

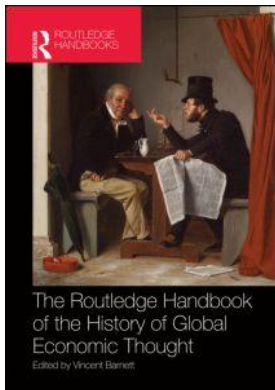
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Mexico and Central America

Richard Weiner

Despite the fact that there are indigenous peoples in Mesoamerica today who contend that they are still resisting the European conquest, Mexico and Central America have had a long history of connections to the West. Indeed, Mexico's National University (founded 1551) is one of the Western hemisphere's oldest European-influenced universities. Thus, Western thought and culture have been influential in the sphere of economic ideas. But contrary to the claims of those who critiqued Mexicans and Central Americans for imitating imported economic ideas that did not fit local conditions (e.g. dependency theorists such as André Gunder Frank, who charged that Latin American elites blindly adhered to wrong-headed free market ideals during the nineteenth-century export boom), foreign ideas have not been thoughtlessly adopted. Rather, they have been reformulated and adapted to fit the local and national contexts. This refashioning is partly a consequence of the distinct histories and cultures of the region. For example, a history of revolt and concern with unrest has helped to make social liberalism prominent in Mexico. Similarly, the region's proximity to the United States has inspired anti-imperialist discourse. Refashioning has also been inspired by politics. Foreign concepts have been "nationalized" by incorporating national symbols to give them greater credibility.

Despite the fact that there are groups that adhere to divergent philosophies, some of which are shaped by certain Mesoamerican ideals and others that are influenced by strands of Western thought, there is a prominent materialist ethic in Mexico and Central America. This contention clashes with much of the earlier writings on the subject by contemporary actors and scholars. Colonial and national-era elites complained about natives' lack of individualism and materialism. Nineteenth-century liberals lamented about the Catholic Church's non-materialist philosophy and influence. Similarly, scholars have argued that a Protestant work ethic accounts for the United States' material progress and a lack of that ethic explains Latin America's sub-par performance. However, recent historical scholarship on ethno-history, the Church's economic role in society and comparative histories of the Western Hemisphere has challenged the idea that a non-materialist philosophy predominated in Mexico and Central America.

Another similarity is that trends in economic ideas have evolved in related ways in both regions. Nevertheless, public economic discourse and academic economics are much more developed in Mexico than Central America. Indeed, leading twentieth-century Latin America economic journals, such as *Trimestre Económico* [*Economic Quarterly*], and publishing houses for

economic texts, e.g. Fondo de Cultura Económica [Collection in Economic Culture], are Mexican. This contrast between the regions is largely a consequence of the fact that intellectual culture (the press, the arts, etc.) and academia are more established in Mexico than Central America, a difference stemming from the two regions' contrasting development. Despite the fact that both have high degrees of inequality, Mexico is one of the wealthiest parts of Latin America (today some predict it will shoot ahead of Brazil in coming decades), and Central America, which is comprised of several small nations, is one of the poorest.

The development of ideas over the long-term

In the aftermath of the Conquest of Mexico (1519–21), mercantilism and the experience of the Reconquista (711–1492) shaped general Spanish attitudes about the economic value of the New World, when Mexico became the jewel of Spain's empire. Shaped by mercantilist ideals, during three centuries of colonial rule (1521–1821), Mexico was valued mostly for its precious metals. Columbus's "discovery" took place during an intellectual age when bullion was held in very high regard. It was said to boost international trade, create jobs, and alleviate social problems. Some writers (e.g. Thomas Mun) used biological metaphors to illustrate the social and economic importance of the circulation of money in society, explaining that a healthy body (i.e. society) needed "blood" (i.e. bullion). Unsurprisingly, Columbus's reports emphasized bullion.

So did the writings by noted Conquistadors of Mexico (e.g. Fernando Cortés and Bernal Díaz del Castillo). Columbus and Conquistadors also stressed another economic resource: native populations. The Reconquista revealed that conquered subjects could be utilized as workers (i.e. coerced labor drafts called "encomiendas") and sources of revenue (since subjects were required to pay a head tax). From this perspective, Mexico proved to be very valuable, owing to the fact that the Aztecs were the largest sedentary civilization in the New World. Since it had limited precious metals and its Mayan kingdoms proved difficult to conquer, Central America was a backwater for most of the colonial era. Spain's economic success in Mexico inspired imitators. At the start of the seventeenth century the British Virginia Company hoped to find precious metals and large sedentary civilizations in North America.

Evolving seventeenth- and eighteenth-century mercantilist thought that highlighted the importance of manufacturing informed an economic critique of Spanish colonialism (e.g. Mun critiqued Spain in the early seventeenth century). From this perspective, Spain's abundance of bullion was its downfall since precious metals impeded industrialization. French thought was influential, especially the ideas of Jean Baptiste Colbert regarding the significance of manufacturing. Spain's eighteenth-century modification of the colonial system, known as the Bourbon Reforms, which were enacted in part to derive more economic benefits from the colonies, were informed by this new thinking. Spanish Visitor General José de Gálvez was in charge of developing and implementing these reforms in New Spain, which Mexico and Central America were part of.

Spain's reforms – informed by mercantilist and liberal ideals – were contradictory, leading scholars to label them a form of "enlightened despotism." Mercantilism informed reforms that stimulated Spanish manufacturing to achieve a favorable balance of trade. In keeping with the English model, the ideal was to make the colonies sources of raw materials for Spanish manufacturing and also consumers of Spanish industrial goods. Colonial industries that competed with Spanish ones, e.g. wine, were prohibited, and colonial raw materials deemed useful to Spanish manufacturing industry were stimulated. This enhanced Central America's significance since its indigo and cochineal were utilized in European textile industries. This pro-industrial

perspective also inspired a critique of Spain's merchants' guilds. Critics charged that monopolies favored foreign imported goods, and therefore they needed to be weakened in the quest for Spanish industrialization.

Economic liberalism informed reforms that sought to boost agricultural production. Spanish economist Gasper de Jovellanos's *Informe sobre la Ley Agraria* [Report about the Agrarian Law, 1795], a text influenced by Adam Smith and the Physiocrats, proved influential. Jovellanos maintained that clerical estates, entailed estates, and unoccupied public land impeded production. Influenced by the English enclosure movement, he promoted individualism and private property to enhance production. Influenced by Jovellanos, Gálvez promoted secularizing Church missions and distributing land to families. He also promoted mixed-race agricultural colonies, which would remove Indians from their isolated condition and out of the clutches of the Church and make them productive subjects. Liberal ideals, albeit with mercantilist elements, also informed trade: the new policy of "free trade" allowed greater freedom in the name of increasing commerce, but it had to be within the confines of the Spanish Empire. In Mexico and Central America some found this appealing since it provided autonomy from the colonizing power (and in the case of Central America, from Mexico too).

During the age of independence another reformist economic discourse that had strong liberal tendencies and proved influential was Alexander von Humboldt's *Political Essay on the Kingdom of New Spain*, which originally appeared in French in 1811 and was quickly translated into English, Spanish, and German. The fact that his work was authoritative, encyclopedic, highly optimistic, relied on and cited New Spain authors, and appeared at a time when global interest in Spain's new world Empire was high, helps to explain *Political Essay's* great popularity. In nineteenth-century Latin America, the tremendous influence of a single work is unique to Mexico. Humboldt's study was broad (covering politics, economics, defense, demography, etc.) and thus cannot be characterized as a work of political economy. Nevertheless, he focused heavily on economics and was influenced by Adam Smith, the Physiocrats, and William Petty's political arithmetic.

Humboldt depicted New Spain as favored by nature owing to its large size, fertile soil, varied climate (in which countless products could grow), and advantageous commercial location between the Atlantic and Pacific (which destined it to be a leader in world trade). Showing Smith's influence, Humboldt critiqued colonialism, maintaining that Spain's restrictive economic policies impeded Mexico's material progress and industrialization. Humboldt's downgrading of the economic significance of silver also revealed Smith's influence. But Humboldt departed from Smith by arguing that agriculture and mining reinforced one another. Humboldt's high praise for agriculture (he defined it as the most important sector) was partly informed by Physiocratic thought. His socio-economic critique also highlighted agriculture. He maintained that farming for local consumption was most significant since it sustained the population, a socio-economic preoccupation that was also reflected in Humboldt's severe critique – influenced by the Mexican cleric Manuel Abad y Queipo – of inequality and poverty in Mexico.

Humboldt's *Political Essay* influenced and stimulated classical economists' analysis (e.g. that of David Ricardo, Malthus, John Cairnes, and perhaps J.S. Mill) on the relationship between institutions, resource endowment, and development. It was also very influential in Mexico, shaping ideas about the region's potential, the importance of natural environment, economic sectors, policy, and socioeconomic analysis. Humboldt's text helps to explain the great optimism that Mexican and Central American leaders had about their nations' economic futures in the early national era.

This optimism is more surprising for Central America since in the Mexican case Humboldt merely statistically confirmed Mexicans' assumption that their nation was naturally rich. Part of

Central Americans' optimism was rooted in the idea that constructing a canal through the isthmus would bring prosperity, something Humboldt (and numerous writers before him) had promoted. Mexican Tadeo Ortiz de Ayala was strongly influenced by Humboldt. Ortiz echoed Humboldt by emphasizing Mexico's natural advantages, and by promoting colonization (something Gálvez previously championed) and the construction of a transport system to exploit Mexico's vast agricultural potential. Some Central American intellectuals, who championed building a transportation infrastructure and attracting foreign agricultural colonists, had a similar vision.

In the 1830s and 1840s noteworthy liberal and conservative ideologies emerged in Mexico. José María Luis Mora articulated a liberal vision with a socio-economic component, influenced by French thought, Humboldt, and colonial antecedents. Following Humboldt, Mora conceived of Mexico as naturally rich, but identified impediments to the exploitation of wealth. Mora focused on socioeconomic issues, particularly the inequitable distribution of property, above all, the dilemma of the vast holdings of the Church and (to a lesser degree) Indian villages (Mora's "monasteries of Indians"), socio-economic problems Jovellanos and Abad y Queipo had previously identified. Mora's push for social equality differed from the European moderate liberals (e.g. Francois Guizot) who did not promote the interests of labor and champion equality. Scholar Jesús Reyes Heróles argues that the fact that Indians played a large role in Mexico's war of independence helps to explain this preoccupation within equality in Mexican liberal thought.

In fact, before independence Humboldt had warned that inequality in Mexico might inspire a revolt like the 1780s Peruvian Tupac Amaru rebellion. If Humboldt influenced Mora in some ways, in others Mora departed, relying more on the abstract ideas of the "economists," particularly regarding international trade. David Ricardo's works were not prominent in Mexico. Smith, Jean Baptiste Say, and Álvaro Flórez Estrada circulated far more widely, especially the latter's *Curso de Economía Política* [*Manual of Political Economy*, 1828], which championed the international division of labor. From this theoretical framework Mora emphasized products that Mexico had a comparative advantage in, which discounted some of Humboldt's laundry list of natural riches. Mora's focus on comparative advantage, leading him to conclude industrialization was not an option, departed from Humboldt's industrial vision.

Lucas Alamán, the leading Mexican conservative thinker of the era, articulated a competing vision. He rejected the "economists'" abstractions and advocated a historical and empirical perspective. Influenced by the Spanish colonial bureaucrat Fausto de Elhuyar, he initially favored mining as the motor of the Mexican economy. But he later championed industrialization (following the eighteenth-century ideas of Spaniard Pedro Rodríguez Campomanes) for the sake of national independence, and promoted a national development bank to finance manufacturing. Despite Alamán's critique of the liberal economists, he followed Smith in the sense that his vision stressed the division of labor and the importance of capital and labor in generating wealth.

A variant of Mora's liberal economic vision – carried on by a new generation of leading liberal thinkers – Mariano Otero, José María Iglesias, Miguel Lerdo de Tejada, and Guillermo Prieto – won out in the 1850s, during a period known as the Mexican Reform, when Liberals confiscated and sold the Church's landholdings, separated Church and state, passed legislation that set the stage for privatizing Indians' villages, and attacked corporate privileges. In keeping with earlier social concerns, there was an emphasis on individual liberties (especially the freedom of labor) and equality (a yeoman farmer vision).

A parallel development took place in Central America, for around mid-century, liberals also won out, defeating their conservative opponents. Furthermore, the economic ideals of the competing sides were broadly analogous, with the liberals adhering to liberal economic theory and championing comparative advantage and conservatives promoting protectionism. There were

minor differences, however. Central American conservatives sought to protect existing crafts industries rather than promote manufacturing, as was the case in Mexico. Central American liberals may not have been as committed to social liberalism as Mexican liberals.

Despite familiarity with contemporary economic thinkers (e.g. J.S. Mill), Comte's positivism, social Darwinism, and material developments proved more consequential for late nineteenth century economic discourse in Mexico and Central America than did economic theorists. Departing from classic economic liberal constructs, positivists conceived society as an evolving social organism rather than a collection of individuals. Sometimes positivist rhetoric fit with classic liberal economic goals. For example, Mexican economist Pablo Macedo justified abolishing taxes on interstate trade by asserting that different "tribute systems" within the same "social organism" resulted in "chaos." Other times, it did not: positivists maintained that, since the civil society was weak, state tutelage, not *laissez-faire*, propelled the "social organism." Another departure was a turn away from a focus on economic liberty (e.g. the ideals of Frederic Bastiat and the French Liberal School). Following the Comtean motto "order and progress," individual rights and freedoms became less of a focus, for production for the booming export economy became the main concern. Scientific racism played a role in this shift. Elite discourse suggested that "Indians," the main labor force, needed to be coerced to work since they did not respond to material incentives. Furthermore, social Darwinism made national material progress paramount to sovereignty.

In "Porfirian" Mexico (Porfirio Díaz ruled from 1876–1910, so the era is called the "Porfiriato"), Justo Sierra, a leading intellectual and member of the *científicos* [scientists], a small but powerful political clique, proved influential. Sierra critiqued his Reform-era predecessors' economic liberalism from a Comtean angle, complaining that it was abstract and deductive, and countering that economic analysis should be inductive and empirical. Sierra was familiar with the German Historical School, and perhaps it, too, informed his critique. Positivism, Darwinism, and evolutionism influenced *científicos*' ideas about international trade and industry. True, there were adherents to the international division of labor (e.g. economists Alberto María Carreño and Enrique Martínez Sobral) who embraced Mexico's comparative advantages and condemned introducing "exotic" and "artificial" industries. Nevertheless, *científicos* strongly promoted manufacturing. During the "export boom" they did not reject traditional exports, but simply asserted that manufacturing was important too. This industrial ideal was rooted in evolutionism and social Darwinism more than economic theory. *Científico* Francisco Bulnes predicted that Mexico would evolve to the industrial phase (Bulnes followed the Physiocrats' stages) and maintained that manufacturing was essential to sovereignty.

Similarly, *Semana Mercantil* [*Commercial Weekly*] and *El Economista Mexicano* [*The Mexican Economist*], Mexico City's top financial weeklies, maintained manufacturing would free Mexico from dependence. Rather than rely on the market, *científicos* ascribed a significant role to the state in the industrial process. *Científicos*' predilection for manufacturing was also revealed in Sierra's lament that Mexico was rich in silver rather than fossil fuels. The downgrading of silver was also a consequence of its declining international value. Silver's fall and the shortage of fossil fuels partly inspired Sierra's critique of the Humboldtian legend of riches. Sierra surveyed Mexico's physical environment and concluded that the nation was naturally poor. Further reflecting this waning optimism, *científicos* had less faith in the colonization project – Mexico couldn't attract foreigners because it didn't have much to offer.

Sierra's critique complemented *científicos*' analysis of what generated wealth, an analysis rooted more in observation than theory. *Científicos*, who lived in the heyday of the second industrial revolution and were enamored with science, stressed the primacy of technology in production. Some of their economic writings read like histories of technology, highlighting the ways the

technological advances made by Liebig, Hellriegel, Winogradsky, and others enhanced productivity. Stressing technology's significance, *científico*-economist Carlos Díaz Dufoo countered economic theory by contending that capital trumped all other factors in the generation of wealth. *Científicos'* charge that their predecessors wrongly believed that nature created wealth also revealed the importance they placed on capital. A generation later, Mexican economist Daniel Cosío Villegas contended that Díaz Dufoo was overly optimistic about technologies' transformative power. Whatever the case may be, Díaz Dufoo's technology-driven analysis fit with *científicos'* critique of Mexico's natural environment: technology overcame natural obstacles and generated wealth.

Opponents of the Díaz government critiqued *científicos*. A socioeconomic critique informed by social liberalism (articulated in liberal press, e.g. *El Comillo Público*, *El Paladín*, *El Hijo de Ahuizote*, and *Regeneración*) and social Catholicism charged that *científicos* emphasized material progress but neglected social progress. European social Catholicism, especially Pope Leo XIII's 1891 encyclical *Rerum Novarum*, influenced Mexican Trinidad Sánchez Santos. Sánchez Santos's tirade against classical economic liberalism and its excessive freedoms followed the Pope, but did not accurately portray the *científicos'* positivist-infused liberal discourse. There was also a nationalist critique, which charged that the Mexican–American War (1846–8) had been a military defeat, but now there was a “peaceful conquest” via American investment, trade, and loans. Despite this latter charge, there was a strong nationalist element in *científicos'* discourse. Finance Minister José Limantour invoked sovereignty to justify the Mexicanization of American railroads.

The twentieth century

The Mexican Revolution (1910s) and Reconstruction (1920s–1930s) had an impact on Mexican economic thought. While there may have been some foreign influence, many ideas were rooted in Mexican history and experience. Cosío Villegas observed that the Mexican Revolution was the last one with no “isms” attached to it. Reflecting this, despite the fact that Mexican anarchists (e.g. Ricardo Flores Magón) were active, their impact was limited. In contrast, Andrés Molina Enríquez, a Porfirian/Revolutionary bureaucrat, proved important since his ideas influenced Revolutionists, particularly Luis Cabrera. Molina Enríquez advocated overturning liberal ideals by returning to aspects of the Spanish Colonial legal heritage. His ideas of restoring the *ejido* (Indians communal village lands, which had pre-Columbian antecedents) and returning the subsoil rights to the nation (as part of the national patrimony) were enshrined in the 1917 Constitution. Revolutionary agraristas' calls (e.g. Emiliano Zapata) for returning *ejidos* to Indians also influenced thought. *Científicos* Díaz Dufoo and Bulnes severely attacked these nationalist and redistributionist aspects of the 1917 Constitution on economic grounds.

There was an intensification and modification of these revolutionary ideals in the 1930s, when President Lázaro Cárdenas came to power. He nationalized foreign (American and British) oil in 1938. Nationalism stemmed from a labor dispute between Mexican workers and foreign owners (reflecting the Constitution's progressive position on labor rights), not a vision of national development based on state control over the energy sector. The *ejido* program accelerated under Cárdenas, but it shifted by conceiving *ejidos* as a permanent form of land tenure (for Molina Enríquez they were a temporary solution) and by promoting collective rather than individual *ejidos*, revealing the influence of socialist ideas. This focus was in keeping with the social economics that predominated in Mexico (loosely informed by Karl Marx's critique of capitalism), with its promotion of redistribution of wealth and social wellbeing in the countryside.

Cosío Villegas, for example, loosely echoing Humboldt's critique of silver, maintained that the agrarian sector was the most significant since it provided sustenance to the population, and the oil sector only enriched foreigners. This social concern also inspired Cosío Villegas's social critique of Porfirian material progress, and separated revolutionists from *científicos*. Nevertheless, there were continuities. Following Sierra, revolutionaries critiqued the Humboldtian legend of riches. But they did so for distinct ends: cultural nationalism. Economist Jesús Silva Herzog maintained Indians did not cause Mexico's backwardness; rather, natural impediments were the culprit.

The influences of the Mexican and Russian Revolutions along with the collapse of the international economic system and the subsequent Depression influenced Central American thought, posing a challenge to economic liberalism. Some trends from revolutionary Mexico – especially nationalism, agrarian reform, and redistribution of wealth – were echoed in Central America. There was a direct connection between Mexico and Nicaraguan nationalist Augusto Sandino, for he spent some time in Mexico in the 1920s. Sandino protested American intervention in Nicaragua, but his resistance was cut short in the 1930s when the Nicaraguan National Guard killed him. Nevertheless, his influence lived on since a group of Nicaraguan revolutionaries took his name – the “Sandinistas” – and came to power in 1979. More closely paralleling the Mexican model, nationalist-agrarianist-redistributionist reformers with socialist leanings came to power in Guatemala in the 1940s and 1950s, expropriated the American United Fruit Company, and carried out significant land reform.

An industrial ideology emerged in the post-Second World War era. Raúl Prebisch, the Argentine economist who played the leading role in the United Nation's Economic Commission on Latin America (ECLA), influenced Mexican and Central American thought, but ECLA had more of an impact on policy in the latter. Prebisch visited Mexico in the 1940s and gave presentations, attended conferences, and published in *Trimestre Económico*. He also served on the journal's board. Furthermore, Víctor Urquidí, head of ECLA chapter in Mexico, directed the journal (Juan Noyla Vázquez was another prominent chapter member). Prebisch's structuralist analysis challenged the theory of comparative advantage. Departing from classic liberal constructs, Prebisch first used the terms “core” and “periphery” in print in his publications in Mexico. He also discussed the dilemma of declining terms of trade, and “unequal exchange” between the core and periphery. The solution: industrialization. Prebisch also departed from classic liberal economic theory by asserting that the state and governmental planning were central to industrialization.

Mexicans and Central Americans were in agreement that *laissez-faire* was not the road to industrialism, but their interventionist ideas were distinct. In Mexico, two perspectives emerged. One, influenced by German industrial planning, called for rational state planning. Technocrats at The Bank of Mexico's Office of Industrial Research (OII), e.g. Gonzalo Robles, advocated this strategy. J.M. Keynes, too, influenced OII technocrats. They cited him to support their assertion that the state could bolster capitalism. Spanish translations of Keynes' articles and *The General Theory of Employment, Interest, and Money* appeared in Mexico in the early 1940s. The other position, championed by Mexico's National Chamber of Manufacturing Industry, called for a more prominent role for the private sector, with the state intervening on behalf of business, since the latter was driven by profit and was the creator of wealth. The ECLA strategy for Central America called for cooperation in the form of a Central American Common Market. Collaboration would overcome smallness and provide the basis for industrialization.

An intellectual controversy generated by scholar Frank Tannenbaum, the famed foreign scholar and supporter of Mexico's agrarian Revolution, clearly illustrates the prominence of the industrial ideal. In 1950, with the so-called “Mexican miracle” of rapid industrialization speeding forward, Tannenbaum published *Mexico, The Struggle for Peace and Bread*. It argued that the

industrial model was doomed to failure and that Mexico should revert to an agrarian economy that focused on local markets. Tannenbaum argued that Mexico had inadequate industrial resources, financing industrialism would be too costly, and the industrial model would create a privileged minority of industrial workers and an impoverished agrarian majority that was forced to purchase overpriced shoddy goods.

Mexican intellectuals loudly attacked Tannenbaum in the daily press, monographs (e.g. Manuel German Parra) and journals (*Problemas Agrícolas e Industriales de México [Industrial and Agricultural Problems]*) dedicated an issue to refuting Tannenbaum). The influence of structuralism and dependency was evident in some critiques, which condemned Tannenbaum as a tool of foreign imperialists who sought to relegate Mexico to exporter of raw material and importer of finished goods in the international division of labor. Political Scientist Pablo González (whose writings influenced Frank's "Dependency" analysis) charged that Tannenbaum's strategy was akin to European theories of "free trade" that supported European industrial exports to America.

Debates notwithstanding, if manufacturing was more extensive in Mexico than Central America, so too were academic economics. The idea of developing academic economics in Mexico can be traced back to the early nineteenth century, when Mora championed the idea. Guillermo Prieto, influenced by the French Liberal School, wrote the first comprehensive Mexican economics textbook in the 1870s. Today, the most important academic economics programs in Mexico are at the Autonomous National University of Mexico (UNAM) and the Autonomous Technical Institute of Mexico (ITAM). Social economists, including Cosío Villegas, founded the former in the 1930s. The latter was inspired by business interests to counter what it perceived as the anti-business perspective of the UNAM program.

The way philosophies of academic programs have evolved mirrored broader trends in Mexican economic thought. In the 1930s social economics and rural agrarian concerns dominated. In the 1940s, concerns about growth held sway over preoccupations with development, and in the 1950s state interventionism predominated. Marxism became more prominent, at least amongst radical economists at UNAM, in the 1960s, and neo-liberalism has predominated in recent decades, especially at ITAM. For most of its history, Mexican academic economics has been eclectic; borrowing what it saw fit and placing its own Mexican stamp on it. Thus, while Marx was most cited in the 1930s, it was to critique capitalism rather than adhere strictly to his ideology.

Similarly, while Keynes was widely read around mid-century, Mexican interventionists cited him more as an afterthought than a blueprint. Perhaps the exception to this trend of autonomy is Mexican neo-liberal thought, which has been heavily influenced by the United States. Methodologies in Mexico have followed trends in the discipline, with mathematical models becoming more prominent since the 1950s (especially at ITAM), as well as the tendency to study small isolated problems (eschewing the earlier style of economist-philosophers who tackled larger social and economic issues). Economists have increased their influence in Mexico over time. Since the inception of the profession in the 1930s economists have worked as bureaucrats. But in recent decades their role has been expanded in national discourse, as it is not uncommon for economics experts to write opinion pieces for newspapers.

Recent advances and trends

Mexico and Central America, in keeping with trends in the rest of Latin America, parts of Europe, and the United States, took a neo-liberal turn in the 1980s and 1990s. In contrast to some parts of Latin America (including some Central American countries), which have turned slightly away from neo-liberalism since the new millennium, Mexico has remained committed to it. Critics of Mexican neo-liberalism have labeled it "neo-Porfirian," disparaging the ideals

of the current era by associating them with economic ideology in the age of Díaz. This comparison misses the mark, for current neo-liberalism is more individualist and has a stronger dose of social liberalism than its Porfirian counterpart. While no historical comparison entirely fits, the structure of the current brand of Mexican neo-liberal discourse is closer to the early nineteenth-century variant articulated by Mora and other liberals in the sense that both promoted dismantling the existing system – for Mora, the colonial heritage; for neo-liberals today, Mexican state capitalism, which ballooned over the course of the twentieth century – and replacing it with a system that promoted economic freedom.

Some scholars have located the roots of Mexican neo-liberalism in Friedrich von Hayek since he spent some time in Mexico around mid-century. The impact of the US, however, appears to have been far more influential, as many Mexican economists and politicians have studied business, public administration, and economics in the United States. The three successive Mexican presidents most instrumental in Mexico's shift to neo-liberalism in the 1980s/1990s – Miguel de la Madrid, Carlos Salinas, and Ernesto Zedillo – all earned advanced degrees at either Harvard or Yale.

Despite the fact that Mexican neo-liberalism has been strongly influenced by the United States and adheres to economic principles, its articulation is strongly rooted in the national context. Consequently, in keeping with historical antecedents, there is a strong nationalist element in Mexican neo-liberal discourse. In the realm of commerce, for example, Mexico's rejection of bilateralism and protectionism and embrace of multilateralism and free trade was couched in nationalist rhetoric that maintained that the demise of the Soviet Union demonstrated that sovereignty rested upon rapid market opening. In the post-Cold War globalized era, strengthening world ties via free trade enhanced sovereignty. Another major neo-liberal policy shift – the privatization of the *ejidos* – echoed Mexican nationalist and social liberal traditions. Salinas maintained that the *ejido* land tenure system stifled national development and repressed Mexicans since it made them dependent on government. Thus, privatization was associated with nationalism and strengthening Mexican citizenry.

Salinas also invoked Revolutionary “Indianism” by associating *ejido* privatization with the tradition of Zapata, the leader of agrarian reform in Revolutionary Mexico. The irony is that for most Mexicans Zapata is a symbol of defense of the *ejido* system. Relying on the more conventional symbolism, Indians protesting neo-liberal reforms named themselves “Zapatistas.” There are other naysayers. Today, there is a national debate about reforming the energy sector by altering Article 27 of the Constitution to allow private interests to have a greater role in the oil industry. The leading opponent to reform is none other than Cuauhtémoc Cárdenas, the son of the famous president who nationalized Mexican oil in the 1930s. His discourse, associating national control over resources with sovereignty, harks back to that of his father.

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