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This study examines the relationship between civil society organizations (CSOs) and the state in Mexico after the transition to electoral democracy in 2000 and, in particular, after the passage of Federal Law for the Promotion the Activities of Undertaken by Civil Society Organizations (Spanish acronym LFFAROSC) in 2004. Historically, with the Institutionalized Revolutionary Party in government, the state tended to be apprehensive and antagonistic toward independent organizations. Under an electoral democracy, after the presidential election in 2000, there was a general belief that the state’s stance toward independent organizations would improve. In fact, the passage of LFFAROSC signified that the state was willing to develop a relationship with CSOs – which are independent organizations – based on dialogue, respect for their autonomy, and collaboration. The author examines the changes and continuities in the relationship between the state and CSOs after 2000.

After examining fifteen semi-structured interviews that were conducted with CSO directors located in Mexico City, Mexico during the summer 2010, I argue that after the transition, CSOs’ autonomy is compromised because government agencies delegate tasks to CSOs through the fundraising process. Therefore, despite having
institutionalized of a public space for CSOs with the LFFAROSC and opening channels to receive public resources, some CSOs are losing their ability to remain critical and question the state because the line between state and CSO is blurring among some CSOs. In addition, the findings suggest that, under the National Action Party (PAN), the state is only willing to establish a relationship with CSOs that support government objectives and policies; thereby marginalizing CSOs that would challenge state policies, objectives and practices. Under an electoral democracy, the state continues to be apprehensive about engaging in dialogue with independent CSOs and, for now, it appears that some CSOs are losing their willingness and ability to challenge, monitor and dialogue with the state, opting instead to adopt government objectives.
CHAPTER 1
THE ROLE OF CIVIL SOCIETY AFTER A TRANSITION TO DEMOCRACY

Overview

After a prolonged process of political liberalization, on July 2, 2000 Mexico experienced its official transition to democracy. The seventy-one year, one-party rule by the Institutional Revolutionary Party (PRI) ended with the election of President Vicente Fox Quesada, from the right-leaning National Action Party (PAN). The transition to democracy benefitted political institutions by enabling political parties to compete in electoral elections at the state and, at times, national level. Under democracy, an important pending question was how the state and civil society would interact, if at all.

Under the PRI regime, different subsectors of civil society had been co-opted into the extended web of party-affiliated organizations the PRI established in the 1930s and 1940s. If citizens dissented, the PRI government silenced them through repressive measures. This created an authoritarian regime that was elite-dominated and mass-based (Middlebrook 1993, 12). While the political liberalization period, from 1977 to 1988, afforded greater opportunities for political parties to become competitors in elections and increase their representation in political institutions, one element was largely missing after the transition to electoral democracy: a robust civil society.

Larry Diamond (1994; 1996), a leading scholar on democratic consolidation in developing countries, argues that having a strong and robust civil society is essential for the consolidation of democracy. He develops his argument with the concern that too much attention and importance has been attributed to political elites in the transition and consolidation of democracies without full consideration of citizens – of the mass public. Juan J. Linz an Alfred Stepan (1996, 7), leading scholars in the democratic transition...
and consolidation literature, also identify the importance of having a free and lively civil society for the consolidation of democracy. They note that civil society plays a role in democratic consolidation because it helps rejuvenate political society with relevant actors and pertinent issues, while providing increased space to oppose, protest, and push for measures such as further political liberalization or upholding the rule of law (1996, 7-8).

Civil society encompasses a broad range of organizations. In this thesis I focus primarily on civil society organizations (CSOs), a sub-sector of civil society. Civil society organizations can be further differentiated between non-governmental organizations, civil associations, parent teacher associations, and other types of organizations but I focus primarily on non-governmental organizations, which I refer to as civil society organizations throughout this text. Non-governmental organization is a term used primarily by international aid agencies or foreign states providing aid and it is synonymous to not-for-profit organization, a term used within the United States.

In Mexico, civil society was visible but it was far from strong and robust by 2000. First, in Chapter 2, I argue that civil society organizations (CSOs) have played a key role in pressing the government to recognize the importance of civil society in a democracy and, in particular, to institutionalize a public space for CSOs. CSO leaders’ decision to draft a piece of legislation and lobby for its passage in Congress in order to guarantee the institutionalization of an autonomous public sector proved to be a milestone for a country with a long history of being authoritarian, corporatist and elite-based. The legislation, Federal Law for the Promotion the Activities of Undertaken by Civil Society Organizations (Spanish acronym LFFAROSC), institutionalizes and
regulates CSOs as well as states the intention of the government to foster the growth of CSOs.

However, during the implementation phase of LFFAROSC, it has become evident that the government is delegating tasks previously conducted by the state. I argue in Chapter 3 that the state is able to delegate tasks it previously conducted to CSOs through the fundraising process, which transforms CSOs receiving public resources into government subcontractors (Loveman 1991). By implication, CSOs’ autonomy is compromised and the line between some CSOs and the state blurs.

The second argument borrows from Julia Paley’s (2001) argument that, under a neoliberal economy, the state reinvents itself instead of retracting. Paley (1991, 146) writes,

The pressure of the global economy, which in neoliberal economics has privatized formerly public services, puts the onus on individuals and citizens’ groups to fill the gap. Retreating from the provision of public services, the state has not ceased all involvement. Rather in its reinvented role, the state assigns the tasks and mediates disputes over expenditure.

After analyzing non-governmental organizations’ (NGOs) experience in Chile, after the transition¹, Paley identifies that the state has delegated tasks it previously conducted to citizens under the guise of promoting a participatory democracy. In Chile, citizens were asked to participate in designing and implementing programs at a time when the state had fewer resources.

¹ The case of Chile is slightly different than Mexico. During the dictatorship, the government adopted a neoliberal economy and throughout this time NGOs proliferated for several reasons and they received substantial economic support from international agencies and foreign states. Chilean society had to readjust their ideas of development from a state-driven to society-driven model (Loveman 1991). The state had in fact retreated and society stepped in with international support. However, after the transition, development became state-sponsored and society implemented. The increased role of the state in development undermined NGOs’ autonomy, changed their internal structure, and overall pressured NGOs to adopt technical skills.
However, in Mexico, not all CSOs receive public resources and, accordingly, not all are becoming government subcontractors. My findings suggest that government resources are directed toward CSOs that help the government reach its neoliberal imperatives, which appears to support Judith Teichman’s (2009) argument\textsuperscript{2} that, after the adoption of a neoliberal economy, the state will only support CSOs that assist the state in reaching its neoliberal imperatives. Borrowing from Teichman (2009), my third argument is that despite being under an electoral democracy, the government only seeks to support CSOs that help it achieve neoliberal imperatives and, by implication, that it marginalizes those that would challenge the government’s policies. After the 2000 presidential election, the state is implicated in undermining the autonomy of a subsector of civil society, CSOs; therefore, the state continues to be antagonistic toward and apprehensive about autonomous CSOs.

In this Chapter I examine the literature on democratic consolidation and civil society’s role in democracy consolidation. I define civil society, in order to place my research study into context. In addition, I examine the criticisms of the civil society argument. Finally, a brief discussion of my research questions and methodology proceed.

\textsuperscript{2} Teichman (2009) identifies an inherent difference in view about democracy between government officials and civil society members. With a neoliberal economy, government officials take a minimalist view of democracy – a Schumpeterian view – where the election of representatives gives them the ample right to govern without seeking input from citizens after elections. This in turn has meant that public officials view CSO participation in community development and policy decision-making as unwarranted. On the other hand, CSOs want to construct a participatory democracy, therefore they request being included in policy design, monitoring and assessing programs and evaluations. As a consequence of this tension, Teichman (2009) finds that the government will only allow work with or support CSOs that do not contest the state’s neoliberal imperatives.
Civil Society’s Role in Democracy Consolidation

Civil society plays an important role in democracy, in general, because it is a sector that allows citizens to decide independently from the state and market about their interests and have their interests represented. Two main versions of civil society have circulated among scholars. The first version derives from Alexis de Tocqueville, who in the nineteenth century attributed America’s vibrant democracy to its rich associational life. He emphasized “the ability of associational life in general and the habits of association in particular to foster patterns of civility in the actions of citizens in a democratic polity” (Foley and Edwards 1996, 39). Therefore, civil society contributed to a rich democracy through its socializing effects on citizens, whereby citizens adopt democratic ideals, values and practices, primarily through the process of collective action and organization. Tocqueville tended to characterize civil society as apolitical, although he discussed the importance of political associations in inciting democratic values.

The other version of civil society derives primarily from the early-twentieth century Italian political theorist and Marxist, Antonio Gramsci. This second version centers on a “civil society as a sphere of action that is independent of the state and that is capable – precisely for this reason – of energizing resistance to a tyrannical regime” (Foley and Edwards 1996, 39). Here, emphasis is on civil society’s capacity to be autonomous from the state and, to some degree, from the private sector as well, and to act as a counterweight to the state. In this version, civil society organizations are viewed as politically mobilized actors that represent citizens’ views and contest the state. This view of civil society finds special relevance in countries like Poland and Latin American countries, where authoritarian regimes violated citizens’ civil and political rights and
citizens were unable to express their interests or defend themselves due to such repression. In both versions, civil society is a separate sphere from the state.

Proponents of civil society as an agent that helps consolidate or deepen democracy identify certain attributes and functions within civil society that help this process. Diamond (1994) identified ten functions of civil society that help consolidate and deepen democracy: 1) monitoring and restraining the exercise of power by the state; 2) stimulating political participation among citizens and creating an overall culture of political participation; 3) helping develop democratic attributes among citizens such as tolerance, compromise, and trust; 4) creating alternative channels for citizens to participate and have their interests represented; 5) helping mitigate political conflict by way of citizens being exposed to different views; 6) recruiting and training new political leaders; 7) holding states accountable by being vigilant and making demands; 8) disseminating information to other citizens which will create a better informed public and more likely to defend their interests and values; 9) helping make economic reforms go through a democratic process; and finally, 10) civil society can help make citizens respect the state and engage with it in a positive way. Diamond combines the socializing effects that associational life produces with the idea that citizens monitor and act as counterweight to the state.

Though Diamond (1994) attributes civil society many positive functions, he explains that certain features within civil society are needed in order for civil society to assist in consolidating democracy. First, civil society must not create polarization among citizens; thus it should not radicalize civil society, in general. Second, it has to have a high level of organizational institutionalization, but this seems to be dependent on the
state granting institutionalization and not entirely dependent on civil society. Third, civil society has to follow democratic processes itself. Fourth, the more pluralistic civil society can be, the more democracy benefits as there is greater representation and through being exposed to pluralist views citizens learn to cooperate and negotiate. Finally, civil society should be dense.

Furthermore, Diamond (1994) identifies four caveats regarding civil society’s role in consolidating democracy. He notes that, first, civil society has to have “at least some autonomy from the state in their financing, operations and legal standing” (1994, 13). Second, there needs to be a moderate level of contestation among civil society, in order to maintain stability in a democracy. Third, civil society must not be alienated from the state. Finally, civil society is not intended to replace political parties, but to complement other political structures in a democracy. In a later work, Diamond acknowledges the vital role played by strong parties and effective institutions (1999, 258). Yet he maintains that his main argument is not weakened by the requirement of effective and democratic governance.

Meanwhile, Robert D. Putnam (1993, 2000) champions the socializing effects of civil society and civil society’s ability to strengthen democracy. Following Tocqueville’s conceptualization of civil society, Putnam argues that participation in an association fosters democracy and strengthens it because the effect of the participatory process, the face-to-face interaction, helps individuals develop social capital such as trust, cooperation, mutual benefit ideals which directly help foster democratic practices and values. Putnam proposes that a strong civil society produces a strong democracy.
Other scholars note that citizens’ collective action and organization contributes to democracy in other related forms. Citizens form organizations that can serve as a tool for people to advance their interests in the political arena and their collective work pushes them to work for public goods (Rueschemeyer et al. 1998, 10), which is related to Diamond’s second function found in civil society. Bob Edwards and Michael W. Foley (2001, 5-6) propose that civil society organizations offer the following three: a) play a leading role in building citizenship skills and attitudes (following Tocqueville’s view); b) carry out public or quasi-public functions like social service delivery; and c) in the case of Europe and Latin America, civil society has a representative and contestatory function. Rueschemeyer (1998) and Edwards and Foley (2001) suggest similar outcomes to Diamond (1994) from having citizens organize. Moreover, they hint that these attributes are helpful in strengthening democracy.

On the other hand, Omar G. Encarnación (2000; 2001) questions the level of importance given to civil society in consolidating democracy. In some countries, civil society was weak at the time of transition and remained weak at the time of consolidation. Instead of viewing civil society as inherently positive for democracy, Encarnación (2000, 16) proposes that civil society’s impact on democratization is determined by the political and economic conditions present in a given country, not by the collective strength of this sector. In a later article, Encarnación argues that what most matters in consolidating democracy is the effectiveness of the institutional-political framework in a given country (2001, 54). In Spain he (2001) found that the country was able to democratize without a leading role of civil society. Encarnación finds that only in a country with effective institutional structures can civil society develop the socializing
effects identified by other scholars as well as be representative of citizens’ interests and serve as a counterweight to the state.

Foley and Edwards (1996, 49) propose that political associations and not (apolitical) civil society foster a strong democracy. In addition, they hint that maybe the key to establishing a strong democracy is having responsive institutions. Thus, the criticism surrounding the civil society argument, especially Diamond’s (1994), is the lack of importance given to political institutions.

In Mexico, civil society played a minor role in the transition to democracy. The transition to democracy was gradual and largely controlled by political elites within the ruling party (Magaloni 2005; Middlebrook 1993). Social and urban popular movements were the main forms of contesting the state and these efforts contributed to delegitimizing the ruling party (Haber 2006). However, by the late 1980s, especially, after the electoral fraud in the 1988 presidential election, CSOs proliferated and their goal was to maintain constant vigilance of government and political party actions. Thus, civil society played a minor role in pressuring for a transition to democracy.

Given the protracted transition to democracy in Mexico, civil society’s role has varied over time. After the official transition to electoral democracy, scholars have noted that state-society relations are changing. Morris (2000, 64) highlights that civil society is more prone to question the government and evaluate its performance as well as demand accountability and mobilize citizens to pressure for change. Thus, in Morris’s view, civil society has strengthened amid the weakening of the state. However, other scholars find that civil society in Mexico is becoming less plural (Brysk 2000), may not be democratic (Somuano 2003), and is possibly being repressed by government
officials (Sabet 2008a). Today, the discussion does not center on whether civil society strengthens Mexico’s democracy, but rather the discussion centers on how the sector is internally and what type of relationship is developing between civil society and the government – at different levels.

**Characterizing Civil Society**

There are many ways civil society is characterized among scholars. Diamond defines civil society as the “realm of organized social life that is voluntary, self-generating, (largely) self-supporting, autonomous from the state, and bound by a legal order or set of shared values” (1994, 6). Diamond identifies civil society as organizations focused on economic issues, cultural issues, informational and educational issues, interest-based, developmental, issue-oriented and civic oriented (1994, 6). Meanwhile, Linz and Stepan (1996, 7) define civil society as the “arena of the polity where self-organizing groups, movements, and individuals, relatively autonomous from the state, attempt to articulate values, create associations and solidarities, and advance their interests” (1996, 7). Linz and Stepan’s definition identifies different subsectors of civil society besides associations such as social movements. On the other hand, Putnam characterizes civil society as a specific set of apolitical associations such as bowling leagues, parent-teacher associations, and other organizations. The different notions of civil society have led scholars to characterize civil society in different ways, which has lead to difficulties in examining, making generalizations, and comparing this sector as well as determining its impact across studies.

The consensus is that civil society is composed of a variety of actors, ranging from social movements, unions, cooperatives, associations, the press, sports clubs, and other forms of organization. However, studies on civil society tend to examine one or
more subsectors of civil society. In the case of Chile, popular organizations were the primary sub-sectors of civil society that played a role in pressuring for a transition to democracy and were thus the focus of Julia Paley’s study (2001). Each sub-sector of civil society plays a different role whether in the transition or consolidation of democracy.

In the 1990s, non-governmental organizations (NGOs) became championed among multilateral institutions and Western international donors as a sub-sector of civil society, if not seen as equivalent to civil society. They were praised in development efforts because they provided grassroots, local, low-cost, flexible, and effective ways of developing communities (Edwards and Hulme 1996; Hulme and Edwards 1997). NGOs were seen as effective tools to foster democratic values and political participation among citizens in incipient democracies. Michael Bratton (1989) argues that NGOs could bolster civil society because NGOs provide citizens with an understanding of their rights and duties under the law; thus his argument rested on the socializing effects of citizen organization. Julie Fisher (1998) claims that NGOs strengthen democracy by the mere fact that they pluralize the institutional arena, promote political rights and civil liberties, and overall strengthen civil society. Other scholars argue that NGOs foster political participation among citizens and, in particular, that NGOs help the most marginalized sectors of society influence political processes (Bebbington et al. 1993; Fisher 1998). Moreover, Clarke (1998) argues that there is a positive correlation between the proliferation of NGOs and political change in Asia, Africa and Latin America since the mid-1980s.
Overall, in the 1990s, there was a strong belief that NGOs would strengthen civil society and, consequently, help consolidate, if not strengthen, democracy. While some scholars emphasized the socializing effects of NGOs, others praised the ability of NGOs to serve as counterweights to the state. Supporters of NGOs emphasized NGOs capacity to foster and strengthen civil society; however they neglected to recognize that NGOs were not inherently democratic, pushed democratic values, or were simply ineffective at reaching their missions. NGOs tended to get praised for their capacity to produce democratic values and, in general, civil society was seen as an inherent good.

However, other scholars began to question whether civil society, in general, has the ability to consolidate or strengthen democracy. Some academics question the functions attributed to civil society, especially problematic was determining under what conditions participation in an organization would generate civic or democratic traits (Edwards and Foley 1998). Others question whether civil society is inherently democratic in its structure (Holmen and Jistrom 2009) and scholars such as Brysk (2000) propose ways to relieve the ‘democratic deficit’ within civil society in order for civil society to be effective in helping deepen democracy. Meanwhile, Somuano (2003) concludes that NGOs in Mexico are not inherently democratic and do not necessarily promote democratic values and principles. Finally, Rueschemeyer (1998, 18) finds that it is unclear whether civil society necessarily supports democracy as it is also possible for civil society to undercut it.

With regard to NGOs in particular, there were several studies that examined whether NGOs foster and strengthen democratic government. While Bratton (1989) highlights NGOs capacity to bolster civil society, others noticed that political context did
not always allow NGOs to play this role. Alan Fowler (1993) argues that NGOs are unable neither to build democratic values and practices nor to play a political role in African states because they are limited by the state’s legal framework and foreign donor’s stipulations. Jasmine Gideon (1998) argues that, at least in Latin America, NGOs were harnessed by the state and were used to implement a neo-liberal model; thus they were unable to act as real representatives of citizens’ interests, build democratic values, or act as counterweights to the state as these were largely enrolled in delivering services.

Claire Mercer (2002) argues that NGOs face complex realities which make it difficult to generalize about their political role. In particular, Mercer (2002, 17) found that NGOs are becoming less representative of civil society and, moreover, their participation in delivering services legitimizes the status quo instead of challenging it. Evidently, scholars such as Fowler (1993), Gideon (1998) and Mercer (2002) question NGOs’ ability to socialize citizens into adopting democratic values, act as counterweights, and overall to strengthen democracy – ideas proposed by Diamond (1994), Linz and Stepan (1996) and others.

Among the literature questioning the democratic functions of NGOs, there was little distinction made regarding the different types of NGOs (with the exception of Bebbington 1993 et al. and Fisher 1998). Under the broad spectrum of NGOs, there are a variety of subsets. Thomas Carroll (1992) identified two subsets prevalent in Latin America. These are grassroots support organizations (GSOs) and membership based organizations (MSOs). Both have similar attributes. GSOs and MSOs are defined as “civil developmental activity that provides services [and] allied support to local groups of
disadvantaged rural and urban households and individuals” (Carroll 1992, 11).
However, they are distinguished by ownership and control: “A GSO is a promotional and
service organization whose beneficiaries are not members; and MSO is a federation,
union, or association of primary groups in which the members are stakeholders” (Carroll
1992, 12). Moreover, staff members in MSOs tend to come from beneficiaries/members
rather than from middle-class sectors as in the case of GSOs. Thus, in terms of
representation and accountability, there are differences within the NGO sector, which
may influence the ability of NGOs to contribute to democracy building or strengthening.
In Mexico, most CSOs can be classified as GSOs.

Research Question, Brief Methodology, and Outline

This study explores what type of relationship is developing between the state and
civil society after 2000 in general and 2004 in particular. It examines whether the state
continues to undermine the autonomy of CSOs and existence of independent CSOs or
if the state respects CSOs’ request to be and remain autonomous organizations. With
the passage of the Federal Law for the Promotion the Activities of Undertaken by Civil
Society Organizations (LFFAROSC) in 2004, CSO directors believed that the state was
committing itself to fostering a relationship with civil society based on mutual
responsibility, respect and dialogue. However, given the history of the PRI regime
whereby clientelist practices and corporatist arrangements exemplified bureaucrats,
administrators, and politicians’ dismay of independent actors, the possibility of
establishing a relationship based on mutual responsibility, respect, and dialogue, where
civil society can represent their interest, appears doubtful.

The main research question guiding this project was what type of relationship is
developing between the state and CSOs after the promulgation of the LFFAROSC.
There was a particular focus on whether CSOs’ ability to pursue their mission and goals was affected. This was done to understand if CSOs are able to remain autonomous after the passage of a legislation that is intended to regulate CSOs. A total of fifteen semi-structured interviews were conducted with CSO directors located in Mexico City, Mexico during May through June 2010.

Hence, I do not examine whether civil society strengthens Mexico’s democracy per se but rather whether civil society organizations, a sub-sector of civil society, can remain autonomous from government interference. If their autonomy is infringed upon, then the socializing and contestatory functions attributed to civil society will be jeopardized. If CSOs are unable to practice their autonomy because of either being delegated state tasks (Gideon 1998; Paley 2001) or they are undermined through the legal framework like Fowler (1993) found in African states, then the ability to be an autonomous, robust civil society will be unlikely and, consequently, CSOs socializing effects and counterweight positions will be undermined. Rather than examine whether civil society strengthens Mexico’s democracy, I examine whether the state and CSOs can remain separate, a requisite for beginning to establish a robust, active and independent civil society (Diamond 1994) and whether the relationship between state and CSOs is based on respect, mutual responsibility and dialogue.

In Chapter 2 I provide a historical overview of state-civil society relations in Mexico, demonstrating the state’s monopoly over organizations. In other words, I provide evidence of the PRI regime’s concerted effort to undermine the formation of independent citizen organizations and, in the few forms of independent organization that arose, the organization’s limited ability to establish an autonomous, open relationship
with the state. I discuss CSOs’ efforts in drafting and lobbying for the passage of
LFFAROSC in Congress in 2004. I argue that CSOs played a key role in pressing the
Mexican government to recognize and institutionalize a public space for other CSOs
and civil society, as a whole. By helping to open up and guarantee public space\(^3\) for civil
society, CSOs and other civil society actors can foment the growth of democratic
values, delivering services, or to monitor and hold the state accountable (the three roles
Foley and Edwards identified in civil society).

After examining my qualitative data, in Chapter 3 I propose that CSOs’ autonomy
and independence are jeopardized because the state is delegating tasks it tended to
conduct to CSOs. The neoliberal imperatives, even after the transition to democracy,
have remained intact and are at the forefront of the state’s objectives which influence
the funding process. With the new legislation, the state is able to easily dictate the tasks
it wants conducted and designates financial resources to CSOs that support
government objectives. Hence, the line between CSOs and the state is becoming blurry,
which undermines the ability of CSOs to monitor or demand changes. Finally, in
Chapter 4 I offer a summary of my findings, and their implication.

\(^3\) Michael Bernhard (1993, 39) notes that for civil society to occupy a public space, it needs the sanction
of the state such that “the public space must be guaranteed as a realm of freedom from the state by the
state itself.”
CHAPTER 2
ESTABLISHING CIVIL SOCIETY IN MEXICO BETWEEN 1930 AND 2004

The Institutionalized Revolutionary Party (PRI$^1$) governed Mexico for nearly seventy years with a tight control over politics, society and, over the years, with less control over the economy. The founding leaders of the governing party, in particular President Elias Plutarco Calles (1920-1924), envisioned creating of a political party that integrated people’s interests within it, in order to guarantee the party’s control over politics and over interests in the market. The PRI established an extended web of party-affiliated organizations with the intention of representing the interest of different sectors of society and maintain loyalty to the party. Given the state’s control of the economy between the 1930s and mid-1980s, the governing party was able to reward citizens’ loyalty and acquiescence. As a consequence of the PRI’s corporatist arrangements, an autonomous civil society was unable to fully develop.

Despite the PRI’s effort to retain social control, two institutions remained outside of the regime’s control: the Catholic Church and universities. Church-affiliated organizations gradually established throughout the 1930s and 1980s. Meanwhile, the universities would become important springboards for the student movement of 1968. Without these institutions, independent organizations and independent collective action may have been more difficult to establish and conduct$^2$.

---

$^1$ Established in 1929 as the PNR, then reconstituted to the Party of the Mexican Revolution (PRM) in 1938 and lastly to the Institutionalized Revolutionary Party (PRI) in 1946.

$^2$ There were instances of citizen’s conducting independent collective action such as the Railroad Workers Strike in 1952 and several small professional workers’ strikes in the 1960s, but the government quickly suppressed these. It can be argued that these were able to be repressed because they had less institutional support.
Aside from these two institutions, the electoral reforms initiated by the PRI in the 1970s and events in the 1980s prompted the growth of civil society organizations (CSOs). Political liberalization through the implementation of electoral reforms in 1963, 1972, 1973 and 1977 had two effects. On the one hand, following Guillermo O'Donnell and Philippe C. Schmitter (1986), political liberalization activated citizens into participating in the social and political landscape. On the other hand, the electoral reforms tended to dissuade discontent and absorb citizens into electoral politics (Loeaza 1994). Nevertheless, the electoral reforms of the 1970s were responsible for activating civil society to participate in politics and society; as such the Mexican case is consistent with O'Donnell and Schmitter’s (1986) analysis of civil society resurrecting during the liberalization phase across Latin America and Southern Europe transitioning from authoritarianism to democracy.

Consequently, liberalization enabled citizens to form independent organizations as a response to developments in the late 1970s and major events in the 1980s and 1990s. Housing shortages in the late 1970s, the 1982 debt crisis, 1985 earthquake, and 1988 president election fraud propelled the growth of independent organizations and CSOs. Different from church-affiliated organizations, the organizations that sprang up in the 1980s and 1990s were exercising their right to association guaranteed in Article 9 of the 1917 Constitution.

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3 Maybe it is not a coincidence that citizen’s organized in Mexico’s “lost decade” where GDP growth was stagnant. The natural catastrophe in 1985, a 8.1 magnitude earthquake, is an exception.

4 Article 9 states: The right to assemble or associate peaceably for any lawful purpose cannot be restricted; but only citizens of the Republic may do so to take part in the political affairs of the country. No armed deliberative meeting is authorized.
The challenge for many organizations was remaining autonomous and active, in order to develop into civil society. As stated before, electoral reforms had two effects: catalyzed and enabled citizens to become active in the political and social landscape (O'Donnell and Schmitter 1986) and, at times, absorbed citizens into electoral politics (Loaeza 1994). The urban popular movements (UPMs) that emerged in the late 1970s and the CSOs that arose in the mid-1980s, at some point, faced the challenge of remaining independent from government interference or absorption into electoral politics, especially UPMs.

By the early 1990s, members of CSOs began to seek ways to protect their autonomy, establish friendlier relations with the government, and propel the growth of CSOs. A few CSO leaders began a concerted effort to draft and pass a legislation institutionalizing and regulating CSOs and guaranteeing transparent relations with the government. In this Chapter, I argue that CSOs were responsible for making visible the need to guarantee citizens’ organizational autonomy from the state and pressing the government to institutionalize a public space for CSOs.

Chapter 2 has three subsections. First, I discuss how the governing party’s corporatist arrangements enabled them to undermine the growth of an independent civil society between 1929 and 1970s. Though it was challenging to establish independent organizations, there were some limited channels that allowed citizens to form independent organizations between the 1930s and 1970s. Nevertheless, during the 1960s and 1970s citizens tended to direct their attention in electoral politics; therefore during that time period civil society was at a nascent development stage.
Second, I briefly discuss how the economic crisis in 1982 and the government’s adoption of neoliberal economic policies undermined the governing party’s control over society. Until the mid-1980s citizens notice that they could (and should) remain independent of the government and PRI corporatist networks. Finally, in the third subsection, I discuss the process that institutionalized a public space for CSOs. Members of CSOs undertook the process of developing and proposing legislation that makes the state guarantee public space for CSOs, recognize and respect CSOs’ autonomy, and support the growth of these organizations.

**The PRI’s Corporatist Arrangements**

The PRI established itself as an inclusionary political party through the use of an extended web of party-affiliated organizations. After the 1910 Mexican Revolution, President Plutarco Elías Calles envisioned a political party that integrated (and excluded) some sectors of society in order to form a strong nation-state. George W. Grayson (1998, 14) notes that after the Mexican revolution, the social transformations occurring at the time signaled to President Álvaro Obregón (1920 – 1924) and President Calles that “ordinary Mexicans could no longer be counted on to stand idle if their interest remained unattended.” Instead of allowing citizen’s interests to be represented through independent organizations, Obregon and Calles envisioned the organization of society into sectoral organizations such as trade unions, peasant leagues, and political parties “as mechanisms to aggregate and express the concerns of their members or, at least, of their leaders” (Grayson 1998, 14). The PRI established sectoral organizations as a mechanism to retain social order under the party and, at the same time, to prevent independent organizations from forming.
Scholars credit President Lázaro Cárdenas (1934-1940) for establishing the party-affiliated organizations that helped consolidate the PRI regime. Beginning in 1938, with the understanding that the official party needed strong bases of support to exercise power, President Cardenas included the labor, agrarian, military and popular sectors into the PRI structure. Peasants were organized into the National Peasant Confederation (CNC) in 1938, which was mainly supported by Article 127 (agrarian reform) in the 1917 Constitution. Workers were organized into the Mexican Workers’ Confederation (CTM) in 1936, which was supported by Article 123 (rights of labor) and Cardenas divided government employees into the Federation of State Workers’ Unions (FSTSE) in 1938. In 1943, under President Manuel Ávila Camacho (1934-1946), other sectors of society constituting the popular sector (teachers, indigenous people, and others) were organized into the National Confederation of Popular Organizations (CNOP)6. The military constituted as the fourth sector that was to be incorporated into the party, however, it was dissolved in 19407. These party-affiliated organizations were “individual functional groups joined only through the official party’s central control apparatus, the National Executive Committee” (Grayson 1998, 20-21).

Citizens’ interests were represented and met through the sectoral organizations. Mackinlay and Otero (2004, 76) note that the sectoral organizations were “practically the only channels for participating in organized life, and for transmitting collective

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5 This article expropriated and distributed land to peasants with the underlying effort of disintegrating a landed aristocracy, thus enabling the political party to retain control of political and economic power within its ranks (Stevens 1977).

6 This was an umbrella organization for all popular sector unions, thus the FSTSE was its largest component in the late 1980s, which was largely composed of National Union of Educational Workers (SNTE) established in 1949.

7 It was dissolved “because politicians wanted to prevent the armed forces’ serving as the mediator of disputes and the legitimator of each new government” (Grayson 1998, 20).
demands.” Still, citizen acquiescence and support was given to the PRI because the corporatist organizations were effective in meeting members’ interests. Grayson (1998, 30) notes that FSTSE members had a number of benefits such as access to low-cost housing, short-term loans, generous pensions and broad health coverage though the Social Security and Social Services for State Employees (ISSSTE). Meanwhile, the CNOP, the strongest union, elected several members of the Chamber of Deputies which ensured it benefits (Stevens 1977). Having the state provide resources in effect reduced the likelihood of acting independently of the state apparatus and reduced efforts to reach collective demands outside of these channels.

In essence, Presidents Obregón, Calles and Cardenas established a corporatist structure with clientelist relations. Jose Luis Reyna (1977) characterizes corporatism as a ‘give and take’ process, whereby the state incorporates strategic groups into the state apparatus, in order to be able to demobilize, de-radicalize and control citizens’ demands. Reyna (1977, 162) highlights that,

In some cases, the state stimulates political mobilization to build legitimacy in a context which does not threaten any institutions. In other cases, it demobilizes through incorporation into existing organizations or those created ad hoc, in order to exclude or ‘de-radicalize’ demands that may affect the strategic centre of the system, capital accumulation.

The PRI established a series of party-affiliated organizations with the purpose of de-radicalizing their demands, specifically among workers, peasants, and the popular sector. Through these organizations, the governing party integrated possible dissent during the country’s economic ‘stabilizing development’ period (1940-1970).

While corporatism incorporates subsectors of society into the state apparatus, clientelism hinders the growth of power and agency among organized social groups. Brachet-Marquez (1992, 93-94 cited in Demmers 2000, 154) explains that “clientelism
can be understood as the structuring of political power through networks of informal relations that link individuals of unequal power in relationships of exchange.” Jolle Demmers (2000, 154) characterizes clientelism as social groups having a set of fragmented vertical relationships with the government, which weakens the ability of citizens to organize themselves horizontally, a way that would have allowed them to gain political strength. Thus, clientelism is characterized by the PRI providing goods to citizens for citizens’ continued loyalty. This practice served to create acquiescence among the population, which enabled the PRI to govern freely.

In effect, the party-affiliated unions were effective tools to ‘de-radicalize’ demands, maintain order, and diminish the likelihood of independent organizing. Cook et al. (1994, 13) highlight that without these organizations, peasants and workers would have found it difficult to gain benefits on their own, given the state’s intervention in the economy and monopoly over politics. The organization of the PRI established a constant base of support and it forced what could have become civil society into PRI-controlled channels of interest representation. The resulting scenario was, “a strong, interventionist state and a hegemonic party were crucial to forging (and preserving) a durable alliance between the ruling political elite and mass social forces” which undermined the need to establish independent social organizations (Cook et al. 1994, 13).

Maintaining acquiescence, however, was only possible through the state’s control of the economy. In the 1930s, Mexico’s economic development strategy was to implement an import-substitution industrialization (ISI) model. The ISI model was based on supplying domestic consumers with domestically manufactured consumer goods rather than foreign imports. The state controlled investments, companies, as well as the
production of oil and minerals. With the economy under the state’s supervision as well as the profits, the governing party had ample resources at their disposal. In exchange for continued loyalty, the state offered their base of support real income benefits, employment opportunities, job mobility, and social welfare benefits.

Economic growth during the 1940s to 1970s averaged over 6%, creating new sources of employment, raising real wages, expanding social welfare benefits, and improving the standard of living of many workers (Cook et al. 1994, 13-14)\textsuperscript{8}. Grayson (1998) sites that by the early 1980s, before the shift to a market-led economy; there were more than 3 million federal government employees\textsuperscript{9}. In all, Mexico’s growing and stable economy offered the state resources that it distributed among its supporters and, in general, citizens were satisfied with their standard of living and conditions.

Citizens had reasonable disincentives for organizing and establishing autonomous organizations. First, satisfied citizens did not have a reason to organize independently because majority of citizens were well-provided for under the corporatist arrangements. Second, some citizens viewed the party-affiliated organizations as the only viable way of receiving benefits (Cook et al. 1994). Third, dissatisfied union members that organized in the 1950s were imprisoned and silenced, which signaled to citizens their efforts to have real representation of workers were futile (Grayson 1998, 32; Stevens 1977, 247). The governing party was successful in making their organizations seem as the only viable forms of representation and the only path to receiving benefits.

\textsuperscript{8} In the long-term, ISI created serious economic problems in the late 1970s and early 1980s. Among some of the economic problems were an excessive dependence on imports of intermediate and capital goods, overvalued exchange rates and chronic balance-of-payments difficulties, inefficient domestic industries and limited capacity to export manufactured goods (Cook et al. 1994, 14).

\textsuperscript{9} Government employees had to join the FSTSE as a condition of employment (Grayson 1998, 29).
Establishing Independent Organizations between the 1930s and 1970s

During the ISI model (1940-1982), the governing party did not (highly) interfere with three actors: the Catholic Church, business class, and universities. The Catholic Church was largely marginalized and it became a space where independent church-affiliated organizations formed, which eventually became autonomous from the Church (Stevens 1977, 234; Reygadas 1998). Meanwhile, the universities provided a haven for the formation of popular movements in the 1960s (Reygadas 1998). On the other hand, the business class, especially the wealthiest members, was independent but they were consulted by the governing party (Stevens 1977, 235). Moreover, the elite deriving from the business class composed part of the governing party (Stevens 1977, 253). Still, the business class evolved into an active, independent group after the 1982 economic crisis and they concentrated their efforts in party politics, mainly through the National Action Party (PAN). Outside of the Catholic Church, universities, and business class, independent organizations were largely absent.

The first forms of independent organization were formed with the support of the Catholic Church. While the PRI regime did not entertain the possibility of independent organizations threatening their political dominance, the governing party was semi-receptive to having Church-affiliated organizations provide social services to the less fortunate. In addition, Article 30 of the 1917 Constitution forbids the Catholic Church and affiliated organizations from participating in political activities, which gave the state assurance of its dominance over politics (Stevens 1977, 234). Nevertheless, the PRI regime remained cautious with the Catholic Church’s actions.

10 Since the nineteenth century, the state was in a struggle to separate itself from the Catholic Church and reduce the role and power of the Church in national politics which led to the Leyes de Reforma in 1857.
Church-affiliated organizations were gradually established throughout the 1930s and 1960s. Initially the Secretariado Social Mexicano (Mexican Social Seretariat, or SSM) established in 1923 by catholic bishops played a minor role in organizing church members (Reygadas 1998, 41). The main purpose of SSM was to help communities establish development projects. Despite the SSM’s inactivity, in 1928 President Calles had SSM’s main headquarters looted and a few priests jailed for a day (Verduzco 2003, 74). State apprehension about the Church assisting church members organize was visible throughout the 1920s and 1930s; however most animosity dissipated over time.

When Father Pedro Velazquez became the director in 1941, he reinvigorated the SSM and supported the formation of organizations (Reygadas 1998, 41-42). Throughout the 1940s, Secretariados Sociales (Social Secretaries) established chapters around the country and in 1951, the first savings and credit cooperative was established in Mexico City. Eventually organizations that had formed with the support of the SSM became independent from the Catholic hierarchy.

By the 1960s there was a significant growth in ecclesiastical base communities (EBC) some of which began to act independently of the Church (Reygadas 1998). Among the EBCs that loosened their ties with the church were savings and credit cooperatives. By 1964 the first large network of savings and credit cooperatives was formed, Confederacion Mexicana de Cajas Populares (Mexican Confederation of Cooperatives). In the late 1960s, after the Latin American Bishops’ Conference in Medellin, Colombia and from the Second Vatican Council, the Catholic Church began to actively support the establishment of social assistance organizations (Reygadas 1998). Between the 1940s and 1970s, church-affiliated organizations were mostly social
service providers that focused on six themes: health, education, housing for abandoned children and elderly, nursery homes, soup kitchens and credit cooperatives and pawn shops (Reygadas 1998). In all, church affiliated organizations were primarily focused on improving the lives of marginalized communities therefore they were not perceived as a threat by the governing party. Despite some organizations becoming independent, the state did not perceive them as a threat because they remained committed to providing social services.

Another form of independent organization was the Institution of Private Assistance (Institucion de Asistencia Privada, or IAP) which continues to exist today. In 1943, the government passed the Act for Private Assistance Institutions for the Federal District and Federal Territory (Ley de Instituciones de Asistencia Privada para el Distrito Federal y Territorios Federales) which was intended to regulate the operations of these institutions. The legislation created a Private Assistance Board (Junta de Asistencia Privada, or JAP) to monitor the operations of these institutions. Diana M. Favela (2004, 129) notes that the Act for Private Assistance Institutions illustrates the government’s distrust of IAPs because it delimits specifically how IAPs may access resources, outlines how they should be managed and it specifies the rights that the JAP has over IAP organizational management. Favela (2004) notes that the JAP structure allowed the government to strictly monitor and control IAPs given that the Board consisted of four members selected by the Government of the Federal District (Gobierno del Distrito Federal, or GDF), while the other three were IAP representatives.

The emergence of these organizations signaled that the state did not integrate all sectors of society into the state or party apparatus and there was room for independent
organization that did not compete with the state’s power. However, between the 1930s and mid-1970s, citizens were not demanding that the state institutionalize a public space for autonomous organizations. On the contrary, the social organizations during that period tended to remain apolitical and uninterested in influencing social policy. Moreover, church-affiliated organizations and IAPs remained largely invisible actors in social development spheres because they conducted their service without seeking to influence the state unlike the organizations that emerged in the 1980s. As a consequence of all of the aforementioned factors, these organizations were not recognized as constituting civil society.

The emergence of independent organizations was gradual between the 1930s and mid-1970s, unlike the late 1970s, 1980s and 1990s when citizens established independent organizations at a faster pace, something facilitated by the liberalization process (O’Donnell and Schmitter 1986). During the 1930s through the mid-1970s, the social assistance organizations and IAPs that emerged did not constitute or were not recognized as civil society simply because their activities concentrated solely on social welfare provision. The members of these organizations did not attempt to discuss social policy or social problems with the state nor did they mobilize or monitor the state. Moreover, the state did not recognize them as actors that required them to help foster democracy. In other words, the state accepted organizations that did not question, demand, or criticize the state and, by extension, it allowed the existence of a few organizations that provided some assistance to the poor.

Church-initiated organizations and IAPs were the initial signs that civil society could develop in Mexico. Despite these organizations focus on delivering social services
and helping to improve the lives of the poor, they serve as signs of citizens’ willingness and ability to establish independent organizations from the state and the state’s ability to refrain from infringing. But by the late 1960s, citizen mobilization and collective action began to stir among students, culminating in the student movement of 1968. By the early 1970s, citizens were taking action against the state and, at least initially, seeking to remain independent of the state.

**Protests and Movements in the 1950s – 1970s**

Despite the governing party’s efforts to maintain citizens’ loyalty through clientelist exchanges and corporatist control, citizens became concerned with the ruling party’s tight control of all social, economic, and political matters. As early as 1959, railroad workers protested demanding actual representation of workers’ interest in their union. Throughout the 1960s and early 1980s, protests surfaced and subsided and a few movements sprang up to contest the PRI regime’s authoritarian, non-inclusive nature. The periodic protests in the 1950s indicated the PRI regime’s limited pluralism; however the electoral reforms in the 1970s enabled citizens from the middle class, in particular, to become active in demanding democratization, a process common in authoritarian political systems undergoing liberalization (O’Donnell and Schmitter 1986).

From the late 1950s onward, there were instances of protest; however they did not amount to full-scale social movements. In 1958-1959, the railroad workers strike included around sixty thousand active participants (Stevens 1977, 370). The railroad workers demanded democratization of its union and removal of the union leaders because they were not representing the interest of the workers. The state responded with repression by arresting the strike leaders and charging them with violation of the Law of Social Dissolution (Grayson 1994). Then in the early 1960s, teachers,
telegraphists and doctors staged a few protests demanding democratization of their unions; however the leaders were also incarcerated (Reygadas 1998, 42). These burst of protests indicated citizens’ dissatisfaction and capacity to act as well as the regime’s resolve to suppress open dissent and contestation.

As noted earlier, universities remained autonomous from PRI control, therefore, students were able to organize. In 1956, students from the Instituto Politecnico Nacional mounted a protest demanding more scholarship funds and better food provision for students (Reygadas 1998, 42). Eight years later, in 1968, a highly-coordinated student movement emerged. The 1968 student movement had various demands but it primarily called for democratization and the creation of new participatory opportunities (Middlebrook 1993, 126). The 1968 student movement comprised several protests from August to October. The October 2, 1968 protest brought close to 30,000 individuals to the Zocalo in Mexico City. The state responded with violent repression\(^{11}\) whereby the army fired into the crowd and murdered around 200 people. The state’s response signaled that the regime was losing legitimacy\(^{12}\). While the student movement shook the PRI regime’s control over society, its main impact is that it catalyzed citizens, especially the middle class, to demand democratization of the political system.

After the October 1968 incident, the governing party instituted a series of electoral reforms as a response to public social discontent. After the railroad workers’ strike in 1959, an electoral reform was passed in 1963. Kevin Middlebrook (1993, 130) states

\(^{11}\) Mexico was holding the Olympics, beginning on October 12, thus, the student movement became a public relations nightmare for the regime.

\(^{12}\) Between 1953 and 1968 there were 22 military or police interventions at universities across the country (Reygadas 1998, 45); however, the degree of violence that was used on October 2\(^{nd}\) where students were murdered left the country shocked.
that the 1963 reform “sought to defuse the accumulated sociopolitical discontent” after the railroad workers and teachers strikes. The first electoral reform in 1963 instituted a different proportional representation formula that appeased some middle class members. Diffusing discontent meant offering individuals the possibility of entering institutional politics.

Then, in the aftermath of October 1968, President Luis Echeverria (1970 – 1976) approved the passage of electoral reforms in 1972 and 1973. Soledad Loaeza (1994, 109) argues that the electoral reforms were “a means of institutionalizing protest without modifying the system’s essential feature.” In Loeaza’s view PRI leaders instituted electoral reforms in order to help assuage disaffected citizens from extra-parliamentary action. The reforms’ outcomes essentially helped to reduce public protest and dissent, channel it through institutional means (primarily through the Chamber of Deputies), and raise legitimacy for the regime.

Middlebrook (1993), on the other hand, views the electoral reforms of the 1970s as a response to three emerging problems. First, the urban middle class, the “ruling elite’s most politically articulate constituency”, was shocked at the government’s repressive actions and condemned the ruling party as well as supported the students’ call for democratization (Middlebrook 1993, 126). Second, after the 1968 student movement, opposition political organizations emerged and the PRI regime sought to incorporate them into the official party system in order to boost their political legitimacy (Middlebrook 1993, 128). Third, the governing party’s mobilization capacity was weakening and negatively affecting its legitimacy. Middlebrook (1993, 129) argues that all these

13 Despite twelve opposition parties, in the 1976 presidential campaign there were no opposition presidential candidates, which was indicative of their weakness and “between 1961 and 1976 the
factors prompted the PRI regime to institute electoral reforms, in order to regain legitimacy and sustain “the viability of the PRI-dominated party system.” Moreover, Middlebrook (1993, 129) highlights that the electoral reforms of 1963, 1972, 1973, and 1977 were the governing party’s effort to reverse their past tendency of enacting electoral legislation (in 1946, 1949, 1951 and 1954) that “reinforced the position of the PRI by making the formation of local and regional political parties more difficult.” Hence, the governing party engaged in political liberalization in order to reduce social discontent and channel disaffected citizens into electoral politics, which helped prevent the formation of independent organizations.

Still, political liberalization in the form of electoral reforms also served to activate citizens into becoming active actors, demanding protection of their civil rights and democratization. Guillermo O’Donnell and Philippe C. Schmitter (1986) argue that during the liberalization process in an authoritarian system, different sectors of civil society such as artists, privileged class, independent and salaried professionals, human rights activists, and the working class become activated from their dormant state into participating in politics. In addition, O'Donnell and Schmitter (1986, 53) highlight that citizens activation “forces policy makers to pay attention to and expend resources on discrete and troublesome issues…” which is something that appears in the late 1990s and is discussed below.

The Mexican case demonstrates that political liberalization does in fact prompt different sectors of society to become active in furthering liberalization and democratization. In Mexico, citizens became more active in the late 1970s and

percentage of registered voters not voting in congressional and presidential elections rose steadily from 31.7 percent to at least 38 percent” (Middlebrook 1993, 128-129).
especially after the 1980s, after the PRI implemented electoral reforms. Besides
opening channels and enabling citizens to participate in the political and social
landscape, the electoral reforms had other effects such as making the electoral arena
the center of contestation as suggested by Loaeza (1994).

It appears that absorbing political dissent into institutional politics was effective in
circumscribing the formation and growth of independent organizations. In fact, citizens
were highly interested in entering electoral politics because by the 1970s citizens had
formed several political parties\(^{14}\) (or opposition organizations). Many saw the transition
to democracy or democratization as the primary goal; therefore forming a civil society
appeared inconsequential while forming political parties enabled them to compete with
the governing party.

Still the PRI regime had other mechanisms to help reduce further discontent in the
continued to spend on social welfare programs. President Echeverria increased social
spending after the 1968 student movement by borrowing from foreign sources (Haber
2006, 59). Then, under President Lopez Portillo, due to the new petroleum discovered,
his administration increased spending on social welfare programs as well as increased
borrowing (Haber 2006, 59). However, by the late 1970s, the economy’s rate of growth
was decreasing, causing stagflation.

Then with the drop in oil prices and mounting debt in 1982, the state declared it
was unable to repay its foreign debt. The government’s excessive spending left the

\(^{14}\) The opposition political organizations that formed were the Mexican Democratic Party (PDM, 1971),
Socialist Workers’ party (PST, 1973), Communist Leftist Group (UIC, 1973), Movement for Socialist
Action and Unity (PMT, 1974), Mexican Populist Party (PPM 1975), Revolutionary Socialist Party (PSR
1976), and Revolutionary Wokers’ party (PRT, 1976) (Middlebrook 1993, 127).
country with insurmountable levels of debt, which forced the government to implement a structural adjustment package, thereby shifting Mexico from an ISI model to an export-oriented development model, the neoliberal free-market model (a shift forcefully taken under President de la Madrid, 1982-1988).

By the early 1980s, citizens were experiencing unemployment, reduced wages, and, especially in the urban areas, housing shortages. Housing shortages became a pressing issue for urban residents and, eventually, a serious challenge for the governing party once urban residents organized. Paul Haber (2006, 55) describes the changes from the 1960s to the 1980s, “While through the 1960s and early 1970s the urban economy’s growth rates were high enough to absorb much of this massive migration, by the 1980s urban areas had lost this capacity.” Under a growing economy, the governing party could have responded easily through the party-affiliated sectoral organization, National Confederation of Popular Organizations (CNOP). However, given the severe cuts in federal spending under President de la Madrid, the CNOP was unable to address the urban poor’s housing shortages (Haber 2006, 55). In response to state neglect or inability, urban (poor) residents in Monterrey, Durango, Mexico City, and Zacatecas organized into social organizations and came together to form an umbrella organization – an urban popular movement (UPM) – called National Coordinating Committee of the Urban Popular Movement (CONAMUP)\(^\text{15}\), in order to deal with the housing shortages in urban areas.

\(^\text{15}\) Haber (2006, 67) notes that the CONAMUP was the most important sectoral network out of three – the others were peasant and teacher-based) that emerged in the early 1980s. The CONAMUP was composed of the Frente Popular Tierra y Libertad from Monterrey (1976), Comité de Defensa Popular of Durango (1979), Union de Colonias Populares del Valle de Mexico (1979) and Frente Popular de Zacatecas (1979).
Initially the UPMs intended to remain autonomous from parties and state; however, over time they began to enter institutional politics. Haber (2006, 58) notes that the urban popular movements were “led by the segment of the social Left that rejected the allure of the electoral reforms” in the late 1970s – a time when the governing party issued electoral reforms as a mechanism to minimize extra-parliamentary dissent. However, not all social organizations wanted to remain independent. The CONAMUP, for example, was characterized by political heterogeneity and “each movement organization [was] free to opt for its own electoral strategy” (Haber 2006, 68). Haber (2006, 68) notes that some organizations affiliated to the CONAMUP such as the Union de Colonias Populares (UCP) “early on favored electoral involvement, with the aim of increasing visibility and legitimization.”

Despite their eventual entrance to electoral politics, the decision and ability to remain independent from the state was a significant development. However, by the 1980s, UPM participants’ attitudes shifted. Haber (1994, 282-283) states,

Whereas in the 1970s most popular movements maintained an anti-electoral strategy, over the course of the de la Madrid administration most came to favor active involvement in elections.

While initially the social organizations that formed the UPMs intended to remain autonomous, they seemed to be waiting for the right moment to enter electoral politics. Therefore, the UPMs, in essence, did not view their principal objective as remaining autonomous to form a civil society sector. By 1988, many organizations within the CONAMUP were joining the efforts to support the presidential candidate Cardenas.

While there was a surge of UPMs in the 1980s and an increase of CSOs in the 1990s, by the 1990s the governing party was seeking ways to integrate social organizations into the nation’s effort in social development. In the 1990s, President
Carlos Salinas de Gortari (1988 – 1994) proposed that social organizations under UPMs enter into agreements (convenios de concertation) with the governing party. The agreements offered immediate benefits to social organizations that entered them, such as access to material resources. For example, the CDP of Durango gained material resources and were offered the possibility to win elections in their home state. However, the drawback of entering into an agreement was losing full autonomy and for the sectoral network, it lost the capacity to become a large-scale independent movement. These agreements ushered in a different relationship with the state, one where the governing party (under President Salinas) established relationships with “independent” social organizations, not with a democracy imperative but as a pragmatic concern (Cook et al. 1994, 31). Hence, in large part, the agreements were a mechanism to limit autonomous association.

A tendency for the state, it appears, is to attempt to undermine the growth of independent organizations that can contribute to an autonomous, vigorous and robust civil society. In the 1970s, the electoral reforms were successful in incorporating dissidents. Then in the 1990s, under a neoliberal economic model, the state was able to tone down UPM’s stance by enticing them to enter agreements. Both efforts allowed the PRI to have electoral politics be the main arena for moderated contestation. Middle and upper classes as well as members of the UPMs were drawn into this arena. The former saw the electoral reforms as a step toward democratization given that it made electoral politics competitive. Meanwhile UPMs gained visibility and the ability to contest the governing party. However, by entering electoral politics and collaborating with the
state, discontent middle class members and social organizations neglected or were unable to contribute to developing a vigorous autonomous civil society sector.

Despite the eventual incorporation of UPMs into electoral politics in the 1990s, the 1970s and 1980s were significant because citizens had some intention of remaining autonomous from the state. Initially, citizens’ willingness or intention to remain autonomous in the 1970s and early 1980s was relatively weak. The fact that disaffected citizens during the 1970s and 1980s were entering party politics, whether by the “incentives” offered by the PRI or their own interest, demonstrates some citizens’ inability to envision or value long-term independence or establishing an independent sector. Therefore, even when the state is not actively seeking incorporation or silencing, citizens have to envision the benefits of remaining outside of electoral politics. Still, despite the fact that some social organizations established “partnerships” with the governing party in the 1990s, their adamant position to remain and actually be independent of the state in the late 1970s and early 1980s was a new development. This independent-mindedness would gain prominence after the 1985 earthquake in Mexico City.

**The Mid-1980s: Growth of Civil Society Organizations**

In the 1980s, a surge of civil society organizations (CSOs) emerged. The reasons are two-fold: first, the restructuring of the economy after the 1982 economic crisis left social welfare needs unmet, thereby motivating individuals to form their own organizations for social service delivery and, second, the 1985 earthquake in Mexico City acted as a catalyst for establishing permanent organizations that could help victims deal with a range of problems. Distinct from the social organizations of the early 1980s
waiting for the right time to enter politics, the CSOs emerging in the mid-1980s envisioned establishing an autonomous civil society sector.

First, the 1982 economic crisis reduced the governing party’s ability to continue extending welfare and job benefits. With the decline in petroleum prices and excessive borrowing, Mexico was unable to repay its loans. Cook et al. (1994, 15) note that Mexico experienced “escalating short-term debt service obligations, increasing capital flight, large-scale devaluations and worsening balance-of-payments problems [which] finally led to a liquidity crisis in August 1982.” As a consequence of this economic instability, President de la Madrid announced that Mexico would be unable to pay its large foreign debt. In order to prevent default on Mexico’s foreign debt, President de la Madrid acquiesced to a restructuring package in order to receive a $10 billion U.S. bailout. The restructuring package entailed reducing the budget deficit and stabilizing the exchange rates.

The 1982 economic crisis and restructuring package impacted citizens negatively. The stabilization plan meant a drop in real wages and a reduction in government spending on social programs and consumption subsidies (Grayson 1998, 156). The restructuring package had the primary political effect of weakening labor unions. Meanwhile, the business sector was gaining prominence.

In 1985, an 8.1 magnitude earthquake shook Mexico City, which resulted in hundreds of deaths and thousands of casualties. Partially due to the limited state budget and the state’s unpreparedness, the city’s response to the aftermath was inadequate. Without state assistance, citizens spontaneously organized, especially in lower-income neighborhoods, in order to assist victims after the earthquake. Verduzco
(2003, 86-87) notes that citizens responded quickly and were apt in finding solutions to their immediate needs. The 1985 earthquake prompted citizens to work together for the benefit of their communities, and made evident citizens’ power to solve problems and to press the government for more effective responses.

After the 1985 earthquake the relationship between organized society and the state was less tense. There was a notably different approach by the state. The state-society relationship shifted from being characterized as clientelistic to one where citizens’ were demanding and offering different ways of reaching solutions that benefited earthquake victims. The formal organizations that surfaced in the mid 1980s and 1990s were mostly civil society organizations (CSOs); however, the number of IAPs and national philanthropic foundations also increased (Reygadas 1998).

From the mid 1980s to the 1990s there was a growth of organization that focused on providing social services, monitoring elections and defending human rights and a growth in CSO networks. Reygadas (1998, 53-57) highlights that given the adoption of neoliberal economic policies, development CSOs were formed in order to provide support to vulnerable populations. During this time, CSOs began forming large networks. Given the regime’s capacity to undermine citizens’ independent efforts, CSOs viewed networks as a way to build their strength\(^\text{16}\). With networks, CSOs believed that they would be able to influence social policy-making and even pressure the state to democratize (Reygadas 1998, 57). Between 1983 and 1996, two dozen networks emerged focusing on different themes. Reygadas (1998) stresses that development

\(^{16}\) This is similar to the UPMs, where they build national sectoral networks in order to offer member organizations protection against the governing party’s repressive tactics (Haber 2006, 63).
CSOs established networks as a mechanism to prevent the government from undermining their social assistance work.

Moreover, development CSOs viewed their role as actively contributing ideas to the government and demanding accountability; therefore, there was a strong belief that they should remain independent of the state. Reygadas (1998, 58) notes that whereas the state established clientelist organizations, development CSOs envisioned forming a civil society that made recommendations to the state about social policy guided by the needs and demands of vulnerable populations. CSOs vision of influencing the government’s social policy as independent social organizations – separate from party politics and clientelistic organizations - was a new development that can be seen as contributing to the establishment an autonomous civil society. The organizations’ different socio-cultural identity and goals in the mid-1980s, which were based on acting independently, was a factor that helped pave the way toward establishing an autonomous civil society.

Another significant event that spurred the growth of CSOs in Mexico was the 1988 presidential election. The 1988 presidential election was marked by allegations of the PRI conducting fraud. Frustrated with the PRI’s tactics, a few CSOs emerged with the commitment to monitor elections and uphold the regime accountable for fraud and other practices. The surge of civic CSOs was due to citizens’ interest in democratization and becoming a counter-weight to the state.

In Chalmers and Piester’s (1996, 255-256) analysis of four networks of civic CSOs in the 1990s, they find that CSOs were attempting to enhance their autonomy from the state in order to influence politics independent of political parties. After the 1988
elections, CSOs really began an effort to press for democratization. The interest to monitor elections implicitly meant that CSOs wanted to remain outside of party politics and act independent of the PRI’s corporatist organizations. Hence, in the 1980s and 1990s there was a concerted effort to establish civic and development civil society organizations independent of the state and a desire to influence the government independent from political parties as well as from the PRI’s corporatist arrangements.

Monitoring the growth of CSOs in Mexico has been problematic because the legal framework, especially before 2004, makes the establishment of a formal organization difficult. Therefore, the literature discussing the growth of CSOs does not provide consistent or concrete data on this sector. However, in the 1990s, the Center for Information on Civil Organizations was formed at the Metropolitan University in Mexico City which compiled information about civil society organization in Mexico, including CSOs and IAPs. Calvillo and Favela (2004, 78)\(^\text{17}\) report that in 1998 there were 8,618 CSOs, by 1999 there were 9,283 and in 2000 there were 10,805 CSOs.

**From 1989 until 2004: Legal Battle, Recognition and Challenges**

Civil society organizations, however, faced many legal challenges. Between 1984 and 1989, the tax code (section 6, article 70 of the Income Tax Law) recognized civic associations\(^\text{18}\) as not-for-profit legal entities and it entitled them to be tax-exempt under the Income Tax Law (Reygadas and Zarco 2007, 10). Throughout the 1980s, the majority of individuals established their organizations as civic associations (asociación

\(^{17}\) Calvillo and Favela’s (2004) data are the earliest numeral data available about the size of the CSO sector. They consulted 107 directories.

\(^{18}\) In Mexico there are multiple legal forms for civil society organizations. In 2007, civic associations represented 88.5 percent of CSOs in the Federal Registry and IAPs represented 7.82 percent (Villalobos et al. 2007, 30).
civil) given the flexibility awarded to them. Under civic association status, there were low levels of oversight and regulation and civic associations were protected by Article 9 of the 1917 Constitution, which protects the right to association. In addition, civic associations were regulated by the Civil Code.

However, on December 1989 Congress approved a Miscellaneous Fiscal Law proposed by the Secretary of the Treasury. This law stripped civic associations of their not-for-profit status, placing them in the legal person’s category along with national and transnational corporations. In essence, this meant that civic associations were thought as profit-making entities and would have to pay income tax (up to 35%) among other taxes (Reygadas and Zarco 2007, 9). Given this new context, members of civil society organizations organized a series of meetings to discuss ways to repeal this law that deeply undermined their efforts at socio-economic development, monitoring elections, and defending human rights. Reygadas and Zarco (2007) note that the law was a state attempt to undermine the right to association and it was an attempt to limit the activities being conducted such as providing social services. Furthermore, they note that the Miscellaneous Fiscal law generated the impetus for civil society organizations (CSOs) to not only defend their work from state attack but also to demand comprehensive social development policy, respect for human rights, and for democratization of society (2007, 10).

The Miscellaneous Fiscal law catalyzed CSOs to demand that the government institutionalize a public space for independent organizations, which would formally establish a public space for civil society. The 1989 Miscellaneous Fiscal law prompted a series of events that brought together hundreds of NGOs to discuss the law, but also
their future in Mexico’s social and political landscape. Below I discuss the series of events that served to create dialogue between CSOs and between CSOs and the government about institutionalizing a public space and respecting the autonomy of civil society organizations. From 1990 until 2004, CSOs formulated a piece of legislation and lobbied extensively until the government agreed to recognize civil society organizations as legitimate actors in Mexico, separate from the state. As stated before, I argue that CSOs were responsible for securing the public space for an autonomous civil society to exist; however, I am aware that throughout the 1990s there were other events that made the government less resistant to institutionalizing a public space for independent organizations.

In 1990, the Convergencia de Organismos Civiles por la Democracia (Convergence of Civil Organizations for Democracy, or Convergencia) organized a series of meetings among other concerned CSO leaders and members. On November 14, 1990 a network of organizations formulated a fiscal reform that resembled previous fiscal laws toward civil associations and it was presented in Congress by an unspecified political party (Reygadas and Zarco 2007, 11). However, the proposal was not introduced and it was overlooked entirely, which according to Reygadas and Zarco is rare. Finally, in March 1991, Secretary of Finance and Public Credit, without much anticipation, responded to civic associations by stating that the associations could consider themselves tax-exempt; however, they did not reform the fiscal law, which meant that it was a discretionary authorization to be tax-exempt and not a legal right (Reygadas and Zarco 2007, 11).
This government discretion prompted CSO leaders to elaborate a new proposal. For this, the Universidad Iberoamericana had already established a Cátedra del Tercer Sector. This Center was founded with the initiative of the Universidad Iberoamericana President Carlos Vigil Avalos in conjunction with the Center for Mexican Philanthropy (CEMEFI). With Carlos Zarco Mena directing the Center and Jesus Luis Garcia coordinating the Research and Post-Graduate Department, there emerged a real commitment to draft legislation that would benefit civil society organizations. Reygadas and Zarco (2007, 12) state,

The University, with these professors and a team of law professors, committed itself to elaborate a piece of legislation, Ley de Fomento de las Actividades de Bienestar y Desarrollo Social, which was creative and mindful of the activities conducted by CSOs.

The Universidad Iberoamericana partnered with Convergencia and Foro de Apoyo Mutuo (FAM) given that these had already organized forums discussing the implication of the law and convened other CSO members that were frustrated with the environment for CSOs. Moreover, the Fundación Miguel Aleman joined their efforts and offered legal advice.

Between 1991 and 1994, this team met every two weeks to discuss the components of the law and throughout these years there were multiple meetings, consultations with experts and other members of civil society organizations, especially with organizations that were part of the large networks Convergencia and FAM. By October 1995, the group was on their sixth version of the proposed law entitled “Ley de Fomento a las Actividades de Bienestar y Desarrollo Social” which was presented in Congress in 1995; however, it was not approved.
Between 1994 and 1997, the networks of civil organizations widely distributed their proposal to other civil society organizations, legislators, governors and political party members (Reygadas and Zarco 2007, 14). Then, between 1996 and 1997, the group held five regional forums to consult with other members of civil society organizations. Through these forums, others were able to suggest modifications. The intention was to develop a proposal that benefitted all civil society organizations; therefore, those drafting the legislation kept consulting with members of civil society organizations.

The main points of debate centered on politics (Reygadas and Zarco 2007, 13). In the end, forum participants agreed that it was the right of organized citizens to engage in politics in order to propose social well-being and influence policy-making. For the participants, the public good involved not only the government and political parties, but also civil society and this meant co-responsibility for generating social welfare. Moreover, principal concerns centered on remaining autonomous from the state and having access to fiscal stimulus and public resources. In all, Reygadas and Zarco (2007, 15) highlight that the process of drafting the legislation was inclusive and extensive, thus generating a proposal that was representative of the needs of civil society organizations. However, in Chapter 3, I highlight that some interviewees do not agree with Reygadas and Zarco, that in fact the legislation was drafted by a few CSO leaders.

On the side of government, the CSOs lobbied the Citizen Participation Commission (Comision de Participacion Ciudadana, or CPC) and met with Senators throughout 1997. By 1998 the CPC was also lobbying legislators for the passage of the law. Moreover, in 1998, CSOs asked the Ministry of Social Development (Secretaria de
Desarrollo Social, or SEDESOL) to work with them in drafting the law and lobbying legislators, which resulted in their acceptance and developing a modified version of the law, which was entitled Ley de Fomento a las Actividades de Desarrollo Social de las Organizaciones Civiles (or Federal Law for the Promotion of Activities for the Development of Civil Organizations) (Reygadas and Zarco 2007, 20). Throughout 1998 and 2002, CSO members continued to lobby without success despite the friendlier approach of President Vicente Fox’s administration, which is discussed below.

Ireri Terrazas (2009, 37) notes that civil society organizations presented to the government a different way of thinking about CSOs, whereby the legislation gave citizens the right to form associations and have agency independent of the state. Whereas in the past the government controlled citizen organizations, CSOs proposed that citizen organizations be an independent sector that could influence policy making. Having the legislation approved would institutionalize a public space and help the government recognize that it did not hold a monopoly of all forms of organization. In addition, the legislation would symbolize that the government could take civil society seriously.

The passage of the legislation occurred in a favorable climate for CSOs. For the 2000 presidential election, a group of about 600 CSOs gathered to draft a proposal about their vision of Mexico. The proposal titled, Poder Ciudadano, was given to each presidential candidate and the CSOs asked for the candidates to include their vision to their agenda once elected to office; however it is not clear how seriously this proposal was taken (Reygadas and Zarco 2007, 22). The 2000 presidential election was
significant for many reasons. In particular, the election prompted political parties to publicly discuss the importance of civil society.

Once President Vicente Fox won the presidency, he sought to include civil society actors in his administration. Given his campaign’s promise of ending PRI corporatist, clientelist, and authoritarian practices, President Fox began his administration with a different attitude. The triumph of successfully entering formal electoral democracy guided the atmosphere of the first few years of his administration.

In fact, early in Fox’s administration, civil society actors were included. After Vicente Fox won the 2000 presidential election, he continued with his promise to give civil society organizations the opportunity to influence policy-making decisions despite the fact that many of them were critical of neoliberalism (Teichman 2009, 73). He appointed CSO leaders to head an important government program and institution. He appointed Rogelio Gomez Hermosillo, former leader of the main civic CSO monitoring elections, Alianza Cívica, to manage Oportunidades, the country’s conditional cash-transfer program (Teichman 2009, 73). He also appointed Cecilia Loria, a well-respected activist and senatorial candidate for the Party of the Democratic Revolution in 1997, to direct INDESOL and Maria Claire Acosta, a human rights activist, to be sub-secretary for human rights in the Ministry of Foreign affairs (Teichman 2009, 73). In addition, in 2001 President Fox stated his support for the passage of the legislation being proposed by CSOs (Reygadas and Zarco 2007, 22).

Between 2001 and 2002 the CSO members continued to lobby deputies and Senators; and in 2001 different government ministries had offered their suggestions in modifying the legislation (Reygadas and Zarco 2007, 22). In 2002, the Senate made a
notable modification. It included a clause that required CSOs to register in a National Registry that would be controlled by Instituto Nacional de Desarrollo (National Institute for Development, or INDESOL) in order to be eligible to receive public funding. With this final modification, the Ley Federal de Fomento a las Actividades Realizadas por Organizaciones de la Sociedad Civil (or Federal Law for the Promotion the Activities of Undertaken by Civil Society Organizations) was approved by the Senate in 2003 and it was published in Diario Oficial in 2004.

As stated before, the climate for the passage of the legislation worked in favor of CSOs. The 2000 presidential election forced presidential candidates and parties alike to consider CSOs as an actor that could not be ignored. The CSOs could not be ignored because after the 1988 election because between 1988 and 2000 they had made it clear to the parties and public that they were supporting the end of the corrupt elections and the end of the PRI regime. For the 2000 presidential election, CSOs participated in monitoring electoral polls along with international election monitors. By 2000, CSOs had become a prominent actor in the push for democratization.

Moreover, CSOs’ on-going lobbying for the legislation was an important factor in finally achieving state support for institutionalizing a public space for CSOs. Without CSOs’ actions of pressuring the legislature to acknowledge civil society within the new context, the transition to electoral democracy, the government would not have passed such legislation. The CSO leaders continued pressing legislators to consider the legitimacy of their proposal. CSO leaders understood that they needed legal guarantees that their autonomy and ability to conduct their activities were necessary. Their persistence and the general climate culminated with the passage of the legislation.
One Step Forward, Several Steps Elsewhere: CSOs under the PRI and PAN

The UPMs were not the only social organizations targeted to enter agreements with the PRI. By 1992, the Salinas administration was seeking ways to partner with CSOs. In 1992, the government formed the Instituto Nacional de Solidaridad (National Institute of Solidarity, or INSOL) to coordinate the training program and the social networking portions of the Programa Nacional de Solidaridad (National Program of Solidarity, or PRONASOL), the governing party’s targeted anti-poverty program. In this same year, the government established the Secretaria de Desarrollo Social (Secretary of Social Development, or SEDESOL) which became in charge of developing the government’s social policy at the federal level and planning and coordinating development projects across different regions (Verduzco et al. 2009, 45). Within SEDESOL the Coordinacion de Vinculacion y Concertacion Social (CVCS) was in charge of coordinating programs and working with CSOs (Verduzco et al. 2009, 45). Through the CVCS developed a relationship with independent social organizations that had never worked with the government.

President Salinas de Gortari had a specific vision on how to work with social organizations. He was interested in developing partnerships with independent social organizations or organizations that the governing party had not worked with before, in order to include them in designing and implementing social programs (Verduzco et al. 2009, 44). The Salinas administration was actively seeking to collaborate with CSOs and reaching out to CSOs to achieve collaboration.

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19 On July 1997, PRONASOL is replaced with Programa de Educacion, Salud y Alimentacion (PROGRESA). The main difference between the two is that PROGRESA became a targeted program, meaning that beneficiaries were selected through technical criteria (Verduzco et al. 2009, 48).
SEDESOL held a national conference with around 700 CSOs, which resulted in the state’s first initiative to work with CSOs. Undertaken in 1993, the government established the Fondo de Coinversion Social (Social Co-investment Funds, or FCS) – coordinated by SEDESOL and replacing the CVCS – in order to provide funding resources to CSOs. In the first few years, FCS published requests for proposals (RFPs) through two streams: a public RFP and a “by invitation only” RFP. Through the public RFP, there was an evaluation committee and due to this committee, the review process tended to be fair and transparent. On the other hand, the “by invitation only” RFP was a process where public officials, at their discretion, invited CSOs to submit proposals (Verduzco et al. 2009, 47). Between 1993 and 1994, only SEDESOL awarded funds to CSOs; although there was discussion among other agencies about providing support to CSOs.

Verduzco et al. (2009, 49) identified that under President Ernesto Zedillo (1994-2000) the FCS went through several changes. First, FCS was passed from SEDESOL to INSOL (INSOL becomes INDESOL in 2001). Then in 1999 FCS administrators requested that all programs using federal funding implement Rules of Operation, in order to ensure transparency, fairness and to avoid political manipulation. However, the request for proposals followed the same two channels: a public and “by invitation only” format. In addition, the government began emphasizing that social programs target specific populations and follow technical criteria, in order to ensure efficient use of resources. Lastly in 1999, the FCS changed names to Programa de Coinversion Social.

20 The PCS grew out of the emergency social funds initiative that spread throughout the 1980s with the growing poverty rates and economic crisis throughout Latin America. Mexico’s version was the PCS (Verduzco et al. 2009).
(Social Co-investment Program, or PCS) and the program received an internet page, a phone line, and it was given support to document the program itself (Verduzco et al. 2009, 49).

However, by 1999 the PCS’s funding process still utilized the public and “by invitation only” format. The public review process became more transparent and professional because it became conducted by committees with representatives from SEDESOL, academia, CSOs and state representatives. Meanwhile, Verduzco et al. (2009, 49) note that despite INSOL’s effort to make the program efficient, public officials were still allowed to invite CSOs to submit their proposals, therefore the “by invitation only” format was still valid. Given this context, public officials could still practice discretion and engage in clientelist exchanges, which CSOs found problematic.

Then under President Vicente Fox, as stated before, CSO leaders were given positions related to social policy. Cecilia Loria became the president of INDESOL, the government agency in charge of PCS. With her as head, CSO members’ demands to make rules clear and processes transparent became addressed. Under her leadership, the “by invitation only” request for proposals was eliminated, making all RFPs public and by 2001 all proposal reviews were done with committees composed of representatives from SEDESOL, academia and CSOs (Verduzco et al. 2009, 51). By 2003 CSOs that submitted a proposal were excluded from participating in the same category for review. Furthermore, an Information System (Sistema de Informacion sobre Organizaciones de la Sociedad Civil, or SIOS) was implemented which made the proposal review transparent and decisions traceable, given that every action made by a public official was recorded (Verduzco 2009, 51). In all, the grant-making process was made more
transparent between 2001 through 2004 and, a recent study, indicates that the PCS is the most transparent program awarding funds to CSOs.

Despite the positive changes being implemented under Cecilia Loria’s leadership, CSOs still found some aspects of the PCS problematic. The PCS grew out of Salinas’s effort to “partner” with CSOs to decrease poverty levels. The Salinas administration tended to prefer social programs that were targeted to specific populations because policy-makers, at the time, placed greater importance on applying technical criteria to program implementation and evaluation. Initially CSOs applying to PCS were not required to target their programs to specific populations, they were just asked to submit programs that addressed poverty. By 2001, the PCS began asking CSOs to apply their programs to specific themes and to implement programs in government-identified regions or regions that the state found most vulnerable (Verduzco et al. 2009, 52). This appears to have been a problem for CSOs because it undermined their ability to propose issues, programs, and approaches.

By the time that LFFAROSC was finally passed, the government already had established a relationship with CSOs. However, CSOs continued to press forward with their legislation throughout the 1990s because they were suspicious of the state. The goal of passing a legislation that specifies the types of activities that the state would support (and thus allow) was a step toward protecting their ability to practice those activities. In addition, the legislation resonated with the idea of being acknowledged as a public actor that contributed to democracy and social development.

CSOs’ effort to pass a piece of legislation was a response to the state’s historical practice of co-optation and repression. Institutionalizing a public space, where the state
would be obligated to acknowledge CSOs’ presence and contribution to society, was a necessary step given the state’s ability to undermine citizen independent activity. Therefore, CSO leaders sought to implement a law that forced the state to be transparent with their support and practices, in order to reduce the possibility of forming clientelist exchanges and protect their autonomy.

**Accomplishments and Future Challenges for CSOs**

Civil society in Mexico developed gradually throughout the 1930s to the 1970s and in the 1980s it developed at a faster pace. The Catholic Church and universities were safe channels by which citizens could organize independent of the state. Then, the political liberalization of the 1970s helped activate citizens into participating in the social and political landscape, but as noted before, the electoral reforms also helped incorporate citizens into electoral politics thereby dissuading them from extra-parliamentary actions. Finally, the developments and events of the late 1970s and 1980s prompted a faster development of social organizations and civil society organizations, which added to the construction of civil society in Mexico.

The PRI regime’s weakness after the 1982 economic crisis created opportunities for citizens to organize independently and recognize that they could form an autonomous civil society. Despite the growth of CSOs throughout the 1980s and 1990s, the 1989 Miscellaneous Law and Mexico’s overall legal framework presented powerful obstacles to the growth in numbers and diversity of organizations that could be formally established. CSO members recognized the need to become formal organizations and this meant that mechanisms had to be in place in order to prevent the state from interfering and controlling independent organizations.
Throughout the 1980s and 1990s the PRI regime initiated different mechanisms to inhibit the growth of independent social organizations and CSOs. With CSOs in particular, the governing party sought to collaborate with them through the PCS even though this program had low levels of funding. In the 1990s it became evident that the government’s intention was to fund programs that aligned with government objectives, such as targeting specific vulnerable populations. CSOs identified the risk of having the state indicate which populations and what types of programs could be funded. Moreover, CSOs identified the 1989 Miscellaneous Fiscal Law as an attack to their subsistence and activities and a disapproval of action independent of the state. Thus, CSO leaders actively sought to pass a legislation protecting their autonomy.

The effort to protect CSOs’ autonomy and existence prompted a discussion about the need to establish and maintain a public sector. With the effort and pressure of CSO leaders, the government institutionalized a public space for CSOs and publicly acknowledged the need to guarantee citizens’ organizational autonomy and include citizens’ views and interest in the policy-making process. Throughout the 1990s until 2004, CSOs lobbied and met with deputies, Senators and government officials to push forward legislation that formally protected their right to association independent of government and political parties. The passage of Federal Law for the Promotion the Activities of Undertaken by Civil Society Organizations was an accomplishment for citizens wanting to participate in politics without government or party control.

The implementation of the new law presents a whole new set of challenges for CSOs. In the next Chapter I discuss the details of the legislation passed in 2004 and present my findings from the fifteen semi-structured interviews I conducted with CSO
leaders in Mexico City in the summer of 2010. I demonstrate that the state has reinvented itself and that it influences and even dictates the activities that CSOs conduct (Paley 2001). As a result, I argue that the government is actively absorbing CSOs through the fundraising process such that CSOs receiving public resources are becoming government subcontractors (Loveman 1991), which blurs the line between state and CSOs. Furthermore, with CSOs' autonomy limited, CSOs are less able to contribute to the development of an autonomous civil society, given that civil society is supposed to maintain a high degree of separation as identified by Larry Diamond (1994). Moreover, the government’s support of CSOs is defined by whether CSOs help achieve neoliberal imperatives (Teichman 2009). In other words, the legislation has not created the environment where CSOs can influence government policies, design social programs, and among the CSOs receiving government funding, they are less inclined to criticize and even to demand changes to these conditions.
CHAPTER 3
UNDERSTANDING THE RELATIONSHIP BETWEEN GOVERNMENT INSTITUTIONS AND CSOS AFTER 2004

Between 1991 and 2004, members of civil society organizations (CSOs) worked extensively to establish a formal public space for independent civil society actors. The passage of the Federal Law for the Promotion the Activities of Undertaken by Civil Society Organizations (LFFAROSC) was a milestone given the Mexican government’s historically antagonistic relationship with independent civil society actors. Rafael Reygadas and Carlos Zarco¹ (2007, 40) find that the legislation marks a shift away from attempting to control most forms of independent civic association and signals the Mexican government’s commitment to respect the right of autonomous citizens to participate in societal and political affairs. This Chapter explores how the LFFAROSC has affected the relationship between the state and CSOs. First, I argue that the legislation has helped the government delegate tasks it previously conducted to CSOs through the fundraising process and that the CSOs receiving public resources are becoming government subcontractors (Loveman 1991). This builds on Julia Paley’s (2001) research on Chile, where she identified that under a neoliberal economy the state does not retract but rather is still present and delegates tasks to non-governmental organizations (NGOs). Furthermore, it appears that the government is only supporting CSOs that align with (or modify to meet) the state’s neoliberal imperatives, while CSOs that may pose a challenge to the state or do not further the government’s objectives are marginalized (Teichman 2009).

In the case of Mexico, government institutions are dictating the tasks that CSOs will

¹ He was Director of Department for the Study of the Third Sector at the Universidad Iberoamericana, which was the main house for the proponents of the legislation.
conduct through the funding process and CSOs adopt government objectives in an effort to subsist.

Needless to say, in Mexico, the legislation has not lived up to the expectations of CSOs. CSOs believed they were going to establish a relationship based on dialogue and joint responsibility in addressing and developing solutions to social issues, which requires respect for CSOs’ autonomy. However, as I demonstrate below, CSOs’ ability to act autonomously without government interference is compromised after the implementation of the LFFAROSC. In fact, CSOs are adopting the government’s neoliberal imperatives in their effort to subsist (Teichman 2009). Through different mechanisms prescribed within the legislation, the government is subtly pressuring CSOs to adopt their neoliberal imperatives.

In order to understand the relationship that is developing between CSOs and government institutions, I interviewed fifteen CSO directors during the summer (May-June) of 2010. The CSOs, with the exception of one, were based in Mexico City. But first I discuss the details of the Federal Law for the Promotion the Activities of Undertaken by Civil Society Organizations (LFFAROSC). Then I briefly discuss the financial resources available to CSOs. I proceed to a discussion of my methodology and a discussion of the key themes identified in my qualitative data. Finally, I conclude with a discussion of the implications of my findings.

**The Federal Law for the Promotion of Activities Undertaken by Civil Society Organizations**

The LFFAROSC passed in Congress in 2003 and was published in the Official Journal in May 2004. The legislation has six chapters and 32 articles. Chapter 1 states that the legislation will foment the activities in article 5 and explains the logistics of how
it will be implemented. Chapter 2 (article 5 to 9) describes the 17 (16 explicit activities and one general) activities supported, outlines 12 rules to abide by, and provides 13 rules to access funds and resources and two rules for not receiving support as well as rules for international CSOs. Chapter 3 (article 10 to 14) outlines the rules and regulations for institutions regulating the CSOs. Article 10 creates a special body to oversee the implementation of the law, titled Commission for the Promotion of Activities of Civil Society Organizations (Comisión de Fomento de las Actividades de las Organizaciones de la Sociedad Civil, or CFAOSC) which is integrated by the Secretary of Social Development, Interior Secretary, Secretary of Finance and Public Credit, and Secretary of Foreign Affairs. Article 12 explicitly states that the Secretary of Social Development will coordinate the institutions related to this law.

Chapter 4 (article 15 to 25) states the rules that will govern the Federal Registry of CSOs. CSOs must follow eleven rules under the Federal Registry (article 15). In all, the Federal Registry has seven requirements to institute an organization. In addition, Chapter four dictates the rules to access funds and resources, which mandates that in order for CSOs to access government resources they must register in the Federal Registry. Registering in the Federal Registry means that CSOs receive a Unique Registration Key in the Registry (Clave Única de Inscripción en el Registro, or CLUNI), which formalizes the CSO and allows it to apply for government funding across a wide-range of government institutions.

Moreover, the Federal Registry serves as a database of information about Mexico’s CSO sector. The Federal Registry’s main coordinator is the CFAOSC and it is housed in the Secretary of Social Development. The Federal Registry was added by
Congressmen, which was a compromise that CSOs undertook in order for the legislation to pass.

Chapter 5 (article 26 to 29) explains the functions of the Technical Advisory Council (Consejo Tecnico Consultivo, or CTC). The CTC is a body that consults and guides as well as advocate for CSOs. The body can propose recommendations regarding the administration, operation and direction of the Registry. It also collaborates annually with the CFAOSC to evaluate the public policies geared toward CSOs. Finally, Chapter 6 (article 30 to 32) contains the sanctions and remedies for any violation committed by CSOs. Article 30 primarily details thirteen activities that violate the law.

The CFAOSC and CTC are two bodies that oversee similar things. The CFAOSC as stated before is composed of one representative from the Secretary of Social Development, Interior Secretary, Secretary of Finances and Public Credit, and Secretary of Foreign Affairs. The CFAOSC has a Technical Secretary, which has higher powers and is composed of the Secretary of Social Development and Interior Secretary. The Technical Secretary is primarily in charge of the Federal Registry.

Civil society organizations have to provide the CFAOSC with an annual report about their activities. The annual report also includes their future goals and details about the organization’s financial accounts. The CFAOSC coordinates and monitors government actions and programs in order to avoid overlap. It evaluates government policies toward CSOs and proposes policies that foster the activities in article 5. In addition, the CFAOSC publishes an annual report about the status of the CSO sector. Finally, the CFAOSC can sanction CSOs and it determines the administrative rules of the Federal Registry.
Meanwhile, the CTC is a body that represents the CSO sector. The CTC offers consultancy services to the government and CSOs. Its main objective is to propose, evaluate and issue recommendations regarding the administration, direction and operation of the Federal Registry. The CTC is composed of a public servant, nine representatives from CSOs (three-year terms), four academic or (scientific or cultural) professional representatives, two representatives from the legislature (one from the Congress and Senate), and one Chief Executive chosen by the CTC President. They also meet annually with the CFAOSC to evaluate policies and actions.

**Financial Support for CSOs**

In 2002, the Johns Hopkins Center for Civil Society Studies reported that the main source of funding for CSOs in Mexico are from user service fees, around 85% while government funding comprised 8.5% and philanthropy 6.3% (Layton 2009, 100). In comparison to 22 countries, Mexican CSOs had the highest percentage of funding derived from fees and the lowest percentage of funding derived from government and philanthropy. The average among all participating countries demonstrated that user fees represented 56.6% of CSOs’ resources, while government resources represented 34.1% and philanthropy represented 12.5% (Layton 2009, 100). The findings help to illustrate that CSOs in Mexico are largely self-sustainable however they also show that the government does not direct substantial resources towards this sector and that a culture of philanthropy is largely missing. Finally, international funding for CSOs in Mexico has historically been minor (Cruz Garcia and Lucatello 2009).

Given this context, the legislation had two primary goals. First, it would institutionalize a public space for civil society organizations. Second, it would pressure the government to support the activities conducted by CSOs by providing public
economic resources and creating incentives for the private sector to donate to CSOs. Unfortunately, the legislation did not address the main issue that catalyzed CSOs to draft the LFFAROSC which was giving CSOs, across the board, tax-exemption benefits and authorization to receive tax-deductible donations. The legislation has helped institutionalize a public space and it states that the government has the intention\(^2\) of supporting CSOs; however it does not guarantee public resources or instituting fiscal incentives for potential donors.

After the 1989 Miscellaneous Tax Law, if citizens wanted to receive tax-exemption status, then they would have to either form an IAP or be certified as authorized donee organization. As stated before, IAPs were the only form of institutional autonomous organizations that the PRI regime allowed throughout the 1940s and after. IAPs received and continue to receive tax-exemption benefits and are authorized to receive tax-deductable donations. Meanwhile, in the 1990s, in replacement of the tax benefits that CSOs received, the Tax Administration Service (SAT) began to require CSOs to apply to receive tax-exemption and tax-deduction benefits, which if an organization qualifies it is given authorized donee status. However, very few CSOs are approved to receive this status. Being an IAP or having authorized donee status enables CSOs to seek funding from international sources, provides greater incentives for nationals to donate and as such provides them with greater flexibility to conduct their activities.

\(^2\) Article 13 states: “The agencies and institutions may promote the activities of civil society organizations in Article 5 of this law, by one or more of the following”: support and stimulate, promote participation in planning, implementation and monitoring public policies, provide measures and tools for appropriate budget allocation, consult with the organization to support their activities, provide mechanisms that help organizations exercise their rights and fulfill obligations established by this law, conduct studies, participate in conferences, and provide fiscal incentives.
Verduzco et al. (2009, 56) show that between 1994 and 2009 the number of CSOs with authorized donee status have tended to fluctuate (Table 3-1). In 2009 there were 10,704 CSOs in the Federal Registry and 6,267 had authorized donee status (www.cemefi.org). However it is not clear whether the 6,267 come from the 10,704 CSOs registered. The information regarding this sector tends to be inconsistent when different sources are compared. Moreover, Verduzco et al. (2009, 57) report that there are around 20,000 CSOs in Mexico for a population of about 107 million, which is small when compared to Chile who has 150,000 CSOs for a population of about 17 million.

Given the few public and private resources and the difficulty in attaining tax-exemption and deduction benefits, most CSOs face the challenge of acquiring resources and subsisting. CSOs tend to seek public resources even though these are limited. As such the relationship that develops between CSOs and government agencies is not necessarily representative of the relationship between CSOs and the state. It is merely a reflection of how government agencies that provide funding to CSOs conduct themselves.

Even though public resources represent a small percentage of CSO funding, the government has been increasing its funding toward CSOs over the years. For example, the Programa de Coinversion Social, as discussed in Chapter 2, has received more funding such that between 1993 and 2008, their funding has increased from $10,000 pesos in 1993 to $267,700 pesos in 2008 (Verduzco et al. 2009, 87). Currently, there are about twenty government agencies that have budgets geared toward CSOs and between 2005 and 2008 their budget has tended to increase except in 2009 (Table 3-2).
While overall public resources are few, it is important to understand how the funding is distributed because it helps understand how the government acts toward CSOs and what type of activities are funded. In the end, the pending question is whether the current government is deepening its commitment to neoliberal imperatives through CSOs or if CSOs are able to get funding for issues they deem important. If CSOs receive funding and overall support for the programs they propose, then they can practice their autonomy and, conversely, the state supports independent CSOs and commits itself to supporting the wide-range of activities explicitly stated in the legislation, which include social and civic activities. However, if the state is pressuring CSOs to adopt certain programs or techniques, then CSOs autonomy is compromised, which leads to other conclusions about the possibility of CSOs being able to contribute or build a vigorous, robust civil society.

**Research Methodology**

In the summer of 2010, I conducted 15 semi-structured interviews with CSO directors in Mexico City. Given Mexico City’s history with social movements during the 1980s, it is not a coincidence that the federal district has the most CSOs. In 2009, there were a total of 10,704 CSOs in the Federal Registry and Mexico City had the most CSOs with 2,851 (www.cemefi.org).

Mexico City also offers other benefits to conduct field research. My primary liaisons between the interviewees and myself were professors at universities located in Mexico City such as Instituto Tecnologico Autonomo de Mexico (ITAM), Universidad Nacional Autonoma de Mexico (UNAM), and Colegio de Mexico. Mexico City is also a great location to find academic material about Mexico’s civil society sector. The UNAM’s
library, in particular, was useful in my search for academic material about Mexico’s civil society sector which is largely unavailable in the United States.

The interviewees in this research project were reached through different methods. First, university professors assisted in connecting me with staff members from different CSOs. Second, my original research plan was to interview members of CSOs that had an emphasis on women’s issues; therefore I used the National Directory of Civil Society Organizations with Activities Targeted to Women (Directorio Nacional de Organizaciones de la Sociedad Civil con Acciones hacia las Mujeres) to contact directors to inform them about my research interest and request an interview.

I conducted semi-structured interviews because they afforded the opportunity to learn about the subject according to the opinion and experience of individuals affected by the LFFAROSC. Qualitative research allows the researcher to learn about how the legislation affects CSOs by allowing staff members to share their experiences and reflect on the advantages, disadvantages and overall experiences. Semi-structured interviewing also allows the researcher to introduce the topic and ask questions to guide the interviewee so he or she shares their experiences and knowledge and expresses their thoughts and feelings about the topic according to their perspective (Rubin and Rubin 1995, 5). Given the recent passage of the legislation regulating CSOs (2004) and the minimal amount of literature on the topic, conducting semi-structured interviews was a helpful tool to attain insight on the subject.

The research question underlying this research was - what type of relationship was developing between CSOs and the government after the passage of LFFAROSC? I

3 “Qualitative interviewers listen to people as they describe how they understand the worlds in which they live and work” (Rubin and Rubin 1995, 3).
focused on CSO directors’ opinions of the legislation and their experience as CSOs regulated by this legislation. The questions regarding their opinions focused on the advantages and disadvantages of the law and their perception of the status of CSO-government relations after the 2000 presidential elections and passage of LFFAROSC in 2004. Regarding their experiences, I asked about funding opportunities for their CSO and others and if they experienced changes, if any, in conducting the CSO’s mission after the passage of the legislation. The questions focused on how the LFFAROSC was affecting them and, consequently, allowed me to gauge the type of relationship that was developing between CSOs and government institutions.

In terms of differentiating the interviewees, there are several distinctions to highlight. First, 7 interviewees were men and 8 were women. Second, six CSOs have authorized donee status (donataria autorizada, or D.A.) and nine CSOs lack this status (Table 3-3). Third, five interviewees were affiliated to the CTC, either because they had served on the CTC the past or were currently serving. Fourth, three of the interviewees were proponents (also currently members of the CTC) of the legislation, which means that they helped create a draft of the legislation, organized forums to discuss the proposed legislation, and lobbied for its passage in Congress. Finally, two interviewees were no longer involved with an active CSO because their CSO had closed and one interviewee left her CSO for a government administrative position.

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4 Receiving authorized donee status means that the organization can receive tax-deductible donations. The Secretary of Finance and Public Credit reviews the application; however as of 2009 there are only 6,267 authorized donees compared to 10,707 CSOs without tax benefits.
Results

Theme 1: Recognition, Transparency, Discretion, and Excessive Regulation

Proponents of the legislation and CTC members

Among the proponents the opinions about the legislation diverge from praise to criticism. Two proponents - Consuelo Castro and Alfonso Poire – praise the legislation on the merit that it established rules and regulations for the relationship between CSOs and the government. According to them, the legislation obligates the government to act with transparency in their actions. Castro in particular focused on the legislation’s contribution to reducing government misconduct and discretion given that the legislation forces government institutions to publish information about the grants they are awarding, the proposal review process, and requires government institutions to explicitly state the amount awarded to CSOs. Given that the government historically exercised discretion, which allowed it to engage in clientelistic practices, transparency becomes a highly regarded contribution.

Furthermore, Castro and Poire highlight that the legislation explicitly acknowledges CSOs as actors in Mexico’s social and political spheres. While the legislation recognizes CSOs as a public interest that should be supported, the government does not have the sole responsibility for fostering the growth of civil society but of recognizing it as a legitimate actor and, as a result, including it in public policy development. Castro states:

…that it is worthwhile to recognize us, that we are considered an actor… that it no longer is about give me, give me, give me [funding] but rather that it is about joint responsibility as organized civil society…that is the purpose of the legislation.
The legislation explicitly states that CSO activities are a public interest, not that CSOs are an important actors in Mexican policy spheres. However, given the antagonism toward autonomous citizen organizations during the PRI regime, the legislation signifies acknowledgement of the existence of independent actors and the state’s respect of their independence.

After about five years of implementation, the legislation has resulted in narrowing the CSO sector or the growth of social service providers. The government is able to influence the objectives of CSOs through the fundraising process and CSOs’ need to acquire resources. Berrios and other interviewees identified that today government agencies fund projects that demonstrate measurable results, which a program that fosters civic participation is less likely to produce given it requires long-term commitment. Hence, Berrios finds that CSOs' own agendas and approaches cannot be exercised because government institutions have their own objectives and do not value programs and activities proposed by CSOs. Given this, CSOs that do not coincide with government objectives are excluded from “collaborating” with the government.

Jose Merced Gonzalez served in the first CTC in 2005 and has been with his organization since its foundation in 1988. Gonzalez found it difficult to speak about the benefits of the legislation. First, Gonzalez emphasized that the legislation is not representative of CSOs' needs. In his view, the proponents of the legislation were affiliated to the government or were technocrats (individuals coming from the middle-upper and educated class) and, as a consequence, were not grounded in or informed about the needs of activist-oriented CSOs. He was not invited and therefore did not participate in the LFFAROSC forums.
Second, given his opinion about the proponents of the legislation and his civic work in his organization, Gonzalez found it difficult to speak about the benefits of the legislation. Like Berrios, Gonzales is another CTC affiliate that finds that the Federal Registry serves as a control mechanism by the government and, as a result, activist-oriented CSOs do not register. He stated that the “hook” or “catch” (gancho) of the legislation is to obtain the CLUNI to have access to government resources; however, according to him, the Registry is simply a control mechanism which inhibits the growth of grassroots, activist, and civic-minded CSOs.

Gonzalez also noted that the CSO sector is becoming narrow and the CSOs that are most likely to be excluded are CSOs that criticize social and economic policies:

NGOs proliferate but the critical civil society decreases. This means that NGOs are being tamed instead of fostering their work, they are remaining in an alienating system.

Similar to Berrios, Gonzalez observed that the CSO sector is becoming narrow due to government institutions’ support of social service providers. In his view, SEDESOL’s assistance is paternalist, which contributes to the proliferation of social service providers instead of fostering broad-based activities. The legislation has facilitated the ability for the government to dictate which tasks CSOs will be funded for if they conduct them and if CSOs do not adjust to government priorities then they are unlikely to receive funding.

Finally, José Antonio Piña is currently serving on the CTC and established his CSO in 2006. Like Berrios and Gonzalez, Piña comments more about the disadvantages of the legislation and the negative consequences. In his view the legislation alone cannot “foster” the growth of CSOs. The Mexican government has multiple policies that are intended to enable their growth, but they largely result in regulation, confusion about commitments, polarization and an overall inhibiting
atmosphere for CSOs. Piña rightly notes that today majority of CSOs have to pay taxes like a for-profit company because the tax system does not provide CSOs with tax-exemption benefits. To him this demonstrates the government’s unwillingness to “foster” or provide an enabling environment for CSOs to conduct their activities. In Piña’s view, fostering CSOs would require giving them tax-exemption benefits and authorization to receive tax-deductible donations, in order to be able to diversify their funding resources.

It goes without saying that the legislation has benefits and drawbacks. On the one hand, the legislation provides CSOs a public space independent of the state, which is a milestone considering Mexico’s civil society history. By establishing rules and regulations, the proponents established an environment where the government has to be transparent in its activities with CSOs and acknowledge CSOs’ contributions to social development. Proponents were seeking a relationship where CSOs could influence the policy-making process as well as access funding and overall support from the state. However, a recent study supports some of the interviewees’ statements that a few actually receive funding. A recent study found that, in 2007, 47% of federal funds went to 3% of the CSOs (Verduzco et al. 2009, 59).

On the other hand, interviewees identified a number of drawbacks. The legislation appears to give the state the ability to dictate the tasks that CSOs should conduct without explicitly giving CSOs the space or ability to “dialogue” with the state. Contrary to the legislation which stipulates that the state is committed to supporting sixteen activities, respondents find that the state is concentrating its support on CSOs that provide social welfare services. As Teichman (2009) suggests, given the state’s interest to address the negative outcomes from neoliberal policies, the state seeks to partner
with CSOs that will deliver social services. Some respondents think that the state is not interested on designing policy with CSOs; in fact they feel sidelined and they tend to conduct their activities without public funds. However, this means that the legislation has not necessarily benefitted CSOs that go through the process of registering.

The implementation phase has demonstrated that the state has reinvented itself. Within the neoliberal context, the government has neoliberal imperatives to meet and as such it is pressuring CSOs to align their objectives to the government’s objectives. Some CSOs appear to be adopting the government’s objectives given that there has been a rise of social service providers and a decrease in grassroots, activist, and civic-minded CSOs. Thus, the ability of CSOs to act as civil society, meaning monitoring, advocating, and conducting their own activities, is gravely undermined if CSOs receiving funds support government policies. It seems that the separation between CSOs and government agencies has blurred.

Theme 1 Continued: Transparency versus Discretion

All CSO respondents

Throughout the fifteen interviews with CSO directors there is a general consensus that the establishment of rules and regulations is an inherently positive contribution. Prior to the law, government-CSO relations were guided by few formal rules; therefore government institutions and CSOs were able to be discrete about their activities. Simply stated, suspicion and tension characterized government-CSO relations before the passage of the legislation. Interviewees recognized that they were vulnerable to being silenced and co-opted by government administrators. Hence, the establishment of rules and regulations are seen as factors that can help foster transparency and accountability. Given the discretionary practices under the PRI regime, transparency,
accountability, and recognition of CSOs are noted as the legislation’s main contributions for the CSO sector.

The implicit and inherent good found in rules and regulations is protection from discretionary practices. A few interviewees identified that the main advantage afforded by the legislation was transparency in government actions, if compared to before the legislation. Consuelo Castro states:

Because their duty was to publish the requests for proposals (RFPs) and they only published them in the Official Journal, which is not very accessible. Now they also have to publish the results on the webpage www.corresponsabilidad.gob which is supposed to contain all of the RFPs which allows everyone to access this information instead of having only certain privileged organizations obtain this information.

In a similar vein, Alfonso Poire states:

They are not subject to a government employee’s arbitrary practices where if they like you then they support you. Now organizations can say “you’re not doing me the favor” because it is written in the law that you have to foster such and such activity.

Therefore, there are concrete steps toward forcing government institutions to act impartially and with transparency, which to some degree benefits CSOs.

On the other hand, transparency was also a point of contention. Interviewees found that while transparency had increased compared to before the implementation of LFFAROSC, there was still ample room for improvement. Other directors such as Pilar Berrios, José Antonio Pina, Karla Flores, Elena García, and José Merced González, found that there was a double-standard in terms of transparency. These directors found that CSOs were required to offer extensive and detailed information about their organizations but government institutions were not required to be transparent when conducting their activities. As a result of this unequal arrangement, CSO directors expressed frustration and distrust of government institutions.
A main source of frustration is government institutions’ ability to make decisions without fully disclosing them to the public. Interviewees noted that government institutions awarded funds without full disclosure of their selection criteria, such that rejection letters did not explain why a CSO was not awarded funding. Moreover, the proposal review process is seen as a system of favoritism or insider favors (amigismos). Karla Flores illustrates the discretionary and biased process by stating:

And it has happened to me in the past that people working for CSOs, that if they submitted a health project proposal and they see another while serving as judges in the review commission, they give the other project a low score to ensure that the other project doesn’t receive funds and to increase the likelihood that their project does. Nobody explains why your project was not awarded funds.

Given a CSO’s main struggle is acquiring funding, especially given the difficulty of attaining tax-exempt status, the grant process becomes a high-stakes endeavor. However, government institutions are not required to demonstrate their rational and impartial selection, which leads to unequal demands of transparency. In this sense, the unequal arrangement of requiring CSOs to be transparent but not requiring the same of government institutions allows for discretionary practices to persist.

**Theme 2: Excessive Regulation and Self-censorship**

**All CSO respondents**

Moreover, the legislation is regarded as a mechanism of control and excessive regulation. With the exception of three interviewees (out of fifteen), there was a consensus among interviewees that government institutions (primarily INDESOL, which controls the Federal Registry) are excessively monitoring and regulating CSOs. The Federal Registry is seen as the primary mechanism of control given that it is the main database that contains all CSO information. The belief that CSOs are excessively
regulated and monitored fosters tension and distrust among CSO directors and government institutions. Despite directors’ dislike of feeling controlled, those in the registry have obviously agreed to participate according to the established rules.

Thus, there is an apparent internal contradiction within CSOs. On the one hand, the interviewees are conflicted and even disagree with the (high) level of monitoring and regulation. But on the other, they submit themselves to these terms and do not take action to change the unequal transparency arrangement. The fact remains that the legislation does not sanction agencies when they engage in discretionary practices, but it sanctions CSOs if they engage in thirteen inadmissible activities delineated in Article 30 of LFFAROSC such as conducting self-benefiting activities, distributing revenue among staff, and using government funds designated for specified activity on another activity. Thus, there are measures to hold CSOs accountable but there none to hold government institutions accountable. CSOs inaction to this unequal arrangement is indicative of the self-censorship and acquiescence that CSOs have adopted after the implementation of the legislation, an issue further discussed in theme 4.

CSOs may express dissatisfaction with the unequal arrangement of transparency between CSOs and government institutions; however, the majority has not taken action. There is an apparent acquiescence by CSOs to the current relationship with government institutions. Only Elena Garcia stated that she sent a letter asking why her organization was not awarded funding. Meanwhile, the interviewees state that majority of CSO directors do not complain or write letters because they are afraid of being blacklisted and they want to remain competitive in subsequent funding competitions.
Jose Merced Gonzalez characterizes the situation that others also identified in an illustrative manner, he states:

We’ve been losing the capacity to confront, to fight, to respond to the public policies… it’s just *pan y circo*\(^5\).

The legislation has given the state the ability to dictate the tasks that CSOs can conduct by the mere fact that government agencies issue the requests for proposals that outline government objectives. Within this context, at least for the directors interviewed, they will play by the rules of the game in order to subsist. In this process, some CSOs have lost the will or intention of criticizing, demanding and proposing.

After the passage of the legislation, the tendency among CSOs is to accept the benefits of transparency and complain among each other about the lack of mechanisms to hold the state accountable. So, on the one hand, some CSOs are unable to demand or monitor the state because they are implementing government policies. Meanwhile, majority of the CSOs that do not receive funding do not take on the task of demanding accountability and more transparency on behalf of the state. Still, some have been lobbying for changes in the legislation such as the Center for Mexican Philanthropy (www.cemefi.org).

**Theme 3: Pressures to Modify to Qualify**

**All CSO respondents**

In article 5, the legislation spells out the 16 activities that the government will attempt to foster. The activities include: social assistance, food programs, civic participation, legal assistance, indigenous community development, gender equity

\(^5\) *Pan y circo* translates to bread and circuses, which is a metaphor for superficial means of appeasement, by giving to satisfy immediate needs in order to receive short-term approval but not changing for long-term solutions.
promotion, support services for the handicapped, community development, human rights defense, sport promotion, health services, environmental conservation, cultural promotion, economic development programs, civil rights protection, support services to implement the current legislation, and other activities dictated by other legislation. Article 5 is expansive in its nature; however, interviewees expressed that in order to subsist, CSOs have to “adapt” or “adjust” to current government institutions’ objectives and criteria. The idea of “adjusting” is expressed in different ways such as *acoplar*, *reinventarse o morir*, and *modificar*.

In essence, the CSOs in Mexico are experiencing similar challenges as those experienced by NGOs in Chile after the transition. In Chile as in Mexico, it is the neoliberal economy that dictates government policies (Paley 2001; Teichman 2009). Under a neoliberal perspective, politicians, policy-makers, and administrators produce social policy that aligns with neoliberal imperatives and follow technical criteria (Teichman 2009). This, in effect, is transmitted to CSOs through the funding process because government administrators seek programs that align with government policies. In Mexico, respondents note that over the years they consider what government agencies are searching for and adjust accordingly to seek funding. This tends to make CSOs subcontractors that fulfill government policies (Loveman 1991; Paley 2001).

A majority of CSO directors admit that CSOs have to modify their mission and objectives to qualify for funding. Maria Isabel Verduzco states: “We all have to adjust to first meet the criteria established by the government.” While some do not hesitate to state that their autonomy has been compromised and accept it, others are less critical.
Some respondents view CSOs’ “adjusting” mechanism as a choice. Elena Garcia states:

So it’s not that they change you but rather that they are supporting anti-violence programs and you submit if you need to subsist and if you don’t, then you don’t submit anything.

Meanwhile, Lurdes Barbosa observes:

A lot of us have done it. We are working two or three other issues because we need to find resources and this is the only form. I see this as a problem.

Garcia and Barbosa recognize that CSOs adjust to current criteria freely. At first glance it appears as a choice for CSOs but unless CSOs can self-sustain themselves with other resources, then the majority opt for adjusting even if it’s for few resources. Thus, the legislation has enabled the government to push CSOs to adjust their objectives without having to coerce them explicitly. Either way, CSOs are becoming transmission belts for government policies.

Besides the need to qualify for government grants, there is another mechanism that has pushed CSOs to modify their direction, in order to continue existing. After the passage of the legislation, there was a shift toward emphasizing or requiring CSOs to become more professional. CSO directors characterized professionalism as following the established rules and regulations which meant registering in the Federal Registry, having the ability to produce annual reports and search for as well as write grant proposals, and having the technology required to conduct the aforementioned activities. However, not every CSO established prior to 2004 had the ability to professionalize or attain professional skills.

Within the neoliberal context, technocrats, who have filled government administrative positions after the 1982 economic crisis, have subjected all actors to
apply and use technical criteria – that is have technical skills and provide quantitative data. Teichman (2009, 29) finds that in Chile and Mexico, “technocratic (quantitative) knowledge predominates in the development and assessment of policies” and in order for the state to be receptive to CSOs’ proposals, they have to adopt their criteria. Natalie Lebon (1996, 604-605) identified that in Brazil middle-class women were becoming professionalized and formalized due to the “new political context of formal democratization” but this professionalization was detrimental to low-income women because they were becoming marginalized. In Mexico, CSOs are asked to professionalize because within the neoliberal economy, technical criteria predominates and it seems that civic, activist, and grassroots CSOs are being marginalized due to this requirement.

Hence, two factors are contributing to the narrow representation of CSOs in the Federal Registry. First, the Registry is tending to represent CSOs that can meet the professionalization criteria. For example, while in 2006 4,402 CSOs were registered in the Registry in 2007 1,533 CSOs did not issue their annual report which automatically “closes” these organizations – or at least eliminates their opportunity to seek government funding\(^6\) (Verduzco et al. 2009, 57). These organizations can technically continue existing by charging fees for their services, but without the annual report they are technically “off the record.” Second, having government institutions set priorities for the grants instead of evaluating the merit of the programs submitted by CSOs, is a concerted effort to make CSOs government subcontractors. With this, the end result is

\(^6\) In 2008, 2,887 CSOs did not submit their annual report (Verduzco et al. 2009, 57).
that the state establishes a relationship with CSOs that help meet its neoliberal objectives.

The CSOs that are most likely to get funded or supported are CSOs that align with government objectives and CSOs that have technical skills. These types of CSOs have tended to be social service providers that provide short-term measurable results. Teichman (2009) found that in Mexico and Chile, the government will develop a relationship with CSOs that help it reach neoliberal imperatives. Meanwhile, CSOs that oppose or criticize neoliberalism find it difficult to be included in policy planning and implementation, which resonates in the case of Mexico as interviewees note that the grassroots, civic-minded and critical CSOs are in decline.

Theme 4: Growth of Social Service Providers (Inclusion versus Exclusion)

All CSO respondents

The majority of interviewees identified a growing trend in the type of CSO being supported. Half (seven out fifteen) of the respondents explicitly stated that the type of CSO that has proliferated, especially after the 2004 legislation, are social service providers. First, interviewees believe that more critical and radical CSOs do not enter the Federal Registry because they disagree with being monitored and regulated by the government. Second, interviewees identified that government institutions are funding a few select number of CSOs, which tend to be social service providers.

First, the narrowing of the CSO sector, at least the CSOs found in the Registry, may be explained by the history of the legislation. There is a general belief that the proponents of the legislation did not represent the wide spectrum of CSOs prevalent during the 1990s and early 2000s. Jose Merced Gonzalez states: “Technocrats were promoting the legislation – members from the high society.” Guillermo Perez concurs: “It
was an initiative that was made by entrepreneurs such as the Mexican Center for Philanthropy (CEMEFI).” Interviewees expressed that the more radical, critical, activist-oriented CSOs were generally excluded from the drafting of the legislation. In all, there is a general belief that because the legislation was drafted by some CSO leaders that it does not address the needs of the more activist-oriented CSO. Therefore, the legislation itself may in fact represent the will and interest of a narrow group of CSO leaders, which may partially explain why during the implementation phase a narrow type of CSO, is entering the Registry.

Second, there is an undeniable reality that government institutions have already established their objectives before they publish their request for proposals (RFPs). When institutions issue their request for proposals (RFPs) they tend to outline the types of activities they are seeking to fund. Therefore, CSOs note this and adjust their objectives to align closer with those of the institutions’. Andres Martinez was a member of a review commission in 2006, a year before he had to close his CSO because he was not awarded any funding, and he states:

I realized that those committees support projects that are more traditional-welfarist, that have an immediate impact and it is more difficult for them to understand development projects where there aren’t any immediate results but that are more necessary.

Seven out of fifteen of the respondents explicitly stated that they have noticed the proliferation of social service providers. While it is expected that government funding can only reach a select number, it becomes problematic when only certain activities receive most of the funding. As stated before, Verduzco et al (2009, 59) found that in 200, 47% of federal funds went to 3% of the CSOs. CSO directors seem to understand that the government is seeking to implement certain activities and if these CSOs want to
receive funding then they too must adopt government objectives and essentially become transmission belts for government policies.

The apparent trend is the proliferation of social service providers and a decline in activist and developmental CSOs in the Registry and among government grant recipients. Before the legislation’ a thorough database did not exist to compare the types of CSOs most prevalent before and after 2004. Nevertheless, half of the respondents find that after 2004 there was a loss of confrontation, activism, and questioning among CSOs despite the fact that many, at some point, have been frustrated with the implementation of the legislation.

CSOs have a severe problem, remaining autonomous while diversifying their funding. CSOs without the authorized donee status are more vulnerable of becoming government subcontractors. The CSOs relying entirely on government funding to subsist such as Fundacion Nuevo Milenio, whose funding from the government represents 90% and user fees represent 10%, are vulnerable to becoming government subcontractors. The gravest implication for smaller, less connected CSOs is that the registration and funding process leads CSOs to modify and adapt to government objectives and criteria, thereby curtailing their ability to act and be autonomous entities.

In the end, civil society organizations’ adjustment of goals is indicative of the ability of the government to undermine CSOs, blur the line between itself and CSOs, and reduce public dissent. While not all CSO are acquiring public resources, the problem becomes being able to seek public resources without having to modify the CSOs’ objectives.

In addition, the growth of social service providers indicates that the government accepts that type of activity. However, other activities such as promoting civic
participation, defending human rights, and protecting civil rights are activities that will be sidelined in the fundraising process. This indicates that the government does not find these as its priorities and not funding them marginalizes the CSOs that conduct them. Therefore, the government has been able to identify who it will develop a relationship with and who it will ignore.

**Discussion**

Proponents of the law emphasized that the passage of the law symbolized that the state acknowledged them as an actor that could no longer be marginalized. Moreover, the legislation had the intention of establishing a relationship based on transparency and dialogue between government and CSOs. Given Mexico’s history of repressing, silencing and co-opting independent civil society efforts, the acknowledgement provided by the legislation is a significant milestone. However, fostering a relationship based on dialogue, where CSOs as a sector remains critical, diverse, and even robust is gravely undermined if the government chooses to only collaborate and support CSOs that align with state objectives. The reality is that the legislation alone does not cultivate or foster a relationship based on dialogue, transparency, and accountability.

On the contrary, interviewees expressed that CSOs are modifying their program priorities and have lost the sense of freedom to demand accountability, transparency and dialogue. Instead of feeling acknowledged, regular CSO directors (unlike proponents) felt excessively monitored and frustrated with the government funding process. CSOs acknowledge that they are making adjustments to qualify for government grants and notice that there is a loss of action among CSOs. Among the thirteen interviewees with active CSOs, only one interviewee actually wrote a letter of
complaint to the agency that, in her view, reviewed her unfairly. Today the government will only collaborate with CSO that coincide with its objectives.

Today some CSOs recognize that they receive the short-end of the bargain. In the legislation itself there are sanctions for CSOs but none for government institutions. There is no real guarantee or mechanism to ensure that government institutions act as impartial reviewers. Instead, CSOs fear reprisal in the form of being blacklisted if they question. Moreover, instead of dialogue, CSOs acquiesced to government objectives, which they establish without CSO consultation. In the end, acknowledgement seems to be a high cost for CSO participation in the social and public sphere as it has cost them some level of their autonomy.

Furthermore, Paley’s finding that the state reinvented its role to assigning tasks and mediating disputes over expenditures in Chile after the transition resonates in the case of Mexico. After the passage of the legislation, the state indirectly meddles in CSO internal affairs by influencing CSOs to undertake certain tasks in order to receive funding. In fact, government agencies pressure CSOs to adopt government objectives by directing their funding toward CSOs that are characterized as social service providers. The line between civil society and state has blurred when CSOs are conducting the tasks previously done by the state (Paley 2001). This in turn limits the ability of CSOs to act as a counter-weight to the state.

Teichman (2009) argues that after the implementation of neoliberal reforms, the state will only support, thereby include, CSOs that coincide with neoliberal imperatives. Teichman (2009) identifies an inherent tension between government officials and civil society members with respect to democracy. With a neoliberal economy, government
officials take a minimalist view of democracy – a Schumpeterian view – where the
election of representatives gives them the ample right to govern without seeking input
from citizens. This in turn has meant that the participation of CSOs in community
development and policy decision-making as unwarranted. On the other hand, CSOs
want to construct a participatory democracy, therefore they request being included in
policy design, monitoring and assessing impacts. As a consequence of this tension,
Teichman (2009) finds that the government will allow the participation of some CSOs -
those that do not contest or infringe on the neoliberal imperatives.

**Concluding Remarks**

CSOs that accept the rules and norms established by the government during the
implementation phase cannot contribute to developing an autonomous, active and
robust civil society. While not all CSOs are becoming government subcontractors, the
acceptance and acquiescence of many influences the other CSOs’ actions. In an effort
to remain competitive and subsist, CSOs may accept that they too have to modify their
objectives to align with the state’s objectives instead of demand that their autonomy be
respected and valued. As demonstrated by the unwillingness of most CSO directors to
complain about the funding process, there is a growing acceptance of the rules to
receive public resources and acceptance that the state is not interested in including
CSOs’ interests and views in the policy-making process. Gaining the guarantee to have
a public space may have been the easier struggle for CSOs when compared to
remaining autonomous and establishing a relationship based on dialogue and respect
with the state.

Aside from delegating state responsibilities toward CSOs such as delivering social
services, the state is also able to marginalize other CSOs. Most CSOs do not receive
public resources and it appears that majority cannot influence the policy-making process. The channels to actually dialogue with the state are quite restricted. Majority of CSOs that do not receive public resources may face greater difficulties voicing their concerns and interests to the state. By not diversifying where the funds are allocated, the state indicates to CSOs its unwillingness to recognize and support possible challenges. Thus, CSOs that promote civic participation or defend human rights have to seek other sources of funding or stop their activities altogether.

In essence, after the transition and passage of the legislation, the state is undermining the autonomy of CSOs. Therefore, for now, it appears that most CSOs are unable to contribute to a civil society sector – one that is autonomous, robust and active – because CSOs have lost their ability to remain independent, critical, and, in some cases, active. Despite the fact that public resources represent a minor source of funding for CSOs, the CSOs that receive funding are being asked to compromise their goals and support government policies. By undermining the autonomy of one sub-sector of civil society, the state demonstrates its lack of commitment to cultivating or fostering (as the legislation states) the growth of an autonomous civil society sector or at least demonstrates that it does not place high value on autonomous CSOs.
<table>
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<td>2005</td>
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<td>2006</td>
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<td>2007</td>
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<td>2009</td>
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Source: Verduzco et al. 2009, 56
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<td>Secretary of Agriculture</td>
<td>88,257,532</td>
<td>85,800,00</td>
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<td>Secretary of Health</td>
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<td>84,483,643</td>
<td>91,755,877</td>
<td>140,792,818</td>
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<td>Secretary of Agrarian Reform</td>
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<td>278,875,830</td>
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<td>Secretary of Energy</td>
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<td>26,100,000</td>
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<td>Secretary of Social Development</td>
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<td>Institute of Security and Social Services for State Workers</td>
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<td>Secretary of Tourism</td>
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<td>1,736,194</td>
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<td>Secretary of Education ***</td>
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<td>5,000,000</td>
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<tr>
<td>Secretary of Employment and Social Security ***</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5,000,000</td>
</tr>
</tbody>
</table>

Total Budget | 1,232,992,839 | 1,659,723,316 | 2,201,282,340 | 4,842,004,109 | 3,199,205,283 |

### Table 3.3. Information About Respondents and Corresponding CSO (n = 15)
#### May - June 2010, Mexico City

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Background</th>
<th>Organization</th>
<th>D.A.</th>
<th>Registration</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alfonso Poire Castañeda</td>
<td>CTC-proponent</td>
<td>Foro de apoyo mutuo</td>
<td>Y</td>
<td>*2006 expired</td>
<td>Social assistance, food programs, civic participation, civil protection and more. (G)</td>
</tr>
<tr>
<td>María Isabel Verduzco</td>
<td>CTC-proponent</td>
<td>Alternativas y capacidades</td>
<td>Y</td>
<td>*</td>
<td>Civic participation, judicial assistance, human rights defense and promotion, and more</td>
</tr>
<tr>
<td>Pilar Berrios</td>
<td>CTC-proponent</td>
<td>Convergencia de organismos civiles, A.C.</td>
<td>N</td>
<td>*</td>
<td>Social assistance, assistance to handicapped, environmental conservation, capacity building and more</td>
</tr>
<tr>
<td>José Antonio Piña</td>
<td>CTC</td>
<td>Fundación nuevo milenio, A.C.</td>
<td>N</td>
<td>2006</td>
<td>Civic participation, capacity building and more</td>
</tr>
<tr>
<td>Consuelo Castro</td>
<td>CTC-proponent</td>
<td>Centro mexicano para la filantropía</td>
<td>Y</td>
<td>*</td>
<td>Civic participation, capacity building and more</td>
</tr>
<tr>
<td>Anonymous</td>
<td>CTC-proponent</td>
<td>Anonymous A.C.</td>
<td>N</td>
<td>*</td>
<td>Educational programming, health education (HIV-AIDS) (G)</td>
</tr>
<tr>
<td>Rocío Culebro</td>
<td>CTC</td>
<td>Instituto mexicano de derechos humanos y democracia, A.C.</td>
<td>N</td>
<td>2008</td>
<td>Human rights, civic participation</td>
</tr>
<tr>
<td>Lurdes Barbosa</td>
<td>CTC</td>
<td>Mujeres en frecuencia, A.C.</td>
<td>N</td>
<td>*</td>
<td>Media, promoting women’s rights and civic participation (G)</td>
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<tr>
<td>José Merced González</td>
<td>CTC#1</td>
<td>Centro nacional de promoción social, A.C.</td>
<td>Y</td>
<td>*</td>
<td>Protecting worker’s rights, community development, and more (G)</td>
</tr>
<tr>
<td>Juan Carlos Medina</td>
<td>CTC</td>
<td>Fuerza y voluntad de 22 campesinos, A.C.</td>
<td>N</td>
<td>*</td>
<td>Elderly rights, social welfare, social assistance, human rights promotion, and more (G)</td>
</tr>
<tr>
<td>Guillermo Perez</td>
<td>CTC</td>
<td>Miel solidaria campesina, A.C**</td>
<td>N</td>
<td>*</td>
<td>Community development for indigenous people, community development, services for handicapped, environmental sustenance (G)</td>
</tr>
<tr>
<td>Respondent</td>
<td>Background</td>
<td>Organization</td>
<td>D.A.</td>
<td>Registration</td>
<td>Activity</td>
</tr>
<tr>
<td>-------------------------</td>
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<td>--------------------------------------------------------</td>
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<td>--------------</td>
<td>---------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Karla Flores Cortez</td>
<td>Retired in 2007</td>
<td>Instituto de cooperación y desarrollo comunitario, A.C.</td>
<td>Y</td>
<td>*</td>
<td>Women’s rights, community development, human rights promotion, health services (G)</td>
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<tr>
<td>Andrés Martínez</td>
<td></td>
<td>Microamd, A.C.</td>
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<td>*2007 expired</td>
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<tr>
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<td></td>
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<td>*</td>
<td>Sexuality education, women’s rights, gender equity, community development (G)</td>
</tr>
<tr>
<td>Zherezahada Villela</td>
<td></td>
<td>Pensamiento, palabra y acción en movimiento, A.C.</td>
<td>Y</td>
<td>*</td>
<td>Social assistance, gender equity, human rights, and homeless children (G)</td>
</tr>
</tbody>
</table>

* registered when the Registry was established in 2005; (G) stands for having programs with gender equality promotion;
CHAPTER 4
CONCLUSIONS, CONTRIBUTION, LIMITATIONS AND FUTURE RESEARCH

The Institutionalized Revolutionary Party (PRI) regime was successful in incorporating citizens into the state, thereby curtailing the rapid growth of civil society throughout its seventy-one year rule; however, civil society developed slowly throughout the 1930s and 1970s with the support of the Catholic Church. Political liberalization in the mid-1970s enabled and even prompted citizens to participate in social and political affairs, encouraging the growth of civil society at a faster pace in the 1980s and 1990s. By the 2000 presidential election, CSOs had gained prominence and there was a general belief among CSOs that the state would act differently toward civil society after the election. Judging from CSOs' leaders' responses, it is evident that the state despite the turnover of power to another political party has a weak commitment to fostering a relationship with independent CSOs and of opening and maintaining dialogue with independent CSOs, especially after 2004.

The study examined what type of relationship is developing between the state and CSOs after 2000 in general and 2004 in particular. In Chapter 2, I described the PRI regime’s practices and forms of minimizing the rapid growth of an independent civil society sector. From the 1930s through the 1990s, the PRI regime was apt in interjecting itself into social organizations that arose through partnerships, agreements or funding opportunities, the state managed to stall or inhibit the growth of independent organizations. With CSOs, the PRI initiated the Programa de Coinversion Social (PCS) in 1992; however, among CSOs there was a strong will to remain independent and establish a civil society sector.

1 Among this group, I focus primarily on non-governmental/not-for-profit organizations.
Furthermore, sensing an attack from the state with the passage of the 1989 Miscellaneous Fiscal Law, CSO leaders drafted a piece of legislation and lobbied for its passage in Congress in order to guarantee the institutionalization of public space for CSOs. With the passage of the Federal Law for the Promotion the Activities of Undertaken by Civil Society Organizations (LFFAORSC), there were strong beliefs among CSO members that the state would be committed to respecting their autonomy, value the activities they conducted, and that a relationship based on dialogue would develop. The legislation helps institutionalize CSOs, regulates CSOs, and, at the minimum, symbolizes the government’s acknowledgement of the need to have an autonomous sector and its intention to foster the growth of CSOs. The promulgation of the legislation proves to be a milestone for a country that was highly dependent on corporatist arrangements and clientelist exchanges.

Despite CSO leaders’ hopes, during the implementation phase of LFFARO, it has become evident that the government is delegating tasks previously conducted by the state to CSOs. In Chapter 3 I presented my analysis of fifteen semi-structured interviews that I conducted with CSO leaders in Mexico City during summer 2010. Respondents were dissatisfied with the implementation phase of the legislation, especially with government agencies ability to influence the activities conducted by CSOs. A main source of frustration was finding that the state tends to primarily fund CSOs that provide social welfare services.

In light of the respondents views, I argue that the government is actively absorbing CSOs through the fundraising process. CSOs receiving public resources are becoming government subcontractor (Loveman 1991) because they are adopting government
objectives in order to remain competitive in the fundraising process and subsist. Moreover, respondents identified that there is a growing trend where CSOs are providing social services, something previously conducted by the state. In essence, the line between CSOs and the state is blurring. This in effect curtails CSOs’ autonomy and undermines their ability to contribute to the development of an autonomous civil society. Building on Julia Paley’s (2001) research where she identifies that the state reinvents itself, under a neoliberal economy, and continues to delegate tasks to CSOs through the process of granting funds to CSOs, my findings suggest that in Mexico the state has reinvented itself and delegates tasks to CSOs.

However, in Mexico not all CSOs receive public resources and, accordingly, not all are becoming government subcontractors. My findings suggest that government resources are directed toward CSOs that help the government reach its neoliberal imperatives, which appears to support Judith Teichman’s (2009) argument that, after the adoption of a neoliberal economy, the state will primarily support CSOs that assist the state in reaching its neoliberal objectives. Supporting only a few and specific type of CSO alienates other types of CSOs.

In essence, the legislation has enabled that a specific type of relationship to develop between CSOs and the state. On the one hand, the state can marginalize CSOs that do not coincide with state objectives and it can delegate tasks to CSOs that willingly take on such tasks. The state can choose from the pool of CSOs that exist as it seeks to implement its social policy. On the other, CSOs modify their goals in order to be eligible to conduct the programs approved by the state. Moreover, CSOs are less inclined to challenge the limited relationship that is developing between CSOs and the
state. Today the state can publicly demonstrate it has a relationship with CSOs; however, the state is primarily building a relationship with CSOs that implement social programs. The legislation opened channels to public resources and, at least, superficially, opened channels to dialogue with the state, but very few CSOs are benefiting from these openings.

Under an electoral democracy, the state is evidently still apprehensive toward CSOs. While initially the incoming government under the National Action Party sought to build friendly relations with CSOs, by 2004 it began to exclude CSOs that challenged the government’s policies (Teichman 2009, 74). The state can maintain a relationship with CSOs that implement and support, but it marginalizes CSOs that pose a challenge to the state. Meanwhile, CSOs that receive public resources experience a weakening in their autonomy as they become government subcontractors. In general, under an electoral democracy, the government has continued to undermine the autonomy of independent organizations and its general apprehension towards the growth of independent organizations that represent other interests.

This study demonstrates the difficulties of establishing autonomous organizations without receiving an antagonistic response from the state, at least in Mexico. The PRI regime was successful and apt at incorporating citizens and silencing those that challenged it. But under an electoral democracy – and of course a neoliberal economy – the state is still able to interject to minimize the growth of independent organizations, in this case CSOs.

It appears that the state is indeed threatened by the growth of organizations that would challenge, monitor, and contest. Therefore, the best remedy is to collaborate,
partner and support CSOs or organizations that are willing to accommodate to the state’s rules and objectives. Unfortunately, CSOs appear to be less likely to remain autonomous because of their inner-workings. As not-for-profit organizations, they tend to rely on donations, service fees, and volunteers and in their effort to raise funds and subsist; they are likely to accommodate to qualify for public resources.

Larry Diamond (1994) identified four caveats regarding civil society’s role in consolidating democracy. He notes that, first, civil society has to have “at least some autonomy from the state in their financing, operations and legal standing” (1994, 13). Second, there needs to be a moderate level of contestation among civil society, in order to maintain stability in a democracy. Third, civil society must not be alienated from the state. Finally, civil society is not intended to replace political parties, but to complement other political structures in a democracy.

Though CSOs are only a subsector of civil society, these caveats still apply to subsectors of civil society such as CSOs. It is apparent that CSOs need to retain some autonomy from the state in their financing; however, this can become difficult because these organizations need financial resources in the forms of grants and donations. In regards to contestation, respondents identified a decrease in contestation among their fellow CSOs for fear of reprisal during the fundraising process in the following cycle. Then, majority of CSOs remain marginalized by the state as the state is not interested in collaborating, listening or supporting majority of CSOs. With regard to complementing other political structures in a democracy, CSOs are indeed able to do so, especially as social service providers. In all, CSOs face precarious conditions after the implementation of LFFAROSC because the state is guided by its goal of reaching
neoliberal imperatives and is not sincerely interested in what CSOs may offer as autonomous organizations.

This study had several limitations. First, the pool of respondents was very limited. Though I make strong assertions based on fifteen interviews, these would be better supported if I had more respondents. Second, the CSO directors interviewed were located in Mexico City; however I speak about Mexico as a whole. My pool of respondents does not represent Mexico as a whole and further research across different states would actually illustrate the relationship between the state and CSOs, in a broad sense. Third, my research question asks about the relationship between the state and CSOs, but I do not include responses from the state. Incorporating the opinions and views of government officials would help illustrate the tension and apprehension or illustrate another dimension not captured by only interviewing CSO directors. Finally, my arguments would have been further supported if I had more quantitative information about funding resources given by the state and those used by CSOs. Gathering such information would certainly lead to another thorough study about state allocation of resources and further substantiate my conclusions that the state only supports social service providers.

Despite the limitations in my study, my conclusions suggest further areas of research. Having established that not all CSOs receive public resources and as such become government subcontractors, another area of research is examining the conduct of CSOs that do not receive public resources. CSOs that subsist on their own may be able to approach the state in different ways and may be more inclined and able to monitor, challenge and pressure to dialogue with the state. Examining CSOs that
subsist on their own may demonstrate that CSOs are not entirely constrained by their need for funding and are able to remain autonomous, robust and active as a sub-sector of civil society.


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BIOGRAPHICAL SKETCH

Daisy Perez was born in Chicago, Illinois to Celina Ballinas and Arnulfo Pérez. She lived in the north side of Chicago, graduated from Lincoln Park High School and received her Bachelor of Arts from DePaul University in Latin American Studies and International Studies with a minor in Spanish. During her undergraduate studies she interned in Morelos, Mexico for six weeks, studied abroad in Argentina and Chile, and conducted research in Managua, Nicaragua. Her interest in pursuing a Master of Arts in Latin American Studies grew out of her experiences in Morelos and Managua.

At the University of Florida, her thematic concentration was Political Science. The Center for Latin American Studies awarded her a Graduate Assistantship for two years and a Field Research Grant in the summer 2010 to conduct research in Mexico City, Mexico. She received her Master of Arts from the University of Florida in the spring of 2011.