

ECONOMIC, SOCIAL AND POLITICAL SCENARIOS OF MÉXICO IN THE NEXT TWO DECADES

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Abstract

This research proposal is aimed to analyze the economic, social and political foreseeable scenarios for México by the year 2030. Starting from the analyzes recent economic, social and political developments, it continuous searching the trends in specific economic issues such as international commerce, energy, employment, environmental constraints, etc.; social trends such as demographic transition, fertility, population growth, aging, migration, education, health, housing, human development, etc. and political trends such as democratization processes, social upheaval, human rights, etc. Finally, the research will conclude describing and discussing the scenarios at three levels: pessimistic, more realistic and optimistic. The key findings will be analyzed in more detail.

The methodology to be used are time series analysis for historical data, correlation analysis for data series of the different variables, the Delphi technique, panel of experts, interviews to some clue economic, social and political actors. Also for the analysis, will be used prospective techniques.

The final paper will identify the factors that will be most important in shaping the economic, social and political landscape of México in 2030 and beyond. It will examine how the Mexican society will cope with the broad range of challenges and will assess what conditions may be key to transforming economic, social and political trends into security and social welfare issues.

Key words: Economic scenarios, México, social scenarios, political scenarios

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Economic trends

Mexico's degree of integration into the globalized economy will depend not only on the strategic policies for international integration but also on the competitiveness of its production and exporting capacity. International commerce liberation and capital

movement, lower transportation and communication costs are accelerating the tendency toward the division of international labor and fostering new entrepreneurial and industrial strategies. Multinational corporations can easily channel their production in diverse places around the World as a consequence of chain value fragmentation and production disintegration. Dislocation of basic industries will continue extending from the basic industries to the services as relative advantages and competitive strategies.

Mexico will be falling behind the tendency toward centralization and privatization regarding production and use of knowledge promoted by the competitiveness of international commercial relations. Knowledge is a strategic element for the development of the Mexican nation. The future scenario of Mexico will be strongly oriented by the creation and application of knowledge.

However, because the proximity of Mexico to United States, the possibility of productive dislocation will become stronger in the tendency of firms to stick around the business core and to externalize and provide outsourcing to foreign companies. The so called third generation of inbound industries or maquiladoras will be the tendency in this subject. The actual process of mergers and acquisitions among large company groups in Mexico, will continue the tendency toward a monopolistic or duopolistic concentration of mega multinational corporations.

On the territorial transformations framework, the neoliberal model of development now being implemented will not achieve the promises of equilibrium for the economic, social, political and urban processes. In the following years this model of development would neither be sensible to the majorities nor be responsive to the multiple social demands. On the contrary, each time it will be incorporated to the scenario the struggles and competencies between the actors in their global achievements, the negations of the nation State's role. In the following twenty years, the center of the country will lose its industrial dynamics in around one tenth of its national sharing as the result of displacement of manufacturing dynamics toward the North of the country and the economic reform.

The domestic market in México will continue the tendency toward a relative loss in such a way that national firms will have to respond to a double challenge posed by the mega multinational corporations and the countries that produce at a lower price. This trend represents a pressure toward the firms over the ratios of productivity and competitiveness and also toward the workers, wages and employment.

NAFTA is forcing the trend initiated since the arrival of the inbound industries (maquiladoras) toward a spatial reordering of productive activities and labor market, in such a way that the Northern Border and some zones and cities of the Center and coastal regions will have more opportunities of integration to the exterior, while some zones densely populated in the highlands and the South can distance more in terms of investments, occupational opportunities in modern sectors, wages, and possibilities of social and economic mobility. On grounds of underlying geopolitical trends or the political choices of the leadership, México will favor partnering with the United States

rather than with others. The most likely scenario for the United States will be to deepen ties with Mexico.

The scenario of Free Trade Agreement of America or FTAA (Acuerdo de Libre Comercio de las Américas - ALCA) proposed by United States of America will not succeed in its objective to unite America in one free trade agreement. It is already counterbalanced by the important achievements of the Mercado del Cono Sur (MERCOSUR) The failure of ALCA is due that it resembles not the economic integration but the subordination of colonies to imperial countries where the latter controls strategic sectors of the economy, dominates markets and labor and dictates economic policy. Subordination, not integration, defines the nature of ALCA.

Integration implies more or less equal exchange of commodities, two way flows of capital, profits and interests, joint enterprises—in a word, more or less symmetrical relations and benefits. ALCA is totally asymmetrical, with the U.S. multi-nationals accumulating Latin assets and determining the one-way flow of benefits (profits, interests, royalties) from South to North. In that sense, ALCA is very different from the European Union.

The relative failure of the FTAA plan and regional heterogeneity in dealings with the United States would mean a limitation (by action or omission) of US hemispheric leadership. These factors will create a void of multinational initiatives in the years ahead in areas requiring political coordination, such as matters involving defense and security, environment, drug-trafficking, and migration. The United States will not be able to participate as regional leader in many cases, and Mexico will not be positioned to fill this vacant role except in specific situations. However, in the long-term the hemisphere will solve this problem through the strengthening of multilateral institutions and the greater leadership of key countries.

In implementing the economic policies, there are at least three scenarios: The third way sustained by the social democracy tradition will have a small impact in economic reforms. The incompetence to transform the organization of society and the fact to guarantee to the population an increasing integration to the political system, generate favorable conditions to return to the populist model. However, in México, this neopopulism will not be the predominant tendency in the following twenty years. The neopopulism may emerge and spread fast because there is disenchantment with the results of the neoliberal economic policies already implemented, and the microdemocracy will foster economic policies which will consolidate in a more vibrant national capitalism which will attract long-term investments.

Economic activity in México is expected that will pick up in the following twenty years as a whole GDP by 4 percent reflecting favorable international conditions, with low interest rates, high commodity prices, although production and export of oil will be declining, and strong import demand and a relaxation of monetary policy, The trend of lower interest rates will boost domestic demand and construction activity. The forecast of annual percent change for the next twenty years will be an average of 3.5. GDP at market

prices is forecasted for the following years at the 3.5 percent and current account balance/GDP is projected to grow at the annual rate of .4 percent in the following twenty years.

The tendency of the economic development is its reorientation toward services, commercial and financial activities in the following twenty years. Current projections anticipate that job creation in the next 20 years will take place increasingly in the informal sector, already affecting two out of three workers. Informal workers experience constant income declines, are deprived of social linkages, and have no access to the benefits of inclusion such as credit, thus informal labor is related to inequality. This phenomenon has institutional consequences that impinge on long-term political and economic prospects.

The retirement system of the future faces serious sustainability risks due to the sprawling informality as today's pensioners are supported by a smaller number of contributors and the funds will prove inadequate for tomorrow's pensioners. Starting from 18 years for men and 22 years for women in the year 2000, the projected median estimation of the lasting period of pension will continue increasing in the following 30 years. Many factors depend of future tendencies to the lasting either of labor life or the pension period, which are still difficult to discern.

Among the Latin American and Caribbean countries, México is the most dependent on United States' imports. Weaker import demand in the United States in the following next years will affect the economy of México where growth is projected to fall to 3.5 percent. The slowdown is expected to be less marked elsewhere in the region (Global Economic Prospects, 2007). The tendencies in growth of direct and portfolio foreign investment will have an impact in the evolution of economic and financial international markets.

To analyze the tendencies of household's income distribution no relation or link was found between economic models and inequality of income distribution. However the association was mediated by economic policies, intensity and temporal sequence of application, and factors such as social stratification, the role of the informal sector, the subterranean economy and responses of households affected by economic policies.

Social trends

The political economy and the resulting economic growth can not offer in the following twenty years to offer an optimistic panorama of equality and social improvement. The social development can not be sustained only on a social policy because there is not budget capable of resisting this hypothesis. Based on the economic and commercial integration trend, the future scenario will be a constant coalition dynamics due to the needs of social demands which do not match the requirements of the speculative market added to actions and facts of economic policies of the development model.

However, at the same time emerge a dynamics of social exclusion which supersedes the development logic and the increment of physical space. In the following 20 years, there is a danger in the trend toward the loss of social cohesion, social segregation and social exclusion. The socio-spatial structure follows a slow pattern of change which can be considered as trends that reproduce the historical segregation forms.

The need to intervene at greater scope to struggle against poverty will lead to formulate the strategies of social policy toward target groups as the tendency of the state solution. Poverty in México is a generalized and intensive phenomenon. Since 1963 and until 1981, poverty decreased very fast but starting on 1982 the trend reverse and poverty increase until nowadays when more that two thirds (70,6%) are poor and almost half of population (44,7%) are living in extreme poverty conditions. Since 1998, México is achieving better results than the other Latin Countries.

It should be very difficult to increase the income above the poverty line through the provision of basic services without creating employment (Chávez, Moctezuma y Rodríguez, 1994, págs. 34-35). Poverty acquires a new dimension due to the tendency that show the indicators of poverty to decrease more in the areas of higher relative development and less in the areas lagging behind.

Poverty will continue the established tendencies of polarization, widening the gap between the poor and the rich. However, extreme poverty and marginality measured by social welfare indicators will continue to be high, above the national average in the Southern States of Chiapas, Oaxaca and Guerrero. The increasing poverty of rural population will continue being evident by the loss of acquisitive power of wages paid to rural workers. Around 80 percent of poor people will continue be located in rural areas.

Poverty levels and tendencies look very homogeneous to the interior of the States, although the conditions will be better in the urban areas than in the rural areas. Although in the last few decades there are some features of continuity in the migration phenomena, the recent evolutions of urban migration linked to the urbanization process, confirm a tendency to the configuration of a new geography (Corona, 1992; Corona y Tuiràn, 2001).

Extreme poverty is more intense in the rural although there are more poor in urban areas. The tendency shows that poverty will continue increasing in the following years. 11.7 % belong to the middle class and only 5.5% to the upper class. Both behaviors of tendencies are explained by the differential economic policies applied (Alba Vega, 2006). Welfare indicators will improve gradually at different rates from North to South. The long term tendency of services and conditions indicators will experiment a convergence in income and wages.

As poverty and inequality affect larger sectors, those people become more vulnerable to patronage practices and populist, demagogic and authoritarian electoral alternatives. Such alternatives will increase their influence in México as long as no significant advances are made in the social field. Programs to combat poverty will improve the nutrition and access to basic health and educative services with new measures and orientations utilizing

transference of resources and incentives. By the year 2030, México probably will have started to find a way to make progress toward serious poverty reduction and improving institutional development.

Concentration of specific associations will respond to the necessity of a new orientation to be more extensive to the poorer sectors of society that until now they have been protected by the traditional systems of social security. Financial resources scarcity at the State level, will lead toward the concentration to the most needed sectors of population.

The social program that emerged from the Mexican Revolution of 1910-1917 created the middle class. The distance between the Mexican classes were diminishing during the sixties and seventies. Actually this tendency is reversing after the introduction of the new economic model more oriented toward the economic globalization processes. Since 1994, with a new economic and social environment, what is happening is the continuation of established tendencies of polarization and widening of the gap between the higher social classes and the rest of Mexican society, inequality has a tendency to increase while continues the concentration of income and equality is postponing.

There have been in the past some factors which lead to the loss of social cohesion and social exclusion: The fast pace of structural and institutional modernization has accentuated the social and economic dislocation, changes in the structure of population inherited from the demographic explosion from the years seventies, the human costs of two large economic crisis in the years 82 and 94, the accumulated social demands that lag behind and the development of some regions in the North associated to globalization, free trade and NAFTA, and the South falling behind, which in turn have derived in a plural and complex Mexican society.

The debate on population tendencies it is a cul-de-sac. Improvements in development have foster two demographic tendencies: Fertility rates will be decreasing and if it can be maintained that women have two sons as average, population occasionally will stabilize in the future. Reduction in fertility rates will bring with other tendencies such as the ageing of people, reduction of active population, immigration pressure and insufficient aggregated demand of goods and services, intergenerational conflict.

The regional differences on development are deepening and will continue this trend in the following years because the government lacks of a regional development planning.

Projection of social indicators leads to a concise general panorama of trends in social policies targeted to attend vulnerable and excluded social groups of population, including senior citizens and older people, working single mothers, poor students, etc., taking into consideration the characteristics of family ties, employment, and other indicators of rates of turnover employment. The dismantling of the model of Welfare State and its social policies will continue very slowly due to strong opposition of beneficiaries such as students in public universities. But still the trend toward privatization of higher education is increasing each year.

Several changes will happen in the Institutions of Higher Education in México such as changes in the academic and organizational structure, in financing, national policies of evaluation, planning and development of higher education, science and technology. The needs for institutional innovation in Mexico as elsewhere are related to the functions of the economic and social problems at regional, national and global scale between other aspects.

In the new economic World order, competition takes place not only between the economic systems of each country but also the educative systems and its policies of scientific and technological development. The institutions of higher education have to challenge velocity and magnitude of new World economic tendencies to convert it in the less possible period of time in an instrument to contribute together with the other social sectors to the increment of population quality of life.

There is an increasing social segmentation and fragmentation where the different sectors have different projects which excludes each other and have impelled to a collective consciousness to revert this trend (Cordera y Palacios, 2002:5). In the following twenty years, the most vulnerable social segments will be searching for refuge and forms of existence to survive and create the conditions to take advantage of the changing economic model of development.

There are some estimation that according to the actual trends, the born in México that will live in USA by the year 2030 will be between 16 and 18 million not counting the descendants. This rise of "Hispanics" in the US population will influence the United States and its leaders as well as US relations with México. It will encourage growing cultural, political and economic interactions with México, from which most of the future citizens and Hispanic-American voters are likely to come (National Intelligence Council, 2004).

The registered remittances will continue flowing mainly concentrated to the States of Michoacan, Jalisco, Guanajuato and Zacatecas, the main territorial sources of migrants. There is a confirmed tendency regarding a greater territorial areas in the diffusion dynamic process of migrants to United States which in turn, sustain tendency patterns of increasing permanent and temporal, documented and no documented and urban migration, more wide regions of origin and destiny and sector diversification (Corona, 1992; Corona y Tuiràn, 2001).

The emergent patterns of migration Mexico – United States will be more complex and extensive, with profound binational implications. Given the complexity and transnational nature of migration, a solution will be to formulate and implement bilateral strategies of negotiation for development settled under a shared welfare to reduce the migration increasing flows and pressures.

The trend of migration will change more profoundly with the incorporation of women demanding employment and more urban than rural population as a reflection of the demographic change and migration will be more stable according to the changes in the

labor market. The economic cycles in periods of economic boom and depression will affect less the tendency of migration in the future (Alba Vega, 2006). In a context of continuity, there is an increasing tendency of both documented and undocumented Mexican migration to the United States.

The characterization of the new patterns of migration to United States show us a burn out in circular mechanisms and tendency toward the increment in time of permanency in United States, an increment in magnitude e intensiveness of permanent flows and stocks in documented as well as non documented migrants and diversification of regions of origin and destiny. There is a tendency to the configuration of national migration pattern and not regional, an heterogeneity in the profile of migrants such as major proportion of urban and feminine presence, major education, and a considerable occupational and sector diversity (Durand y Massey, 2003; Corona y Tuirán, 2001; Alba, 2000a; Gómez de León y Tuirán, 2000; Escobar, Bean y Weintraub, 1999; Corona, 1997; Santibáñez, 1997; Verduzco, 1997).

The tendency of migration from the countryside and rural areas will continue be strong as the consequence of the accelerated tariffs elimination of imports for agricultural products. Some tendencies in reproduction of migration México – Estados Unidos will continue in the following years as the influence of social and familiar networks, the importance / dependence of remittance for México and the increasing economic and social interaction between the two countries that had benefited from the migration flow, which is a structural factor in both economies.

Tendencies and patterns of temporal and permanent migration will be more complex and heterogenic. For example, the migration experience will not be important and will loose relative importance in the migration circularity between México and United States. control border measures will be inefficient and the undocumented migration will continue with more human costs and at the expense of mafias and migrant traffickers. Regarding the place of destiny, the tendency of preference for temporal migration will have presence in all over United States and not only in Texas and California, which had been before the traditional destinies of migrants. California and Texas will continue losing relative weight in the preferences of destiny for migrants.

The trends of behavior of demography and employment have a close relationship with the tendency of migration also. Some tendencies of employment are marked by deep adjustments on the traditional patterns on organization which affects the formal employment with social costs of great dimensions. The formal employment in México can not accommodate the entrant economically active population, creating serious dysfunctional ties.

Labor trends, such as average of life labor duration for men and women will be converging in the following 30 years, showing a growing tendency for women and bridging the gap with men.

The migration flow from the countryside and poor neighborhoods in large cities in the center and Southern regions of México will increase in the following years, a trend that is related with the lack of opportunities and new jobs that more than one million per year of new entrants to the job market, require. The Mexican economy only has been able to provide around 300 hundred thousand new employments in the formal economy, leaving room for the youngsters less privileged to migrate to United States, to enter into the informal and shadow economies or to enroll in violent organized delinquency.

Migration from the Mexican countryside to the large cities and to the North, United States of America will continue in the following years. This trend of migration from the countryside is related with the failure of the North American Free Trade Agreement negotiations (NAFTA) in agricultural products, which have been beneficial to the agricultural producers of United States.

Two trends are relevant: migration of higher income families from the large cities like Mexico City, Guadalajara, Monterrey, Puebla, León, Tijuana, etc. moving out to the rural communities. Also, it will be observed a continued migration trend of the higher economic income segments from the rural communities moving out to higher income communities forming isles of social groups.

There is an increasing complexity in cities because the different segments are found mixed in increasingly smaller geographical spaces, which implies also the increasing of frontiers because the divergent social groups increase their efforts to separate each other and to maintain distances. These social processes are interpreted as the diminishing of homogeneity which in turn can be defined also a less marked segregation.

In the following twenty years, the Mexican State will be abandoning the observance and fulfillment of these rights. It would not be possible to proclaim under these conditions the guarantee of economic and social rights without attending the economic situation and trends. The social rights of the Mexican population demanded today by social groups would be partially fulfilled in the next twenty years, such as satisfaction of essential needs, new and diverse social services and goods linked to the universal values of equality, affirmative action, tolerance and acknowledgement.

There will be contradictions in the tendencies of cultural policies between the process of democratization according to forms of decentralization and citizenship participation and the impact of external factors supported by the economic processes of globalization, such as for example, the higher education policies under the NAFTA framework. The global tendency in higher education is toward a standardized service not responding to social local conditions.

Changes and effects in social space are generally slowly and impersonal but very deep. Tendencies reversibility takes time and generations.

Political trends

Politics is oriented by the economic trends which will degrade the quality of life of most vulnerable of population provoking a deeper social gap in the following years. In this sense, the tendency will be to link the economic sector with the political and social sectors. The tendency will be to design and implement public policies oriented to a general welfare where the opportunities of growth exist for all.

The Neoliberal State as a model of development of México will be implemented very slowly in the following twenty years because there is a strong political culture tradition of centralization of governmental functions, paternalism and political clientele in the provision of public services and corrupted behaviors. In this respect, the Mexican State will be diminishing its sovereignty in front of the globalizations tendencies. It will desincorporate and des-regulate the economy to design policies of appropriation and use of resources.

It is forecasted that the changes from the welfare state model to the Neoliberal State Model will tend to result in more expensive and insufficient services, low quality and elite targeted and a tendency toward a wealth polarization (CEPAL 1992 y Vilas 2000 p.111). Still, the tendency is to reduce to the least the public expenses, to slim the State and to leave the social needs attention to a free market forces (Calderón y Dos Santos, 1990).

The tendency toward centralization was strengthened during the 90s, but in some specific areas of education, health, etc. Still higher education services are centralized and the trend is more oriented toward privatization more than decentralization. This process is moving at different pace and will result in a set of effects difficult to evaluate. State and local governments will achieve more capacity in decision making in a formation process in which will subsist serious problems in managerial operation, institutional and organizational frameworks. These problems must be resolved in order to grant to municipalities and states a greater capacity of decision and action.

From a historical perspective, during the last two decades, the political scenario of México called for a questioning the democratic government but, it is doubted whether the present conjuncture is or not another cycle of instability. The decreasing democratic quality trend in much of the Latin American and Caribbean countries will not be even. Nonetheless, in other cases, the democratic trend could be the opposite, yielding greater institutionalization, democratic governance and adaptation to globalization. Mexico has moved in this direction for the last decade and shows the conditions to continue in that same course. México will be more mature and cautious in terms of democracy and macroeconomic policies.

In the last decade, México has improved in terms of democratization, some institutional development and a broad consensus on the virtues of financial stability, but it is also experiencing poor social results, inconsistent economic growth, deep loss of legitimacy of its political players, and declining international relevance. In the next twenty years, Mexicans will be both more mature and more cautious in terms of democratization and

macro-economic policies, but they will struggle with social problems, low institutionalization and recurring governance crises. Weak administrations and populist or authoritarian leaders will make little or no contributions to institutionalization. México will bear a heavy mortgage of social problems, low institutionalization, weak and even undemocratic governance.

The president of México faces serious problems when trying to reform the state, enforce modernizing public policies, or reduce growing unemployment and poverty. This persistent obstacle to governments' performance, within a framework of mediocre economic growth rates, has eroded the Mexican states' ability to satisfy demands and guarantee the basic needs of the population. The political institutions, the rule of law and the level of accountability fail to work effectively and meet citizens' expectations.

A gap between people's expectations and governments' and societies' satisfaction of those expectations will be the common denominator: poverty and inequality, coupled with a decreasing political capabilities to implement solutions and the failure of reforms to achieve persistent economic growth, will erode the legitimacy of governments and political players—and be conducive to high levels of social conflict.

However, there are objective conditions necessary to create a stable democracy in the following twenty years although will be necessary to remove some obstacles, resolve some problems and dilemmas that the Mexican democracy should face to achieve a democratic consolidation. México is heading for a scenario where will make greater advances in democratic governance and be prepared for a successful adaptation to globalization as the major driver of heterogeneity in the upcoming years. In this case, greater macroeconomic stability, development of political institutions, and trade integration with the United States and other world powers will result in successful governance, greater social development and reduced influence of the *poderes fácticos*.

One of these dilemmas, in this democratic scenario, is the risk to seize control of the indigenous social movement in Chiapas and to subordinate it to the larger agenda of opportunistic leaders. Radical, politically revolutionary indigenous movements in México could eventually converge with some non-indigenous but radicalized movements. The emergence of politically organized indigenous groups may also entail a risk to national and regional security. If in the years ahead the indigenous movements do not attain a legitimate role in the political system and certain levels of social inclusion, then many are likely to resort to claims of territorial autonomy (rather than insertion in national politics), as happened in 1994 in the south of Mexico.

In this scenario, by 2030 the groups will have grown exponentially and obtained the majority adherence of indigenous peoples in their countries, and a “demonstration” or “contagion” effect could cause spillover into other nations. The resulting indigenous irredentism would include rejection of western political and economic order causing a deep social fracture that could lead to armed insurgency, repressive responses by counter-insurgent governments, social violence and even political and territorial balkanization.

The next 15 years will see a growth of cultural contradictions in society resulting from the emergence of new ethnic influences. The most resounding expression of this phenomenon will be the indigenous movement, whose influence is expected to grow particularly in the south of Mexico.

Territorial claims driven by irredentist indigenous groups could set the stage for armed insurgency and political violence. The impact and nature of indigenous movements, advocates of old social values and historic claims, will depend on the degree of inclusion that existing societies and powers give them. Where successful inclusion occurs, they will gradually join the representative system and, perhaps in some cases, pursue greater autonomy at local and subnational level.

But where political and economic exclusion rigidities prevail, indigenism will evolve into more radical expressions that will openly confront the social, political, economic and cultural institutions of the colonial structures prevailing in México. In these potential situations, the values of historical identity and compensation will displace economic growth expectations as the key driver of people's actions.

In the worse case scenario, there is a latent risk of a regression to a more authoritarian regime if the political actors are unwilling to acknowledge that their behaviors are contributed to be trapped in a "victim centered" discourse of their own misfortunes. Considering the less likely scenario of recurring governance crises affecting the country, the fragile conditions the emergence of radical left-leaning or nationalist governments in Mexico, triggered by the "contagion effect" from the other countries. This continental "anti-imperialistic" scenario would entail sub-scenarios of international isolation, impoverishment and capital flight plus conflicts and ungovernance on a regional level.

The media and more specifically the electronic media is tightly controlled and will continue being controlled for the following twenty years. The electronic media allied to some government sectors will corner and destroy the credibility of opposition leaders and politicians to maintain the conservative National Action Party (Partido Acción Nacional – PAN) in power for the following twenty years at least. Oppositional Parties such as Institutional Revolutionary Party (Partido Revolucionario Institucional – PRI) and Democratic Revolution Party (Partido de la Revolución Democrática – PRD) will continue be strong, counter balancing the executive power in the Congress.

New forms of political crises are likely to appear in the years ahead. The region's poor socio-economic results, coupled with the inability of leaders and elites to improve governance, have caused a deep loss of legitimacy and credibility in players and political parties. Against a background of social deterioration and exclusion set to prevail in México, the political preferences of the excluded will favor the emergence of populist and charismatic leaders little interested in the development of institutions. In these cases, the political parties and institutions of representative democracy will lose influence to movements and the *poderes fácticos*, and phenomena such as patronage, personalism and arbitrariness of governments will flourish.

The political parties face crises of a different order, and some party structures will disappear. Popular disaffection, social fragmentation, and the failure of existing structures to absorb sectors demanding inclusion, such as the mobilized indigenous groups, will have negative effects on politics and governance. The weakness of political parties—instead of leading to the emergence of new group, will favor phenomena such as “mobilizationism,” videopolitics, the emergence of charismatic leaders, and the mounting influence of societies’ “de facto powers”, *los poderes fácticos*, including elites, media, business groups, military, criminal organizations, etc., in electoral contests.

There is a risk that after serious political confrontation where the PRD, defeated by questionable elections like the past federal election of 2006, will remain solely focused on resistance without proposing alternatives, especially vis-à-vis the sectors that want a more immediate solution to their demands, or that there will be insufficient internal discussion or insufficiently strong ties with other social movements. If this scenario plays out, we will be entering a period of much greater tension between society and the political system. In the best scenario, this would occur through manifestations of discontent throughout the country, the appearance of direct, plebian democracy; in the worst, it would mean the proliferation of outbreaks of irrational violence, in attempts to vent pent-up rage.

However, in a more optimistic scenario, if the PRD and its allies consolidate and become an authentic, collective, popular actor, a decisive political and social force for the transformation of Mexico, it is probably the occurrence of formulation of a solid strategy on the left, with the convergence of all of the country's democratic, popular, and progressive forces, combination of civil resistance with actions in favor of direct democracy and with legislative proposals to establish and consolidate participatory democracy as the general rule and not the exception in the country's most important political and social processes, and the establishment of ongoing, systematic ties with social movements in all regions in the country.

On the following twenty years will be some achievements, although not enough, regarding the reliance on participatory mechanisms to design, reach consensus on, and carry out a plan for the social transformation of the country and the eradication of inequality and extreme poverty and to lay the foundations for economic development with a sufficient number of dignified, well-paid jobs and with a type of social development that meets the needs of all citizens, both men and women.

In the following twenty years there will be more promotion of the participation of citizens as effective stakeholders rather than as an excuse to channel lavish amounts of money to political parties and electoral institutions, especially the Electoral Federal Institute (Instituto Federal Electoral – IFE) and its state committees and institutes and federal and state agencies charged with ensuring transparency and public access to information, etc.

There is a tendency of political actors and their interests to utilize the social organization with extra community ends. Non governmental organizations (NGOs) in México will be more ideologically involved in the following years abandoning the political and

ideological neutrality, in order to reduce any possible tendency of antidemocratic, authoritarian and excluding tendency. Most of these NGOs will be actors of new social movements in Mexico in the following years.

Civil-society organizations (CSOs) in México will become stronger and more powerful in the following two decades to continue facing with the urgent, immediate task of rescuing the political system from the monopoly that professional politicians made it depend on. Above all those involved in grassroots communication and education, will actively participate in constructing the new social and political actors who will bring about some significant actions of social transformation. To construct the social actors CSOs will join other forces, such as the coordinating groups of peasants (campesino) and labor organizations, to reinforce each other's efforts in that construction.

CSOs will continue fighting for greater citizen participation in all the institutions referred to above; publicly criticizing the squandering of public monies and the high salaries and generous benefits of the political elites and proposing an ongoing austerity policy; promoting the adoption and implementation of mechanisms for participatory democracy; and, above all and at all times, making a systematic, creative, efficacious attempt to promote a new political culture in Mexico, that is, a new type of relationship between the citizenry and the political system. A relationship in which citizens are the actors, the ones who demand, who insist on accountability, who make proposals, and in which politicians, as neo-Zapatistas say, “lead by obeying.”

To accomplish this, the CSOs will contribute all their experience, knowledge, critical capacity, values, and working methods. They also will overcome some of their limitations, their narrow outlook, and their difficulties in moving beyond microsocial levels, and their distance from the masses and lack of access to the mass media.

Insecurity

Starting from the analysis of relevant political processes to explain the sources of problems and conflict, the dimensions and extensions of changes that the country have experimented have also modified the parameters of conflict management sustained by the post revolutionary Mexican State. However, it is doubtful the application of international coercive measures to countries like Mexico that occasionally experiment scenarios of conflict, instability and crisis.

The advance of democratization and trade integration, despite all the remaining problems, contrary to what was expected, had not set strong trends mitigating conflict involving non-state actors, such as irregular armed groups or mafias. In a 20-year perspective, the *poderes fácticos* and non-state armed players such as mafias, drug-traffickers, and international terrorist groups, will seek partnerships or mergers or at least a *modus vivendi* with irregular armed groups.

The drug-trafficking mafias operating in Mexico would probably attempt to adapt quickly to the new conditions of changes in the international drug-trafficking situation, as a result of the legalization of drugs, the replacement of cocaine with another product that does not require coca leaves (e.g., synthetics), or another imponderable. But this illegal trade would experience an immediate income drop, which would be strongly felt in a country dependent on the drug-trafficking economy.

The insecurity problems are direct threats to the population, and unfortunately it will continue increasing the level during the following years particularly in the growing urban areas. Social and political instability in México are explained by the problems of insecurity due to the drug traffickers and the weak development of citizenship representative ness, the persistence of political cultures centered in personalized power, the social exclusion and the unfair wealth distribution. This instability and violence do not follow a national pattern but they are shown more intense in certain cases and regions, according to local political, social and institutional variables (Guajardo, 2006).

Public insecurity and crime in large cities have shown an upward trend for many years, and will grow in importance in the next 20 years, reflecting the increase in poverty and inequality. The basic indicators of human development such as life expectancy, literacy rate and income will be above the national average but the indicators of social disintegration such as drug trafficking, robbing, ganging, domestic violence, etc., will be the highest of the country. These tendencies will prove that improvement of economic conditions does not necessarily means improvement in people.

In other national indicators registered, the tendencies show that the national average of illiteracy among the population of 15 years and more will be reduced, although in the southern states of Chiapas, Oaxaca and Guerrero still will be high.

These patterns of instability and violence will continue in the following twenty years, and eventually will be severe conflicts and crisis, mainly due to the reaction of governments privileging the security approaches as the framework of analysis and actions to confront the phenomena. The increasing quantity of youth will bring some violent crisis rred by enough problems of its own, Mexico will have difficulty understanding a US political agenda focused on domestic security and the “war on terror.” In the next twenty years México will continue being one of the countries with the lowest relative exposure to the world conflicts of the 21st century. Compared to other countries, México will be relatively peaceful in the years ahead and a scenario of armed confrontations is unlikely.

Considering a scenario more democratic and major political and social complexity, major uncertainty and action of freedom margins, it must be questions to respond in the future how the conflicts will be processed, the resources and criteria to channel the institutional tensions and to produce equilibrium or relative satisfaction. It is also worrisome the risks open to the decision processes for treatment and solution of such conflicts. The key term guiding is "management" in the threefold sense of processing, solution, and risk. It is necessary to identify the variables which constitute inputs to deal with conflicts, and the state of the system's differentiation (particularly the relationship between politics and

law) and to identify the new spheres or environments of conflicts in the modernization processes.

The Mexican State should provide mechanisms of security to confront the armed conflicts. Multilateral and international efforts for conflict resolution will have a positive effect on México in the next twenty years. However, some trends involving internal conflicts related to non-traditional threats will prevail. The remnant armed groups structures will not be easily dismantled.

Environmental and sustainable development trends

Regarding the scenario in sustainable development, the programs based on the environmental policies as the instrument of the General Law of Ecological Equilibrium and Environmental Protection will achieve small results in regulations of the soil and productive activities.

Mexico's biodiversity will be one of the greatest regional assets in 2030, although the environmental forecast is unfavorable in climatic change; degradation of land, soil, sea and coastline; the depletion of forests and fresh water supplies, etc., which will deepen. The country will be particularly vulnerable to the eventual economic impact of climate change such as droughts, due to the relatively high percentage of the population that relies on the natural resources economy.

Reliance on the production of raw materials will make the region particularly vulnerable to ecosystem transformations. Replacement of oil with renewable power resources or other major changes in the world energy situation would alter the political matrix, would have sizable effects that would immerse Mexico, a country highly dependent on oil revenues, into a structural crisis.

The trends analysis of the environmental deterioration, preservation and sustainable use of natural resources indicates that the future looks very gloomy. Pollution in large cities in the center of Mexican territory and along the border with United States are very well know places where this trend is increasing.

The transforming forces of the territorial structure will continue to be the migration, soil speculation, infrastructure concentration policies, capital, privatizing tendencies, etc. Political parties and organizations managing clientele relationships will continue taking advantage promoting invasions of empty soil for construction, despite the rights of property claimed by the real owners.

The specific policies of urban planning until now in most Mexican cities have allowed an irregular pattern of urbanization which has contributed to increase the level of fragmentation in residential segregation. The trend toward urbanization create additional pressures in the environment and elevate the vulnerability of natural dangers between the poor which tend to live informal settlements, and living quarters of deficient construction

materials. Concentration of people in urban and coastal areas will continue degrading the environment and exacerbating the over hitting of the planet. The urbanization process is a growing trend with different behavior patterns marking the medium sized cities of Mexico and the tendency is to augment its size and population resulting in a more complex urban problems. Most of the growing urban spaces are of irregular character.

Based on territorial restructuring within the limits between Mexico city and the conurbation area, present tendencies of polarization and segregation respect to the inhabitants which at the turn of the past Century were in the zone of the historical center of the city and around areas. However, changing the uses of soil, valuation and differential rent of space in the central part of Mexico City, the inhabitants will neither have possibilities to confront the speculative tendency nor the economic support from the local authorities. However, in front of such trend of privatization in urban soil, there will be several contradictions which in turn would lead to more segregation.

Geography conspires with human activity to produce a poisonous scenario in Mexico City. Located in the crater of an extinct volcano, it is about 2,240 meters above sea level. The lower atmospheric oxygen levels at this altitude cause incomplete fuel combustion in engines and higher emissions of carbon monoxide, hydrocarbons, and volatile organic compounds. Intense sunlight turns these noxious gases into higher than normal smog levels. In turn, the smog prevents the sun from heating the atmosphere enough to penetrate the inversion layer that blankets the city.

Natural catastrophes such as floods, hurricanes, earthquakes, and climatic change would have a deeper detrimental effect with profound socio-economic impact for rural populations that are highly dependent on natural resources (desertification, droughts). Calamities by extreme climatic conditions can not be considered only a natural accident. The tragedies are the combination of environmental risks and the socioeconomic situation, particularly demographic and environmental tendencies which amplify possible disastrous consequences. The risk to natural disasters interaction with demographic tendencies, environmental transformation and the normative options and economic factors will foster change. The tendency will toward more programs of prevention to avoid calamities and tragedies, but the results will not be successful.

The problem to attend populations in inappropriate areas and difficult access multiplies the public services to be satisfied, the costs of attention and nullifies the planning and regulation of growth. The trend to adhere urbanization policies more to the logic of the market will have specific impacts in the policies of segregation due to the recent, complex and partially contradictory urban development and planning of the larger cities, which are difficult to evaluate in their total scope. The need of urban development will demand more space in proximity to the limits of the City center, and thus incrementing the prices of real estate, which will generate an inflationary trend under the logic of reproduction together in the city as in the real estate capital, financial, industrial and construction and of course on the workforce of migrant people.

A trend toward uneven concentration of population and disordered growth will lead to a peripheral development in most of the medium sized cities. This dysfunctional development will be manifested in the struggle between the city limits and numerical reality of demands. It will also be manifested in the duality of real estate markets (Horbath, 2002). Medium cities will growth in dispersing and expansive tendencies where the limits of metropolitan development lacking good urban planning will lead to a confrontation between population growth and economic development. A city with larger population to the needs and demands of the city will be always in serious contradiction.

These trends of population concentration and metropolitan increase are due to economic model and politics. The trends will originate an accelerated process of irregular occupation by inhabitants always putting at risk the forests and the potential agricultural production and thus, the sustainability of future development, although the rate of population growth is diminishing. These trends in the organization of the geographical space will continue for the following twenty years as the causes of contradictions, social inequalities and injustices due to the weak institutional framework in enforcing the rule of law.

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