

ejido

Land granted by Mexican government to an organized group of peasants.

ejidatario

Recipient of an *ejido* land grant in Mexico.

clientelism

An informal aspect of policy-making in which a powerful patron (for example, a traditional local boss, government agency, or dominant party) offers resources such as land, contracts, protection, or jobs in return for the support and services (such as labor or votes) of lower-status and less powerful clients; corruption, preferential treatment, and inequality are characteristic of clientelist politics.

North American Free Trade Agreement (NAFTA)

A treaty between the United States, Mexico, and Canada implemented on January 1, 1994, that largely eliminates trade barriers among the three nations and establishes procedures to resolve trade disputes.

post revolutionary governments combined.² Most of these lands were distributed in the form of *ejidos* (collective land grants) to peasant groups. *Ejidatarios* (those who acquired *ejido* lands) became one of the most enduring bases of support for the government. Cárdenas also encouraged workers to form unions and demand higher wages and better working conditions. In 1938, he wrested the petroleum industry from foreign investors and placed it under government control.

During the Cárdenas years (1934–1940), the bulk of the Mexican population was incorporated into the political system. Organizations of peasants and workers, middle-class groups, and the military were added to the official party. In addition, the Cárdenas years witnessed a great expansion of the role of the state as the government encouraged investment in industrialization, provided credit to agriculture, and created infrastructure.

The Politics of Rapid Development (1940–1982)

In the decades that followed, Cárdenas's successors used the institutions he created to counteract his reforms. Gradually, the PRI developed a huge patronage machine, characterized by extensive chains of personal relationships based on the exchange of favors. These exchange relationships, known as **clientelism**, became the cement that built loyalty to the PRI and the political system.

This kind of political control reoriented the country's development away from the egalitarian social goals of the 1930s toward a development strategy in which the state actively encouraged industrialization and the accumulation of wealth. Economic growth rates were high during the 1940s, 1950s, and 1960s. By the 1970s, however, industrial development policies were no longer generating rapid growth.

The country's economy was in deep crisis by the mid-1970s. Just as policy-makers began to take actions to correct the problems, vast new amounts of oil were discovered in the Gulf of Mexico. Soon, rapid economic growth in virtually every sector of the economy was refueled by extensive public investment programs paid for with oil revenues. Unfortunately, international petroleum prices plunged in the early 1980s, and Mexico plunged into a deep economic crisis.

Crisis and Reform (1982–2000)

This economic crisis led two presidents, Miguel de la Madrid (1982–1988) and Carlos Salinas (1988–1994), to introduce the first major reversal of the country's development strategy since the 1940s. New policies were put in place to limit the government's role in the economy and to reduce barriers to international trade. This period marked the beginning of a new effort to integrate Mexico more fully into the global economy. In 1993, President Salinas signed the **North American Free Trade Agreement (NAFTA)**, which committed Mexico, the United States, and Canada to the elimination of trade barriers between them. The economic reforms of the 1980s and 1990s were a turning point for Mexico and meant that the country's future development would be closely tied to international economic conditions.

Globalization brought with it new opportunities, but the increased exposure to the world economy also led to greater vulnerability to international capital flows and financial crises. After one such crisis hit at the end of 1994, for example, the Mexican economy shrank by 6.2 percent, inflation soared, taxes rose while wages were frozen, and the banking system collapsed. Mexico was likewise deeply affected by the global economic crisis of 2008, largely because of its strong links with the hard-hit U.S. economy.

The economic volatility of the early to mid-1990s was accompanied by worrying signs of political instability. On January 1, 1994, a guerrilla movement, the Zapatista

Army of National Liberation (EZLN), seized four towns in the southern state of Chiapas. The group demanded land, democracy, indigenous rights, and an immediate repeal of NAFTA. Many citizens throughout the country openly supported the aims of the rebels. The government and the military were also criticized for inaction and human rights abuses in the state.

Following close on the heels of rebellion came the assassination of the PRI's presidential candidate, Luis Donaldo Colosio, on March 23, 1994, in Tijuana. The assassination shocked all citizens and shook the political elite deeply. Although the self-confessed "lone gunman" was jailed, the ensuing investigation raised concerns about a possible conspiracy involving party and law enforcement officials as well as drug cartels. Some Mexicans were convinced that the assassination was part of a plot by party "dinosaurs," political hardliners who opposed any kind of democratic transformation. Rumors circulated about a cover-up scandal. Eventually, skepticism about the integrity of the inquiry was so great that President Salinas called for a new investigation. Even today, little is known about what exactly happened in Tijuana and why.

With the election of replacement candidate Ernesto Zedillo in August 1994, the PRI remained in power, but these shocks provoked widespread disillusionment and frustration with the political system. In 1997, for the first time in modern Mexican history, the PRI lost its absolute majority in the Chamber of Deputies, the lower house of the national congress. Since then, the congress has shown increasing dynamism as a counterbalance to the presidency. The 2000 election of Vicente Fox as the first non-PRI president in seven decades was the culmination of this electoral revolution.

Since 2000: Mexico as a Multi-Party Democracy

After taking office in December 2000, Vicente Fox found it difficult to bring about the changes that he had promised to the Mexican people. Proposals for reform went down to defeat, and the president was subjected to catcalls and heckling when he made his annual reports to the congress. The difficulties faced by Fox as he attempted to implement his ambitious agenda arose in part because he and his administration lacked experience. However, a bigger problem for the president was that he lacked the compliant congressional majority and the close relationship with his party that his PRI predecessors had enjoyed.

With his legislative agenda stalled, Fox hoped that achievements in international policy would enhance his prestige at home. He was particularly hopeful that a close connection with the U.S. president, George W. Bush, would facilitate important breakthroughs in relations with the United States. The events of September 11, 2001, dramatically changed the outlook, however. The terrorist attacks on the United States led officials in Washington to seek to strengthen border security and to shift much of their attention away from Mexico and Latin America and toward Afghanistan and the Middle East. As a result, Mexican hopes for an agreement under which a greater number of their citizens would legally be able to migrate to and work in the United States were dashed. Thus, Fox found both his domestic and international policy priorities largely blocked.

As Fox's term in office came to a close, his National Action Party (PAN) turned to Felipe Calderón Hinojosa, the former secretary of energy, as its candidate in the 2006 presidential election. His main opponent was Andrés Manuel López Obrador of the Party of the Democratic Revolution (PRD). López Obrador accused Calderón of favoring the rich at the expense of Mexico's poor; Calderón argued that López Obrador had authoritarian tendencies that imperiled Mexico's democracy and that his economic policies would threaten Mexico's stability.

When Calderón won by a small margin, López Obrador refused to concede defeat. López Obrador's defiant response had the unintended effect of dividing

the opposition and allowing Calderón to consolidate his hold on power. The new president also benefited from a general perception that his administration was more competent and more politically savvy than the previous Fox administration. His government passed a political reform bill that changed the way political campaigns were financed. He also pushed through a fiscal reform bill that raised corporate taxes.

By far the greatest challenge Mexico faced, however, was the increasing cost of fighting the war on drugs and organized crime. Calderón relied on the army and federal police to launch military offensives against drug cartels throughout the country. Within weeks of taking office, he had deployed thousands of troops and police to states plagued by the drug trade, such as Baja California, Michoacán, and Guerrero. The offensive has resulted in the apprehension or killing of many leading drug traffickers, but it has also triggered an ongoing and unexpectedly intense wave of violence that has claimed tens of thousands of lives, damaged the country's image abroad, and undermined the confidence of many Mexicans in the ability of their government to maintain order and assure their safety.

Themes and Implications

Historical Junctures and Political Themes

The modern Mexican state emerged from a revolution that proclaimed goals of democratic government, social justice, and national control of the country's resources. In the chaotic years after the revolution, the state created conditions for political and social peace. By incorporating peasants and workers into party and government institutions, by providing benefits to low-income groups during the 1930s, and by presiding over considerable economic growth after 1940, it became widely accepted as legitimate. These factors worked together to create a strong state capable of guiding economic and political life. Only in the 1980s did this system begin to crumble.

Mexico has always prided itself on ideological independence from the world's great powers. For many decades, Mexico considered itself a natural leader of Latin America and the developing world in general. After the early 1980s, however, the government rejected this position in favor of rapid integration into the global economy. The country aspired to the status enjoyed by the **newly industrialized countries (NICs)** of the world, such as South Korea, Malaysia, and Taiwan. However, many concerned citizens believed that in pursuing this strategy the government was accepting a position of political, cultural, and economic subordination to the United States.

Economic and political crises after 1980 highlighted the conflict between a market-oriented development strategy and the country's philosophical tradition of a strong and protective state. The larger questions of whether this development strategy can generate growth, whether Mexican products can find profitable markets overseas, whether investors can create extensive job opportunities for millions of unemployed and part-time workers, and whether the country can maintain the confidence of those investors over the longer term continue to challenge the country.

After the Revolution of 1910, the country opted not for true democracy but for representation through government-mediated organizations within a **corporatist state**, in which interest groups became an institutionalized part of state structure rather than an independent source of advocacy. This increased state power in relation to **civil society**. The state took the lead in defining goals for the country's development and, through the school system, the party, and the media, inculcated in the population a broad sense of its legitimate right to set such goals. In addition, the

NICs

A term used to describe a group of countries that achieved rapid economic development beginning in the 1960s, largely stimulated by robust international trade (particularly exports) and guided by government policies.

corporatist state

A state in which interest groups become an institutionalized part of the state structure.

civil society

Refers to the space occupied by voluntary associations outside the state, for example, professional associations (lawyers, doctors, teachers), trade unions, student and women's groups, religious bodies, and other voluntary association groups.

state had extensive resources at its disposal to control or co-opt dissent and purchase political loyalty. The PRI was an essential channel through which material goods, jobs, the distribution of land, and the allocation of development projects flowed to increase popular support for the system or to buy off opposition to it.

Although many Mexicans were actively involved in local community organizations, religious activities, unions, and public interest groups, traditionally the scope for challenging the government was very limited. At the same time, Mexico's strong state did not become openly repressive except when directly challenged.

By the 1980s, cracks began to appear in the traditional ways in which Mexican citizens interacted with the government. As the PRI began to lose its capacity to control political activities and as civic groups increasingly insisted on their right to remain independent from the PRI and the government, the terms of the state-society relationship were clearly in need of redefinition. Mexico's future stability depends on how well a more democratic government can accommodate conflicting interests while at the same time providing better economic opportunities to its very large number of poor citizens.

Implications for Comparative Politics

In a world of developing nations wracked by political turmoil, military coups, and regime changes, the PRI established enduring institutions of governance and conditions for political stability in Mexico. Other developing countries have sought to emulate the Mexican model of stability based on an alliance between a dominant party and a strong development-oriented state, but no other government has been able to create a system that has had widespread legitimacy for so long.

Currently, Mexico is transforming itself from a corporatist state to a democratic one. At the same time, it struggles to resolve the conflicts of development through integration with its North American neighbors. The country has

made significant strides in industrialization, which accounts for about 32.9 percent of the country's gross domestic product (GDP). Agriculture contributes about 4.3 percent to GDP, and services contribute some 62.8 percent. This structure is very similar to the economic profiles of Argentina, Brazil, Poland, and Hungary. But unlike those countries, Mexico is oil rich. The government-owned petroleum industry is a ready source of revenue and foreign exchange, but this commodity also makes the economy extremely vulnerable to changes in international oil prices.

Mexico is categorized by the World Bank as an upper-middle-income developing country. The country's industrial and petroleum-based economy gives it a per capita income (\$13,200) comparable to that of countries such as Brazil, Russia, and South Africa, and higher than those of most other developing nations. But the way the country has promoted economic growth and industrialization is important in explaining why widespread poverty has persisted and why political power is not more equitably distributed.



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In recent years, Mexican authorities have moved forcefully against the country's drug trafficking organizations, which had amassed considerable resources through their criminal activities.

Summary

The Mexican political system is unique among developing countries in the extent to which it managed to institutionalize and maintain civilian political authority for a very long time. The country's development has been significantly shaped by its proximity to the United States, and its contemporary economic development is linked to the expansion of globalization. Yet the critical junctures in the country's history also show the importance of domestic political and economic conflicts. Although the Revolution of 1910 happened a century ago, its legacies continue to mark development in Mexico, as does its earlier history of industrialization and urbanization. And the impact of particular leaders and their presidential administrations also marks the emergence of the country. In a world of developing nations wracked by political turmoil, military coups, and regime changes, the PRI regime established important conditions for political stability, even though it stifled democratic freedoms. Currently, Mexico is undergoing significant political change, transforming itself from a corporatist state to a democratic one. At the same time, Mexican society is experiencing high levels of violence as the state confronts drug trafficking organizations that represent a challenge to its authority and to the rule of law. Industry and oil give the country a per capita income higher than those of most other developing nations, but the country suffers from great inequalities in how wealth is distributed, and poverty continues to be a grim reality for millions. The way the country promoted economic growth and industrialization is important in explaining why widespread poverty has persisted and why political power is not more equitably distributed.

SECTION 2

POLITICAL ECONOMY AND DEVELOPMENT

State and Economy

During the *Porfiriato* (1876–1911), policy-makers believed that Mexico could grow rich by exporting raw materials. Their efforts to attract domestic and international investment encouraged a major boom in the production and export of products such as henequin (for making rope), coffee, cacao (cocoa beans), cattle, oil, silver, and gold. Soon, the country had become so attractive to foreign investors that large amounts of land, the country's petroleum, its railroad network, and its mining wealth were largely controlled by foreigners. Nationalist reaction against these foreign interests played a significant role in the tensions that produced the Revolution of 1910.

After the revolution, this nationalism combined with a sense of social justice inspired by revolutionary leaders such as Zapata. The country adopted a strategy in which the government guided industrial and agricultural development. This development strategy (often called **state capitalism**) relied heavily on government actions to encourage private investment and reduce risks for private entrepreneurs. At the same time, many came to believe that Mexico should begin to manufacture the goods that it was then importing.

state capitalism

An economic system that is primarily capitalistic but in which there is some degree of government ownership of the means of production.

Import Substitution and Its Consequences

Between 1940 and 1982, Mexico pursued a form of state capitalism and a model of industrialization known as import substitution, or **import substitution industrialization (ISI)**. Like Brazil and other Latin American countries during the same period, the government promoted the development of industries to supply the domestic market by encouraging domestic and international investment. Initially, the country produced mainly simple products like shoes, clothing, and processed foods. But by the 1960s and 1970s, it was also producing consumer durables, intermediate goods, and capital goods.

With the massive agrarian reform of the 1930s (see Section 1), the *ejido* had become an important structure in the rural economy. After Cárdenas left office, however, government policy-makers moved away from the economic development of the *ejidos*. They became committed instead to developing a strong, entrepreneurial private sector in agriculture. For them, “the development of private agriculture would be the ‘foundation of industrial greatness.’”³ They wanted this sector to provide foodstuffs for the growing cities, raw materials for industry, and foreign exchange from exports. To encourage these goals, the government invested in transportation networks, irrigation projects, and agricultural storage facilities. It provided extension services and invested in research. It encouraged imports of technology to improve output and mechanize production. Since policy-makers believed that modern commercial farmers would respond better to these investments and services than would peasants on small plots of land, the government provided most of its assistance to large landowners.

Between 1940 and 1950, GDP grew at an annual average of 6.7 percent, while manufacturing increased at an average of 8.1 percent. In the 1950s, manufacturing achieved an average of 7.3 percent growth annually, and in the 1960s, that figure rose to 10.1 percent. Agricultural production also grew rapidly as new areas were brought under cultivation and **green revolution** technology was extensively adopted on large farms. Even the poorest Mexicans believed that their lives were improving. Table 10.2 presents data that summarize a number of advancements during this period. So impressive was Mexico’s economic performance that it was referred to internationally as the “Mexican Miracle.”

It was not long before a group of domestic entrepreneurs developed a special relationship with the state. Government policies protected their products through high tariffs or special licensing requirements, limiting imports of competing goods. Business elites in Mexico received subsidized credit to invest in equipment and plants; they benefited from cheap, subsidized energy; and they rarely had to pay taxes. These protected businesses emerged as powerful players in national politics. They were able to veto efforts by the government to cut back on their benefits, and they lobbied for even more advantages.

Workers also became more important players in Mexico’s national politics. As mentioned in Section 1, widespread unionization occurred under Cárdenas, and workers won many rights that had been promised in the Constitution of 1917. The policy changes initiated in the 1940s, however, made the unions more dependent on the government for benefits and protection; the government also limited the right to strike. Union membership meant job security and important benefits such as housing subsidies and health care. These factors compensated for the lack of democracy within the labor movement. Moreover, labor leaders had privileged access to the country’s political leadership and benefited personally from their control over jobs, contracts, and working conditions. In return, they guaranteed labor peace.⁴

In agriculture, those who benefited from government policies and services were primarily farmers who had enough land and economic resources to irrigate

Focus Questions

In what ways have various theories of economic development affected government policies in Mexico? Which policies have been the most successful? The least successful?

Which economic developments in Mexico have most greatly affected social progress, for better or worse? To what degree had government policy affected those developments? To what degree were they shaped by outside forces?

What accounts for the Mexican government’s decision to seek greater integration into the global economy? In what ways have global linkages helped or harmed the lives of various social groups?

import substitution industrialization (ISI)

Strategy for industrialization based on domestic manufacture of previously imported goods to satisfy domestic market demands.

green revolution

A strategy for increasing agricultural (especially food) production, involving improved seeds, irrigation, and abundant use of fertilizers.

Table 10.2	Mexican Development, 1940–2010						
	1940	1950	1960	1970	1980	1990	2010^a
Population (millions)	19.8	26.3	38.0	52.8	70.4	88.5	112.5
Life expectancy (years)	–	51.6	58.6	62.6	67.4	68.9	76.5
Infant mortality (per 1,000 live births)	–	–	86.3	70.9	49.9	42.6	17.3
Illiteracy (% of population age 15 and over)	–	42.5	34.5	25.0	16.0	12.7	7.0
Urban population (% of total)	–	–	50.7	59.0	66.4	72.6	78.0
Economically active population in agriculture (% of total)	–	58.3	55.1	44.0	36.6	22.0	13.5
	1940–1949	1950–1959	1960–1969	1970–1979	1980–1989	1990–1999	2000–2009
GDP growth rate (average annual percent)	6.7	5.8	7.6	6.4	1.6	3.4	1.3
Per capita GDP growth rate	–	–	3.7	3.3	–0.1	1.6	0.3

^a Or most recent year available.

Sources: Statistical Abstract for Latin America (New York: United Nations, Economic Commission for Latin America, various years); Roger Hansen, *The Politics of Mexican Development* (Baltimore, MD: Johns Hopkins University Press, 1971); *Statistical Bulletin of the OAS*; World Bank Country Data for Mexico, World Bank, World Development Indicators; Central Intelligence Agency, *CIA World Factbook*.

informal sector (economy)

That portion of the economy largely outside government control in which employees work without contracts or benefits. Examples include casual employees in restaurants and hotels, street vendors, and day laborers in construction or agriculture.

and mechanize. By the 1950s, a group of large, commercially oriented farmers had emerged to dominate the agricultural economy.⁵

Government policies eventually limited the potential for further growth.⁶ Industrialists who received extensive subsidies and benefits from the government had few incentives to produce efficiently. High tariffs kept out foreign competition, further reducing reasons for efficiency or quality in production. Importing technology to support industrialization eventually became a drain on the country's foreign exchange.

As the economy grew, many were left behind. The ranks of the urban poor grew steadily, particularly from the 1960s on. By 1970, a large proportion of Mexico City's population was living in inner-city tenements or squatter settlements surrounding the city.⁷ Mexico developed a sizable **informal sector**—workers who produced and sold goods and services at the margin of the economic system and faced extreme insecurity.

Also left behind in the country's development after 1940 were peasant farmers. Their lands were often the least fertile, plot sizes were minuscule, and access to markets was impeded by poor transportation and exploitive middlemen who trucked products to markets for exorbitant fees. Farming in the *ejido* communities, where land was held communally, was particularly difficult.

Increasing disparities in rural and urban incomes, coupled with high population growth rates, contributed to the emergence of rural guerrilla movements and student protests in the mid- and late 1960s. The domestic market was limited by poverty; many Mexicans could not afford the sophisticated manufactured products the country would need to produce in order to keep growing under the import substitution model.

By the late 1960s, the country was no longer able to meet domestic demand for basic foodstuffs and was forced to import increasingly large quantities of food, costing the government foreign exchange that it could have used for other purposes.

Sowing the Oil and Reaping a Crisis

In the early 1970s, Mexico faced the threat of social crisis brought on by rural poverty, chaotic urbanization, high population growth, and the questioning of political legitimacy. The government responded by increasing investment in infrastructure and public industries, regulating the flow of foreign capital, and increasing social spending. It was spending much more than it generated, causing the public internal debt to grow rapidly and requiring heavy borrowing abroad. Little progress was made in changing existing policies, however, because just as the seriousness of the economic situation was being recognized, vast new finds of oil came to the rescue.

Between 1978 and 1982, Mexico became a major oil exporter. As international oil prices rose rapidly, so too did the country's fortunes, along with those of other oil-rich countries. The administration of President José López Portillo (1976–1982) embarked on a policy to “sow the oil” in the economy and “administer the abundance” with vast investment projects in virtually all sectors and with major new initiatives to reduce poverty and deal with declining agricultural productivity.

Oil accounted for almost four-fifths of the country's exports, causing the economy to be extremely vulnerable to changes in oil prices. And change they did. Global overproduction led to a steep drop in international prices for Mexican petroleum in 1982, and prices fell even lower in the years that followed. At the same time, the United States tightened its monetary policy by raising interest rates, and access to foreign credit dried up. In August 1982, the government announced that the country could not pay the interest on its foreign debt, triggering a crisis that reverberated around the world.

The economic crisis had several important implications for structures of power and privilege in Mexico. The crisis convinced even the most diehard believers that import substitution created inefficiencies in production, failed to generate sufficient employment, cost the government far too much in subsidies, and increased dependency on industrialized countries. In addition, the power of privileged interest groups and their ability to influence government policy declined.

Similarly, the country's labor unions lost much of their bargaining power with government over issues of wages and protection. A shift in employment from the formal to the informal economy further fragmented what had once been the most powerful sector of the PRI.

A wide variety of interests began to organize outside the PRI to demand that government do something about the situation. Massive earthquakes in Mexico City in September 1985 proved to be a watershed for Mexican society. Severely disappointed

by the government's failure to respond to the problems created by death, destruction, and homelessness, hundreds of communities organized rescue efforts, soup kitchens, shelters, and rehabilitation initiatives. A surging sense of political empowerment developed, as groups long accustomed to dependence on government learned that they could solve their problems better without government than with it.⁸

The elections of 1988 became a focus for protest against the economic dislocation caused by the crisis and the political powerlessness that most citizens felt. For the first time in decades, the PRI was challenged by the increased popularity of opposition political parties, one of them headed by Cuauhtémoc Cárdenas, the son of the country's most revered president, Lázaro Cárdenas. When the votes were counted, it was announced that Carlos Salinas, the PRI candidate, had received a bare majority of 50.7 percent, as opposition parties claimed widespread electoral fraud.

New Strategies: Structural Reforms and NAFTA

Between 1988 and 1994, the mutually dependent relationship between industry and government was weakened as new free-market policies were put in place. Deregulation gave the private sector more freedom to pursue economic activities and less reason to seek special favors from government. A constitutional revision made it possible for *ejidatarios* to become owners of individual plots of land; this made them less dependent on government but more vulnerable to losing their land. In addition, Salinas and his successor, Ernesto Zedillo, pursued an overhaul of the federal system and the way government agencies worked together by delegating more authority and resources to the country's traditionally weak state and local governments.

Among the most far-reaching initiatives was the North American Free Trade Agreement (NAFTA). This agreement with Canada and the United States created the basis for gradual introduction of free trade among the three countries. However, the liberalization of the Mexican economy and opening of its markets to foreign competition increased Mexico's vulnerability to changes in international economic conditions. These factors, as well as mismanaged economic policies, led to a major economic crisis for the country at the end of 1994 and profound recession in 1995. NAFTA has meant that the fate of the Mexican economy is increasingly linked to the health of the U.S. economy.

Society and Economy

Mexico's economic development has had a significant impact on social conditions in the country. Overall, the standard of living and quality of life rose markedly after the 1940s. Provision of health and education services expanded until government cutbacks on social expenditures in the early 1980s. Among the most important consequences of economic growth was the development of a large middle class, most of whom live in Mexico's numerous large cities.

These achievements reflect well on the ability of the economy to increase social well-being in the country. But in terms of standard indicators of social development—infant mortality, literacy, and life expectancy—Mexico fell behind a number of Latin American countries that grew less rapidly but provided more effectively for their populations. Costa Rica, Colombia, Argentina, Chile, and Uruguay had lower overall growth but greater social development in the period after 1940. These countries paid more attention to the distribution of the benefits of growth than did Mexico. Moreover, rapid industrialization and urbanization has made Mexico City one of the

most polluted cities in the world, and in some rural areas oil exploitation left devastating environmental damage.⁹

Mexico's economic development resulted in a widening gap between the wealthy and the poor and also among different regions in the country. As the rich grew richer, the gap between the rich and the poor increased. In 1950, the bottom 40 percent of the country's households accounted for about 14 percent of total personal income, while the top 30 percent had 60 percent of total income.¹⁰ In 2008, it is estimated, the bottom 40 percent accounted for about 11.9 percent of income, while the top 40 percent shared 75.6 percent.¹¹

Harsh conditions in the countryside have fueled a half-century of migration to the cities. Nevertheless, some 25 million Mexicans continue to live in rural areas, many of them in deep poverty. Many work for substandard wages and migrate seasonally to search for jobs in order to sustain their families. This land is often not irrigated and depends on erratic rainfall. It is often leached of nutrients as a result of centuries of cultivation, population pressure, and erosion. When the Zapatista rebels in Chiapas called for jobs, land, education, and health facilities, they were clearly reflecting the realities of life in much of the countryside.

Poverty has a regional dimension in Mexico. The northern areas of the country are significantly better off than the southern and central areas. In the north, large commercial farms using modern technologies grow fruits, vegetables, and grains for export. Moreover, industrial cities such as Monterrey and Tijuana provide steady jobs for skilled and unskilled labor. Along the border, a band of *maquiladoras* (manufacturing and assembly plants) provides many jobs, particularly for young women who are seeking some escape from the burdens of rural life or the constraints of traditional family life.

In the southern and central regions of the country, the population is denser, the land poorer, and the number of *ejidatarios* eking out subsistence greater. Transportation is often difficult, and during parts of the year, some areas may be inaccessible because of heavy rains and flooding. Most of Mexico's remaining indigenous groups live in the southern regions, often in remote areas where they have been forgotten by government programs and exploited by regional bosses for generations.

The general economic crisis of the 1980s had an impact on social conditions in Mexico as well. Wages declined by about half, and unemployment soared as businesses collapsed and the government laid off workers in public offices and privatized industries. The informal sector expanded rapidly. Here, people manage to make a living by hawking chewing gum, umbrellas, sponges, candy, shoelaces, mirrors, and a variety of other items in the street; jumping in front of cars at stoplights to wash windshields and sell newspapers; producing and repairing cheap consumer goods such as shoes and clothing; and selling services on a daily or hourly basis.

The economic crisis of the 1980s also reduced the quality and availability of social services. Expenditures on education and health declined after 1982 as the government imposed austerity measures. Salaries of primary school teachers declined by 34 percent between 1983 and 1988. Per capita health expenditures declined from a high of about \$19 in 1980 to about \$11 in 1990. Although indicators of mortality did not rise during this troubled decade, the incidence of diseases associated with poverty—malnutrition, cholera, anemia, and dysentery—increased. Since the 1980s, periods of slow improvement in conditions for the poor have been punctuated by new economic shocks, including sharp downturns in the mid-1990s and late 2000s. Though economic recovery has been slow and fitful in recent decades, the Mexican government has begun to fill the void left by cuts in social spending during the depths of the crisis. Recent years have seen the launch of successful programs that provide