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Analysis: Economy Could Hold Key for Governing Party in 1999

by Guest

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Mexican political tradition holds that the fifth year of the Mexican presidency is one of vastly diminished powers for the lame-duck chief executive whose primary task is to guarantee a peaceful and self-serving succession. Traditionally, the outgoing president has appointed the next president by "pointing the finger" at his successor. This ritual, known as the "dedazo," has traditionally occurred in September or October prior to the next election.

This arcane mechanism served the PRI for many years because the party has won every presidential race since its creation in 1929. In fact, the PRI did not face any legitimate opposition until the 1988 and 1994 presidential elections. But the task of selecting a candidate for the 2000 election will be more complicated because of changing dynamics within the party and President Zedillo's weak standing in the PRI.

Zedillo, who came to the presidency by accident when the PRI's designated presidential candidate, Luis Donaldo Colosio, was assassinated in Tijuana in early 1994, enjoys only a thin base of support within his own party. Furthermore, he must also fight the perception that he is an ineffective president who has been unable to resolve the conflict in Chiapas and the impact of the 1994 peso devaluation on the Mexican economy.

The traditional "dedazo" is also threatened by a rift within the party. A handful of PRI hard-liners such as former Puebla governor Manuel Bartlett Diaz and Tabasco Gov. Roberto Madrazo Pintado have already taken the unprecedented step of declaring themselves available for the party's presidential nomination. Zedillo has insisted he will not intervene in the selection of PRI candidate for the 2000 presidential election, but insiders say the president is pushing for Social Development Secretary Esteban Moctezuma Barragan.

An up and coming young politician, Moctezuma was interior secretary early during Zedillo's term. But military officers pressured Zedillo to remove Moctezuma from the Secretaria de Gobernacion (SEGOB) after he met with leaders from the Ejercito Zapatista de Liberacion Nacional (EZLN) in Chiapas in 1995.

Moctezuma's current cabinet post places him in a better position to obtain the PRI candidacy than did his previous position in SEGOB. As head of the Secretaria de Desarrollo Social (SEDESOL),

Moctezuma is in a position to trade government favors in impoverished communities for a pledge to vote PRI. Luis Donaldo Colosio occupied the same position before former president Carlos Salinas de Gortari designated him as presidential candidate for the 1994 election.

Furthermore, Moctezuma has already fulfilled the internal PRI requirement that its presidential candidates must have previously been elected to a public office. Shortly after his ouster from SEGOB, Moctezuma was elected to the Senate, representing Mexico City. Selection of presidential candidate could divide PRI But Zedillo could face an uphill battle in gaining Moctezuma's nomination for the PRI in 2000 because of formidable challenges from Bartlett, Madrazo, and possibly Interior Secretary Francisco Labastida.

A recent poll conducted by the Guadalajara-based Centro de Estudios de Opinion (CEO) showed PRI supporters favor Labastida, Bartlett, and Madrazo over Moctezuma. Bartlett and Madrazo have already announced their intention to seek the PRI nomination and have both launched media campaigns to lure voters to their side. Labastida has not declared his candidacy. Other formidable candidates could emerge during the course of 1999. Veracruz Gov. Miguel Aleman Velasco has often been mentioned as a potential candidate. Aleman, a former federal senator, is the son of Miguel Aleman Valdes (1946- 1952).

The US favorite, Finance Secretary Angel Gurria, could also be formidable candidate, although his reputation has been tarnished by the scandal surrounding the government bailout of the bank-rescue fund (Fondo Bancario de Proteccion al Ahorro, FOBAPROA). Still another PRI candidate could come from the ranks of the Mexican military, which is rumored to be pushing the party to select one of its own for the job.

Such an uncertain cast of characters creates tensions inside PRI ruling echelons and is certain to promote some exodus toward the center-left Partido de la Revolucion Democratica (PRD), where a growing band of PRI dissidents have found refuge. Two former PRI members won governorships under the PRD banner in 1998, and a third is expected to be a strong PRD contender for the gubernatorial race in Baja California Sur later this year.

The fractious contention for the PRI nomination will likely spark vendettas and violence that could make the bloody 1994 electoral year appear tame in comparison. Colosio and PRI secretary-general Jose Francisco Ruiz Massieu were assassinated in 1994. Raul Salinas de Gortari, brother of former president Carlos Salinas de Gortari, is in federal custody on charges of masterminding the Ruiz Massieu assassination.

Economic downturn could damage PRI's hold on presidency

To further complicate matters, the 1999 succession drama will be played out against a darkening economic backdrop that has Zedillo pushing for draconian tax increases and offering the skimpiest budget ever presented to Congress since the post-revolutionary period. The budget proposes to reduce spending on social programs at a time when Mexicans are poorer than ever. Some estimates put one-quarter of the Mexican population living in extreme poverty.

Although a volatile stock market has leveled off at 3800 points, 1200 below its 1997 closing, macroeconomic prospects for the coming year are bleak. The faith of international investors in emerging markets such as Mexico was sorely tested by the 1998 Asian collapse, which caused a steady flow of capital out of the Mexico during the year. Global investors such as George Soros do not discount a resurgence of market destabilization in 1999, based in large measure on the fortunes of Brazil. Soros, who lost significant amounts of money in 1998, is the author of the book "The Crisis of Global Capitalism," which decries structural weaknesses in the globalization process.

Should such dire prognostications come to pass, the PRI's lock on the presidency would be irreparably damaged. The governing party, which has been held accountable for two economic crises in the same six-year administration, could face maximum backlash at the polls in the year 2000. The fallout from renewed economic collapse would not only boost the fortunes of opposition political parties but will strengthen the armed option that has flared during the Zedillo years in highly indigenous southern Mexico.

The EZLN appears to be betting that fresh economic chaos will knock out the PRI in 2000, which will enable the Zapatistas to obtain their cherished goal of indigenous autonomy. This goal has been endorsed by the PRD's likely presidential candidate, Cuauhtemoc Cardenas. But the EZLN, which disdains the opportunism of political parties, is preparing its own election in 1999: a national referendum on indigenous autonomy now set for March 21.

Lack of opposition coalitions would benefit PRI

Nonetheless, a PRI defeat in 2000 is hardly a foregone conclusion. If economic catastrophe does not occur, the governing party could actually experience a revival in coming years. The PRI amply demonstrated its domination of Mexican politics with victories, albeit narrow, in seven of 10 gubernatorial races in 1998. PRI leaders are confident of repeating this performance in 1999, with seven gubernatorial races scheduled for the year.

But the PRI could have been defeated in the seven races the governing party won last year if the PRD and the center-right Partido Accion Nacional (PAN) had joined forces behind a single candidate. In each of the elections, the PRD and PAN had more votes between them than the PRI. A PRD-PAN coalition is not in the cards for the 2000 election, since both parties appear convinced they can field strong candidates. The PRD's Cardenas, who enjoys considerable support in preliminary polls, must first compete against other strong candidates that include former legislative leader Porfirio Munoz Ledo.

Popular Guanajuato Gov. Vicente Fox Quesada is expected to be the PAN candidate in the 2000 election. Rare coalitions between the PRD and the PAN have generally been in regions where neither party had much of a constituency, and efforts by the PRD to foment collaboration in the past year have been consistently rebuffed by the center-right party. Any collaboration efforts were dashed when the PAN chose to negotiate with the PRI in controversial votes in the Chamber of Deputies on the FOBAPROA rescue and on the 1999 budget (see SourceMex, 12/16/98 and 01/06/99). If the PAN and PRD continue to chart their separate paths, the PRI could find itself with a winning hand in the presidential election on July 2, 2000. The fortunes of the Mexican economy in 1999 become of paramount importance.

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