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Fox’s Mexico: Same as It Ever Was?

PAMELA K. STARR

Vicente Fox’s inauguration as president on December 1, 2000 brought with it great expectations for Mexico’s future. Fox’s electoral victory over the Institutional Revolutionary Party (PRI) the previous July had broken over 70 years of continuous PRI control of an authoritarian presidency and hence of the country. It thus promised to usher in a new era of expanded democracy, increased individual rights, and a significant positive change in the country’s political and economic course.

Fox’s victory undoubtedly has deepened democracy in Mexico, created a new image for the country in the world, and established a new style of governance. And no one honestly expected significant policy advances would come quickly and easily. The new government lacked experience and faced enormous challenges. Errors in strategy and tactics were virtually inevitable as the first opposition administration in living memory took the reins of power, and efforts to change a highly institutionalized and deeply ingrained political order would inevitably be painfully slow. Further, the enormously high expectations produced by the first post-PRI government guaranteed that Fox’s advances would be seen as insufficient by a country desperate for change. Yet even considering these caveats, the performance of the Fox administration during its first year in office has been disappointing.

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Since the arrival of Vicente Fox to the presidency, Mexico has been stuck in neutral. The executive has been characterized by confusion, indecision, and repeated policy mistakes. Mexican political parties have shown a striking inability to adjust their behavior to the new democratic political environment. And Mexicans of all stripes remain steeped in an authoritarian culture that has prevented them from embracing the political opportunities offered by Mexico’s new democratic setting. The consequence has been a year dominated by political bickering and legislative inaction on reforms essential to the long-term health of the Mexican economy and of Mexico’s democratic experiment.

If nothing changes in Mexico during 2002, the country can look forward to a future characterized by a lack of robust economic growth and increased vulnerability to international economic shocks, and a growing likelihood that an only moderately reformed PRI will retake full control of the national legislature in 2003 and of the presidency in 2006.

CONFUSION AND INCONSISTENCIES REIGN

During its first year in office, the Fox administration has shown a striking inability to get things done. It did manage to get two austere budget laws through Congress and win the approval of important elements of a much-needed financial reform. But there is little else legislatively to crow about. The Fox administration managed to ensure the approval of a new law on indigenous people, its top legislative priority. But after extensive revisions imposed by Congress, the law was unable to achieve its true objective of convincing the Zapatista rebels in Chi-

apas to initiate peace negotiations with the federal government. Meanwhile, fiscal, energy, and labor reform, improved security, reforms designed to increase democracy and efficiency in the Mexican state, and increased investment in human capital and infrastructure development all made little headway during 2001, and a desperately needed judicial reform never found its way onto the agenda. Behind this failure to deliver is the administration's inability to pursue an established policy course and send a clear policy message to the nation, and its failure to work effectively with the legislature. Although blame for this circumstance does not lie entirely with the Fox administration, much of it reflects a marked lack of consistency and coordination within the executive branch.

One of the most striking features of the Fox government's first year in office has been its tendency to contradict itself, creating the perception that the government does not know what it is doing or where it is going. For example, throughout the presidential campaign Fox insisted that he would transform the national oil company, PEMEX, into an autonomous firm managed on the basis of market principles. In this vein, soon after taking office he announced the appointment of four prominent businessmen to the administrative board of PEMEX. Not surprisingly, this move produced a great deal of consternation within the political opposition. The opposition's deep mistrust of Fox's ultimate aims for PEMEX led it to conclude that the inclusion of private-sector interests on the board was a first step toward the privatization of the firm. The president of the PRI, Dulce Maria Sauri, referred to this move as the "silent privatization" of the firm and vowed to block it. Also unsurprising was the opposition of PEMEX's union, which feared the move signaled future job cuts. What was surprising was Fox's decision to back down. Within weeks Fox caved in to opposition pressure, apparently fearing that the issue could obstruct other, more important administration objectives.

In much the same way, after insisting for months that a new 15 percent value-added tax on food, medicines, and books was completely nonnegotiable, Fox suddenly changed his mind. At an event with Carlos Fuentes during August in which the most famous of Mexican novelists criticized the tax on books, Fox unexpectedly reversed course and announced the elimination of the tax from his proposal. Backtracking from an established position is an obvious and commonly used negotiating tactic. But in these two instances the Fox administration

gave without receiving anything in return from its opponents. This produced a growing perception on the part of the opposition that the administration was weak and could be bullied into abandoning its policies. The result was a more aggressive and obstructionist opposition.

Inconsistencies and contradictions have also emerged regularly from within the Fox cabinet. The debate on fiscal reform was punctuated throughout the spring and early summer by conflicting statements from seemingly every corner of the president's cabinet. And following the September 11 attacks on the World Trade Center and the Pentagon, Mexican foreign policy was a perfect muddle. Foreign Minister Jorge Castañeda immediately announced Mexico's full backing for the United States and any response it might deem appropriate. This statement of unconditional support for the United States produced a nationalist backlash in the Mexican political class and unease throughout the country. Sensing a political opportunity, Interior Minister Santiago Creel took over the leadership of this opposition. An open dispute between the two ministers persisted for over two weeks before President Fox finally ended it by coming down on the side of Castañeda. In the meantime, confusion reigned. What was the government's policy? Why didn't Fox end the debate sooner? Was he incapable of making a decision or was he incapable of controlling his own cabinet? Whatever the answers to these questions, the incident raised doubts about Fox's ability to lead the nation.

THE MONTESSORI CABINET

The continuing cacophony of disparate policy opinions emerging from within Fox's cabinet has earned it an unwanted nickname: the Montessori cabinet. Each minister seems to be following his or her own script with little or no policy coordination and without anyone willing or able to impose order. This dynamic has three drivers: the institutional structure of the administration, the political inexperience of the cabinet, and Fox's governing style.

The institutional structure of the executive branch under Vicente Fox is more complex than that of his predecessors. In addition to 19 cabinet secretaries it includes a new innovation: 7 coordinators with the responsibility of easing communication and increasing policy management within the cabinet. To this end the executive branch has been organized into three groups—quality growth, order and respect, and social development—with a coordinator to oversee each group. These chiefs of

staff for the ministries under their purview were expected to increase the operational efficiency of the executive branch. Quite the opposite occurred. Rather than increasing cooperation and communication, they have deepened confusion and inconsistency within the administration.

Created out of nothing, the coordinators lacked the funds and institutional base that would have given them the legitimacy and power needed to coordinate the activities of cabinet ministries jealous of their autonomy. Nor did the cabinet secretaries adapt easily to someone other than the president giving them policy direction. They thus often limited communication and cooperation with their coordinator and thereby directly and intentionally undermined the capacity of the coordinators to do their job. The coordinators thus became another layer of government designing their own policy proposals independent of the offices they were supposed to coordinate. Since these proposals often differed from those of the ministries, increased policy conflict and confusion rather than greater coordination and efficiency ensued.

Policy confusion and inefficiency also have reflected the inexperience of most of the Fox cabinet. Although Fox made a point of choosing people highly qualified to head each ministry, in most cases he neglected to include political experience in the mix of qualifications. The result has been a cabinet with strong personalities and extensive experience in the private sector but with very little understanding of the subtleties of politics. Fox's cabinet secretaries have thus regularly ruffled congressional feathers and publicly aired contradictory and often polemical points of view.

The costs of a cabinet lacking government experience have been deepened by Fox's governing style. Fox runs Mexico much as one would manage a firm: he sets out policy goals and allows his cabinet to design and implement the means to achieve them. Although a delegative managerial style can be a very efficient strategy of governing under appropriate conditions, it does not work well under a flawed organizational structure and with ministers who are very self-assured yet politically inexperienced.

AN UNSUPPORTIVE GOVERNING PARTY. . .

The inability of the Fox administration to make legislative advances during its first year in government is not solely the consequence of policy con-

fusion and inconsistencies in the executive branch. It also reflects the limited ability of Mexican political parties to adjust their operations to the demands of Mexico's new democratic political environment. The National Action Party (PAN) has not yet figured out what it means to be the party in government. The Democratic Revolutionary Party (PRD) continues to believe that the opposition's only job is to oppose. And the PRI has been politically paralyzed by an internal leadership struggle and the search for an identity as the opposition. The result has been a legislature both unwilling and unable to take the political risks associated with the passage of essential but controversial legislation.

The relationship between Vicente Fox and the party under whose emblem he was elected to the presidency, the PAN, has never been an easy one. Fox has not gotten along with the leader of the

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PAN's dominant traditionalist faction, Diego Fernandez de Cevallos, since 1991, when Fernandez de Cevallos

sacrificed Fox on the altar of political expediency. (As candidate for governor of Guanajuato state, Fox was declared the loser in a clearly fraudulent election. Fernandez de Cevallos negotiated a compromise with then-President Carlos Salinas under which both Fox and his PRI opponent would step aside in favor of another PAN politician.)

When Fox decided to make a run for the presidency, he correctly recognized that a party structure controlled by Fernandez de Cevallos would not be overly friendly to his candidacy. So Fox made an end run around the party hierarchy. He established a campaign structure independent of the party, appealed directly to the voters, and forced the party to accept his candidacy as a *fait accompli*. He succeeded, but at the price of further angering the traditionalist wing of the party. Given this history, it was not surprising when President Fox named a cabinet virtually devoid of traditional PAN politicians and when he made little effort to involve the party in the process of governing. It was equally unsurprising when this sort of treatment generated resentment within the party even among Fox's supporters.

While Vicente Fox was doing little to make the PAN feel like the party in government, the party itself was suffering an identity crisis that undermined its ability to support President Fox. The PAN feared that Fox's election would transform it into what it had criticized for over 60 years. It was petrified of

becoming a new PRI—a party controlled from the presidency, indistinguishable from the government, and devoid of an independent identity. In its zeal not to become the new party of state, the PAN has been hesitant to give its full support to President Fox and his legislative proposals.

This combination of factors—a traditionalist wing of the party led by Fernandez de Cevallos, who also controls the party leadership and its legislative leadership, Fox's disdainful treatment of the PAN, and the PAN's fear of becoming a new PRI—culminated in a party that operated as if it were the opposition during the first months of the Fox presidency. The most visible example of this relationship was the PAN's opposition to the new Indigenous Law, the first legislative initiative sent to Congress by President Fox.

The PAN had long opposed the proposal to increase the autonomy of indigenous communities on which Fox based his legislative measure. This opposition and the party's lukewarm support for President Fox led the PAN to work actively in Congress to modify this proposal. The real showdown between the PAN and Vicente Fox, however, came over the Zapatista rebels' request that their representative be permitted to speak before Congress in favor of the Fox proposal. Fox strongly supported this request while the PAN delegation in both houses of Congress unanimously opposed it. The leader of the PAN in the Chamber of Deputies insisted that neither Subcommander Marcos (the leader of the Zapatistas) nor Fox would dictate to the legislature. The PAN leader in the Senate, Fernandez de Cevallos, received an ovation at a party assembly when he argued that Fox "is the promoter, he is the representative and the publicist of Marcos." The lower house of Congress ultimately authorized a Zapatista appearance, but not a single PAN deputy voted in favor. In late April the Indigenous Law passed the legislature, but it was the PAN's highly modified version of the Fox proposal. Given that the Zapatistas had demanded the measure's approval without any modifications, the legislation was insufficient to convince the rebels to initiate peace talks. The PAN thus delivered a clear defeat to Vicente Fox on his very first legislative initiative as president, and it did so in a manner highly critical of the president.

This political disaster chastened both sides in the dispute. In the ensuing weeks, Fernandez de Cevallos lowered his tone significantly, the party leadership made a concerted effort to develop a working relationship with its president, and Fox and his cabinet ministers began to communicate more effectively with PAN legislators. But this entente came

only after a great deal of political damage had been done. Further, even after its change of heart, the PAN remained hesitant to support Fox unconditionally.

. . . AN IMPOTENT OPPOSITION . . .

The opposition of the PRD to Fox's legislative agenda has been unrelenting throughout the president's first year in office, and it seems unlikely that this posture will change. For the PRD, the transition from the PRI to the PAN has brought few real changes in the policy direction of the nation, and the party remains a minority in the legislature and thus has limited incentives to collaborate with the government.

The PRD strongly opposes the market-based economic strategy former President Ernesto Zedillo initiated and Fox continued. From the party's perspective, the market is not sufficiently efficient to provide economic well-being for the majority of Mexicans. Given this bias in economic policy, the party finds very little of value in the administration's economic strategy. On questions such as the reform of the state—changing the structure of the Mexican state to make it more democratic and more efficient—there is more room for cooperation. But even here a deep-seated mistrust of the ultimate objectives of the Fox administration will obstruct cooperation.

The PRD also lacks institutional incentives to modify its behavior in Congress. As a minority party whose votes are not sufficient to build a majority even when combined with those of the PAN, the PRD is a minor player whose legislative cooperation is not essential. The PRD can therefore oppose the government without actually obstructing the legislative process—not unlike its position during the era of PRI governments. This institutional reality will not likely change any time soon. The PRD lacks national appeal and shows no sign of reversing this trend. To the contrary, the nourishment the party had traditionally received from defecting PRI politicians fell off sharply in 2001 as the revival of the PRI got under way.

The appeal of the party at the ballot box is also not improving. Even the party's great victory of 2001, the election of Lázaro Cárdenas Batel (the son of former Mexico City Mayor Cuauhtémoc Cárdenas and grandson of the legendary former President Lázaro Cárdenas) as governor of Michoacán state was actually a near defeat. Even with the historical name of Cárdenas in the family's home state, a charismatic personality, a divided PRI, and a 20-point lead at the start of the campaign, Cárdenas Batel edged the PRI by only 5 points. This does not bode well for the PRD's future electoral prospects.

... AND A HYDRA-HEADED BEHEMOTH

With a majority in the Senate, the largest plurality of seats in the Chamber of Deputies, and holding more than half the nation's governorships, the PRI is undoubtedly the dominant opposition force in Mexico. Little legislatively can be achieved without its support. But the PRI has not been highly cooperative during the first year of the Fox administration. In part, this stems from honest policy differences, but, more important, it reflects the party's extreme difficulty in adapting to its new role as the opposition.

From its inception the PRI has existed to serve the interests of the national president, was led by that president, and hence never developed any autonomous identity. When the PRI lost the presidency in July 2000, it lost more than the leadership of the country. It lost its bearings. Who would lead the party? What would the party stand for? How would the party proceed? The first year of the Fox presidency was, therefore, blighted by an essential opposition force trying to find its way in a totally new political world.

In the absence of a national president, the PRI developed three competing centers of power: the PRI governors, the party leadership, and the legislative leadership. Each attempted to lead the party in a somewhat different policy direction. Despite efforts to coordinate their positions, the result was a confused compilation of competing positions emanating from within a single party. With which element of this hydra-headed behemoth should the government negotiate?

Worse still, while each PRI power center made demands of the government, internal party politics prevented them from making any significant sacrifices in return. Throughout 2001 the party leadership was dominated by supporters of the vanquished presidential candidate, Francisco Labastida, yet it faced a continuing challenge from the supporters of Roberto Madrazo, a former governor of Tabasco state and determined adversary of Ernesto Zedillo and his heir apparent, Labastida. As the PRI struggled to find a means to resolve this leadership battle without dividing the party, there was no room for the party leadership or its allies in the congressional leadership to stick out their necks and support any controversial policy positions.

The PRI's eighteenth national assembly held in late November took important strides toward establishing a legitimate and powerful party leadership. It called for the direct election of the new party president and effectively concentrated political power in the hands of the party president and his/her National

Executive Council. But it left the resolution of the factional battle for control of the party to the February election for party president. Until the new party president takes power on March 4, 2002, PRI internal politics will continue to prevent the party from taking any controversial positions.

THE CASE OF FISCAL REFORM

Vicente Fox's proposal to reform Mexico's fiscal policy failed to win legislative approval during 2001, the victim of a misguided legislative strategy combined with confusion in the executive branch and maladjusted political parties. For the first six months of his presidency, Vicente Fox followed a legislative strategy built on the logic of presidentialism even though the political setting in which he operated was characterized by a tangible separation of powers. The executive thus did not countenance any negotiations with the opposition on the content of its reform proposal for months. When the government finally reversed course, Fox's honeymoon was over and the PRI had become increasingly distracted by the demands of internal party politics. Negotiations continued in earnest throughout the remainder of the year but to little effect. Rather than the thoroughgoing fiscal reform Mexico very much needs, the outcome was a compilation of isolated tax increases incorporated into the 2002 budget.

From the moment word began to leak out in early December 2000 that the new fiscal reform would include a value-added tax of 15 percent on food, medicine, books, and school fees, objections were strong. The PRD immediately announced its total opposition, the PRI expressed opposition but couched in terms that suggested that there might be room for negotiation, and the PAN raised strong concerns about the political costs of such a measure. Despite this evident discomfort in the legislature with its proposed tax changes (opposition to a reduction in the income tax was also quite strong), the executive made no effort to negotiate either with the opposition or with its own party. It did not attempt to work out a consensus proposal prior to presenting the legislation to Congress in the first days of April. Instead it designed the proposal in splendid isolation from the political process in the best tradition of the old PRI system.

The government apparently believed it could convince the PAN to support the project and would be able to win the support of a sufficient number of PRI members of Congress by wooing the governors who were believed to control their votes (the initial proposal included a carrot directed specifically at

the governors—40 billion pesos [\$4.2 billion] of the increased tax collection would be directed to states and municipalities). The problem with this strategy was threefold. First, the PAN was not willing to support the president unconditionally on the issue. To the contrary, half the PAN deputies either openly opposed the initiative or were undecided. And in the midst of the party's revolt against its president on the issue of the Indigenous Law, there was no guarantee that the PAN would back the president on fiscal reform. In fact, PAN legislators preempted the president by presenting their own fiscal reform proposal in early March.

The second problem with the initial Fox legislative strategy is that the governors were not the only center of power within the PRI making their hold over party legislators much less than absolute. The legislative leadership and the party leadership also mattered, and their support for the fiscal reform was undermined by three other factors: the lack of PAN support for the initiative, the absence of public support, and history. It should not be surprising that the PRI was unwilling to

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go out on a limb for President Fox if he was not even able to guarantee the support of his own party. This sentiment was deepened by polls showing that the vast majority of the Mexican populace opposed the centerpiece of the Fox fiscal reform proposal. The weight of history also came into play. In 1995 the PRI supported the initiative of President Ernesto Zedillo to increase the value-added tax from 10 percent to 15 percent. To this day the PRI is convinced that this decision was a determining factor in its electoral losses of 1997 and 2000. The PRI thus withheld its support.

The third shortcoming of the government's legislative strategy was its assumption that the Indigenous Law and hence the start of peace negotiations would be quick and easy. With this victory in hand, it was believed that Fox would enjoy the increased political capital needed to push the fiscal reform through Congress. This supposition was patently wrong, yet even after this became evident the government failed to modify its legislative strategy. Instead, the fiscal reform was introduced in the midst of the debate on the Indigenous Law. Given that 44 percent of legislators gave greater priority to passing the Indigenous Law in the spring congressional session while only 29 percent prioritized the fiscal reform, the fiscal reform took a back seat. On

April 17 Congress decided to postpone consideration of the fiscal reform until a special session of Congress could be arranged, or until the next regular congressional session began in September.

Following this congressional decision, the executive modified its legislative strategy on the margins. Still unwilling to negotiate the contents of the proposal, it began to apply pressure on the legislature to approve the president's proposal as soon as possible. Fox's coordinator for public policy, Eduardo Sojo, referred to the congressional decision to postpone consideration of the reform as "irresponsible" and the president himself called on all political forces to put aside their differences and to come together in the national interest to approve the fiscal reform. In late May a newly cooperative PAN aired a series of television spots that took a more hard-line approach. They argued that in the past, tax increases were absorbed by corrupt politicians rather than applied to productive investments. In the new post-

PRI democratic reality, however, this would no longer occur.

Not surprisingly, the PRI reacted badly to this new strategy.

More troubling was the strategy's total failure to generate pressure on the PRI and thereby force it to cooperate. The strategy was based on the belief that a popular president could go over the heads of the politicians and appeal directly to the people. Popular support for the president would pressure legislators to cooperate out of fear of the electoral consequences associated with defying public opinion. This strategy failed for two reasons. It incorrectly assumed that Mexican legislators are susceptible to public pressure. In a political system that prohibits reelection, the political future of politicians is determined by the party rather than by voters. As such, politicians are not accountable to the electorate and hence largely immune to public opinion. Further, the Mexican public never supported Vicente Fox's proposal to tax food and medicines. The likelihood that they would pressure legislators to approve this measure, even if they had the power to do so, was far-fetched at best.

Only following the failure of this "revised" legislative strategy did the Fox administration begin to negotiate with the legislature in search of a consensus proposal. Unfortunately, the negotiations quickly stalled over the value-added tax. Without progress through June and July, President Fox began to lobby personally for his initiative in meet-

ings with business leaders, union leaders, and the national governors, but still without success.

Throughout the fall the fiscal reform remained hostage to PRI party politics, a total lack of public support for the initiative, and more strategic errors. As the November date of the PRI's national assembly approached, there was little hope that any competing power bases within the PRI would be willing to risk approving a massively unpopular tax reform. Driving this point home was the decision by the party leadership to prohibit PRI legislators from voting for any fiscal reform that included a value-added tax on food and medicine. Meanwhile, the failure of the Fox government to convince the public of the wisdom of its proposed reform guaranteed that the electoral costs during the 2003 legislative and the 2006 presidential elections associated with this obstinacy would be few.

Elements of the government's political strategy also did little to advance the fiscal reform. With the fiscal reform stalled in Congress, the executive began to blame the legislature for the lack of progress on the initiative. Not only was this argument disingenuous, it backfired. In a political order where the legislature recently won its independence after decades of subjection to the executive, any attack on the legislature by the executive will inevitably be seen as an effort to reduce Congress's newfound autonomy. The unsurprising reaction of the Mexican Congress in this circumstance was a jealous protection of its autonomy against "unwarranted attacks" and an associated reduction in its willingness to cooperate with the government.

As the end of the legislative session approached and with no significant progress on the tax issue being made, the government's strategy seemed to shift once more. The government now seemed willing to consider any and all recommendations to modify its value-added tax proposal. The flurry of proposals that emerged from government circles in early December created the impression of an administration desperate for reform. This image of desperation only deepened the PRI's conviction that it could block all the core elements of the government's reform proposal and benefit from it politically. In the end Mexico was left with some tax increases incorporated in the 2002 budget instead of a comprehensive fiscal reform.

WHAT LIES AHEAD FOR MEXICO?

The first year of the Fox administration produced much less legislatively than even the worst prognostications anticipated. This poor legislative

performance owes much to the difficulties encountered by all Mexican political actors in their effort to adapt to Mexico's post-PRI political environment. The Fox administration has found governing much more difficult than campaigning for the presidency. As the candidate capable of successfully challenging the PRI, popular opinion tended to discount Fox's inconsistencies. In the presidency this characteristic has made the administration appear weak and rudderless. As president of Coca-Cola, a delegative managerial strategy worked very well but in a presidency populated by powerful personalities with overlapping responsibilities and very limited experience in government, it has proved problematic at best. Emerging from a sociopolitical culture shaped by over 70 years of authoritarian rule, the Fox government initially adopted a legislative strategy steeped in presidentialism but without the presidentialist structures to make it operate. And in its effort to fine-tune its legislative strategy, the Fox administration drew heavily on tactics designed in the advanced democracies but ineffective in a fledgling democratic order.

Mexican political parties have also shown a limited aptitude for adjustment during 2001. The process within the PAN of adapting its behavior to the reality of being the party in government has been difficult and remains incomplete. The PAN's resulting early opposition to the Fox government followed by somewhat tepid support created a strong disincentive for opposition cooperation with the administration and thereby helped torpedo Fox's legislative initiatives during 2001. For the PRD, the small size of its legislative faction continues to create a powerful disincentive to adapt its legislative strategy to Mexico's more democratic political environment. Obstructionism remains the rule of the day. And the internal PRI struggle throughout 2001 to determine how the party would be governed in the absence of presidential leadership prevented it from working constructively with the Fox government.

There is great hope in Mexico that the country's political actors will learn from their mistakes in 2001, adapt tolerably to democratic politics, and finally begin to get things done in 2002. Some positive signs point in this direction. The PAN ceased to operate as an opposition force and by the end of the year the party's legislative leadership was leading the charge for the administration in the search for a consensus on fiscal reform. The PRI will have a strong and legitimate president as of March 4, 2002, which should finally give the party a unified leadership structure with the capacity to take political risks. And the exec-

utive has clearly learned that it must negotiate with Congress and that it must establish a much more unified and coherent image as government.

But many signs also suggest that Mexico is likely to remain in neutral during 2002. Although the PAN is cooperating more with the government, it is still extremely jealous of its autonomy and continues to search for a means to avoid damaging party interests while supporting its president. The PRI may have an effective leadership beginning in March, but it remains a party dedicated almost exclusively to the mission of retaking political power. If working with Fox will further this aim, the PRI will cooperate. But if the party perceives weakness on the part of the executive or sees political opportunity to be had by opposing its initiatives (especially in the run-up to the 2003 legislative elections), the PRI will be obstructionist. And there is much to suggest that the Fox administration will not perform significantly better in 2002 than in 2001. Although there were rumors in late 2001 of a significant restructuring of the executive branch, it seems likely that whatever changes are implemented will not be sufficient to

alter the essential structural characteristics of the Fox government. The administration will remain one composed of strong personalities with limited political sensibilities, overlapping missions, and without strong guidance from the top.

Mexico during 2002 is therefore likely to continue muddling along. It will make few positive advances toward the implementation of essential structural reforms, but neither will it descend into ungovernability and economic crisis. Mexico is on a trajectory toward economic growth constrained significantly by unresolved structural problems such as rising fiscal liabilities, insufficient energy production, and an inefficient judicial system. Slow growth and the resultant increase in the country's economic vulnerability will inevitably undermine the popularity of the Fox government and generate opportunities for the opposition. Although the PRI is still seen by most Mexicans in a negative light, this image could easily change should public disappointment with the Fox government deepen. Mexico thus faces the real prospect of a return to power by a largely unreconstructed PRI in the near future. ■