Opportunities and Expectations

By Luis Rubio, President, Centre of Research for Development (CIDAC), Mexico City
(English translation of article in Spanish published by INFOLATUM, May 15, 2016)

According to an old Chinese proverb, three things never return: the arrow launched, the word pronounced and lost opportunity. The history of Mexico in the last decades is, in good measure, that of the clash between excessive promises and irrepressible expectations. But still worse have been the opportunities lost or, perhaps even more seriously, the opportunities wasted. The combination explains to a large extent the prevailing distrust, the mercurialness of the perceptions and how difficult it has been for the governments of recent decades to achieve and maintain the population’s credibility.

Of greatest impact is the clash between realities and perceptions. Mexico has changed radically over the past decades. It has gone from being a debt-ridden and introverted economy, an economy engrossed in itself, to globalization with an immense creative and productive capacity, converting it into one of the manufacturing powers of the XXI century. In politics, Mexico progressed from an authoritarian and totally obscure system to an incipient democracy and one with problems, but one that elects its governors (distant as they may be), exposes the abuse, the violence and the corruption. The mix is certainly not optimal and the result to date is imperfect because it has not reached its core objective, overall development, in addition to that it has left in its wake innumerable mistakes, sizeable differences in incomes, persistent vices and incomplete (or untouched) processes. Despite that, the reality is infinitely better than it was thirty years ago.

The advance in the country in these decades is undeniable and the improvement palpable (and measurable); however, the collective spirit is negative, if not catastrophic. I would daresay that the explanation for these contrasts does not lie in what has been done, but above all in the enormous opportunities that have been squandered. Nirvana has been promised but, when the time comes, one only approaches the pearly gates but that ends up not being enough. Of course we’re not in paradise, but for want of a better metaphor: the objective reality of all of these decades is infinitely better than the perceptions. The question is why the distance is so vast.

NAFTA is an example of successes as well as insufficiencies. NAFTA has been the envy of the whole world from when it was negotiated because it has permitted investment to multiply, exports to rise, high-productivity jobs to be created and the balance of payments to be consolidated. NAFTA has acquired all of this for Mexico, although not for all of the population nor for the whole economy: thanks to the lack of
suitable strategies for integrating the entire economy into this circle of accomplishment, NAFTA, however transcendental, has not lived up to its full potential for the totality of the country. Despite its huge benefits, NAFTA continues to comprise a misspent opportunity for a large number of Mexicans.

Fox obtained what seemed impossible on winning a victory over the official party that held a virtual monopoly of power, but as soon as he arrived at Los Pinos he slept on his laurels, took no heed of the reason for his success, and threw away the opportunity to create a new political platform and one of economic growth. Fox did not do harm to the country (a milestone in itself), but he did not make the moment that he himself generated his own. Another clash of promises and expectations.

The government of President Peña promoted a package of extraordinarily ambitious reforms but this came to a halt when implementation costs began to pile up. As with NAFTA, the reforms, at least some of them, will bear fruit over the course of time, but the false moves have taken their toll: the promise of the effective government was finally, only a promise. Another contribution to the clash of expectations.

Those three examples illustrate our way of being: it’s not that Mexico doesn’t advance, but rather that it tends to take two steps forward and later, one step back. The progress is tangible and real, but the perception is in the last analysis the opposite, above all because the governments oversell the advances so excessively that it is never possible to attain what is promised. The population winds up quantifying what was not done instead of recognizing how much was in effect advanced.

NAFTA is the pillar and engine of the Mexican economy; without NAFTA Mexico would be the same as our neighbors in the southern hemisphere. Fox did not change the country, but the triumph over the PRI shattered the power monopoly, severed the PRI from the presidency and, with that, impeded the possibility of the type of control and centralization at the heart of the authoritarianism of old from returning. Reforms such as that of energy and, potentially, the educative reform, are likely to transform the country radically. In a word, the country is much better today than thirty years ago. What is not better is the system of government that we have, which engenders, as it does that clash of opportunities and expectations.

The cause of so many lost opportunities resides in the distance, to date insurmountable, between the politicians and the citizenry. Mexican governors –of all the parties- enjoy formidable protections that allow them to promise something without ever having to deliver. Worse yet, they do not feel obliged to even offer explanations for their poor performance.
A better political arrangement would address these conundrums. What is paradoxical –inexplicable– is that our governors prefer opprobrium than attempting to bring about a new order or, at least to recognize that the existing one doesn’t work. As with the Chinese proverb, they prefer the arrow launched, the work pronounced and the lost opportunity.

www.cidac.org

@lrubiof

a quick-translation of this article can be found at www.cidac.org