

Mexico Compared

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The world formerly functioned vertically because everything was concentrated: information, control of the factories, labor relations. The decisions were centralized and the society knew what the power structures would permit. The world of today is increasingly horizontal, one in which information has a multiplicity of sources (that are autonomous, such as the social networks, and feed onto themselves); in the economy value is added along the process of production over which no centralized authority has control; and the unions have lost their capacity to control downwards and sell the service to the powers that be. This, what takes place in political ambits, is not distinct from what is observed in schools, families and governments. The monopoly of power disappeared, or at least became dramatically weakened, because it is incompatible with a modern economy and a society with the means to develop itself.

The phenomenon is universal and no one can be exempt, except if one opts for impoverishment on abstracting oneself from the exterior world, as occurs with some reclusive systems. Although, of course, each country has its own characteristics that emanate from its history and circumstances, many of the challenges that Mexico faces are not, at least in concept, radically different from those of other nations.

What follows is an evaluation of China* that, were I to remove the name, would appear to be absolutely Mexican:

- “Contemporary authoritarian regimes, lacking popular legitimacy endowed by a competitive political process, have essentially three means to hold on to their power. One is bribing their populations with material benefits, a second one is to repress them with violence and fear, and a third is to appeal to their nationalist sentiments. [The government] has employed all three instruments, but it has depended mainly in economic performance and has resorted to (selective) repression and nationalism only as a secondary means of rule.”
- “Autocracies forced to strike a Faustian bargain with performance-based legitimacy are destined to lose the wager because the socioeconomic changes resulting from economic growth strengthen the autonomous capabilities of urban-based social forces, such as private entrepreneurs, intellectuals, professionals, religious believers, and ordinary workers through higher levels of literacy, greater access to information, accumulation of private wealth, and improved capacity to organize collective action.”
- “If the [country’s] long-term economic woes are purely structural, the country’s prospects are not necessarily dire. Effective reforms could reallocate resources more efficiently to make the economy more productive.”
- “To be sure, the economic reforms... have changed the country beyond recognition. However, the [system] has yet to shed its predatory instincts and institutions.”
- “The [government’s] rejection of any meaningful limits in its power implies, in practical terms, that [China] cannot have truly independent judicial systems or regulatory agencies capable of enforcing laws and the rules.”

- “As long as the party places itself above the law, real pro-market economic reforms are impossible”.
- “What is holding the Chinese economy back is not its dynamic private sector, but its inefficient state-owned enterprises which continue to receive subsidies and waste precious capital.”
- “Genuine and complete economic reforms, if actually adopted, will threaten to destroy such foundations.”
- “The continuation... of predatory and extractive institutions precludes successful, radical, and complete market reforms... (making impossible) the task of constructing a genuine market economy supported by the Rule of Law. The notion is that wealth is positively correlated with democracy. A closer look at the data, however, shows that nearly all the wealthy countries ruled by dictatorships are oil-producing states, where the ruling elites have the capacity to bribe their people into accepting autocratic rule.”
- “As the era of rapid growth produced by partial reforms and one-off favorable factors or events ends, sustaining [the country’s] economic growth requires a radical overhaul of its economic and political institutions in order to achieve greater efficiency. But since this fateful step will destroy the economic foundations of [the system’s] rule it is hard to imagine that the party will commit economic, and hence political, suicide.”
- “Those unconvinced by such reasoning should count the number of dictatorships in history that willingly gave up their privileges and control over the economy in order to ensure long-term national prosperity.”
- “The most important source of change in authoritarian regimes is the collapse of the unity of the ruling elites... This development is caused principally by the intensification of conflict among the ruling elites over the strategies of regime survival and distribution of power and patronage... Experience from democratic transitions since the mid-1970s shows that, as autocracies confront challenges from social forces demanding political change, the most divisive issue among ruling elites is whether to repress such forces through escalating violence or to accommodate them through liberalization.”

The politico-economic dynamics of Mexico and of China are radically distinct, but the challenge is highly similar.

*Pei, Minxin, Twilight of the CPP? The American Interest, Spring 2016

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