

Nora Hamilton **The Limits
of State Autonomy:
Post-Revolutionary Mexico**

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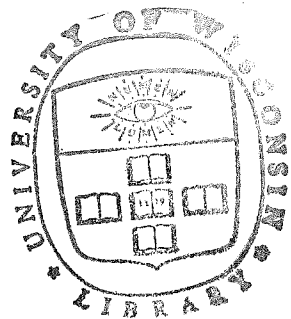
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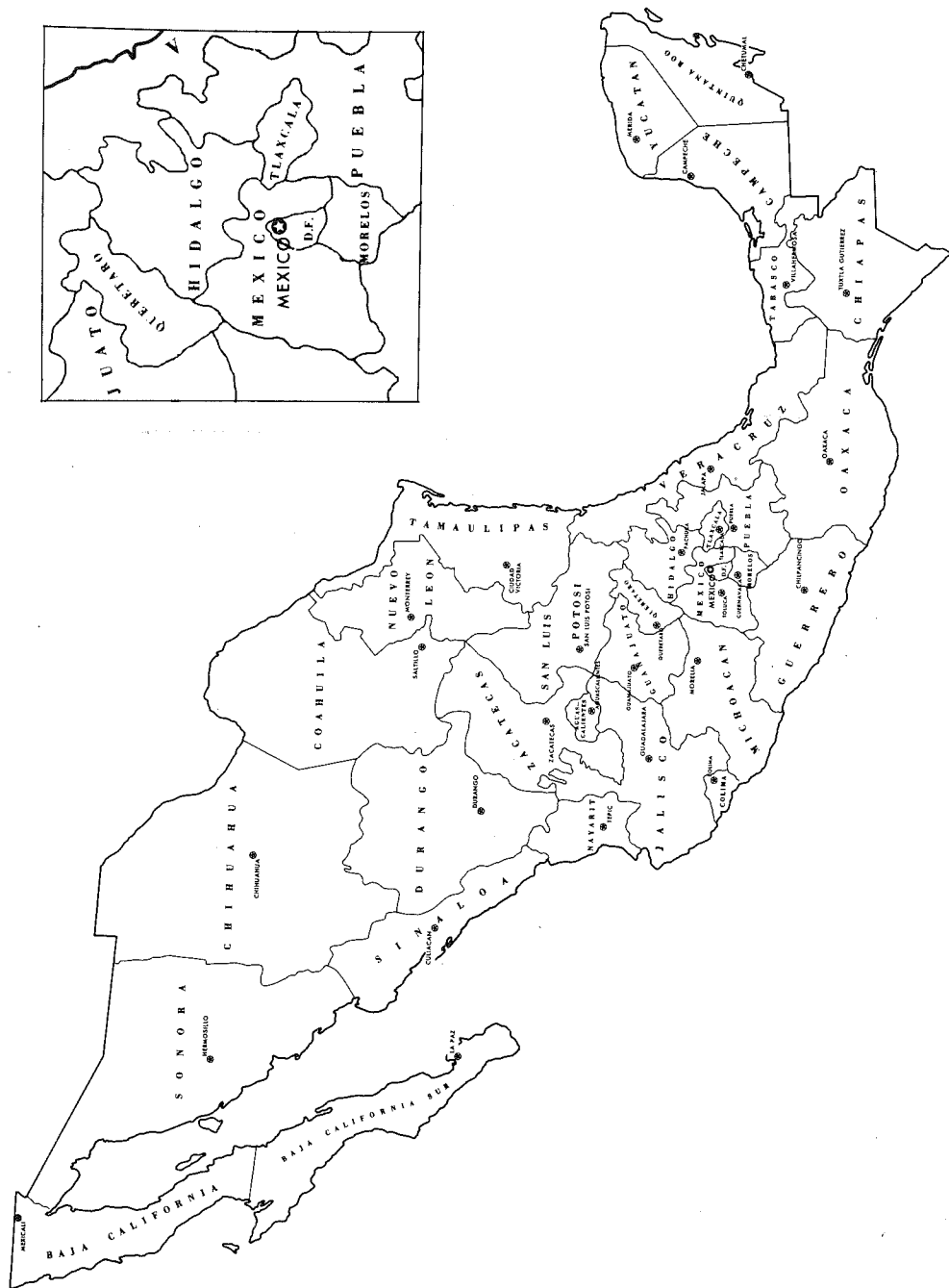
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To My Parents



Preface

This study had its origins in a brief visit I made to Mexico in 1972. Like many other observers in Mexico I was struck by the disparity between the evidence of economic growth and prosperity, on the one hand, and the destitution of a large part of the population, on the other. The contrast is even more striking when Mexico's revolutionary past and the claim of the Mexican state to carry out the mandate of the revolution are taken into account. But if Mexico's dramatic economic growth can be attributed to the intervention of the state—and most would agree that the state has had a very important role—the state has been unable or unwilling to direct the Mexican economy so that growth benefits all of Mexico's population. The contradictions of Mexico's "revolutionary" state are central to those of Mexican society.

At the University of Wisconsin, where I was a graduate student, many of us were beginning to investigate questions relating to the state in late capitalist society. Did the state in fact operate in the interests of the dominant class, to maintain a given mode of production, and, if so, why? What were the role and functions of the state in capitalist society; how had these changed in late capitalist societies; and how could the differences among advanced capitalist states be explained? What class interests were represented by the state in post-colonial or "dependent" societies, and how did the conditions of economic subordination of these societies affect the role of the state? Central to many of these questions was the issue of state autonomy: to what extent, or under what circumstances, could the state in fact function independently of social classes or even against dominant class interests?

The issue of state autonomy provided an appropriate theoretical context for understanding the Mexican state. But as I read about contemporary Mexico I became increasingly convinced that, despite its evident economic power, the Mexican state was integrated with foreign capital and domestic private "economic groups," and structurally confined to a limited number of options. It was during the early post-revolutionary period, and particularly during the presidency of General Lázaro Cárdenas in the 1930's, that the state seemed to be sufficiently autonomous of dominant class interests, including foreign interests, to effect substantial changes in both



The War for Mexican Independence. Detail from mural by Diego Rivera.

One || State Autonomy and Peripheral Capitalism in Mexico



THE PROBLEM OF THE MEXICAN STATE

The problem of the Mexican state derives from the apparent contradiction between its historical origins in the Mexican revolution and its contemporary function of maintaining conditions for peripheral capitalist development. The revolution of 1910 destroyed the pre-existing state apparatus and enabled the revolutionary leadership to form a new state within the context of structural options resulting from Mexico's prior development as well as new forces, alliances, and conflicts emerging from the revolution itself. The constitution of 1917 incorporated the ideal of a strong interventionist state which would eliminate privileges of foreign monopolies and national political elites, affirm national control over Mexican territory and resources, and defend the interests of subordinate groups and classes.

*Constitution
1917
State
interventionist*

Moreover, during the administration of General Lázaro Cárdenas, President of Mexico from 1934 to 1940, this ideal of a progressive and implicitly autonomous state was to a large extent realized.

The Cárdenas administration carried out a far-reaching agrarian reform: distributing more land to more peasants than all of his predecessors combined, establishing collective farms on commercial agricultural estates—a move which was particularly controversial, given the importance of these estates for the Mexican economy—and effectively eliminating the power of the traditional landowning sector. The government also challenged the incipient capitalist industrial class by encouraging the mobilization and organization of urban and industrial workers, ultimately incorporating the major labor unions and confederations, as well as the major peasant confederation, into the government party structure. Probably the most dramatic example of apparent state autonomy during the Cárdenas administration was the expropriation of the British and U.S.-owned petroleum companies, eliminating foreign control of an important resource and export product. This move was particularly significant given the past success of the petroleum

companies in resisting efforts by the Mexican state to regulate them (Weyl and Weyl, 1939; L. Meyer, 1972b; Raby, 1972).

But this orientation was reversed in subsequent years, during which the Mexican state cooperated with private domestic groups and foreign interests to promote rapid economic development, involving the relative neglect or open repression of subordinate groups. In the thirty years following the Cárdenas administration, Mexico was characterized by one of the highest sustained growth rates in the world, coexisting with increasingly high levels of unemployment and underemployment and the impoverishment of the majority of the population. Mexico's growth rate fluctuated in the past decade, and the situation of the majority has stagnated or deteriorated.

How can the relative autonomy of the Mexican state in relation to foreign capital and dominant Mexican groups under the Cárdenas administration be explained? And why was the progressive orientation of the government reversed under subsequent regimes? The transition from an apparently autonomous state to the contemporary Mexican state raises questions regarding the actual extent of relative state autonomy in post-revolutionary Mexico, which in turn is related to more general questions regarding the possibilities and limits of state autonomy. Since Marxist theory is particularly concerned with these questions, a review of Marxist literature on the state will help to provide a framework for analysis of the Mexican state.

MARXIST PERSPECTIVES ON THE CLASS NATURE OF THE STATE

Marx and Engels on the State. The question of state autonomy is a controversial one for Marxist theory because Marxists perceive the state in class societies as functioning to reproduce a mode of production in which a specific class is dominant.¹ Thus the state func-

¹ A mode of production consists of the forces of production (labor force, as well as skills, organization, technology, etc., which affect the level of productivity) and the relations of production, also relations of exploitation, whereby surplus produced by a given class of direct producers is appropriated by another class. In capitalist societies this involves control over the means of production by the capitalist class (largely through private property arrangements) and the sale of labor power by the working class, the direct producers, to the capitalists, who are thereby

tions to maintain a given system and, at least by implication, to promote the interests of the dominant class within that system. The works of Marx and Engels do recognize an early form of the state or "organizing authority" resulting from a division of labor in primitive, classless societies through which certain individuals or bodies are designated with authority to maintain order, look after common interests, and defend the community from outsiders (Moore, 1957: 17-21; Draper, 1977: 246). But while the modern state may continue to carry out these functions, the state as an institution common to all societies is of limited relevance. It is precisely those state functions which are not unique to the state nor common to all forms of the state which are of greatest interest in discussing the contemporary state.

And with the development of modes of production based on antagonistic social classes, the state takes on specifically class-related functions. As described by Engels, "the state is the product of society in a determined stage of its development; it is the confession that society is caught up in an insoluble contradiction with itself. . . . In order that the antagonists, the classes with economically opposed interests, not be consumed . . . the necessity of a power is imposed which, apparently situated above society, must soften the conflict, maintaining it in the limits of 'order': that power, coming from society but situated above it and increasingly foreign, is the state" (Engels, 1972: 229). The original functions remain, but become secondary to that of safeguarding the mode of production and existing class relations through the containment of class conflict and control of subordinate classes (Engels, 1959: 206). Thus the struggles of subordinate groups and classes also have implications for the form and nature of the state.

In capitalist societies, the function of the state is broadened, so to speak, to encompass the establishment and maintenance of conditions for private capital accumulation, which includes, but is not limited to, functions of social control (as well as earlier administrative functions).

Marx and Engels, as well as later Marxists, discuss the concept of a separate state interest and suggest certain circumstances in which limited state autonomy becomes possible. As described by

able to obtain surplus value through such mechanisms as extending the time worked by labor beyond the amount of labor needed to produce their own subsistence (absolute surplus value) or by increasing the productivity of labor (relative surplus value).

Engels, the state seeks to free itself and establish its own identity; it is "increasingly foreign" to the society from which it emerges (1972a: 229). In discussing the case of Germany in the middle of the nineteenth century, Marx and Engels note that, given the fragmentation of the bourgeoisie and its failure to organize itself with a class interest over and above the self-interest of individual members, the state itself becomes an apparently independent force (Marx and Engels, 1970: 80, 106). The specific historical instance of the emergence of the Bonapartist regime in mid-century France was described by Marx as resulting from the deliberate abdication of power by a bourgeoisie unwilling to exercise it (Marx 1963: 105-106). Thus, while the existence of a relation between the state and the dominant class is central to Marxist theory of the state, the nature of this relation is not obvious and is contingent upon historical and structural conditions. As these cases suggest, it is particularly in periods of transition, when no one mode of production is dominant or none of the contending classes is able to assert its hegemony, that the state, sometimes referred to as the Bonapartist or Caesarist state, may act with relative autonomy in determining the future structure of the social formation. Even in these circumstances the state is limited (by such factors as the level of development of the productive forces) to given historical and structural options, within which it may have a regressive role in reinforcing the old order, or a progressive role, supporting the class which represents a more advanced mode of production (Gramsci, 1971: 219-220), or in some cases elements of both.

The State Defined. Given the above noted conditions: the physical separation of the state and the dominant class under capitalism, the possibility of relative state autonomy under certain circumstances, and the necessity to demonstrate the class nature and functions of the state for any concrete social formation, the abstract conception of the state in terms of its functions within a class structure becomes problematic. For concrete historical analysis, the state must be defined as an entity analytically separable from class structure. Here we will draw upon the definitions of the modern state by Engels and Weber, who despite their different perspectives generally agree in their specifications of the attributes incorporated in the institutions of the state: "legitimate" monopoly of the means of coercion, or public force; administration over a given territory; and the establishment and maintenance of a system of support,

especially taxes and state loans. In summary, the state is constituted by the civil and military bureaucracy, or state apparatus, on the one hand, and those having formal control of this apparatus, the government (constituted in various branches, levels, etc.) on the other (Engels, 1972: 228-233; Weber, 1958: 77-78; 1968 I, 194-200). Formal control of the state apparatus is distinct from control of the state; thus the question of the class nature of the state cannot be determined on the basis of which class constitutes the government. Legitimacy, which for Weber is an essential attribute of the state or, more specifically, of state authority (and of authority in general) tends to be replaced in Marxist literature on the state by the concept of legitimation, which involves not only a justification of the state's own authority but also of the existing social order. As indicated above, this involves a process of mystification whereby government in the interests of a specific class becomes government by a neutral authority in the interests of the whole (Offe, 1974: 5; O'Connor, 1973: 6; Kaplan, 1969: 30).

According to Weber, the growth of the state bureaucracy makes it a formidable apparatus of domination for those who control it (Weber, 1968, III: 987). In particular, control of the means of coercion would appear to facilitate state autonomy. At the same time, the different historical origins of state institutions and their interaction with different classes and class segments suggest that the interests pursued by these institutions may be contradictory to each other as well as to those of the government (which of course may also be divided) (Poulantzas, 1976: 76; Oszlak and O'Donnell, 1976: 26; Kaplan, 1969: 33-34). This suggests that a certain level of cohesion among and within the various government factions and state institutions (or the ability of certain factions or institutions to establish their hegemony over the rest) is a necessary condition for state autonomy. Given the concentration of the coercive power of the state in the military/police apparatus, its level of integration and adherence or resistance to government authority is obviously of crucial importance in state cohesion or in determining the outcome of divisions and conflicts within the state.

But if the possibility of state autonomy appears to be enhanced by control of the means of coercion and by a high level of cohesion within the state, it is limited by the state's dependence upon resources—chiefly taxes and loans—generated through the mode of production and, in capitalist societies, the private sector. Control of the means of production thus constitutes control of the

* sources of state revenues; the state is economically dependent upon the dominant class. Beyond this economic dependence, once a given mode of production becomes dominant, the state (or those who control it) is held responsible for the smooth functioning of the system, which both facilitates and requires action by the dominant class (Offe, 1974; Block, 1977). This dependence continues even when the state itself controls the means of production in certain economic sectors; as long as the social formation is predominantly capitalist the dominant class is in a position to weaken the state through economic measures (such as production cutbacks or capital export).

The Question of State Autonomy. Since under capitalism control of the means of production and the means of coercion have been concentrated in two separate entities—the capitalist class and the state, respectively—there is the appearance that the economic and the political constitute relatively autonomous spheres (Holloway and Picciotto, 1978: 24; Zeitlin, 1980: 16-17). This appearance is of course reinforced where the bourgeoisie do not have formal positions within government. Today, the separation of the economically dominant class from those who control the state apparatus appears less the exception than the rule and this separation obviously facilitates the appearance of state neutrality, or that the state is operating in the interests of society as a whole rather than those of a specific class. The problem for Marxist analysis becomes one of, first, demystifying the appearance of state autonomy and neutrality and, second, indicating the circumstances in which the state may indeed act with relative autonomy, as well as specifying the limits of such autonomy.

The problem of “demystifying” the appearance of state autonomy was addressed in the works of Domhoff (1967, 1970) and Miliband (1969), which challenged the prevailing pluralist thesis of state power, that of the state as an arena in which different groups, interests, and coalitions struggle over different issues within a general framework of agreement over norms and procedures. However, the strong “instrumentalist” perspective attributed to these authors in turn sparked a debate among Marxist theorists regarding the class nature of the state (Blackburn, 1973: 238-262).

The instrumentalist thesis suggests that the state is an instrument of the dominant class which intervenes directly or indirectly in its functioning, e.g., through direct recruitment into positions

of state power or through such means as membership in advisory committees, campaign financing, lobbying, special relations with congressional and regulatory bodies—or more generally by the ability of the dominant class to control such agents as the media and/or the educational system through which state managers, as well as the rest of the population, are socialized (Domhoff, 1967, 1970; Miliband, 1969). The structuralist position, as stated by Poulantzas, is that the state is constrained by its position within a given social formation to preserve or reproduce that social formation; intervention by the dominant class is not necessary and may in fact be detrimental to this process. The autonomy of the state with respect to direct intervention by the dominant class enables it to operate more effectively in reproducing the dominant class structure and in organizing the hegemony of the dominant class (or the dominant fraction of that class) (Poulantzas, 1969: 239-240; 1976: 71).

For both the “instrumentalists” and the “structuralists” the state operates within the constraints of a given class structure or social formation; the debate is concerned less with the question of state autonomy than with how and why the state operates in the interests of the dominant class or to reproduce a given social formation. And on this issue the instrumentalist and structuralist positions are not very far apart.

Miliband and Poulantzas agree that a certain level of state autonomy may be necessary for the survival of an established class system—particularly when the requirements for system maintenance are contradictory to the actual or perceived interests of specific segments of the dominant class (Miliband, 1977: 87; Poulantzas, 1976: 75). An example would be concessions to subordinate groups that may have negative repercussions for the dominant class (and may even result in the elimination of a fraction of that class) but are necessary for the stability (or continuation) of the existing class system. In some cases, certain segments of the dominant class may be sufficiently cognizant of their long-term class interests to make necessary changes (or collaborate with the state to this end) against their immediate interests (Kolko, 1963; Weinstein, 1968). Otherwise, sufficient state autonomy is necessary to act directly against the resistance of these groups.

But the fact that such autonomy may be functional for the system of course does not mean that the state will necessarily be able to exercise this autonomy (Szymanski, 1978: 262). The state may

be prevented from acting autonomously—even if relative autonomy is necessary for the survival of the system—by resistance from the dominant class. Even when this class is fragmented and incapable of cohesive action, individual members can exert negative sanctions, such as—within capitalist societies—withdrawal of investments, capital export, etc., which if sufficiently widespread will have the effect of destabilizing the economy.

And even when the state may exercise considerable “instrumental” autonomy (in terms of freedom from direct pressures by dominant class fractions and interests) this generally rests upon the willingness of those who control the state apparatus to confine themselves to options within the existing class structure (Zeitlin, Neumann, and Ratcliffe, 1976: 1008; Wright, 1978: 15-16). Structural state autonomy would consist of action against the real interests of the dominant class, which would ultimately result in a basic structural change through which the existing mode of production, and with it the dominant class, would be superseded by a new one. Within a capitalist mode of production, hypothetical examples would be the socialization of the means of production or state support of a revolution. But if in the absence of dominant class cohesion the state attempts to go beyond structural boundaries, such action will in itself result in the rapid cohesion of previously antagonistic fractions of the dominant class. In short, the effectiveness of structural constraints restricting the state to specific options within a given class structure rests ultimately upon the ability and willingness of the dominant class to intervene if these structural boundaries are transcended. Since those controlling the state apparatus are rarely willing to bring on such a reaction, dominant class intervention remains implicit, but it constitutes the ultimate sanction restraining the autonomy of the state to options within the existing structure.²

Thus the possibility of relative structural state autonomy depends significantly on the extent to which a given mode of production and class structure are established. When the structure is

² Direct or conscious intervention constitutes deliberate attempts to force the state to follow or to abandon certain policies. Indirect intervention refers to those actions taken by individuals of the dominant class to protect their own interests which have repercussions—not necessarily intended—on the state. It should be noted that the *effects* of indirect intervention, if sufficiently widespread, may be the same as those of conscious intervention, and the question of *intent* becomes problematic. Production cutbacks, withdrawal of investments, capital export, etc., will ultimately affect the economic resources of the state, whether or not this is deliberately intended.

indeterminate, or the dominant class is considerably weakened due to internal or external crises, the possibility for state autonomy is enhanced.

Thus perhaps the strongest case for state autonomy may be found in recent analyses of social revolutions. In a brief discussion of the causes of revolution, Skocpol and Trimberger explicitly challenge several principles of the Marxist approach, arguing that political elites—as opposed to economically based social classes—have had a predominant role in “revolutions from above” and a significant, *autonomous* role in revolutions from below. In general, states are conditioned by economic structures but not shaped by them; “state structures and activities also have an underlying integrity and logic of their own, and these are keyed to the dynamics of international military rivalries and to the geo-political as well as world-economic circumstances in which given states find themselves” (1978: 127-128). Thus, in certain countries where the bourgeoisie was unable or unwilling to seize control of the state and use it to eliminate barriers to capitalist production in circumstances in which state centralization and economic modernization were essential to resist foreign pressures, the state (or groups controlling the state apparatus) has carried out a “revolution from above,” establishing the necessary conditions for capitalist industrialization on the basis of a centralized state bureaucracy and a “fusion” of capitalist and pre-capitalist structures, as in Japan.³

Skocpol contends that conflicts may arise between the state and the dominant class over such issues as appropriation and use of resources and concessions to subordinate class demands at the expense of the dominant class. The international position of the state within the world system of states is also seen as a potential basis for autonomy. “International military pressures and opportunities can prompt state rulers to attempt policies that conflict with, and even in extreme instances contradict, the fundamental interests of a dominant class” (1979: 31).⁴

Differences regarding the possibility of autonomy depend to some

³ Whether in fact it was an autonomous state or one controlled by a segment of the old dominant class has been debated. In any case, the state was autonomous in the sense that it was not controlled by the bourgeoisie and that it acted against the perceived interests, and to a considerable extent the actual interests, of the class ostensibly in power (Trimberger, 1977; Skocpol and Trimberger, 1978: 123-124; Moore, 1966: 229).

⁴ The question of the international position of the state and its relevance for state autonomy will be taken up in the section on States in Peripheral Societies.

extent on how state autonomy is conceptualized. Trimberger suggests that bureaucratic autonomy exists when those groups that staff the state apparatus are not recruited from the dominant class, and do not form close ties with those classes after elevation to office (1978: 4). But bureaucratic autonomy may not be sufficient for state autonomy, which depends on the interests actually served by the state. There are several positions on this question. First, it has been argued that state autonomy exists if those who control the state apparatus are able to use it for ends *other* than those of the dominant class—e.g., to pursue specific state interests. Second, state autonomy may mean that the state acts independently of direct (or indirect) influence or intervention by the dominant class—what has been described above as instrumental autonomy. According to a third conception, state autonomy exists only if the state may act for ends *opposed* to the actual or perceived interests of the dominant class. The implication is that the dominant class is unable to constrain state actions which may threaten its interests or even its existence, i.e., the state is able to transcend structural boundaries, eliminating old structures and creating new ones, a situation which has been defined above as structural state autonomy.

Of these conceptualizations, only the last would be problematic from a Marxist perspective. The fact that state institutions may have “an underlying integrity and logic of their own,” or that those who control the state apparatus are pursuing their own specific interests is not problematic for Marxist theory so long as state interests do not conflict with dominant class interests; it does not necessarily preclude state action on behalf of the dominant class or class system as well. And, as indicated above, instrumental autonomy may even be functional for the existing system since those who control the state apparatus may be more capable of perceiving and defending overall class interests than individuals or fractions from that class.

It is the third conceptualization—that of structural state autonomy—which challenges Marxist concepts of the class nature of the state and which Skocpol appears to be defending. Nevertheless, she notes certain restrictions on this autonomy. First, she suggests that state autonomy is likely to occur in periods of crisis (internal and/or external); these are often periods in which the dominant class is weakened and even the mode of production may be challenged or indeterminant. Second, and more important, she notes that revolutionary conflicts are limited by existing socio-economic

and international conditions and points out that “ideologically oriented leaderships in revolutionary crises have been greatly limited by existing structural conditions and severely buffeted by the rapidly changing currents of revolution. Many conditions—especially socio-economic conditions—always ‘carry over’ from the old regime. These, too, create specific possibilities and impossibilities within which revolutionaries must operate as they try to consolidate the new regime” (1979: 171). These statements would appear to be in agreement with the propositions stated above—i.e., that the possibilities of state autonomy are limited to specific structural and historical options as a consequence of the previous development of the productive forces and the identity of the classes in conflict.

In general, the case for structural state autonomy—the ability of the state to act for ends antagonistic to dominant class interests—can be determined only through historical analyses of specific situations. And it is essential that such analyses seek out the underlying causes of state autonomy as well as its political manifestations, and attempt to identify the historical options available to an autonomous state in periods of crisis and transition.⁵

The State and Class Conflict. State autonomy is generally defined in terms of the relation of the state to the dominant class, since the presumption is that the state upholds the interests of that class.

⁵ While Skocpol indicates that crises leading to revolutions result from political contradictions in old regime states (rather than strictly socio-economic causes), she in fact identifies underlying socio-economic conditions as the ultimate cause of political contradictions. Furthermore, what emerges from her analysis of pre-revolutionary states is precisely their lack of structural and even in some cases instrumental autonomy. As she puts it: “Caught in cross-pressures between domestic class structures and international exigencies, the autocracies and their centralized administrations and armies broke apart, opening the way for social revolutionary transformations spearheaded by revolts from below” (1979: 47). In fact, efforts by the states of pre-revolutionary France and China to initiate reforms in response to pressures from abroad were obstructed by dominant classes, especially landed upper classes, resulting in the disintegration of the state machineries which, ironically, made possible revolutions which destroyed the socio-economic order on which these classes were based. The fiscal crisis of the French crown—which precipitated the French Revolution—was due to the agrarian structure, on the one hand (which mitigated against commercial agricultural production and retarded the development of an industrial market—factors in the low level of per capita wealth which limited the crown’s tax income) and resistance by privileged groups to efforts to abolish tax exemptions, on the other. Thus the fiscal crisis was directly and indirectly the result of the dominant structure of production.

However, the state is also constrained by the demands and pressures of subordinate groups and classes. At one level, state response to these pressures is in the interests of the survival of the system; it has been pointed out that capital would destroy the basis of its own existence if the state did not intervene, under pressure from the working class, to secure the minimum conditions for the reproduction of the work force. At least partial or occasional concessions to these groups are also necessary if the state is to retain a measure of legitimacy. But to the extent that the state acts in the interest of the dominant class—and may in fact constitute the class conscious and cohesive agent of that class—it will seek to destroy the cohesion and consciousness of subordinate groups, i.e., to “disorganize” them. Mechanisms include cooptive measures; preventive socialization; promotion of inertia, apathy, and submission; ethnic divisions and stratification schemes; and coercion.⁶ Control of these classes is facilitated to the extent that the state successfully legitimizes its rule as based on the interests of society as a whole rather than on dominant class interests.

It follows that in contrast to the dominant class, whose interests may be integrated by the state, the subordinate classes must achieve unity and consciousness—a necessary condition for effective action on their own behalf—not only in opposition to the dominant class but also in opposition to the state. Also in contrast to the dominant class, whose control of economic resources enables individual members to take actions which (in sufficient number) may pressure the state even in the absence of class cohesion, members of subordinate classes can be effective only through unification and organization.

Despite the formidable mechanisms of control by the state, most of the historical advances of the working class and other subordinate groups have been the direct or indirect achievement of class struggle. Even where these struggles have not brought about structural change, they have resulted in modifications of their conditions of exploitation and their gradual incorporation into political and social institutions of the dominant society through the mediation of the state. The “success” of such struggles in fact raises

⁶ In Vol. I of *Capital*, Marx discusses the necessity for state-imposed limitations to the extraction of surplus value (1977: 231-302. See also Holloway and Piccioto, 1978: 19-20). On efforts and mechanisms of the state to “disorganize” subordinate groups and classes, see O'Connor, 1973: 6; Poulantzas, 1969: 239-240; Miliband, 1969: 180; Draper, 1977: 264; Anderson, 1976-77: 27-28).

the problem of cooptation and a consequent loss of solidarity among workers, as well as the replacement of long-range objectives by more narrow economic goals. Class struggle also determines the form of the state: both democratic and authoritarian forms have resulted directly or indirectly from pressures on the state by subordinate groups and efforts of the state and dominant classes to control them.⁷ Also, given the different historical origins of state institutions and their interaction with various classes and groups within a social formation, class struggle may to some extent be institutionalized *within* the state.

Class struggle may in fact enhance the possibility of state autonomy in certain circumstances if those who control the state apparatus can mobilize subordinate classes and groups for action against dominant class interests, or can form alliances with already mobilized classes in their conflicts with the dominant class. (Block, 1977: 22-23; Tardanico, 1978: 30.) But such an alliance is generally unstable; while it may strengthen the autonomy of the state with respect to dominant classes, the state must ultimately control its allies among subordinate groups and classes or risk an overthrow of the existing social order and with it the state's own basis of existence. And, as indicated above, such a threat to the existing structure would also result in increased cohesion of the dominant class, which would utilize the economic and political resources at its command to prevent such action.⁸

The State in Peripheral Societies. One of the major arguments on behalf of state autonomy is that the position and options of the state within the world system of states may be as important an

⁷ See Anderson, Friedland and Wright, 1976: 191-192; Wolfe, 1974: 143; and Block, 1977: 537. For a discussion of the resistance of subordinate classes to the historical process of state formation and the significance of struggles by various segments of the population in securing specific political rights, see Tilly, 1975 (especially 21-23, 32-38, 71, 80).

⁸ The fate of the Popular Unity government in Chile demonstrates the limits to the possibility of utilizing the state to effect a transition to socialism within the context of a capitalist society, although in this case the Popular Unity coalition controlled only the executive branch of government, with the legislative and judiciary branches and the military apparatus remaining under the control of or closely linked to the national bourgeoisie and foreign capital (Bossert, 1977: 14). It also demonstrates the rapidity with which previously fragmented interests and segments of the dominant class can achieve unity and cohesion when the class structure is threatened.

influence on state action as its position within a given internal social structure, and international pressures may in fact result in state actions against the interests of the dominant class, even against its existence as a class (Skocpol, 1979: 28-33). An examination of the nation state must certainly take into account not only its relation to internal classes and its function to reproduce a given social formation but also its relations to other capitals (or capitalist classes) and states within a world system. The external relations of societies (particularly "peripheral" or "dependent" societies) have been a primary focus of dependency theorists (Marxist and non-Marxist) and more recently of world system theorists. In the late 1960's and the 1970's the dependency perspective became a major contending paradigm for explaining underdevelopment in the third world and especially in Latin America. It generally concentrates upon the ways in which the advanced capitalist countries have limited the development of less developed dependent countries; in fact, the development of dominant (metropolitan or core) countries and the "underdevelopment" of dependent or peripheral countries are seen as part of the same process. From this perspective internal classes and forces within the dependent country, including the state, have limited importance in shaping the development of these countries.⁹ World system theory does focus upon the state, but also emphasizes external or international relations to the detriment of internal relations. According to this approach, the world system is the basic unit of analysis, and state action is primarily oriented to improving or maintaining its position (or that of its capital) within the world system of states and capitals (Wallerstein, 1974a: 16; 1976: 464; Chase Dunn and Rubinson, 1977: 469-470).

Critics of dependency and world system theorists accuse them of removing the focus of analysis from the sphere of production to the sphere of circulation, and from internal class struggle to relations between (or among) dominant (core) and dependent (peripheral) societies or states. But, given the various origins of the dependency perspective, there is considerable variation and disa-

⁹ For statements of the dependency perspective and/or studies using this perspective, see Baran, 1957; Frank, 1967; Bodenheimer, 1970; Dos Santos, 1970; Cockcroft, Frank, and Johnson, 1972; Chilcote and Edelstein, 1974; and Cardoso and Faletto, 1978. For analyses and critiques of the dependency approach, see O'Brien, 1973; Warren, 1973; Harding, 1976; Brenner, 1977; Palma, 1978; and *Latin American Perspectives*, 1981.

greement within the dependency school itself. For example, the claim that dependency results in underdevelopment has been challenged on the basis of the experience of Brazil and Mexico; as noted by Cardoso, capitalism always results in distorted development and social and economic inequality, although the effects in dependent countries may be different from those in the advanced capitalist countries (Cardoso, 1975: 149, 63 f; 1975: 112 f). Certainly some works in the dependency school can be criticized for a mechanistic, ahistorical approach, a relative neglect of internal class structures and conflict, and a consequent inability to identify the possible sources and direction of change. At the same time, the dependency school has contributed significantly to an understanding of the effects of foreign capital in shaping the process of development and class structures within peripheral/dependent societies, and several Marxists have incorporated insights of the dependency and/or world system perspectives into their analysis of peripheral societies. The following discussion will focus on the implications of the peripheral or dependent status of a state, as defined in these perspectives, for the question of state autonomy.

The modern state has been immersed in relations with other states since its inception, which involved conflict with other incipient states as well as internal intra- and inter-class conflicts. Subsequently, with the development of a world capitalist system, the state has become the agent of integration of national capital for aggressive or defensive action on the world market (Braunmuhl, 1977: 173-174). Thus the state had a more aggressive role in capital accumulation in late industrializing countries such as Japan, Germany, and Turkey, partly in response to pressures from other capitalist states and the weakness of the national bourgeoisie. The prior development of capitalist industrialization in other countries also raised the capital requirements and increased the need for centralized planning for late industrializing countries; in some cases only the state had the necessary resources for a national industrialization project (Gerschenkron, 1972; Weaver, 1976).

The process of industrialization in the late nineteenth century under conditions of monopoly capitalism also had implications for the industrial structure, and more broadly the economic and political structures, of countries such as Germany (Moore, 1966: 434-440; Weaver, 1976: 34-35). Germany was able to borrow technology from industrialized nations, and since the state itself constituted an important market for industrial production (especially arma-

ments), the need to expand the industrial labor force and internal markets was limited relative to conditions in countries which industrialized in the eighteenth century. This in turn meant that changes in the pre-capitalist agrarian structure to expand production for a growing urban-industrial population were also less important. As stated by Weaver, the German case indicated that "industrialization no longer had to come from below, transforming all dimensions of social life, but could come from above, preserving and strengthening pre-capitalist hierarchies and cultural forms" (Weaver, 1976: 35). At the same time, in the case of Germany, the process of capitalist industrialization and the scale of industrial production also accelerated the development of capitalist structures and the emergence of a highly conscious proletariat. In short, the existence of already industrialized capitalist societies had broad and sometimes contradictory effects on the process of industrialization, class structures, and the role of the state in late industrializing countries.

But those societies in which neither a bourgeoisie nor the state succeeded in industrializing in response to pressures from the capitalist states of the core were relegated to a peripheral or dependent position within the world economy. While the states of the more powerful capitalist or core countries are in a position to support capital accumulation by their dominant class in various parts of the world, the states of the periphery are or have been constrained due to economic and sometimes political domination by the more powerful capitals and states of the core.

Between the sixteenth and nineteenth centuries, through the world market as well as through more direct means of colonization and conquest, the core states succeeded in imposing on the rest of the world a division of labor in which the latter functioned to provide certain types of commodities to as well as markets needed by the core. The initial penetration of European states and merchant capital into other regions brought these regions into the world market as suppliers of bullion and precious metals; subsequently these "peripheral" regions provided raw materials and markets for the industrializing countries of northern Europe. The penetration of foreign capitals and states into the periphery was intensified with the immense technological advances of capitalist industrialization in the last third of the nineteenth century, which accelerated the processes of capital concentration and centralization and increased the need to secure industrial inputs and markets. The result was

imperialism, involving the direct export of capital from the advanced core countries into the peripheral regions and the colonization of much of Africa and Asia. In Latin America, capital from Britain, the U.S., France, and Germany was invested in mines, plantations, and later petroleum resources, and financed the construction of railroads, urban transport, electric power systems, and communications, creating markets for European industrial goods. With this process, the integration of different formations into the world economy was intensified, and the respective position of these formations in the world division of labor was reinforced. At the same time, while foreign or core capital could not directly exercise political hegemony within non-colonial peripheral formations, it was often "integrated" into them and may to some extent be considered part of the dominant class or a class fraction within these formations.¹⁰

But while peripheral formations are, to a much greater extent than those of the core, shaped by external forces, it is their internal situation—the level of development of productive forces, the relative strength of contending classes, etc.—which generally determines the response of a given formation to external influences and in fact whether these influences will become dominant in shaping that social formation. Once a given region has become part of the world division of labor the reciprocal influence of external and internal structures continues to shape its development. Changes within peripheral formations result from internal conflicts as well as from changes in the needs of core capitals and states, and the interaction of external forces with internal structures produces the position of the peripheral formation within the world division of labor, as well as the mode of integration of foreign capital in its internal structure. Although the respective positions of core and periphery are relatively stable over time, the development of the forces of production within the peripheral formation may shift its position within the world division of labor and give it greater leverage in dealing with the core.¹¹ Relationships between core and

¹⁰ Among the classic Marxist works on imperialism are Lenin (1964) and Bukharin (1973). The effects of capital penetration in Africa, Asia, and Latin America are discussed in Mandel (1940: 441 f), Wallerstein (1974a: 85 f) and Weaver (1976: 37-38). On the integration of foreign capital into non-colonial peripheral formations, see Petras (1978: 55).

¹¹ According to the world system approach, this "mobility" within the system results in the existence of a third category of states—the semi-periphery—which

peripheral formations are basically power relations; from the perspective of a given peripheral formation they may be described in terms of dependence.

Relations of dependence may take various forms: trade structures oriented to the export of one or a small number of primary products, or excessive trade dependence on a given core country; reliance on external capital and technology which shapes the development of the economy, or a significant sector of it, according to the needs of foreign capital rather than the needs and resources of the affected economy; severe foreign exchange bottlenecks resulting from capital export as a consequence of profit repatriation, interest payments, and loan amortization and imports of foreign technology. Dependence may involve direct or indirect foreign control of the most dynamic sector of the economy—whether it is the export enclave (the major export commodity and related infrastructure and services) or the most advanced industrial sectors.

Foreign capital includes not only the particular foreign interests involved (whether they are trading partners, owners of an export enclave, multinational corporations, banks, etc.) but also the state of the relevant core country as the “class conscious” agent of foreign capital. The core state in fact may have a central role in influencing the institutions and policies of the peripheral state in accord with the needs of core capital for accumulation in the periphery (Petras, 1978: 47-52). Thus the constraints imposed by imperialism are not limited to economic intervention by foreign capital but also include the military and political power the relevant core states are able and willing to bring to bear in a given situation (MacEwan, 1972: 47-48; Sunkel, 1972: 54; Murray, 1971: 91-92).

Above it was suggested that, given the different needs and resources of late industrializing countries such as Germany, the process of modernization may reinforce rather than eliminate certain traditional structures and cultural patterns while accelerating the development of new structures. To an even greater degree, certain of the apparent distortions produced in peripheral social formations may be due to the fact that foreign capital often affects pre-

may consist of states declining from a position within the core (as sixteenth- and seventeenth-century Spain) as well as the rise of certain states from the periphery (as contemporary Mexico and Brazil). The semi-periphery also has a “social control” function in introducing an intermediate strata into an otherwise polarized system (Wallerstein, 1974b).

capitalist formations selectively—accelerating the development of productive forces in one sector (as mining) which coexists with traditional pre-capitalist structures in other sectors. The latter may even be deliberately fostered by foreign capital in alliance with pre-capitalist groups within the social formation (Brenner, 1977: 90; Palma, 1978: 892-893; Kay, 1975: 103-105). The implications of this coexistence of different structures or modes of production within and among different sectors in a given social formation depend on the nature of alliances between foreign capital and internal classes (e.g., whether they are linked or not and, if so, which internal classes are affected) and the extent to which traditional modes of production constitute obstacles to the development of the peripheral formation as a whole. Another effect is mixed modes of production—the combination of different modes of production within a single system of production. In colonial and post-colonial Latin America, slave and quasi-feudal forms of exploitation were utilized on privately owned plantations and estates which were producing for export and in some cases reinvesting surplus to expand production, characteristic of capitalism. Moreover, once the core countries began to industrialize, advanced technology resulting from the rapid and constant development of the productive forces under conditions of competitive capitalism could be transferred to social formations at lower stages of development. The results of these mixed structures, in which the advanced sectors are articulated within the global rationality of specific core capitals rather than with the rest of the peripheral economy, are the accelerated development of certain sectors and the stagnation of others. This obviously affects the class structure and has implications for class conflict, with a class-conscious proletariat in such sectors as mining and the “internationalized” sectors of manufacturing industry coexisting with pre-capitalist or semi-proletarianized rural workers.

Imperialism and the relation of the peripheral formation with one or more core states and capitals, the “integration” of foreign capital into the internal class structure, the coexistence of different modes of production or the presence of mixed modes of production obviously affect the state in peripheral social formations and raise additional questions in an attempt to assess the possibilities and limits of state autonomy. For example, what is the position of a given society within the world division of labor and what is its relationship to core capitals and states? Is this relationship likely

to be reinforced by political and military sanctions by core states? To what extent is foreign capital integrated as a segment of the dominant class or closely aligned with the dominant internal class fraction, and what are the implications of this for the class nature of the state? Has the penetration of foreign capital in certain sectors resulted in the coexistence of two or more modes of production, and, if so, has this led to divisions within the dominant class (or conflicts between two or more classes representing different modes of production) and what have been the implications of this situation for state autonomy? Does the coexistence of different modes of production accelerate or retard the development of class consciousness and solidarity within and among subordinate classes? Has the importance of foreign capital resulted in an increase in relative state autonomy vis-à-vis national classes?

While these questions should be addressed in examining specific peripheral formations, certain generalizations can be tentatively drawn from the historical experience of Latin American countries. First, that class or class fraction which controls the state is often the fraction most closely linked to foreign capital, and is generally interested in the maintenance of existing structural relations, internal and external. Throughout much of the latter part of the nineteenth century and the early twentieth century the hegemonic group consisted of the agro-export sector (which continues to be important in some countries). Today in the more advanced countries it consists of that fraction of the industrial bourgeoisie directly or indirectly linked to foreign corporations and the state.

Second, one result of the nineteenth-century alliances between a domestic export oligarchy and foreign interests in several Latin American countries was that the national industrial bourgeoisie was weak, and the process of industrialization has required the intervention of the state to promote the development of an industrial bourgeoisie and/or to expand its own economic control in confrontation with foreign capital (Amin, 1976-77; Cardoso and Faletto, 1978: 128-132, 205). In these countries, the state has also had a more direct role in capital accumulation, since the capital needs of industry at the more advanced (monopoly) stages of capitalism are beyond the means of individual entrepreneurs. This role, and the state's control of important economic sectors, may be expected to increase its autonomy with respect to national capital; but the process of industrialization also tends to strengthen the dominant segment of the national bourgeoisie, which may in

turn limit state autonomy (particularly if this segment of the bourgeoisie is linked to foreign capital, as is often the case).

Third, given the influence of foreign capital, and the fact that it may constitute or be linked to the dominant segment of national capital within a given social formation, the relative autonomy of the state may be expected to increase to the extent that foreign capital is politically or economically weakened. The fact that the most decisive push toward industrialization in the more advanced Latin American countries occurred during the depression and the second world war has been attributed in part to the drastic reduction of trade and the consequent weakening of the agro-export sector as well as the reduced capacity of foreign states to directly intervene in the internal affairs of Latin American states during this period.

Possibilities and Limits of State Autonomy: Summary and Conclusions.

The limits to state autonomy derive from the position of the state within class societies and the position of a given society within the world system. According to Marxist theory, in class societies the state functions to reproduce a mode of production in which a specific class is dominant. Since class societies are by definition characterized by exploitation and therefore class conflict, this involves neutralization of class conflict and control of the subordinate classes. In capitalist societies, the state establishes and maintains conditions for private accumulation; in peripheral societies this function may encompass accumulation by foreign as well as by national capital. In the latter, however, the class nature of the state may itself be in question, given the possible coexistence of two or more modes of production.

Therefore, for purposes of analysis, the state has been defined not in terms of its class nature and functions but as a set of institutions (the civil and military bureaucracy—the state apparatus) and those who formally control them (the government). Autonomy is defined as the ability of those who control the state apparatus to use it for ends other than, and particularly contrary to, those of the dominant class, since it is this class which benefits from the reproduction of the existing mode of production by the state. While control over the bureaucracy and especially of the means of coercion would seem to facilitate state autonomy, such autonomy is limited by divisions within the government and bureaucracy, and particularly by the dependence of the state upon

resources generated through the process of production which is generally controlled by the dominant class. In peripheral societies, control over resources of the state may be directly or indirectly exercised by foreign capital backed by the relevant core state.

In general terms, then, state autonomy is limited by the position of the state within a given social formation in which a particular mode of production and class may be dominant, and by the position of that social formation within the world capitalist system. Within these structural constraints, state autonomy may be further limited by the direct or indirect intervention of the dominant class (including foreign class fractions, in some cases represented by foreign states) and by the necessity to legitimize itself through a response, however limited, to non-dominant groups. Since direct or indirect intervention, or the threat of such intervention, by the dominant class constitutes the ultimate sanction of structural constraints, the state may presumably exercise relative structural autonomy only in conditions when the possibility for such intervention is considerably weakened. It has been suggested above that this is most likely to occur in periods of crisis and transition, when the formerly dominant class is weakened, or when the mode of production is indeterminate, or when classes representing two or more modes of production are in conflict.

In peripheral social formations, the possibility of state autonomy would be positively related to a weakening of pressures from core capitals or states (due to international crisis and/or internal crises within the relevant core formations). In peripheral "late industrializing" societies the resources of the state may be increased by its role in industrialization, but this will not necessarily increase the relative autonomy of the state if the process of industrialization strengthens the national bourgeoisie (or certain fractions of the bourgeoisie) and/or the role of foreign capital in the economy. And the options of even a relatively autonomous state are limited to the historical possibilities resulting from the internal development of the productive forces and its position within the world system. This autonomy is also limited by the logic of development of the social formation, which may involve domination by a given class within the newly established mode of production. Thus, through its contribution to the formation of the new social order the "autonomous" state may "create" its own structural constraints. In the last analysis, state actions which threaten the struc-

tural basis of class dominance will generally result in increased cohesion of that class to control the action of the state.

Finally, pressures from subordinate classes and groups have several implications for state autonomy. In general, given its functions within a class society, the state will attempt to control these groups through various mechanisms ranging from cooptation to repression. In contrast to the dominant class, whose unity is organized within the state, subordinated groups and classes must organize outside of and against the state if they are to obtain and maintain class objectives. At the same time, at least to some extent state response to the needs of these groups is necessary for the survival of the system and for the legitimacy of the state itself. Thus class conflict not only effects change within the system but also affects the form and functions of the state. Also, class conflicts (as well as intra-class struggles) may be reproduced among different factions and institutions *within* the state. In exceptional circumstances, or for specific ends, the state (or factions within the state) may ally with subordinate groups and classes as a means of achieving relative autonomy with respect to the dominant class. But the state will seek to dominate this alliance, since control of the state by these classes would ultimately result in the elimination of the class system on which the existence of the state is based.

THE STATE IN CONTEMPORARY MEXICO

In Mexico, certain conditions facilitating relative state autonomy existed in the period following the Mexican revolution (1910-1917), which destroyed much of the existing state apparatus, weakened the Mexican bourgeoisie and instituted, through the constitution of 1917, the concept of a state "above classes" which would intervene directly in the socio-economic order for specific ends. Although the post-revolutionary state continued to be weak in relation to foreign capital, with the depression of the 1930's the capacity and inclination of the dominant core states representing foreign capital to intervene in Mexico was diminished. At the same time, the revolution had brought the peasant masses, and to a lesser extent the urban working class,¹² to the political foreground,

¹² Given the coexistence of various modes of production and of exploitation in the Mexican countryside during this period, there is no one term which adequately covers all those working in the rural sector. Here the term "peasant" will be used

where they continued to agitate for structural changes in the rural sector as well as for other reforms. The alliance of these groups with progressive factions within the state under the leadership of President Lázaro Cárdenas (1934-1940) further increased the possibility of state autonomy based on an assault by these groups against existing structures. Thus an analysis of the Cárdenas period can provide an insight into the question of state autonomy in Mexico and perhaps the more general question of state autonomy based on popular mobilization in a post-revolutionary society.

At the same time, we are concerned with explaining why the apparent autonomy of the state during the Cárdenas administration came to an end. And this raises a further question: given the economic power of the contemporary Mexican state—its control of resources, its regulation of the private sector, its apparent ability to bargain with foreign corporations—can the state in fact be considered less autonomous today than in the 1930's? Before we analyze the Mexican state in the post-revolutionary period it will be useful to briefly examine the contemporary state. First, since one of the assumptions of this study is the apparent contrast between the revolutionary origins of the state and its contemporary form and function, an understanding of this contrast requires some understanding of the contemporary Mexican state. Second, several authors have suggested that the Mexican state today exercises considerable autonomy in relation to dominant groups and classes, although it pursues its own interests rather than those of subordinate groups (Purcell and Purcell, 1977; Weinert, 1977; Kaufman, 1977). It is important to understand the bases of these perceptions of state autonomy in Mexico, since—in contrast to the position stated above—they assume that the state's capacity to act independently of dominant groups and classes has continued and perhaps increased in the contemporary period.

Several arguments have been advanced for the autonomy or independence of the contemporary Mexican state. First, those who control the state apparatus are recruited from different backgrounds and generally follow different career patterns than do members of the private sector. Second, the state's control of economic resources—and particularly its control of the means of pro-

as a direct translation of the Spanish word *campesino* to refer to those who work in agriculture whether as small farmers (individual or communal), migrant laborers, wage workers on estates or plantations, contract laborers, or debt peons. More specific terminology will be used for differentiating among various groups.

duction in basic sectors of the economy—enables it to act in its own interests, over and above those of the dominant class. Third, from a strictly empirical perspective, the contemporary state has demonstrated its ability to control capital, including foreign capital, and to pursue lines of development not directly in the interests of private groups.

The argument of separate origins of the state elite and dominant economic groups is supported by a thorough study of Mexican political elites, from the pre-revolutionary government through the Echeverría administration (1970-1976), which indicates that the economic backgrounds and career patterns of these groups differ substantially from those of economic elites (Smith, 1977, 1979). Government officials are only rarely recruited from the private sector, in keeping with the populist revolutionary ideology on which the state continues to base its legitimacy. This separate recruitment also challenges the simpler versions of the "instrumentalist" thesis regarding the class nature of the state—i.e., that the dominant class is also a ruling or governing class.

It is certainly true that the Mexican government bureaucracy is relatively free of some of the more obvious forms of dominant class influence which exist in the United States, such as direct recruitment of its members into the government, or campaign financing. But—as argued above—the absence of direct control by members of the dominant class is not a sufficient condition for state autonomy. In the case of Mexico, there are numerous and complex formal mechanisms for interaction between the state and the dominant class, including industrial and commercial chambers, sectoral organizations, advisory committees, and positions of private sector individuals on the boards of state banks and enterprises. Informal mechanisms are undoubtedly even more significant, as members of the most important national and international firms are able to bypass these organizations and negotiate with the government directly (Vernon, 1963: 18; Leal, 1975a: 60). Also reverse recruitment, whereby government officials "retire" into private business, has been a common practice and constitutes an important element in the class nature of the state (Labastida, 1972: 138-139; L. Meyer, 1977: 14).

At a more general level, it has been suggested in recent writings on the state that state control of or access to economic resources may be a factor in increased state autonomy—specifically, the ability of the state to pursue an independent "state" interest (Gold, Lo

and Wright, 1975). State access to resources also enhances its power relative to other states within the world market. In the case of Mexico, the extensive and direct role of the state in accumulation has unquestionably expanded its control of economic resources. The Mexican public sector comprises over 500 firms which control the key sectors of petroleum, railroads, communications, and electric power, and has substantial investments in other sectors, including mining, steel, chemicals, sugar refining, paper, textiles, fertilizer, and transport equipment. In addition, government regulation of the private sector is extensive. Through the central bank (Banco de México), the official development bank (Nacional Financiera, Nafinsa), and a broad range of additional official credit institutions and special funds, the state is able to exercise considerable control over finance and investment. One mechanism is the central bank's flexible reserve requirements, which are utilized to direct private bank resources to productive investment; today a substantial proportion of private bank investments are in government securities.

But economic control has not necessarily resulted in increased economic independence. In fact, the expansion of state economic involvement has directly or indirectly aided private capital expansion, thereby strengthening the dominant factions of the bourgeoisie (Fitzgerald, 1979: 57). In many cases firms of the public sector provide services at reduced rates to private industries, or the state takes over industries which are confronting bankruptcy in order to keep them in operation, providing needed supplies or products and maintaining employment levels. Thus the government Federal Power Commission has over the years charged private companies 3 centavos per kwh, although its costs are 4 centavos per kwh. National industries pay PEMEX (Petróleos Mexicanos, the Mexican petroleum company) half the export price for petroleum. And the government has taken over many of the antiquated sugar mills of the country due to the inability of the private sector to profitably maintain them (LAER 22 June 1979; Bennett and Sharpe 1980). Nacional Financiera and other official credit institutions finance private industry directly and indirectly through the purchase of securities, facilitation of foreign credit, and other measures (Aguilar, 1972: 150). And Mexico has one of the lowest tax rates in Latin America; taxes are also regressive. In short, the expansion of the public sector and of state control of resources have served private accumulation, at the same time facilitating conditions for

national capital accumulation—through such policies as Mexicanization (the requirement that companies be 51 percent Mexican-owned)—in a context in which foreign capital tends to dominate.

A third set of arguments is based on empirical evidence—the fact that the Mexican state *has*, on occasion, operated against the interests of private groups and even of foreign enterprises. Two of the most powerful private economic groups in Mexico—those of SOMEX and the Banco Internacional—were nationalized by the government (see Appendix A). The ability of the state to use discretion in enforcing the numerous rules regulating private enterprise constitutes a means of fragmenting and of controlling private interests. The state has also provided some protection to small and medium industrial firms, which are less capital-intensive and therefore constitute an important source of employment, although such protection may be contrary to the interests of dominant national and foreign firms. The Mexican government has instituted policies to control foreign capital and to direct foreign investment to certain sectors, with some success, as indicated by the high proportion of foreign investment in manufacturing. Mexico's petroleum resources and the commitment of considerable foreign investment have given the state leverage in negotiating with foreign companies and states (Purcell and Purcell, 1977: 196; Weinert, 1977: 113).

Nevertheless, there is also evidence to support the position that the state's ability to move against foreign interests and the national bourgeoisie is limited, in part by divisions within the state itself, which inhibits its ability to design and enforce consistent and coherent policies. At the same time, certain state agencies may "internalize" the interests and orientations of private capital—as appears to be the case with the Finance Ministry in Mexico. Both the divisions within the state and the "internalization" of private interests were evident in the recent modification by the Finance Ministry of a tax reform proposed by officials within the Ministry of National Patrimony—in which several measures disagreeable to the interests of the private sector were eliminated *prior* to the submission of the reform to private groups for suggestions and recommendations. An earlier case was that of the initial negotiations between the Mexican government and various foreign auto companies in the late 1950's and early 1960's regarding the establishment of an auto industry in Mexico, in which the bargaining power of the state was considerably weakened by disagreements between

the Secretary of Industry and Commerce, acting in close collaboration with the Ford Motor Company, and the Secretary of Finance (Bennett and Sharpe, 1979, 1980; Purcell and Purcell, 1976: 230-232).

Thus one factor limiting state autonomy in contemporary Mexico would appear to be the absence of cohesion among state factions and institutions. If any factions or institutions can be said to have disproportionate influence within the state, they are those most closely aligned with national or foreign capital.

Finally, dominant classes and foreign groups have obvious means at their disposal to prevent the state from substantially threatening their interests, as indicated during the Echeverría regime (1970-1976). In part due to the impetus of progressive, statist-oriented groups which controlled the Ministry of National Patrimony (which oversees the para-statal firms and decentralized agencies of the public sector), and in part due to investment cutbacks by the private sector (in turn a result of inflation and other economic problems) the government undertook substantial economic investments, thus expanding the state-controlled sector of the economy. But one of the results was an aggravation of Mexico's foreign debt, since needed fiscal reforms to increase government revenues were not implemented, and state expansion was financed largely by foreign loans. Between 1970 and 1976, direct foreign investments in Mexico fluctuated between \$200.7 million (1970) and \$362.2 million (1974), whereas *net* loans from abroad (disbursements minus amortizations) increased from \$324.2 million to \$2,930.0 million—\$2,701.9 million to the public sector (Nafinsa 1977: 381-382). Furthermore, expansion of the state sector and other measures of the Echeverría regime viewed as antagonistic to private interests were factors in a loss of business confidence and increased political opposition by the private sector, manifested in capital export and further production cutbacks. Partly as a consequence of Echeverría's "independent" course, partly as a result of longer term economic conditions resulting from Mexico's economic structure (including the "import" of U.S. inflation due to the higher costs of imported technology), Echeverría's regime ended in an economic crisis, with the first devaluation of the peso in twenty-two years. The succeeding Lopez Portillo administration took a more openly pro-business stance and, as a condition for stabilization loans from the International Monetary Fund, instituted an austerity program which

included cutbacks in state spending, removal of price controls, and wage ceilings, which have weighed most heavily on Mexico's low income population (Ayala, 1977: 35-45; Pellicer, 1977: 46, Reynolds, 1978: 1015-1016).

Thus the state may act against individual and even group interests within the private sector, but its ability to act against the dominant class as a whole, or even substantial segments of that class, is checked by the action of those segments and their representatives. In general, the independence of the state is limited by the socio-economic structure in which it functions to promote private capital accumulation, by the economic power of private capital (both national and foreign), and by divisions within the state and the identification of certain state factions with dominant class interests.

To argue that the autonomy of the Mexican state is limited is not to suggest that the state has not had an important role in Mexico's economic development. But the orientation of this development has been largely determined by foreign and national capital. The structural implications of this relationship between the state and private capital can be indicated through a comparison of Mexico with Brazil, another rapidly growing economy. Both countries can be considered part of the semi-periphery, which in this case designates countries that can no longer be considered peripheral although they are structurally distinct from core countries.¹³ In both countries, efforts of the government to direct national and foreign capital have taken place within the broader context of a "dominant coalition" or "triple alliance" based on collaboration between dominant factions within the state, multinational corporations and other forms of foreign capital, and the dominant (or "internationalized") segment of the national bourgeoisie (Labastida, 1972: 103; Evans, 1979: 152 f). One effect of national legislation insisting on majority national ownership and other controls of foreign investment (where such legislation is not disregarded, as through exemptions, or the use of *prestanombres*—name-lenders—to "stand in" for foreign owners in stock listings, as in Mexico) has been closer integration of foreign capital with the state and/or national private capital through joint investments (in ad-

¹³ For an attempt to develop objective criteria for distinguishing countries of the semi-periphery and an application of these to a comparison of Mexico and Brazil, see Evans, 1979: 290-308.

dition to loans, technology transfers, machinery imports, and marketing arrangements). In both countries foreign capital and technology have contributed importantly to their impressive growth rates. As of 1968, foreign investments in manufacturing constituted 65 to 70 percent of total foreign investment in Mexico and Brazil (compared with 34 percent for Latin America as a whole). Although foreign investors are more diversified in Brazil than in Mexico, where U.S. corporations predominate, in both countries approximately 60 percent of the top 100 firms are foreign-controlled; and multinationals are dominant in the most dynamic industrial sectors: chemicals, machinery, electrical machinery and equipment, and transport equipment. Even in those sectors and firms where national capital is dominant there is often dependence on foreign technology in the form of machinery imports as well as in the use of foreign brands, patents, and processes.

The economies of Brazil and Mexico have been characterized as examples of dependent capitalist development, a concept which assumes that development can occur in economies dependent upon foreign capital; that such development, as capitalist development elsewhere, results in certain distortions; but that these distortions will be different from those resulting in advanced capitalist countries (Cardoso and Faletto: 1969; Cardoso, 1975). One of the major distortions produced by dependent capitalist development in both Brazil and Mexico has been the extensive use of capital intensive technology in countries with a large labor surplus, with the effect that industrialization has had little impact on employment. A market orientation to a relatively small high income group which emulates consumption patterns of the advanced industrial countries results in an emphasis on the production of consumer durables, reinforcing the use of capital intensive technology and the exclusion of a significant proportion of the population from the labor market. The problem is aggravated in a country such as Mexico, where the encouragement of agribusiness has resulted in land concentration and rural mechanization, leading to massive unemployment and underemployment in the countryside and accelerating the exodus of workers into the cities, where few industrial jobs await them. It is no coincidence that Mexico and Brazil, the most advanced industrial economies in Latin America, have the most regressive income distribution; while Mexico, unlike Brazil, has experienced some income redistribution within the top 20 per-

cent of the population, in both countries the lowest 20 percent of the population receives less than 4 percent of the total income.¹⁴

In both countries, rapid industrialization on the basis of foreign capital and technology has benefitted certain segments of the bourgeoisie to the detriment of others. In Mexico, the dominant class segment appears to be comprised by those individuals and families who control the so-called economic groups. These groups consist of industrial firms (often vertically integrated), commercial houses, financial institutions (in many cases integrated into powerful "financial groups"), and, sometimes, transportation firms, mines, or other economic firms, which are related through common ownership and interlocking directorates. Ownership of the firm in each economic group is generally concentrated in an "investment group" consisting of one or a few families or business associates, sometimes interrelated by marriage. While the existence of economic groups is universally recognized in Mexico, information regarding their number and composition is still imprecise.¹⁵ If an economic group is defined in terms of its inter-sectoral linkages and of its control of a substantial proportion of assets in one or more sectors of subsectors of the economy, there are probably no more than 35 to 50 such groups in Mexico. Existing information also suggests that the majority of these groups are linked with the state and/or with foreign capital (through joint investments, loans, technology arrangements). As indicated above, many economic groups also include their own financial groups, which in turn concentrate the financial resources of Mexico. In the mid-1970's, twenty-six financial groups controlled 90 percent of the resources of the banking system; and the four principal groups controlled 68 percent (Casteñeda, 1976: 65n.).

¹⁴ On the effects of foreign investment on the industrial structure, and more broadly the structure of production in Mexico, see Sepúlveda and Chumacero, 1973: 54-58; Cinta, 1972: 195-196; Fajnsylber and Martínez Tarrago, 1976: 367-368; and Weinert, 1977: 110. For Brazil, see Cardoso, 1973: 143 and Evans, 1976: 50 and 1979: 300. Both countries are discussed in Newfarmer and Mueller, 1975. Effects on income distribution are discussed in LAER, 3 August 1979, and Eckstein, 1982.

¹⁵ A recent study identified over 100 economic groups, but many of these consisted of only a few firms and others constituted firms of only one sector (Cordero and Santín, 1977). Despite these problems, this is the most systematic study of the economic groups to date. An earlier study suggested that the Mexican oligarchy consisted of some 1,000 families of which perhaps 100 were of national importance; these were grouped in some 25 to 35 groups (Aguilar and Carmona, 1967).

In both Mexico and Brazil, the linkages among the dominant state factions, foreign interests, and the dominant segment of the national bourgeoisie are varied and complex, and each may seek to maximize its specific interests with varying degrees of success. But the state is limited to options available within the framework of a structure in which these groups are dominant; while it may attempt to redefine the relative position of various groups and interests—including foreign capital—within this structure, it is unable to change the structure itself.

Since subordinate groups and classes are forced to bear the costs of the dependent model of capitalist development, political control of these groups is a major function of the state. And here there are important distinctions between the Mexican and Brazilian states. The Brazilian state has been described as the most successful example of the bureaucratic-authoritarian state, a concept which was developed to explain a specific historical phenomenon: the emergence in the 1960's and early 1970's of repressive and relatively enduring military regimes in several South American countries which had been characterized by relatively high levels of economic development and/or a highly mobilized proletariat. The emergence of these regimes in "developed" Latin American countries contradicted a basic tenet of traditional development theory which posited a correlation between increasing levels of economic development and growing democratic participation (O'Donnell, 1973: 1-8). The explanation provided by the bureaucratic-authoritarian perspective is that the pattern of development followed by most Latin American countries—that of import substitution—led to bottlenecks once the relatively easy initial stage was passed; these bottlenecks as well as policies to overcome them tended to penalize the working class and the urban "middle" groups. But since these groups had achieved a high level of political mobilization (in part due to their incorporation into "populist" alliances during an earlier expansionist phase of import-substitution industrialization), they reacted to these policies with increased mobilization, eventually leading to political instability. Since civilian political regimes were unable to insure the level of political stability believed essential to attract the foreign capital and the technology needed to overcome economic bottlenecks they were succeeded by military regimes, generally led by development-oriented officers who projected a long-term tenure in order to firmly establish their specific models of development. These regimes were characterized by the

economic "exclusion" of previously mobilized groups—indicated by decreases in wage and consumption levels—which was facilitated by their political exclusion through the repression of dissident groups and by the elimination of virtually all democratic processes and institutions. These states, under the direction of the military, have established alliances with foreign corporations and in some cases with dominant sectors of the national bourgeoisie to implement a model of industrial development increasingly oriented to the production of consumer durables for relatively high income groups and for export.¹⁶

The Mexican state has many similarities to the bureaucratic authoritarian state, but it has distinguished itself (to date) by its ability to maintain the desired social and political stability for private accumulation without recourse to a military dictatorship. The continuity of Mexico's civilian government has been attributed in part to its "prior exclusion" of the masses of workers and peasants through their "pre-emptive" incorporation into state-controlled structures—i.e., the government party and its sectoral organizations.

Ironically, this structure as well as the "legitimacy" of the Mexican state relative to other bureaucratic authoritarian states in Latin America is a legacy of the revolution and of the Cárdenas administration of the 1930's, the most progressive period of post-revolutionary Mexico.

The chief instrument of "exclusion" or "controlled inclusion" is the Institutional Revolutionary Party (PRI), composed of three sectors: labor (incorporating the major labor confederations and industrial unions), peasant (dominated by the National Peasant Confederation, the CNC), and the so-called popular sector (consisting of organizations of small landowners, teachers, state employees, etc., loosely joined in the National Confederation of Popular Organizations, CNOP). The party structure, which deliberately excludes the more powerful economic groups, reinforces the state's ideological use of the Mexican revolution to present itself as defender of the interests of the working class, peasants, and marginal sectors, and as an opponent of privileged groups and monopolies. The party structure does function to some extent as a mechanism

¹⁶ See O'Donnell, 1975, and Oszlak and O'Donnell, 1976. Several studies elaborating and/or critiquing the bureaucratic authoritarian approach can be found in Collier, ed., 1979.

for representation of the interests of constituent organizations, but it is chiefly a means for state control of their membership.¹⁷

Incorporation is facilitated by the authoritarian structures of the basic member confederations, particularly the labor and peasant organizations, as well as by the use of such devices as the exclusion clause (prohibiting employers from hiring or retaining any worker who is not a member of the recognized union) and by *charrismo* (government imposition of union and peasant leaders in their respective organizations) as a means of discipline. The government and party structures permeate all levels of Mexican society; their monopoly of economic and political resources limits the ability of local communities and groups to effectively resist their political control. Formal structures are reinforced through informal mechanisms of vertical clientele relations whereby government and party officials provide limited favors for specific groups, communities, etc. in return for support; these vertical relations also serve to obscure the more basic division in a society characterized by sharp contrasts in the living standards of the wealthy and the poor (Alvarez and Sandoval, 1976: 21-22; Reyna, 1974: 24-35; Eckstein, 1977: 78 f).

On the basis of its claim to be the party of the revolution, the PRI seeks to exclude powerful opposition from the left: left-wing movements which have attempted to challenge the hegemony of

¹⁷ The concept of corporatism as a set of institutional arrangements for structuring interest group representation (Schmitter, 1972: 90-91) thus has limited relevance for the "corporate" party structure of Mexico, which constitutes a mechanism for state control of subordinate groups and classes. Certain elements of the concept, however, are relevant—e.g., the fact that the state attempts to limit horizontal linkages between groups, which is accomplished in Mexico through the separation of peasant and labor organizations as well as the inclusion of certain unions (such as those of bank employees, government workers, and teachers) in the popular rather than labor sector. Other quasi-corporate structures in Mexico consist of the peak business organizations and tripartite commissions. The former are of secondary importance to informal mechanisms relating business interests to the state. Tripartite commissions are a relatively recent phenomenon; they include representation from the government, the private sector, and coopted sectors of labor, and closely resemble the corporate bodies formed in the U.S. in the early decades of this century (see Weinstein, 1968). The discussion by O'Donnell (1977) of the different implications of corporatism (under the bureaucratic authoritarian state) for the popular sector, which is deprived of the possibility for independent organization, and the bourgeoisie, which retains its own organization, as well as informal relations with the state, seems to be particularly appropriate in the Mexican case. Further discussions of corporatism in Latin America and in Mexico can be found in Malloy, 1977, Reyna, 1977 and Stepan, 1978.

the PRI have been coopted or repressed; leaders of dissident movements have been drawn into the state or party apparatus; or left-wing parties are relegated to the status "loyal opposition." Thus the ability of the popular sectors—working class, peasants, local communities—to form independent organizations and to join forces to promote common interests, is effectively controlled. The state may respond to certain demands of dissident groups in the process of coopting them; at the same time, the party structure enables the state to mobilize large sectors of the population in support of specific policies—both further elements in its legitimacy.

The evident success of the control and cooptive mechanisms of the Mexican state has led to a tendency to regard the Mexican population as passive and acquiescent and to ignore the repressive mechanisms which underlie the authority of the state. But resistance to government domination has ranged from rank-and-file struggles against government-imposed leaders in various unions and peasant organizations to armed guerrilla uprisings which have at certain periods encompassed several states. And repressive mechanisms of the state—for those groups which cannot be coopted—have taken various forms: the jailing of dissident labor leaders; official tolerance of daily repression in the countryside and at the local level by landowners, political bosses, and government officials, including the assassination of independent leaders; and the use of the army to repress dissident groups that cannot be neutralized.¹⁸

In summary, the characteristics and functions of the contemporary Mexican state contrast sharply with those of the progressive "revolutionary" state projected in the constitution of 1917, which became a model for the Cárdenas administration in the 1930's.

¹⁸ Mechanisms of cooptation and control are discussed in Anderson and Cockcroft, 1972: 230-240, Fagen and Tuohy, 1972: 214-215, Reyna, 1974, and Hellman, 1978. A recent effort of Mexican workers to liberate themselves from state-dominated union organizations was the "tendencia democrática" within the electrical workers' organizations, which subsequently gained adherents among other groups of workers and became the vanguard of a movement for a democratic, independent labor movement. In part due to the nationalist initiatives and attempted reforms of the Echeverría regime, the electrical workers proposed a new pact between the labor movement and the "regenerated" national state. Their faith in state support proved unfounded, as the Echeverría regime proved unable or unwilling to confront the entrenched labor bureaucracy, and the "tendencia democrática" within the electrical workers' movement was forced to disband (Gilly, 1978: 107; Baird and McCaughan, 1979: 104-117).

Instead of an "autonomous" state, above classes, which would promote independent, national development, the contemporary Mexican state is intricately linked with the national bourgeoisie and with foreign capital in promoting a form of dependent capitalist development from which these groups benefit. While the "revolutionary" state was to exercise a protective if paternalistic role in promoting the rights and interests of the peasants and the working class, the Mexican state is primarily concerned with the political control of these groups, whether by cooptive or more repressive measures, which are all the more necessary, given the fact that these sectors have been made to bear the costs of Mexico's model of development.

This brief examination of the state in contemporary Mexico hardly does justice to the complexity of the subject, but is perhaps sufficient to demonstrate the lack of state autonomy and to provide a point of departure for an examination of its historical origins and development. The following chapters will seek to establish the conditions which led to *relative* state autonomy in the 1930's (relative in comparison to state autonomy before or since) and to explain the limits of this autonomy.

The next two chapters will discuss the historical forces resulting in the revolution and shaping the context within which the new post-revolutionary state emerged, focusing on two questions: to what extent and how did existing class forces and structures establish the parameters within which the state could act? And how did the action of the state within this context establish the parameters for subsequent state action? In Chapter Four, the processes resulting in the formation of a new alliance around the candidacy of Lázaro Cárdenas, who was elected president in 1934, will be discussed, and Chapter Five deals with the contradictions of this alliance, manifested in the collaboration of the government with mobilized groups of peasants and workers to bring about substantial reforms while at the same time it sought to control these groups.

Chapter Six shifts to a focus on the relation between the state and private capital, which prospered during most of this period, largely due to state intervention even though most of the powerful segments of capital opposed the Cárdenas government. This chapter is concerned with the apparent contradictions in the state's policy to support private capital accumulation at the same time that it sought to control capital, in keeping with its concept of an "autonomous" state above *all* classes.

Chapter Seven is concerned with the context and actual events of the nationalization of the foreign-owned petroleum companies as well as its effects in sharpening the contradictions of the "autonomous" state. Chapter Eight describes the process by which the progressive alliance is transformed and ultimately destroyed, first, by the incorporation of its constituent groups into the state-party structure, and then by the shift in control over this structure to conservative elements within the state, linked to private capital.

The final chapter re-examines the question raised above regarding the possibilities and limits of state autonomy within the context of the experience of the Cárdenas years in Mexico.