its ranks. However, the party change in the government can maintain the same presidential structures whose more remote antecedents are in the Huei Tlatoani, or maximum Lord, military, civil and religious boss among our Aztec ancestors that then derived in a political culture. For a true change of political régime, it is necessary many reformations and such structural transformations as agreeing reformations to the Law of Public Administration to change the political culture and reformations to the government régime. Also, to strengthen the Legislative power, to free the judicial power and to delimit the Executive power, especially in their attributions as government's boss and of boss of State.

In the last two decades, amid big financial crisis and with a neoliberal project of economic policy, it stopped the growth during the decade of the eighty and it was accelerated during the last four years of the ninety. It gave big imbalances and separations as a result in the economic processes and the dismantlement of the defense' mechanisms of the Mexican State. During the decadent stage of the system PRI-presidencialist, the corruption increased, the social cohesion was destroyed and the levels of poverty increased alarmingly. It concentrated the income "in favor of a minority that coincides in its composition and voracity with the elite of Creole inheritors and beneficiaries of the system of chaste of the colonial time and of the porfirista system." So, partly the defeat of the PRI like hegemonic party was due to the collective repulsion to an economic politics that has increased the levels of poverty, corruption and social violence. The PRI lost capacity of response in front of a more active civil society.

The last President of the PRI, Zedillo, "cut his finger" that it designated its successor and it inherited him the power, to open the tri-colored candidate's election. It was not able to brake the purchase and coercion machinery of the vote. But it disciplined to the most reactionary to impede that they stole the election again and then, when losing in the war in front of the other parties, to open the way to a democratic transition that re invents the system. In few hours it has transited from a régime of hegemonic party and authoritarian government, toward a more democratic system, concluding the process of democratic transition, handling over power in conditions of political normality

and without uncertainty about the change of government or regime.

The transition occurred from monopartidism to democracy. However, this democratic transition is very questioned to a certain extent, because what has really been given is a party change in the power. In any transition, it is evident that the total abdication of those powers that have to do with the control of political process would have left power vacuums whose consequences would have been adverse. Still more, it is to be seen if the democratic system improves life conditions of Mexicans. Certainly, there is not a change of political régime, but the deepening of the neoliberal economic policy that has been already applying in Mexico since the middle of the eighties. It finishes the era of 71 years of the hegemonic party, the PRI, and it is expected that it also finish the era of the Mexican presidentialism.

The change of the sexenio and of political party in power under the same political régime, the same as the access form to the political power has been for the democratic road, what has modified the expectations and performance of the operation of the national public life. Partly these changes have been the result of the fill created by the political party that it came governing. However, it is highly questionable the form in that it was appealed to the "useful vote", and not to the "ethical vote of the principles and the projects." The voters had being conditioned that it was the change in the PAN and had being built a space of electoral market about a falsehood that was accepted. Although they have explained reason and that "it didn't mean a contention dike at all to the neoliberalism but only to take out the PRI of The Pines" [24].

For some skeptical critics what happens is a simple change in the form of making the things, more than in the content of the same ones. By all possible means viable along three years it was satanized the PRI and it was sold the depoliticized youth the idea of the necessity and possibility of the alternation in the political power to create them scenarios where multiplied opportunities of social mobility, education and employment.

The change of political party in the same régime represents a rupture of the old Mexican political system and continuity in the development processes according to the neoliberal pattern imposed by the interests of the transnational capital. This way, the change can be significant because it represents a final balance of a régime presidencialist and of its neoliberal economic model.

With the party change in the power finishes the era of the PRI, already well known as the era of the dinosaurs, with 22 presidents of the same party that covers a period of seventy one years. Members of the "revolutionary family", with a style of governing patrimonialist where investiture and attributable public goods to the public position are considered personal property. As well as to the paternalism that facilitates the political control through the corporatist practices, clientele and corrupted of those who have less resources, but tied to chains of corruption and complicities. The corporate interests that conditioned the vote of the

citizens also oppressed their political and human rights. It is interesting to analyze the changes of the antecedents of the presidents' careers being the first ones military, then to give opportunity to the lawyers, then to give opportunity to the economists and finally a manager.

When opening up the alternation to the Presidency of the Republic, the end of the last sexenio *prístia* has been different to the last four sexenios that left as inheritance economic crisis and political deterioration, although the evident expressions of political decomposition, violence and corruption still persist. In the last two sexenios, that of the Presidents technocrats that privatized the politics, Salinas (1988-94) and Zedillo (1994-2000), they represented the two big local groups of officials and managers politically with being able to rule. The two technocrat presidents had as characteristic to govern in function of personal focuses of the social and power relationships. Both had being able to give place to the emergency of complicity between the technocrats and the managers enlarging the relationship capital-politics, the men that hold the economic power, without respecting the rules of the system neither the correlation of social forces and politics.

The Mexican technocracy has been insensitive and indifferent to the social problems. Both, Salinas and Zedillo can be identified more than as rulers, as administrators or managers of the economic politics. The strategy on which they centered the implementation of the neoliberal model consisted on maintaining a reduced group of technocrat economists in a network of alliances and complicity with capitalist groups. These capitalist groups are those that Ortíz Pinchetti [19] denominated the *nomenklatura*, with insatiable financial interests and that they were the main beneficiaries of the model. In the strategy of Salinas, through supports to the PAN, it was lever up politically to their group of managerial and financial interest, in their top mega-negotiations with the group of Zedillo (Grove, 2000) in which they killed the PRI. The decentralization of the power begun for Salinas and deepened by Zedillo. They consolidated the neoliberal economic model.

Salinas first and later Zedillo, governed with authoritarianism to implant the economic policy imposed by supra national institutions and they were flexible in politics where they enlarged the political freedoms with pragmatic approaches, provided they didn't contravene the economic politics. The principle is completed this way that all economic reformation without the political reformation is insufficient and it originates dangerous contradictions. The modernization project of the technocrat presidents, neoliberal and globalizer, was promoted by the governments of the PRI. It also had to pay giving up power, because it has not been able to give benefits to most of the population, because it was sustained substantially in an economic order different to which guided the emanated governments of the Mexican Revolution.

In the sixth inform of Zedillo's government, the Deputy of the opposition Batres accuses him of seeking to be a

“Robin Hood the other way around, all time that condemns the poor to give to the rich ones...” The neoliberal governments affirm, they have acted in way “wicked, anything moves them and their big works are their business that in some years allowed to enrich some” [25]. But the unusual thing was that the same parliamentary fractions of the PRI abandoned the old habit of leaving in their president's defense to criticize it recognizing mistakes and inefficiencies of their administration. The social dissent only can make to lose the project of neoliberal modernization, which supposes a period of measures of 25 year-old adjustment during which seek to conserve the power, based on the control of the income of the hard-working one and not of the capital.

Although it was privileged the stability and the renovation of the economic growth with high rates of gross internal product that reached 7.8 percent in the first trimester of the 2000, Zedillo closes the period *prístia* without having completed their campaign promise, the so yearned one “well-being for their families.” He also leaves dismantled public institutions that promoted the social well being. However, it is troublesome that the high rates of growth of the gross internal product are transitory and one cause more than the crises with high costs to those that we have gotten used in the past.

The decentralization of the power was initiated by Salinas and deepened by Zedillo. They consolidated a scenario of power shared with divided governments formed by the electoral advances of having left opponents to the PRI, which constitute the federal, state and municipal governments' real counterbalances. The consolidation of this new project of modernization that strengthens to the PAN, the natural relief that “it only seeks reformations in the level of the political administration that should suppose the neoliberal modernization” in accordance with Montemayor (2000). The PAN advances this way the neoliberal and globalizer project and it is opened the way to a federal and municipal administration in accordance with the “modernity.”

This way, the PRI suffers an involution for the processes of adjustment of the project during these last 18 years. Among those that highlight its own ideological transformation to make comfortable to the neoliberal principles, completely opposed to the revolutionary ideology and which it converts to the modern stage of the Mexican Revolution. Montemayor (2000) argues that the PRI bet, for obedience, against itself. The project of modernization “it tunneled their structure and, mainly, the understood values of balance of forces and groups that participated in the previous Mexican political system.” For the neoliberals, the adjustment measures taken during the last three governments from Mexico are correct and for the same thing, the conflicts of the country only come from the corruption and the inefficiency of governments' *prístias*.

Another reading of the fall of the régime of the PRI-State is the disfunctionality that reached the bureaucracy of the administrative apparatus. With high levels of corruption and inefficiency, with an authoritarian and vertical structure that it only responded to the decisions

presidencialistas but it showed its inability to give answer to the demands of the citizenship. To this type of organization of the public administration, according to Barboza Rodríguez "it obeys the generation of many useless works and an enormous waste. And, not few times, a sector builds what another destroys. The Mexicans only know about those "white elephants" for the dance of millions of pesos. The tangible benefits are null or poor when there are them." [4].

The XXI century it begins in Mexico with the new paradigm of government manager. The PAN wins the elections to the Presidency of Mexico in the 2000 with the charismatic Vicente Fox. He was the candidate that with a marketing campaign guided to emphasize the contradiction régime-antirégimen, it felt call to take out the PRI of The Pines, the presidential residence, giving this way had finished the end of the régime of the PRI and beginning a new cycle. Partly, people voted against the PRI more than in favor of Fox. Fox has said that its government will be of transition toward the new democratic régime. In their speech of August 2 when he received his Certificate of Elected President, Fox sustained emphatic: "I will head a government of plural transition and inclusive, capable, with vision of State and with high standards of honesty and quality" (Macroeconomics, 2000).

The endogamy of the Party-state in the power during 71 years had generating a perverse structure with big hang-ups that the Mexican society no longer tolerated. Fox was the beneficiary of the decisive vote of the excluded poor of the big urban centers and of those of the rural areas and natives stragglers that renounced of the PRI. However, the supposition was not completed that the "green vote" of the rural and excluded areas would decide the elections in favor of the PRI, although this party still obtained majority, but smaller than in the last federal elections of 1994. This electoral behavior had not shown previously because the voters also differentiate its vote for not granting all the power to a single party.

In these elections of the 2000, for the first time in 71 years, the PRI loses the presidency of the Republic, transcendental event for the political life of the country because it radically changed the political perspective and the national expectations. This defeat of the PRI like hegemonic political party in power, it is been of "the progressive destruction of the social cohesion: those norms and expressed and implicit pacts that maintained us together to the Mexicans. And this was due to the government's inclination to favor to the Creole oligarchy and the monopolized concentration of capital" according to Ortíz Pinchetti [19] [20].

On the other hand, Touraine [27] argues that the result of the elections have just put an end to the long reign of the PRI. It had been able to prepare reinforcement of the political action and of the intervention of the State in a country whose growth has not reduced the social inequality. The economy grows but it doesn't distribute the benefits of the growth, that is to say, it generates wealth but it also generates poverty. The opposite, the reduction of the weight of the State, is announced although the

public sector has been traditionally weak in Mexico. The insert of Mexico in the economy global files the options of the power of institutional change of the State.

It has opened up and overflows the Mexican political system for movements that guided by the change they give beginning to the protest and the public debate more than to a new political project, more however, this democratic project only understands each other from the politics' despolitización.

In fact, the political and economic project of Fox gives continuity to the project of the technocrats. More than to be a transition, because the only thing that one gives is not a change of political régime but of party alternation in the power, although the ideal thing had been the alternation with alternative, the necessary alternation in the government, given system the conditions of the parties. In any event, the political transition has been possible thanks to that the same neoliberal model has disarticulated to the civil society and the citizenship. What has passed in Mexico, according to several analysts is that "a democracy of type caudillista triumphed before a weakened left and in a mark of weak political parties and unstructured that reflect decadent and centralist elite rather" [18]. However, it is highly questionable until where the traffic has been given to a democratic régime and the sepulcher of a régime dictatorial presidentialist.

More than continuity, the neoliberal pattern is deepened with the Fox' arrival to the presidency of Mexico who represents a third moment of the neoliberal economy impelled for Saline. Nevertheless, the technocrats have been hit politically by the managers, the new political class that emerges mainly of the local organizations of small and medium managers of the North that have wanted to liberate to the country of the corruption and of the clientelism of the party of State. The State Manager was being dismantled from the arrival from the technocrat economists to the power. Now with a manager like President from Mexico, the Mexican State has become a State of Managers that come the democracy like a good business, that is to say, the Coca-colafication of Mexico, in reference to the managerial antecedents of Fox in the transnational one.

According to a Canadian managerial leader, for Fox, to govern Mexico won't be the same thing that to manage Coca Cola, but their managerial experience will help him a lot to make decisions [13]. The analyst Rubio [15] describes the profile of Fox like "an evidently practical, pragmatic person that clearly adapts to the circumstances. He makes a very clear sense of his priorities and he makes a very clear sense of how to use and for what reason he wants to use each one of their people. And in that sense what we should wait is a very not very ideological person, very not very dogmatic and very adaptive to the environment that leaves presenting in each moment."

It is paradoxical that in a country where more than the population's 60% it is poor, win the elections a right party that postulates the deepening of the neoliberal model responsible for the increase of the poverty. The arrival of Fox to the power, according to Fazio [10], it coincides

with the consolidation of a concentration process and economic oligopolitization and political centralization in the taking of decisions.

With Fox the Mexican presidentialism transits from the autism to the democratic caudillism. The arrival of Fox to the Presidency of Mexico, according to Krauze (mentioned by Fazio, [11] it was the result of “a direct, immediate search, managerial to the power. Wines of new marketing in old wineskins of caudillism. a caudillism plebiscitary with messianic edges, very dangerous in a country to the one that he found difficult a lot the separation between the church and the State”. Nevertheless, the ghost of the presidentialism has not gone away with Fox in the presidency that has assumed attitudes of “commander” of the town because they are still present the behavior patterns that encourage it, overlapped in the existent lagoons in the Constitution. A true régime change implies a deep Reformation of the State with a new Constitution, and in those that the diverse force politicians delimit the presidential activity.

Fox is the first president manager arisen of the local elite that is revealed against the center of the country, representative of the option of the “electoralist stream” of the managerial elite inside the PAN. Especially the one denominated of the fraction of the North or “Group Monterrey”, with which has narrow bonds and that supported in the ideology of the new Mexican right, it is expressed in the pragmatic current or neopanismo, opposed to the doctrine and the traditional orthodoxy. According to the ex leader and twice candidate Panista, Pablo Emilio Madero, nephew of the democratic antirreeleccionista Francisco I. Madero, “Vicente Fox Quezada 's eventual victory in the presidential election would crown the agreement of a group of managers.

In 1982, these managers decided, in a meeting in Cd. Juárez, Chihuahua, to infiltrate and to control the Party National Action (PAN) to obtain particular interests. A virtual ascent of the neopanismo to the power constitutes a serious risk for Mexico because the pragmatic principle of the personal interest would reign and not of the very common one. And once like government would conquer them the temptation of the authoritarianism to eliminate opponents, what would generate national discouragement” [26].

The proposal of change of Fox is considered imprecise with regard to the proposal panista. According to Loaeza [23] “The and the middle classes that are expressed in it are not reactionary, on the contrary. They want a political change, they like the modern society, they look toward the exterior. Although on the other hand, perhaps be for a smaller social inequality but not for an absolute equality, because that doesn't interest them. They have a vision anti equalitarian of the society, they do not have interest on equality but the freedom. Freedom with order that yes. the social justice is not a topic panista..”

Contrary to the doctrinal current, the ideology of the neopanismo, with certain flashes of fascism, defends the “changarro” of the attacks of the official populism. With a focus that is distant much of the political social democracy

with the calls to the “useful vote” that don't recognize differences in ideologies more than the simple impulse of subtracting the power of the Party of the State. And under the presentation of a “virtual party of the unit”, the political class is recomposed with the arrival from the managers to the formal power. The managers arrive this way to the political power from the managerial unions to those that belong, mainly of the North of the country, used as launching platforms.

Nevertheless that the neopanismo fights the official populism, the decomposition of the Mexican political system was the main cause that with Fox a new populism anti parties arose. According to Touraine [27], this political decomposition goes of the hand with the advance of the big world economic conglomerates. The one that is also expressed in an alternative in the case of Mexico “to the Mexican” that difficulty can be considered “like a real road for the creation of a true democracy.”

But in the overflow of these political marks, the same as it is dangerous to already give priority to the fall of a régime hole of their substance, it is also dangerous to encourage the union this way already too strong between a vague populism and the economic liberalism. The resistance to this populist tendency that attacks at the same time to the political system and the intervening capacity of the State has to be organized from the popular movements. These popular movements have the capacity to manifest and to express the popular demands of the sectors less favored, in such a way that they really contribute to the renovation of the public life.

The transition to the new régime has not been so smooth and soft. The caciques that held the political and economic power don't resign to lose. The wounded PRI of death has entered in internal disputes for the little power that is and the political groups rush however to the defense of their interests and their quotas of power with violent confrontations. The smoothness of the political transition makes suppose that it has been made a pact by those who maintain the real power.

6. THE CHANGE DE PARTY IN THE POWER: THE MEXICAN STATE OF THE MANAGERS IN THE NEW PERIOD PAN – PRESIDENCIALIST

The arrival of the managers to the Mexican State means the displacement of the politicians of the formal power. In other words, what changes is the formal power, because the real power remains unalterable. The Mexican Council of Businessmen stops to be a group of pressure in the face of the power of the State, to become the speaker of the managers in front of the federal government, and to determine the national economic and political decisions. That is to say, the direct taking of the political power by the conservative groups that hold the hegemonic economic power and national neo-oligarchy subordinated to the interests of the transnational capitalism to exercise a new governance strategy.

This strategy allows them the domain and direct control of the means for the achievement of their maximum benefits (efficiency), without having necessity to appeal to the inter

mediation of a political class that got paid expensive the mediation of the arrangements of the production factors. This is the case between capital and work, for example. However, in the humanity's history, the achievement of the efficiency has not brought the social justice.

The new State of managers draws about to administer the existent order efficiently to guarantee to the capital transnational globalized the best conditions for its investments in Mexico. Already the general coordinator in economic matter of the transition team guaranteed "zero discrimination" for the Mexican entrepreneurs. On the other hand, the leader of one of the most powerful organizations of managers omens that the government of Fox will be friendlier with the productive sector. Fox has a clear vision of the necessities of a company, so that he can create wealth and more work sources [5].

Fox represents the alternation in the government and he has noticed that the purpose of its public administration is to increase efficiency of the government's task until a good degree and to eliminate this way all that has to do with errors and corruption. "I will delimit the functions that subtract effectiveness to the government administration in damage of the whole society. we have to put an end to the political and administrative centralism and to promote the invigoration of our federalism to impel the development of the regions and the viability of the municipalities starting from their vocation, from their resources and of the expectations of their communities." (Macroeconomics, 2000).

His project of reengineering the federal public administration follows more the advice of the World Bank. Based more on the pragmatism of changing the administration without changes in the laws, it is sustained in more horizontal and more flexible structures and in approaches of efficiency, effectiveness, opportunity, pragmatism and quality [1]. The horizontal and flexible structure is articulated by a strategic planning reaching up to the 2025.

It combines managerial approaches with experiences of the public sector. It is formed by super advisers and super managers that coordinate the works as regards human development, security and justice, equal opportunities, and renovation of government's institution, a general coordination, Czars (anticorruption and borders). Also, secretaries of State in government, social development, labor, companies and industrial development, agriculture and country property.

On the other hand, the managers have declared [5] that they are convinced that the new government will be "friendlier". They request options for the participation of the investment deprived in the energy sector (electricity and petrochemical secondary), they reject that it seeks to recapture populist politicians and they trust in that the relationship is of proximity but they will be critical when Fox makes a mistake. It is clear that Fox will govern to the Mexican State with a focus on the New Public Management, as if it were the corporation "Mexico, CORP. that puts to it finishes off the petrochemical one and the electric sector to the globalized transnational capitals.

Fox's approach is frank and pragmatic. Madero qualifies Fox like "pragmatic, a man willing to throw ropes, to say big words, to buy votes, everything with such of winning the elections. fall in the pragmatism, and I worry about that for him is more important that pragmatic principle that the democratic principle. should have to see until where a government panista with Fox ' would be willing to respect to the people of Mexico for opinions against those who are in the poder'. already in government could make the same thing, that is to eliminate those that are opposed.": [26]. Fox's discourse is characterized by its open style and to break from the rigid protocol. Their frankness, businessman's style and their democratic genuineness, are points to their favor. Fox has the intention of making his government a dynamic promoter of development, vigilant on human rights and a pragmatic administrator of domestic policy (Churches, 2000).

As a good manager, its pragmatism to solve problems is its main asset to achieve the "agreement" to the one that aspires among all the sectors of the society. But also its weak point in the negotiations: it tries to sum up "minimum points of outburst" where all the political actors put on of agreement, simultaneously, in the economic and political matters. The proposals will be able to be questioned by a civil society and the legislative power in which a majority doesn't exist for some of the political parties. It will be easier than to achieve the cohabitation, to build the necessary consent before the lack of absolute control of a Congress that won't be unconditional. Fox has said in this respect "my government won't make decisions, overalls in economic matter that attempt against the interests of the majorities. Anything will be made without consent and much less to backs of the will of the Mexicans" (Macroeconomics, 2000). In this sense, there is consent among the diverse political forces to delimit the presidential power by means of the suppression of meta constitutionals abilities and the creation of the civil service of independent career to the executive's will.

But the pragmatism of Fox doesn't have ideological base. It cannot be expected the postulation of liberal values but a necessary escape of the cage priista, as it sentences Reyes Heróles [22]. Fox has declared that its government won't be of bitterness and it demonstrated moving away the demand interposed against who accused him of receiving the foreigner's money confirming certain rumors that partly came of the former president Salinas de Gortari (Hills M., 2000b).

The managerialism focus of the State considers the citizens as clients to who it is necessary to satisfy with services of total quality. The president exchanges the word client for that of citizen, with a vision in the one that for example, it is inappropriate to promote policies of indigenous community development. Disrespectfully, Fox has offered the indigenous people "vocho, changarro and tele" as answer to centuries of rebellions against the capitalist system for the injustices made against them. To the neoliberalism centered in the forces of the market, the natives are not consumers.

Therefore, they are disposable and in the best of the cases a population to integrate or to assimilate in the lowest layers in a work force without rights and subordinate them to the capital, as the proposal to train them to be “the foreigners' gardeners” made by Fox in campaign. The political analysts coincide in that “his proposals have been contradictory, sometimes retrograde, sometimes hopeful, but they still lack the coherence that would have a complete program, we would have to be critical before a possible new liberal version with some attenuation” [20].

This way, the fractions integrated to the directing elite are recomposed with the managers to guarantee the continuity of the economic model, the dimensioning of a functional democracy these mates with the discipline of the market and the structural reinvention of the system. This allows a bigger reproduction of the capital and the deepening of the dominance instruments to mark more the differences and social injustices. But this democracy favored by an authoritarian system of free market is an hegemonic ideology of the elite of the transnational globalized capitalism that imposes the decisions in its own benefit. However, the real power remains under the same control of the transnational capitalist interests.

On the other hand, the PAN in the government will have to confront the waste of the President's figure like ruler. There are evidences that the style of governing of Fox will be less flexible in political and more authoritarian in economic politics that the previous presidents, although he affirms that are priorities the attention to the poor. Under this new different correlation of forces and with the same rules of separation of powers that establish their autonomy, the public matters are managed in more transparent form. The frauds to the public sector and the violence to the conflicts now have a treatment more attached to the Rule of the State and the citizenship can demand the right to the rendition of bills and the transparency. Establishing the material conditions for law and order will be one of the government's challenges.

The organization of the new political system will condition the economic politics. According to the analysis of Bendesky [6] the macroeconomic peak of the country in that Fox receives and that it has been prolonged for more than four years “it is sustained by factors of the situation hidden in the macroeconomic bills as the high price of the petroleum, the entrance of foreign currencies that has reduced the dollar, and the dynamics of the economy of United States..can change its tendency and to make pay the costs to the whole Mexican society when it is in course the government of Fox.. Among them it would be an adjustment of the exchange rate, increase in the inflation, bigger external imbalance and inability to solve the topic of the poverty.” So the challenge is to maintain the economic stability, to increase the economic growth and to support the competitiveness and to increase the productivity of the economic agents.

The political transition will come harnessed to an economic reformation but there won't be a social advance. Structural economic reforms needed to modernizing the regulatory framework for general economic activity and

the strengthening the functional structure of the financial system. Clip to the social expense in the education items and public health to lose weight the bureaucracy gradually by means of the transfer of these functions from the State to the private sector. Fox has said that will reduce government's cost, subjecting to a rigorous but gradual diet to the federal public administration in next six years. Changes to eliminate the padlock from 51% to the national investment to give bigger opening to the private investment and foreigner and the invigoration of the financial system.

Fox's government will be committed to an integral fiscal reform and to fiscal tightening disciplines. However, the International Monetary Fund (IMF) it recommended to maintain a “wise fiscal politics to assure the continuity of their favorable growth and to avoid the risk of a overheating in their economy”, [21]. A fiscal reformation that eroded the principle of solidarity, base of the federal pact that assists to the inequalities of regional development, sustains of the national development.

Privatizations and opening to the competition of the energy sector, especially to the electric and petrochemical industry, so that according to the same managers, “the country functions well.the entrepreneurs don't want to buy Pemex or CFE. As private sector what we want is that they allow us to compete, to participate in certain environments of these productive branches, to make them competitive at the international level.there is not necessary to put padlocks to the foreign investment so that it intrudes in the electricity and hydrocarbons. The only rules for the national capitals and foreigners should be a market economy, commercial opening and prices fixed by the international competition” [5].

Amendments to Article Third of the Constitution to introduce the freedom of the teaching and with it the possibility to give the opportunity to the religious education in the schools. An streamlining labor legislation is also needed, to reform to article 123 to introduce a New Federal Law of the Work less protective of the rights of the workers, etc. To generate more employments and better wages, they are some of the new government's proposals. In sum, the deepening of the model of free market.

Under a focus of the New Public Management, the government of Fox intends to deepen in the decentralization of the decisions by means of the invigoration of federalism, a federalism post - PRI to transfer the state governments the resources, abilities and responsibilities. In economic matter, this accumulation of resources, abilities and decisions gave place to what Zaid denominated “the Presidential Economy.” The restructuring project and the federal government's reengineering are guided with an efficiency approach to the gradual weigh loss of the bureaucracy in order to optimize the resources and to reduce the costs of their operation.

The project of the government of Fox is located in 8 strategic areas. These are restructuring of the Secretary of

Government, modifications in the procurement of justice and public security, redefinition of functions of the controlling public expense. Also, modernization and reformations to the energy industry (petroleum and electricity), redefinition of social development objectives, continuity of the economic project and reactivation of the foreign policy [7]. In general terms the neoliberal economic policy prevalent is not rectified in the last 18 years, but rather a deepening of the same one. However, their project of restructuring of the federal public administration assures that "none of the current public servants will be left in the street without employment opportunities" [8].

The Reformation of the State, the decentralization of the functions and the reorganization of the government bureaucracy are inevitable to improve the democratization, governance, public administration and to impose the rule of law for the legality and justice. The challenge to organize the government consists on structuring a system of multi sector matrix management of public administration [4]. This can be done with a double purpose: to coordinate the sector's actions and to distribute in the structures of the local governments, attributions and abilities. Both have as purpose the reestablishment of the solidarity and the social cohesion and that they are also inclusive of the excluded social sectors of the benefits of the development.

The new government's main challenge will be the one of building new institutional structures that solve the problems of the new reality that it faces the managerial group in the power. As for example, those institutions that impede the monopoly practices and that they sustain the governance of the Mexican society. This governance should be considered as a democratic mechanism that facilitates the relationships with the public powers in the processes of making decisions for the formulation and implementation of public relationships, and to establish a harmonious relationship among the three powers. In political matter, it highlights to consolidate the maturity of the electoral democratic processes, to achieve the political reconciliation among the diverse political forces, to foment the political and ideological plurality in the organs of the State, to impel the processes of decentralization, federalism and regional and municipal development.

The new institutions that emerge of the government's decentralized reorganization should be guided to satisfy the demands of the citizenship opening channels for social participation. Also, to enlarge the democracy by means of the recognition of its territorial environment and have structures characteristic of public organization. The direct election of the representatives, the assignment of abilities to the municipal government, the coercion capacity, the readiness of not labeled resources and the direct administration of local services.

With a weak fiscal structure, the financing of the basic functions of the State won't be possible. Other functions of the State will be transferred to the civil society and the market. The social expense will have a maneuver margin limited to support the social politics as regards education,

health, public security and infrastructure. A public, lay, gratuitous education and based on the values and the quality, it will be the social politics' axis. Fox will have programs and mechanisms that reduce the poverty to settle down and achieve a fair distribution of the income, recover the real income and it is translated in benefits to the families, by means of the generation of employment opportunities, financing sources, training, etc., for all. Philanthropic societies and the Catholic church will take charge of to develop some of the functions before commended to the welfare State, when the separation in fact existed between the Church and the State, such as the social attendance to the excluded groups and excluded.

The proposal of the democratic capitalist model for the economies of market in Latin American countries needs to be revised in function of the results expressed in increment of the poverty. To recover the credibility in the government and its genuineness are some of the main challenges that has the next administration of Fox. The same as to reduce the high index of poverty by means of the creation of a million two hundred thousand new employment per year, to maintain the economic growth and the economic development. The correction of the social inequalities is required starting from the economic politics' reorientation. To approach political public that combats the inequality as regards education, of health and infrastructure and of housing, it is an inevitable topic

It is required a governing and rectifying action of the State to correct the inequalities, an economy that is social, a human economy, a humanistic politics in the economic sense with a high emphasis in the combat to the inequality. The economic politics should be guided to generate conditions of human life and only not to change the bias that gives to the market an indisputable hegemony and to guide certainly on productive bases, but to make responsible to the State from the combat to such inequalities. The economic politics has to become unified to reduce the poverty with measure proposals as the establishment of the Social Banking to support family and associative companies, as well as the creation of a pact salary government - employer - worker that allows recovering the purchasing power of the workers.

A political system is required that it reveals the public administration and it is frequently accountable to people in such a way that allows the rulers to be more near to their governed and open up to the social participation the design and the implementation of the public politicians. However, the conservative speech panista and managerial it only recognizes the social participation of non-governmental organizations of private attendance with philanthropic ends. Nevertheless that in this joint of party alternation in power, the civil society that had always maintained a conflicting relationship with a government that looked for its corporate control, now has the opportunity to participate in the design of the project of the country under a new relationship with the government.

However, a strong concern exists because certain threat signs and danger have been presented in the state governments of extraction panista, like in the cases of

Jalisco, Chihuahua and New León. The governments panistas in these States have left negative antecedents of repression to critical civil organizations related with the defense of the human rights, labor, political and civic, and a lack of institutional answer before situations of violence when commitments were looked for. This print makes suppose the existence of a lowering profile of the government of Fox.

6. REFERENCES

- [1] Abascal y Macías, Rafael (2000a). "Reingeniería del gobierno foxista", *El Financiero*, Sábado 30 de septiembre, página 31.
- [2] Abascal y Macías (2000b). "Adiós al revolucionario institucional", *El Financiero*, Sábado 2 de Septiembre, página 14.
- [3] Aviles Karina and Velazquez Miguel Angel. (2000). *La Jornada*, 24 de julio.
- [4] Barboza Rodríguez, Porfirio (2000). "Innovar la administración pública", *El Financiero*, 15 de Septiembre del 2000).
- [5] Becerril, Isabel (2000). "Gobierno foxista, amigable, pero mantendremos la distancia: Coparmex", *El Financiero*, 15 de Septiembre.
- [6] Castellanos Antonio, González Roberto y Lomas M. Emilio (2000). "Factores coyunturales sostienen el auge económico, advierte Bendesky", *La Jornada*, Lunes 4 de Septiembre.
- [7] Chávez, Víctor (2000a). "El gabinete de Vicente Fox", *El Financiero*, Sábado 30 de Septiembre, página 26.
- [8] Chavez, Víctor (2000b). "Régimen gradual de dieta a la administración pública: Fox", *El Financiero*, 15 de septiembre del 2000.
- [9] El Financiero (2000). "Capta la población de bajos recursos 0.07 centavos de cada peso del PIB". *El Financiero*, 15 de septiembre de 2000.
- [10] Fazio, Carlos (2000a). "En gestación, un nuevo poder: la meta, el Estado empresarial", *La jornada*, sábado 26 de agosto.
- [11] Fazio, Carlos (2000b). "Fox, el primer presidente empresario", *La Jornada*, lunes 28 de Agosto, página 18.
- [12] Grier, Robin M. And Grier Kevin B. (2000). "Political cycles in nontraditional settings: theory and evidence from the case of Mexico", *The Journal of Law and Economics*, Volume XLIII (1), April 2000. Pages 239-263.
- [13] Inclán, Isabel (2000). "Política y economía. México no es Coca-Cola, pero la experiencia empresarial ayuda, asegura Thomas d' Aquino", *El Financiero*, 21 de Agosto.
- [14] Jiménez, Eva (2000). "El presidente que no quería ser", *El Financiero*, Sábado 2 de Septiembre, página 13.
- [15] Jiménez Lazcano, Mauro (2000). "Fox: 'Una nueva forma de hacer las cosas'", *Macroeconomía*, Año 8 Núm 86, Septiembre 15, páginas 18-26.
- [16] Lomas M., Emilio (2000a). "La verdadera herencia de Zedillo", *La Jornada*, 4 de Septiembre.
- [17] Lomas M. Emilio (2000b). "Parabola", *La Jornada*, Lunes 17 de julio.
- [18] Muñoz, Alma E. (2000). "Fox, tercer momento salinista de la economía neoliberal", *La Jornada*, 13 de Julio.
- [19] Ortíz Pinchetti, José Agustín (2000a). "Informe final". *La Jornada*. Domingo 3 de Septiembre.
- [20] Ortíz Pinchetti, José Agustín (2000b). "¿Y ahora qué viene?", *La Jornada*, 20 de Agosto, página 22.
- [21] Reuters, Notimex y Afp (2000). "Prudencia en la política fiscal, recomienda el FMI a México", *La Jornada*, viernes 15 de septiembre.
- [22] Reyes Heróles, Federico (2000). "Adiós a los dioses", *Reforma*, 25 de julio.
- [23] Rivera, María (2000). "Fox gobernará para la clase media: Loeza". *La Jornada*, Jueves 13 de julio.
- [24] Rodríguez Araujo, Octavio (2000). "Réplica a Roitman", *La Jornada*, 27 de Julio.
- [25] Rodríguez López, Leticia (2000). "PRD: falló Zedillo". *El Financiero*, Sábado 2 de Septiembre, página 11.
- [26] Ruiz Meza, Pablo (2000). "De ganar Fox, caerá en la tentación del autoritarismo". *El Financiero*, 26 de junio.
- [27] Touraine, Alain (2000). "La prioridad fue la ruptura del viejo sistema", *La nación*. Domingo 16 de Julio.