

**From Economic Nationalism (up to ~1982) to Neo-Liberalism (post ~82) (a.k.a. “Globalization”)**

Emergence of the “**Washington Consensus**”. Notion that **if**:

- nations eliminate limits to foreign investment
- property is privatized (i.e. selling electrical, mining, airlines telephones, steel, even ports and roads)
- government regulation is reduced
- inflation is controlled
- money supply kept tight
- prices set free (“getting prices right”, i.e. eliminating subsidies on gasoline, electricity, fertilizers, corn, beans, etc...)

<-These policies also called “structural adjustment policies”

**Then**, Foreign investment would automatically flow in and produce prosperity; vaulting nations into the “First World” (and even leading to democracy, a’la Nescafé [instant prosperity and democratic structures]).

Neo-Liberal policies hammered into place, culminating in the North American Free Trade Agreement (NAFTA) in 1994. **But**, “the road to the market is a valley of tears” and there are enormous “**Costs of Adjustment**” that are borne by masses:

- unemployment shoots up
- cuts in education expenditure leads to drop in educational attainment rates
- cuts in health and social expenditures leads to dramatic drop in social indicators
- infant mortality increases, poverty increases
- 80’s becomes known as the “**Lost Decade**” for Latin America

88 Cardenas rips away from the PRI (those hurt by Neo-Liberal policies back him, almost wins the 88 elections)

’92 Art. 27 revised  
-undoes protection for **ejidos**, lays basis for private property

- 1 Jan 94 NAFTA, on same day, **Zapatista Uprising (Revolt of Globalized?)**
- Dec. 94 Financial Crisis. “**Tequila Effect**” (reverberates worldwide (bond holders paid off-society left holding the bag - the rich and well connected bailed out, their debts are “socialized”- IMF bridge loans)
- ’97 **Asian Financial Crisis**-investors take money out of Mexico for reasons having nothing to do with Mexico (“Hot Money”) (Thai currency collapsed)
- Nov. 1999 “**Battle of Seattle**” (**Revolt of the Globalized?**)
- 7/2001 at Genoa, police shot +killed protesters at G-8, WTO mtg.
- FTAA (NAFTA on steroids) being hammered out

---

1982 (Mexico goes broke)

de la Madrid (82-88)

Salinas (88-94)

Zedillo (94-2000)

Fox (2000-2006)

>