

WHY IS MEXICAN BUSINESS SO ORGANIZED?*

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Abstract: In the twentieth century, big business in Mexico invested much more in voluntary encompassing associations than business did elsewhere in Latin America. Multisectoral associations like the CCE, the CMNH, Coparmex, and COECE are rare in the other large countries of the region. Three primary factors gave Mexican business stronger incentives to invest in these associations. First, Mexican business was excluded from elections, PRI politics, and appointments to top government positions and therefore relied more on associations to channel business's organized participation in politics and policy making. Second, in some periods, government actions were threatening to business interests and prompted defensive organization. Third, in other periods of closer cooperation between business and government, government officials relied heavily on these associations to mediate relations with business, giving big business further incentives to invest in associations.

On 3 March 1998, the lead story of Mexico's prominent newspaper *Reforma* announced that thirty-four of the largest conglomerates in Mexico planned to invest 8.4 billion dollars over the course of the year (roughly 10 to 15 percent of total private investment). These thirty-four groups belonged to the exclusive Consejo Mexicano de Hombres de Negocios (CMHN), which had organized the investment survey. On the day of the announcement, the president of the CMHN and several members went to Los Pinos, the presidential residence, in a well-orchestrated publicity event to demonstrate business support for government policies and to boost investor confidence. From 1995 to 2000, these public investment commitments became an annual rite of spring, one without parallel in the other large countries of Latin America, which lack associations comparable with the CMHN.

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Few analyses have noted how anomalous Mexican business is in both Latin America and among developing countries. Big business in Mexico invests far more time and money in voluntary encompassing associations than do the business sectors in other countries in the region.¹ Mexico is the only large country in Latin America with a well-structured, long-standing association exclusively for big business. The CMHN is made up of thirty to forty of the wealthiest businessmen from the major regions and sectors of the national economy. Mexico is also the only regionally diverse large country of Latin America with an economy-wide peak association, the Consejo Coordinador Empresarial (CCE), which encompasses associations from all sectors. The other large countries in the region—Brazil, Colombia, and Argentina—do not have effective, institutionalized peak associations.² In 1990 the CCE created a spin-off association, the Coordinadora de Organismos Empresariales de Comercio Exterior (COECE), to funnel input into negotiations over the North American Free Trade Agreement (NAFTA). Thus Mexico was one of the few major countries where well-organized business associations participated in negotiating a major trade agreement.³ Last, Mexico is the only Latin American country with a large, ideological employers' association, the Confederación Patronal de la República Mexicana (Coparmex). Employers' associations are common in Europe, and several emerged in the 1920s and 1930s elsewhere in Latin America, but none save Coparmex survived. In sum, business in Mexico has consistently invested millions of dollars and countless hours in a range of functionally specialized voluntary associations, while business elsewhere in the region has been unwilling or unable to sustain comparable investments in collective action.

Mexico has also given rise to many large compulsory associations, such as the Confederación de Cámaras Nacionales de Comercio (CONCANACO), the Confederación de Cámaras Industriales (CONCAMIN), and the Cámara Nacional de la Industria de Transformación (CANACINTRA) as well as hundreds of sectoral and local associations, which are historically similar to corporatist associations in Brazil and Argentina. All these corporatist associations resulted directly from government legislation. What is distinctive about Mexico are the four multisectoral voluntary associations—

1. *Encompassing* refers here only to the organizing of business from different sectors (Olson 1965, 1982). Many encompassing associations are not at all inclusive. Smaller, provincial firms are often excluded, sometimes deliberately. For the full names of acronyms used in this article, see appendix 1.

2. As prevailing theories of collective action would predict, smaller countries like Peru, Chile, Venezuela, and almost all the smallest countries of Latin America have multisectoral peak associations (Durand 1994).

3. Encompassing industry associations in Chile, and to a lesser extent in Colombia, also participated actively in the negotiations for regional integration in the 1990s (Schneider 2001; Giacalone 1999).

Coparmex, the CMHN, the CCE, and COECE—which have almost no counterparts in other large Latin American countries. The strength of these voluntary associations is anomalous theoretically and more difficult to account for empirically. This article will therefore focus on these four major voluntary associations, discussing the corporatist associations only when they are relevant to the evolution of the voluntary associations. Historically, the corporatist organizations dominated the Mexican associational landscape from the 1940s through the 1970s. Rich and well-staffed, they boasted hundreds of thousands of members and institutional access to the government. From the 1970s on, however, the voluntary associations began to displace these corporatist associations, especially as channels of access for big business and means of voicing opposition to the government. The severest blow to the corporatist associations, possibly the death knell, was delivered by the 1997 law that rescinded compulsory membership. While the full story of the shift from corporatist to voluntary associations remains to be told, the focus here will be on the voluntary side.

THE ARGUMENTS: LOVE, HATE, AND EXCLUSION

Why does big business in Mexico voluntarily invest so much more in collective action and institutionalized business associations than big business elsewhere in Latin America? Political elites in Mexico have systematically excluded big business from formal positions of political power, while engaging business in alternating periods of intense conflict and close cooperation. These three factors have affected incentives to organize in different ways. The political exclusion of business has been a constant in the background that sharply distinguishes Mexico from other countries in the region. The love-hate relationship between business and government in Mexico has been the proximate cause of business investment in collective action and best explains the timing and form of particular organizational initiatives. I will elaborate briefly on each of the three factors: exclusion, conflict, and cooperation.

Mexican business, especially the owners of the largest several hundred firms, lacked the alternate avenues of political participation that were regularly open to business elites in other countries. Pro-business conservative parties have generally been weak in Latin America (Gibson 1996) but have sometimes provided business with an avenue for political participation, as in Chile and Colombia. Since the 1940s, organized public participation by Mexican business in both elections and parties has been perhaps the lowest of any country in Latin America holding regular elections (Derossi 1971; Camp 1989, 139). Analysts of Mexican elites have noted regularly an implicit postwar exchange: the Mexican political elite guaranteed property and profits for the economic elite in exchange for their political abstention

(Casar et al. 1988, 210; Heredia 1992, 284–85; Maxfield 1987, 2).⁴ Despite this implicit deal, Mexican business leaders periodically petitioned the ruling Partido Revolucionario Institucional (PRI) for formal incorporation. When President Lázaro Cárdenas incorporated other sectors into the PRI in the 1930s—labor, peasants, the military, and the popular sector—some business leaders petitioned for including a separate business sector in the PRI. Cárdenas and the PRI rebuffed this overture. In 1957 members of CONCANACO again requested that the PRI incorporate an industrial-commercial sector, but the government did not respond. In 1984 some leaders of CANACINTRA and CONCAMIN declared their support for creating a business sector in the PRI (Luna et al. 1987, 33). Despite these repeated petitions for formal incorporation, the PRI kept business out.⁵

Mexican business also lacked another form of indirect “representation” that comes through the appointment of business leaders to top positions in the executive bureaucracy. Such appointments have been numerous and regular in Brazil, Argentina, Chile, Peru, and Colombia. In Mexico, in contrast, exclusion via no similar appointments has been constant and deliberate since at least the 1940s. The most exhaustive analysis of the careers of state and economic elites in Mexico found “relatively limited” exchange (Camp 1989, 12).⁶ Only 15 percent of the top entrepreneurs “held national political office,” while only 10 percent of all cabinet members had management level experience in the private sector (Camp 1989, 82). Brazilian presidents, in contrast, regularly nominated business leaders to powerful cabinet positions.⁷ Even if some ministers in Mexico have had private-sector

4. A notable exception was business support for PAN. Economic elites were prime movers in creating PAN in 1939: eleven of the twenty-nine members of the first National Executive Committee were bankers or businessmen (Story 1987, 265). In the 1980s, business again turned to PAN to oppose the government and the PRI (Mizrahi 1994). Also, in the mid-1970s, the new CCE proposed creating a new party, but “the project failed to attract other members” (Tirado 1998, 193).

5. PRI candidates continued to accept endorsements and contributions from business, but capitalists spent little on elections or the PRI because the latter had its own resources, primarily from the state. The corporatist associations were prohibited by law from direct political activity (Camp 1989, 143). Before the late 1980s, another form of organized political activity, legislative lobbies like those common in the United States, did not exist for all intents and purposes. The legislatures were too weak, especially concerning discretionary economic policy, to warrant the investment, and lobbies were generally perceived as illegitimate when not actually illegal.

6. Such exchange rose in the years immediately following the Mexican Revolution but declined “markedly” after 1935 (Camp 1989, 79). Several capitalists headed economic ministries in the 1940s (Valdés 1996, 133; also Brandenburg 1962, 19). Centeno and Maxfield found that an increasing proportion of technocrats who entered government after the 1970s had some experience in private business (1989, 73). Yet these officials were not business leaders appointed to government but rather technocrats with longer-term careers in government who had gotten some experience in the private sector. See also Thacker (2000, 112–14).

7. Important examples include Horácio Lafer (Ministro da Fazenda, 1951–1953), Severo

experience, few if any comparable business leaders are found in Mexican cabinets.

In sum, the avenues usually available to business elsewhere for open and formal political participation through parties and top government positions were systematically closed to Mexican business.⁸ Individual presidents or military regimes in South America sometimes excluded business, but the pattern of exclusion did not endure. In Mexico, it was clear to business for decades that the only channels permitted for organized politics were business associations, and such exclusion increased the incentives for investing in associations that usually had access to policy makers. My analysis refers only to this exclusion from formal positions of power in government and parties and does not imply that business lacked informal input into major policy decisions. The focus here is on opportunities for formal, open, and organized participation.

Conflict is a second major independent variable and a more immediate impetus for organization. In part because of the exclusion of Mexican capitalists (exacerbated by the arbitrary power of Mexican presidents), they have generally felt more threatened by the Mexican state. Creation of the first three major voluntary associations was directly related to perceived threats from the state. Coparmex represented a response to government-sponsored labor organization in the late 1920s. The CMHN arose out of the first conflictual years of the Adolfo López Mateos administration in the late

Gomes (Ministro da Indústria e do Comércio, 1974–1977), Dilson Funaro (Ministro da Fazenda, 1985–1987), Marçílio Marques Moreira (Ministro da Economia, 1991–1992), and recently Celso Lafer (Ministro do Desenvolvimento, 1999) and Armínio Fraga (president of the Banco Central, 1999–). Of the list of Brazilian Ministros da Fazenda from 1934 to 1985, at least five were prominent names in business (Brazil 1983). Capitalists were also numerous in the Brazilian Congress (Schmitter 1971, 268; Diniz and Boschi 2000).

8. Francisco Valdés has argued that the “interelite pact that resulted from the Mexican Revolution was defined by two basic principles: 1) business was ‘excluded’ or ‘marginalized’ as a legitimate political actor (*actor político-partidario*) . . . ; and 2) was granted, in exchange, the right to other forms of intervention” in policy making (Valdés 1998, 246). Roderic Camp found that political elites employed two strategies to exclude economic elites: “First, businessmen were not recruited into Mexican political leadership. . . . Second, they denied businessmen any formal relationship with the evolving political institutions of the regime, notably, the official party” (Camp 1989, 33). Democratization in Mexico has gradually reduced business exclusion in the 1980s and 1990s. Northern, mostly smaller businessmen became active in PAN in the 1980s (Mizrahi 1994), and the PRI later responded by actively recruiting candidates and contributions from business. By the time of the 1999 primaries, business leaders like CCE President Eduardo Bours and CMHN President Eugenio Clariond Reyes Retana were publicly endorsing Francisco Labastida, one candidate for the PRI nomination. President Carlos Salinas de Gortari appointed Claudio X. González, a member of the CMHN, as his advisor on foreign investment. Throughout the twentieth century, however, this appointment was an exception to the rule of exclusion from top government posts.

1950s. Most evident, the founders of the CCE acted in response to threatening actions by President Luis Echeverría in the 1970s. Most studies of Mexican business have noted the importance of conflict in promoting initial organization. But the long-term consequences of these threats have sometimes been exaggerated (Durand and Silva 1998). Comparative analysis suggests that threats alone are insufficient to sustain collective action. The histories of associations in other Latin American countries are littered with acronyms created by capitalists who organized to oppose particular governments but demobilized shortly after the immediate threat subsided.⁹ Other factors sustained the incentives for investing in collective action once relations between government and business improved. In Mexico, exclusion and government support constitute the main sources of enduring incentives for business associations.

Throughout the twentieth century, government officials in Mexico periodically collaborated with business to help the sector get organized. Early government legislation promoting business organization predates the Mexican Revolution. Then in 1917 and 1918, the Minister of Industry, Commerce, and Labor, Alberto Pani, convened meetings of business, first commerce then industry, to create national confederations. New legislation in the 1930s and 1940s made these confederations and their member associations compulsory (Shafer 1973), a situation that lasted through 1997. Government actors also gave more indirect support for associations by granting them access to policy makers. This regular access proved pivotal for strengthening the voluntary associations. By the 1970s, Mexican presidents made it a custom to send cabinet officials to lunch once a month with the CMHN. This regularized access provided strong incentives for members to invest in collective action. Then in the turbulent 1980s, PRI government officials asked business associations, especially the CMHN and the CCE, to participate in tripartite negotiations known as “los Pactos” to help reorient the development strategy and stabilize the economy. In the theoretical terminology of Mancur Olson (1965, 1982), the Mexican government granted associations large selective incentives, negative in the case of corporatist associations and positive (mostly access and information) in the case of voluntary ones, which greatly increased the returns from collective action.

In analyzing the situation in Mexico, a final idiosyncratic factor must be added to explain business organization fully: the Monterrey conglomerates. Big Monterrey firms in northern Mexico have been stalwart supporters of all forms of business organization, ready to open their checkbooks and to fly frequently to Mexico City for meetings. Monterrey industrialists created Coparmex and later an opposition party, the Partido de Acción Nacional (PAN), and helped keep them both alive when they might other-

9. On Brazil, see Payne (1994). On business mobilization against Goulart and rapid demobilization after the coup in 1964, see Dreifuss (1981). On Argentina, see Birle (1997).

wise have faded away. Monterrey industrialists participated actively in the CMHN and financed the CCE and COECE. The factors pushing this investment seem generally to be the same as those pushing capitalists in other regions—exclusion, conflict, and collaboration—only stronger. In the city of Monterrey, big business has always been highly organized, bordering literally on incest. “The holy fathers” of Monterrey include the ten most prominent capitalists in Monterrey, most of whom are also somehow related after a century of intermarriage. Monterrey industrialists are also likely to feel more threatened by actions of the central government. The Monterrey region industrialized without extensive governmental support and before the Mexican state began promoting industrialization. Monterrey industrialists both needed and wanted less help from government. Finally, while Monterrey is a large manufacturing pole in Mexico (accounting for 10 to 15 percent of total industrial output), Monterrey industrialists ran the risk of being isolated and consequently more vulnerable. They therefore had much to gain from the united front that business tried to present in the CMHN and the CCE.

Thus the short answer to why is Mexican business so organized is that big business (especially in Monterrey) has been consistently excluded (from top positions in government and the PRI) and alternately threatened and courted by top state actors. Each of these factors has facilitated collective action, but in different ways. Theoretically, members of potential groups have a difficult time organizing associations for three reasons: because they have diverse or conflicting interests; because they tend to free ride on the organizational efforts of others; and because they spread their political investments over a range of activities of which associations are only one type. The first two obstacles to collective action, diversity and free riding, are core elements of general theorizing on collective action in the works of Mancur Olson and his followers.¹⁰ Diverse and conflicting interests especially debilitate efforts by business to sustain collective action in multisectoral encompassing associations, like the four considered here. Free riding is a more general incentive that afflicts all efforts at organization, even when potential members have common interests.

This article proposes a third general hypothesis: that capitalists have incentives to maintain a diversified “portfolio” of political investments, one weighted toward the investments that generate the highest returns. Thus capitalists may invest money and even valuable time in a range of political activities that include contributing to parties and electoral campaigns, lobbying, networking informally with government officials, contributing to business associations, pressuring the government for certain appointments, offering outright bribes, or supporting media campaigns. Potential

10. For the original theory, see Olson (1965, 1982); see Lichbach (1996) for a review of subsequent analyses.

portfolios of political investments vary from context to context. The theoretical argument is that the distribution of investments should vary according to opportunities (whether or not some investments are blocked, as in Mexico) and returns (whether or not governments respond to investments in, for example, associations).

In Mexico, conflict, cooperation, and exclusion helped business overcome the general obstacles to collective action and gave them stronger incentives to weight their portfolios toward associations. First, threatening actions by the state "homogenized" divergent business interests, facilitating the formation of encompassing associations. Second, periods of cooperation with the state provided associations with selective benefits that reduced incentives for free riding. And third, political exclusion (or the lack of return on investments in political parties, campaign contributions, and jockeying for appointments to top positions in the state) encouraged capitalists to concentrate their political investments in associations.

Although this article focuses primarily on Mexico, the argument has broader comparative and theoretical implications. Comparatively, patterns of conflict, cooperation, and exclusion help explain the emergence and consolidation of other strong business associations in Latin America such as the Colombian coffee association, the *Federación Nacional de Cafeteros de Colombia* (Federacafe), and the Chilean peak association, the *Confederación de la Producción y del Comercio* (CPC).¹¹ States also figure prominently in some explanations of the disorganization of business in Brazil and Argentina (Weyland 1998; Birle 1997).

Theoretically, my statist political argument counters much of the conventional wisdom on collective action that theorizes almost exclusively on the basis of economic factors.¹² Factors such as firm size, small numbers of potential members, geographic concentration, and asset specificity do not vary widely and systematically enough among the large countries of Latin America to explain the wide variations in patterns of business organization. For example, Brazil and Mexico had fairly similar patterns of development from the 1930s through the 1980s: rapid growth through import-substituting industrialization, extensive state intervention in the economy,

11. On Colombia, see Urrutia (1983); and on Chile, Silva (1996). For an overall comparison, see Schneider (2000).

12. Jeffrey Frieden (1991) and Michael Shafer (1994) argued that collective action by business depends on asset specificity and will vary correspondingly across sectors and countries. These sectoral theories, however, cannot predict variations in multisectoral encompassing associations like the four considered here. Economically based theories inspired by Olson (1965) have dominated the general theoretical literature on collective action. For recent overviews, see Lichbach (1996) and Clague (1997). The corporatist literature focused more on the state but has faded in debates on collective action. Moreover, Schmitter's early characterization of state corporatism in Latin America (1974) focused exclusively on compulsory associations rather than on the voluntary associations analyzed here (see also Schmitter 1985).

high levels of investment by multinational corporations in manufacturing, high geographic concentration of industry (in São Paulo and Mexico City), and wide inequality in income distribution.¹³ Yet Brazilian business has formed none of the encompassing associations found in Mexico. Major differences include lower inflation, greater political stability, and greater integration between industry and finance in Mexico (Camp 1989; Barker 1990). But of these differences, only greater integration presumably has had a positive influence in facilitating collective action in Mexico, although it pales in comparison with the proximate explanatory factors of conflict and cooperation with the state.¹⁴

The following sections will consider exclusion, conflict, and cooperation in brief selective histories of the four voluntary encompassing associations: Coparmex, the CMHN, the CCE, and COECE. The analysis will proceed chronologically from the oldest organization to newest, but the CMHN and the CCE are the most important of the four. Since the 1970s, they have been the primary channels for representing big business and the private sector as a whole. Coparmex and COECE round out the story by extending the analysis historically, back with Coparmex to the 1920s and forward with COECE to the 1990s. Both COECE and Coparmex served narrower particular functions, revealing how business leaders (mostly members of the CMHN) created and strategically sustained a set of associations differentiated according to function.

The argument made here that state actors in Mexico generated some of the strongest “voluntary” encompassing associations in Latin America leads to two further questions. Why did state actors in Mexico have stronger incentives to encourage business organization than their counterparts elsewhere? And how does the level of organization of business influence broader political and economic outcomes? Although the questions lie beyond the scope of this essay, the conclusion will offer some preliminary thoughts on both in the Mexican context.

COPARMEX, THE IDEOLOGICAL CONSCIENCE OF MEXICAN BUSINESS

Coparmex is unique in Latin America. It has survived and grown for seventy years, boasts tens of thousands of members who pay dues voluntarily, and stakes out distinctive and coherent ideological positions, most of

13. For in-depth comparisons, see Maddison (1992) and Hewlett and Weinert (1982).

14. Theoretically, multisectoral conglomeration in corporate organizations should reduce obstacles to encompassing collective action. But major theories in the literature on collective action have not developed this possible connection. Comparable data on levels and types of conglomeration across major countries of Latin America are lacking. Although finance generally was separated from industry in Brazil, major multisectoral conglomerates like Votorantim emerged in the 1960s and 1970s but had little apparent impact on business organization.

them socially conservative and economically liberal.¹⁵ Its internal procedures promote active and sometimes impassioned debate.¹⁶ Unlike the other three voluntary associations to be discussed, Coparmex is not a significant arena for business leaders to meet, discuss, and express their views. Most members are smaller firms. But without support from big business, Coparmex might not have survived to occupy its present organizational and ideological ground. Coparmex accepts voluntary membership from individual businessmen and women in industry, agriculture, and commerce. Members affiliate with a regional *centro patronal*. In 1931, two years after it was founded, Coparmex already had established eighteen regional centros. After this initial organizational flurry, however, Coparmex remained “very weak” until the 1950s (Camp 1989, 163). Thereafter, membership grew: seven thousand in the 1950s, ten thousand in the 1960s, around sixteen thousand in the 1970s, eighteen thousand in the 1980s, and thirty thousand in the 1990s.¹⁷

Where did Coparmex come from, and how has it survived and thrived for seventy years? All three of the factors discussed played a role, although conflict with the government and Monterrey support stand out. Coparmex was founded in response to a threat from the state in the form of government incursions into labor markets and union organization. In 1928 the Mexican government proposed a new labor law that was welcomed by labor leaders. Economic elites, especially in Monterrey, opposed this new law and created in response independent Coparmex as an employers’ organization. The founders wanted a different labor law, less state intervention in the economy, and stronger autonomous business associations without divisions by sector (Shafer 1973, 37–38). Coparmex was thus “patronal” or based on employers rather than on a sector. It is the only one of several such organizations created in the larger countries in Latin America that has survived.¹⁸

15. The label “ideological conscience” was first applied by Claudio X. González, a key business leader and member of the CMHN in the 1980s and 1990s (cited in Bravo Mena 1987, 103).

16. I attended two meetings of Coparmex in November 1991, one in Mexico City of all the regional directors and one in Monterrey of the local *centro patronal*.

17. In 1958 Coparmex had more than 7,000 members in 21 *centros patronales* (Brandenburg 1958, 43). In 1966, 32 centros counted 10,000 members (Shafer 1973, 59, 71) and about the same numbers around 1970 (Alcázar 1970, 30). In the 1970s, membership rose from 13,000 to 18,000 (Camp 1989, 163). According to Bravo Mena, “As of 1986, Coparmex encompassed five regional federations, 51 local entrepreneurial or employers’ unions with 15,000 affiliated members and six delegations in Mexico City with 3,000 direct members” (1987, 92). By the early 1990s, Coparmex had 57 centros and 30,000 members (Luna and Tirado 1992, 34).

18. In the 1920s and 1930s, Argentine employers formed several multisectoral associations to counter labor organizing, but they did not last (Birle 1997). The Federação da Indústria do Estado de São Paulo (FIESP) began in part as a response to labor organizing but developed subsequently into a regional producer association (Weinstein 1996). Chilean business created the Confederación de la Producción y del Comercio (CPC) in the 1930s in part to counter labor mobilization. The CPC subsequently became dormant until the 1960s, when business resurrected it as a peak association rather than an employers’ association (Cusack 1972).

Yet the survival and growth of Coparmex were not due exclusively to its function as a negotiating arm of employers but also to the fact that it assumed a gadfly ideological role based on Catholic social doctrine and free-market liberalism. Until World War II ended, Coparmex's main activity was defending employers legally in the field of labor law (Alcázar 1970, 45). After 1946 Coparmex expanded into a broader ideological role (Bravo Mena 1987). Coparmex also constituted a vehicle for northern business to oppose the encroachments of central government developmentalists. Until the CCE was formed in 1976, Coparmex was the only association in Mexico that was multisectoral, mass membership, and independent (noncorporatist). Thus formal political exclusion was key in the general sense discussed but also in the specific sense that Coparmex was until the 1970s the only independent business association that could voice opinions without the direct threat of administrative retaliation by state actors. The corporatist associations operated under legal restrictions on their "political activities" and selection of leaders as well as financial dependence on the government.¹⁹

Conflict was the major and most consistent impetus to collective action in Coparmex. Even in periods of relative harmony between business and government, the state's legal and constitutional prerogatives to intervene in labor markets and expropriate property worried Coparmex supporters.²⁰ The government meanwhile provided limited direct support for Coparmex in the selective benefit of access, in this case a seat on the boards of several public entities, especially wage and labor relations commissions.²¹ Such institutional access increases the incentives for business to invest resources in the association, not only to be members but also to provide resources for research departments and to invest time and more resources in order to influence leadership selection. The government also made an informal habit of consulting with Coparmex and other associations before implementing major policy initiatives. The significance of this informal access can be gauged from Coparmex's angry reaction to President Echever-

19. Coparmex's legal independence was, as is often the case in Mexican politics, relative in practice. Coparmex members sometimes adjusted leadership selection in consultation with the government. Rogelio Sada Zambrano was invited by the Coparmex board to be president, but the invitation was withdrawn because the board thought he would signal too much confrontation with government. Interview with Sada Zambrano.

20. For a full analysis of the weakness of property rights in Mexico, see Elizondo (1992).

21. The boards included INFONAVIT (National Institute for Workers' Housing), the Comisión Nacional de Salarios Mínimos, and the negotiation and arbitration council of the Comisión Nacional para el Reparto de Utilidades (Bravo Mena 1987, 92). The UNAM Facultad de Ciencias Políticas y Sociales also lists the Comisión Nacional Tripartita and FONACOT (the Fondo Nacional de Fomento y Consumo de los Trabajadores) (FCPS 1994, 46). Informal access was maintained even during periods of great acrimony between Coparmex and the government. In an almost schizophrenic gesture, Echeverría and Coparmex President Roberto Guajardo Suárez lunched together weekly at the same time that they were exchanging vitriol in public forums (Camp 1989, 165).

ría's enacting a new tax policy in 1970 without prior consultation. Coparmex immediately issued a press bulletin criticizing the government for breaking with the past practice of sending legislation to associations for consultation (Bravo Mena 1987, 97).

The institutional strength of Coparmex (dependent on material resources for staff and propaganda) and its leaders came largely from big business in northern Mexico. The founders emerged from the Monterrey group, especially the Sada family. Half the leaders through the 1980s came from Monterrey, unlike most leaders of other associations, who came from Mexico City (Camp 1989, 158). Exact data on revenues are unavailable in part because the 1985 earthquake destroyed Coparmex's offices and records. But circumstantial and anecdotal evidence confirms the general suspicion that big business, especially from Monterrey, has sustained Coparmex. First, the dues structure is progressive: small firms pay less to belong than large firms.²² In another example, Armando García Segovia, the president in 1991 of the Centro Patronal in Monterrey (one of the most important in Mexico) was not a small business owner who had risen through the ranks but a smooth-talking public-relations expert on salary at the huge cement firm Cemex.²³ He was less a business leader than a good speaker whom the firm had hired to spread the Coparmex gospel. Last, the CMHN collectively funded Coparmex, at least periodically.²⁴

To summarize, conflicts over labor legislation early in the twentieth century gave birth to the longest standing and most ideologically vociferous employers' association in Latin America. Coparmex's survival during periods of harmony between business and government resulted from busi-

22. According to Juan Luis Prieto, member of the Coparmex board, "una parte nada despreciable" of Coparmex revenues comes from Monterrey firms. Interview with Prieto, 7 Nov. 1991. Rogelio Sada Zambrano (former chief executive officer of Vitro) claimed that the Monterrey firm Vitro was a primary funder of Coparmex. Interview with Sada Zambrano, 6 Mar. 1994. In Monterrey the minimum dues in 1993 were around 300 dollars and the maximum about 9,000 dollars. Dues are prorated according to the number of employees in a firm. In 1993 the largest 124 firms in the Monterrey Centro Patronal employed half the workers hired by Coparmex members and presumably paid close to half the dues of the 2,550 members. Interview with Daniel Garza Garza, manager for membership services, Centro Patronal de Nuevo León, 17 Nov. 1993. See also Camp (1989, 158, 163). Unless otherwise noted, all monetary figures are in current U.S. dollars.

23. Interview with García Segovia, 18 Nov. 1991.

24. In Acta No. 26 of 24 Aug. 1974, the Coordinating Commission of the CMHN agreed to recommend to CMHN members that they increase their contributions to Coparmex to pay off a debt of 200,000 dollars (p. 5). Valdés has argued that the CMHN strongly influenced the selection of leaders in Coparmex, especially the long tenure and ultimate resignation in 1973 of Coparmex President Roberto Guajardo Suárez (Valdés 1998, 173–75). More generally, Agustín Legoretta, president until 1982 of Banamex (Mexico's largest bank), instructed his top managers to consider it part of their job description to participate in all sorts of associations and seek leadership posts in them. Interview with Agustín Legoretta, 28 July 1998.

ness being excluded from other avenues of political participation (or the lack of other channels for the expression of the kinds of political views espoused by Coparmex), government consultation and cooperation with Coparmex, and sustained investment by big capitalists from Monterrey.

THE CMHN, AN EXECUTIVE COMMITTEE OF THE BOURGEOISIE?

In 1962 a small group of owners of Mexico's biggest businesses formed what would become the innocuous sounding Consejo Mexicano de Hombrés de Negocios (CMHN). This kind of low-profile exclusive association of only a few dozen of the biggest firms is rare in Latin America, where few comparable associations are found.²⁵ Francisco Valdés has argued that the CMHN "has been the most powerful business organization" since 1962 (1996, 133). Roderic Camp called the CMHN "the single most important organization of the private sector" (1989, 83). Moreover, the CMHN was the prime mover in creating and sustaining other business organizations, especially the Consejo Coordinador Empresarial (CCE). Despite consensus on the importance of the CMHN, little is known about it due to the successful efforts of its members to avoid the limelight.²⁶

The CMHN has changed little in organizational form since the late 1960s. Its membership expanded gradually from the 1970s from around thirty to more than forty in the 1990s (appendix 3 lists all members). The founding members agreed that they wanted the organization to stay small. They also established a mechanism for incorporating new members. To become a member, a businessman must be Mexican, "a representative of one or several firms or businesses," and "a prominent member of the community" in terms of the national economy (Ortiz 1997, 301). New members must be approved unanimously by existing members. Turnover and expansion

25. In Argentina the "grupo de 12" and the "capitanes de la industria" were small groups of large firms that government officials consulted in the 1980s, but neither developed into lasting associations (Ostiguy 1990; Birlé 1997). The Consejo Empresarial Argentino (CEA) may resemble the CMHN most. The CEA was founded in the late 1960s as a small association of several dozen representatives from Argentina's largest firms. Because most scholarship on Argentine business has paid scant attention to the CEA, little is known about its organization and relationship to the government. By the 1990s, the CEA was meeting regularly with officials from the Carlos Menem administration and spending hundreds of thousands of dollars to finance studies on a wide range of policy issues (CEA *Memorias*). In contrast to the CMHN, CEA membership was subject to high turnover and included managers rather than owners of both Argentine and foreign firms. The Instituto de Estudios para o Desenvolvimento Industrial (IEDI) in Brazil looked much like an industrial CMHN but never flourished (Kingstone 1998). The Turkish Industrialists' and Businessmen's Association (TUSIAD) was founded by twelve leading industrialists in 1971 but mushroomed to more than two hundred members by the 1980s (Arat 1991).

26. Secondary sources on the CMHN have been scant until recently. See Camp (1989), Valdés (1998), and especially Ortiz (1997, 1998).

became significant in the 1980s and 1990s. By the mid-1990s, only two of the twelve founding members were still active, as were only a third of those who had been members in 1974. Thus only a quarter of members in the mid-1990s had belonged in the 1970s (FCPS 1994, 51–53). In some instances, sons replaced fathers or one shareholder of a major group substituted for another, reducing turnover among member firms and families. Initially, CMHN membership included both professional managers and owners of large firms, but over time, most of the managers dropped out and owners took their places.²⁷ The CMHN consists of a president, ad hoc working groups, and a part-time secretary-treasurer but has no other officers or staff, no office space, no publications, and a small budget. According to one founding member, the CMHN “no es secreto, pero sí discreto.”²⁸

The CMHN’s core activity is staging a monthly luncheon, almost always with a politician or government official, usually the cabinet members responsible for economic policies. The meeting is closed and generally lasts most of the afternoon. CMHN members convene alone at about one to discuss internal business for an hour or more until the government invitee arrives for lunch.²⁹ After lunch, the government representative makes a brief presentation, and several hours of questions and discussion follow. Since the mid-1970s, the president of Mexico has met with the CMHN about once a year.³⁰

From its inception, the CMHN has illustrated the mix of love-hate relations with government in promoting organization. For some founding members, the CMHN was like Coparmex: the organized reaction of big business to government actions perceived as threatening to business as a whole (Valdés 1996, 134).³¹ President López Mateos, in the first years of his term (1958–1964), appeared to be sympathetic to labor, called himself a “leftist,” and supported Fidel Castro’s revolution in Cuba (Valdés 1998, 142–45). In 1960 business mounted an opposition campaign, and Coparmex, CONCANACO, and CONCAMIN jointly published a famous newspaper manifesto (“¿Por cuál camino?”) demanding that López Mateos define himself politically. Juan Sánchez Navarro and others wanted united collective

27. Roderic Camp, letter, 5 Apr. 1999.

28. Interview with Juan Sánchez Navarro, 10 June 1996.

29. Interview with Rómulo O’Farrill, 27 July 1998.

30. The CMHN had one meeting with Echeverría, six with López Portillo, and seven with de la Madrid. The CMHN also had close but more ad hoc contact with President Gustavo Díaz Ordaz in the 1960s (Ortiz 1997, 305, 318, 362).

31. Much of the discussion of the history and functioning of the CMHN draws on long and sometimes multiple interviews with early members, especially Juan Sánchez Navarro, César Balsa, Rómulo O’Farrill, and Agustín Legoretta. Sánchez Navarro was a driving force in business organization throughout the second half of the twentieth century. He was one of the handful of organizers of the CMHN (and later the CCE) and served twice as its president. Ortiz (1997) offers a complete biography.

opposition to threatening actions by the government, and they created the CMHN as an independent vehicle for such opposition. At that time or soon after, the government started promoting the CMHN. The president's leftist sympathies had scared off some U.S. investors, and several big businessmen felt that foreign investors were overreacting and misreading the political situation in Mexico. Consequently, an explicit goal of the dozen founding members was to improve Mexico's image among foreign investors. One of the early temporary names of the association was simply the Consejo Mexicano de Relaciones Públicas (Ortiz 1997, 300). Government officials supported this aim, and some early members of the CMHN even claimed that their invitation to join came directly from President López Mateos.³²

Although the CMHN's form changed little over the following decades, its function evolved. In the early years, the CMHN invested heavily in public relations for Mexico and Mexican business. The organization paid for ads in the United States, hired U.S. public-relations consultants, and generally talked up Mexico with managers of multinational corporations.³³ In the mid-1970s, the CMHN changed its statutes to focus more on domestic politics and economics. This step was again motivated by changes in government, first in conflict and then in cooperation. By the mid-1970s, CMHN members felt that Mexico's image abroad needed less help than a campaign to build better relations between business and government after the acrimonious conflicts with the Echeverría administration. Following this presidency, the CMHN established the more routine contact with presidents and ministers that has been ongoing. In the mid-1970s, the CMHN came into higher profile when its members took the lead in creating the CCE and incorporated the CMHN as one of the few member associations with a vote in the CCE. By the 1980s, the CMHN president was being quoted regularly in the Mexican press alongside other business leaders.

The public presence of the CMHN, however, is less significant than what occurs during the monthly lunch meetings, especially in periods of

32. Interview with César Balsa. Others, especially Juan Sánchez Navarro, thought former President Miguel Alemán also encouraged or at least approved of the organization of the CMHN. Given the divergent views of the several founding members I interviewed, it appears possible that some members joined because they thought they were creating an independent association to oppose leftist governments while others joined because they thought they had to do the government's bidding. See also FCPS (1994, 56).

33. Most of the literature on business organizations and Mexican politics more generally in the 1960s has paid little attention to the CMHN. For instance, Carlos Arriola's detailed study of business associations from 1970 to 1982 barely mentioned the CMHN except to note that it was "powerful" (1988, 165). Two comprehensive surveys of business organizations published in the early 1970s did not even mention the CMHN (Alcázar 1970; R. Shafer 1973). This neglect is mistaken because even in the 1960s, the CMHN was developing into a privileged interlocutor with the government. For example, Sánchez Navarro reveals in his biography that President Díaz Ordaz stayed in close touch with him as president of the CMHN in the days leading up to the student massacre of 1968 (Ortiz 1997, 318).

harmony. That format provides the opportunity for extensive discussion. If the invitee is a secretary of government, he or she will have several hours to exchange views with twenty-five to thirty business leaders.³⁴ Little is known about exactly what transpires in these discussions. All interviewees from both the CMHN and government agreed that valuable information flows in both directions. The discretion surrounding the meetings allows government officials to speak freely.³⁵ CMHN members interviewed for this study all emphasized the value of the high-level access that they gained through the CMHN. One member claimed he owed it to his shareholders and management team to attend the CMHN luncheons, and he made a practice of reporting to his board and managers after each meeting.³⁶

The CMHN's visible political influence probably peaked in 1987 with the *pasarela* (parade) of PRI presidential candidates before the CMHN (Ortiz 1997, 368–72). President Miguel de la Madrid asked the CMHN to interview all six of the PRI candidates for president. In essence, the only real primary election that year for presidential aspirants was held in the CMHN, which invited each candidate to a separate lunch meeting. The CMHN was careful to take no formal vote, and members claimed that they offered their preferences only when asked. In any case, it seems improbable that President de la Madrid would have arranged the *pasarela* and suffered the political fallout without consulting CMHN members on their preferences.

The CMHN has also worked actively to enhance coordination and consensus building within the private sector. In addition to holding discussions with government officials, CMHN members also meet on their own. These internal meetings provide additional time to exchange views across sectors and regions and to build consensus (appendix 3 lists the major regions and sectors represented in the CMHN). The CMHN is the only institutionalized direct channel between Monterrey's biggest business leaders and their counterparts in Mexico City. Consensus has been highly valued, and the CMHN has avoided taking votes. The informal procedure has been to let all members discuss an issue and voice opinions. Then if the president detected something close to consensus, he closed the discussion by stating the consensus and actions following from it.³⁷ This norm of consensus building limits the range of actions the CMHN can take but no doubt helps dampen the centripetal forces that have undermined encompassing associations elsewhere.

34. Some members are absent from any particular meeting, depending mostly on who is coming from government. Interview with Sánchez Navarro, 10 June 1996. Attendance swells for the president and then declines according to the perceived importance of the economic ministry represented.

35. In my extensive but not exhaustive review of the press, I have yet to come across a significant leak from a business member to the press of what officials said at the meetings.

36. Interview with Gilberto Borja Navarette, 24 July 1998.

37. Interview with O'Farrill.

Beyond internal discussions, the CMHN actively promotes other associations. Most important, the CMHN has played a dominant role in the CCE by providing many of its presidents and most of its funds. The CMHN also donated substantial material support to Coparmex and COECE. As noted at the outset, the CMHN has orchestrated overall business support for government policies and worked to build investor confidence. After a year of crisis, capital flight, and recession in 1995, the CMHN decided to announce its expected investment for 1996. The CMHN met at a press conference at Los Pinos to announce that its thirty-eight members planned to invest 6.2 billion dollars in productive ventures. The CMHN vowed further to support government bonds. This announcement has become an annual ritual of regular investment promises by the CMHN: 7 billion dollars in 1997, 8.4 billion in 1998, 7 billion in 1999, and 8.5 billion dollars in 2000.³⁸

Notwithstanding the potential value of these coordinating activities, it has been the contact with government officials that has held the CMHN tightly together. This conclusion is supported by interviews with members as well as by comparative and theoretical analysis. As noted, ministers and presidents in Brazil and Argentina have often established regular informal meetings with a dozen or two top capitalists. But these groups disappear once the government invitations stop. From the perspective of general theories of collective action, the CMHN seems a very "privileged group" (in Olson's terms): it is a small group of very rich men, and therefore many of the obstacles to collective action fade away. Yet it is also a diverse group with disparate regional and sectoral interests. Olson has argued that multi-sectoral encompassing associations are difficult to hold together, especially over long periods, in the absence of selective incentives (Olson 1965, 1986). The regular presence of top Mexican government officials has provided the strong "selective incentives" for collective action in the CMHN. The strongest positive incentive is to be at the lunch table for lengthy conversations with government ministers. A more negative secondary incentive is that capitalists likely want to be at the table to make sure the government hears their preferences on policy issues and to counter any contrary views from other members.³⁹

38. At the meetings in 1997 and 1998, the CMHN also announced proudly that actual investments in 1996 and 1997 had exceeded their predictions. Information for 1997–1998 comes from copies of speeches and press releases in the CCE archives. In 1996 total private investment accounted for 13.5 percent of the Mexican GDP, 338 billion pesos or roughly 50 billion dollars. Thus the CMHN promises accounted for over 10 percent of all private investment. Investment data are from the Banco de México at <<http://www.banxico.org.mx/public/html/inveco/infecon/cuadros/cra3.html>>. The investment commitments in 1999 were overshadowed by the CMHN's surprise call for dollarizing the Mexican economy. See *Reforma*, 12 Mar. 1999, p. 1. On the meeting in 2000, see *El Universal*, 10 Mar. 2000.

39. Members may use CMHN meetings informally to transact business with other members. In the small world of the Mexican business elite, however, constant business and social

Marx wrote in the *Communist Manifesto* that the modern state was no more than “an executive committee” for managing the common affairs of the bourgeoisie as a whole. Few Mexican capitalists would agree with such a characterization of the role of the Mexican state in the twentieth century. Had the Mexican state been perceived as a reliable “executive committee,” the CMHN and other voluntary encompassing associations might never have formed. In this sense, the CMHN resembles a substitute “executive committee” designed to communicate business concerns over the common affairs of Mexico’s largest business groups. In sum, exclusion, cooperation, and conflict have all pushed big capitalists to maintain their investment in the CMHN, although the impact of each factor has varied over time. The general exclusion of business from Mexican politics consistently increased the value of contact with government officials through the CMHN. Periods of conflict with government in the late 1950s, early 1970s, and early 1980s all contributed to member investment in collective action and reorientation of the CMHN toward the significant role it came to play in domestic politics. Since the mid-1980s, close cooperation between the Mexican government and the CMHN has reinforced the high value of membership in the CMHN.

THE CCE: THE CONSOLIDATION OF AN ENCOMPASSING PEAK ASSOCIATION

In 1975 big business in Mexico created an encompassing peak association, the Consejo Coordinador Empresarial. Such associations are rare in large late-developing countries. Of the largest four in Latin America (Brazil, Mexico, Argentina, and Colombia), Mexico is the only country with a multi-sectoral peak association.⁴⁰ In late-developing southern Europe, only Spain had an encompassing peak association (Schmitter 1994, 295). Mexican business overcame deep sectoral, regional, and corporatist divisions to create the CCE. Although it may not have been as institutionally strong as some peak associations in developed countries, its very existence in Latin America is remarkable.

The eight associations that made up the CCE on paper included almost every type of firm in every sector in Mexico, from the largest con-

contacts provide similar but less costly opportunities to conduct business. In particular, many CMHN members sit on the corporate boards of the firms of other members: twenty-one members of the CMHN each sat on six to fourteen boards (*consejos de administración*) of other groups and firms. Garrido concluded that these interlocking directorates create a tight network of top capitalists (1992, 50–58).

40. Colombian associations created a coordinating body, the Consejo Gremial, in the 1990s (Rettberg 2000). The next largest countries, Peru, Venezuela, and Chile, have encompassing peak associations, but some are much weaker institutionally and elicit less member investment than the CCE in Mexico. For example, the CPC in Chile, the oldest peak association in Latin America, employed only a tiny staff in the 1990s.

glomerates to hundreds of thousands of small retailers. By 1992 the member associations covered over 900,000 businesses. The largest numbers of members come from the traditional corporatist confederations CONCANACO (commerce, 500,000 members) and CONCAMIN (industry, 125,000 members) and from the Consejo Nacional Agropecuario or CNA (agriculture, 250,000) (Luna and Tirado 1992, 34). These associations cover most of the Mexican economy. The addition of finance, represented through the ABM (banking, eighteen members), AMIB (stock brokerage, twenty-six members), and AMIS (insurance, fifty-nine members) completed the sectoral inclusivity of the CCE (Tirado 1998, 188). With these six groups, the CCE would seem a fairly typical peak association with one vote per sector, although the votes are skewed in favor of large financial firms.⁴¹ The CCE also includes on an equal footing Coparmex and the CMHN, which further distort sectoral representation. Coparmex is a multisectoral employers' organization, and its members also belonged by law to a corporatist sectoral association. Through the CMHN (whose membership overlaps with the small ABM), the CCE formally overrepresents a small number of Mexico's largest firms. The three dozen members of the CMHN and the eighteen bankers in the ABM (in some periods) had the same vote as the hundreds of thousands of members of CONCANACO.

Where did the impetus for the CCE come from? The simple and most common answer is President Luis Echeverría (1970–1976), who took many actions that displeased business (Arriola 1988). The government's generally leftist rhetoric was disconcerting. The Echeverría administration supported labor more than past governments had and encouraged the formation of the Congreso de Trabajo (CT), a peak labor organization that some capitalists wanted to counter with a peak business association.⁴² State intervention in the economy, especially in the guise of state-owned enterprises, expanded dramatically under Echeverría, competing with and crowding out private firms on many fronts. Moreover, Echeverría broke an unwritten rule that top officials consult with the private sector before adopting any policy of significant interest to capitalists (Luna 1992, 38). Finally, Echeverría ended his term with a series of land expropriations that on top of

41. In addition, CANACINTRA and CONACO (commerce in Mexico City) had a voice but not a vote. According to some interviewees, voice gave these associations significant representation. The formal representation of finance in the CCE underwent several permutations after the government nationalized the banks in 1982. AMIB (under a different name) replaced the ABM during the 1980s. When the government resold the banks in the early 1990s, the new owners reconstituted the ABM. Recently the ABM and AMIB created a peak association for finance, the Consejo Coordinador Financiero, which now represents finance in the CCE. For more information, see <<http://www.cce.org.me>>.

42. Interview with Francisco Calderón, 12 June 1996. This was one of the few times when interviewees mentioned labor organizing as an impetus for collective action by business. Here and elsewhere, however, business saw the hand of the state behind labor.

everything else seemed to threaten property rights. In short, Echeverría made it easy for capitalists from all sectors to find common ground in opposing him and agreeing that the private sector needed a united voice to counter the multiple threats coming from the state. In theoretical terms, Echeverría subordinated divergent interests (which in other times and places impeded encompassing collective action) to common opposition to the state.

Surprisingly, Echeverría did not discourage the creation of the CCE and subtly encouraged it in embryonic form. When Echeverría heard that capitalists were planning to create the CCE, he told Juan Sánchez Navarro that business should organize as it saw fit and that he would be interested in knowing about the proposed statutes for the new association. Echeverría then invited the organizing committee for the CCE and the heads of the member associations to breakfast at Los Pinos. To the surprise of the invitees, most of the cabinet also attended the breakfast. This event signaled that the government was taking the CCE seriously and thus boosted incentives for collective action. The government also leaked the statutes to the press, creating the CCE publicly before it was legally registered.⁴³

Leadership also facilitated formation of the CCE. Juan Sánchez Navarro had been elected to leadership positions for years in all the major associations and had helped create new associations like the CMHN. By the mid-1970s, he had left these positions and could call the presidents of various associations together as a neutral outsider. He invited them to his office in the *Cervecería Modelo* rather than meeting at one of the associations in order to avoid arousing rivalries and fears that one association might come to dominate the CCE.⁴⁴

Echeverría helped business associations overcome their differences of interest and opinion. In theory, overcoming divergent interests is the key to initiating collective action among associations. Free riding, the other main Olsonian obstacle to collective action, is less important because associations can monitor and sanction free riding more easily than isolated firms or individuals can. As was the case with the encompassing association in Chile (the *Confederación de la Producción y del Comercio*, or CPC) in the 1960s, Mexican associations feared that if they did not hang together, they would hang alone (Cusack 1972). That is, if the head of CONCAMIN or CONCANACO challenged the president of Mexico, that group would be vulnerable to reprisals against its particular association or sector. But if the chal-

43. Interview with Sánchez Navarro, 10 June 1996.

44. *Ibid.* The significance of a figure like Sánchez Navarro becomes clearer on comparing efforts in the 1980s and 1990s by Brazilian associations to coordinate lobbying (Weyland 1998). The first effort, the UBE (*União Brasileira de Empresárias*), fell apart precisely because of inter-association rivalries and lack of a leader like Sánchez Navarro. Later, Jorge Gerdau Johannpeter, another well-respected capitalist outside the associations, became crucial to the success of loose coordination in *Ação Empresarial* (Schneider 1997–1998).

lenge came from the CCE, member associations and sectors would be less vulnerable.⁴⁵

In principle, funding a peak association should not be burdensome because member associations generally have large budgets. In Mexico, however, some associations struggled to raise funds, even the corporatist ones. As with Coparmex, it was big business that solved the financing question by making large “voluntary” contributions beyond the equal dues charged the eight associations.⁴⁶ In the early years, the member associations paid little. Most of the costs were covered in roughly equal thirds by the Monterrey group, by the bankers, and by other firms like Bimbo and the member associations. The owners of many of the contributing firms also belonged to the CMHN, and thus the CMHN in effect carried the CCE for its first years. By the 1980s, the CCE had diversified revenue sources for what would be a rather constant budget of about 2 million dollars per year.⁴⁷ One-quarter came from member associations and another from the sale of services, lectures, and publications. A full half of the CCE’s budget, roughly 1 million dollars per year, came in voluntary contributions. By the 1990s, nearly 350 firms were making voluntary contributions, although most of the funding came from a few dozen large firms, most of them members of the CMHN, bankers, and Monterrey firms.⁴⁸

Why did these large firms assume so much of the cost of the CCE and tolerate so much free riding by the rest of business? Each of three overlapping sets of huge businesses wanted to support the CCE to reduce their vulnerability or to expand their influence. The CMHN wanted to remain a discreet association without a public profile, and the CCE offered a privileged position from which to go public, but not in the name of the CMHN.

45. Interview with Sánchez Navarro.

46. Unless otherwise attributed, these and subsequent financial data come from an interview with a top staffer at the CCE who requested anonymity and from Sánchez Navarro. Documentary evidence is incomplete but generally corroborates the oral testimony. For example, the Acta No. 42 of the CMHN’s Comisión Coordinadora provides two pages of minutes for the meeting of the commission’s five members on 24 Mar. 1977, where they approved a request from the Centro de Estudios Económicos del Sector Privado (CEESP), the economic research wing of the CCE, for about 44,000 dollars. Subsequent actas and other archival materials suggest that such requests were typical and were routinely approved by the CMHN.

47. The president’s report for 1987 lists income of 338 million pesos for 1985 and 865 million pesos for 1986 (CCE 1987, TyF-2). These figures converted at year-end exchange rates yield 1.3 million dollars for 1985 and 1.4 million dollars for 1986. Given the high rates of inflation and devaluation in these years, monthly calculations for income in dollars would yield substantially higher yearly totals. In 1985 and 1986, the CCE also channeled voluntary contributions into an endowment fund that exceeded 1 million dollars by mid-1987 (CCE 1987, Coord-11).

48. The top five contributing firms were Bimbo, Alfonso Romo (Monterrey), Vitro (Monterrey), Visa (Monterrey), and Grupo Herdez. Contributions from many firms varied greatly and could disappear from one year to the next, depending on firm profits.

Similarly, Mexican bankers have traditionally had image problems in government circles and public opinion, with the result that demands coming solely from the bankers' association lacked legitimacy and efficacy (Camp 1989). Finally, business leaders in Monterrey have always been isolated geographically and politically, even though they championed the ideological defense of capitalism through ventures like Coparmex.

The CCE's early documents reveal that the founders wanted a peak association with institutional capacity to conduct research, disseminate information, and proselytize (Sánchez N. 1996, 9). The target audience was not only business but public opinion and political leaders. The staff of the CCE began with forty to fifty employees, in part because it absorbed the existing Centro de Estudios Económicos del Sector Privado (CEESP), which accounted for half the starting staff. It peaked at eighty-two in 1982 and stayed around eighty until 1993, when it dropped to sixty-one after achieving many of the CCE's goals.

The centripetal impetus that Echeverría generated through conflict was dissipated by harmonious relations with his successor. President José López Portillo (1976–1982) was initially more sympathetic to business, thereby diminishing common interest in the CCE. At the same time, the oil boom gave capitalists incentives for tending to their enterprises and neglecting organizing. Yet big business did not completely abandon the CCE, as often happened to similar organizations in Argentina and Brazil. When members debated possible dissolution in CCE meetings in the late 1970s, the collective decision was to maintain the CCE. After López Portillo nationalized the banks in 1982, business roused the CCE from its relative hibernation to channel business opposition (Tirado 1998, 193–95).⁴⁹

The love-hate cycles intensified in the 1980s and consolidated the CCE. Although the intense conflicts of 1976 and 1982 strengthened the CCE, subsequent close cooperation with the de la Madrid administration (1982–1988) increased incentives for big business to invest in the CCE. After taking office at the end of 1982, President de la Madrid targeted the CCE in his efforts to win back "*confianza*" and private-sector support. Meetings between top government officials and the CCE became as frequent as those between the CMHN and the government. From May 1986 to May 1987, the CCE had eighteen "extraordinary" assemblies (in addition to its ordinary meetings), most of them with secretaries and subsecretaries of economic ministries. Over the same period, CCE delegations met with President de la Madrid nine times and more than forty times with economic ministers (CCE 1987, Coord-9–10).⁵⁰

49. The nationalization of the banks eliminated the single largest sectoral source of CCE revenues, causing one of the severest financial crises for the CCE.

50. In the early 1990s, the presidents of member associations met on Wednesday evenings for lengthy dinners, attended about once a month by a top government official. Interview with Roberto Sánchez de la Vara, former president of CANACINTRA, 8 June 1996.

The high point of organized collaboration between Mexican business and government occurred at the end of de la Madrid's term. In late 1987, as macroeconomic variables worsened dramatically, government officials sounded out business about the possibility of an anti-inflation pact. Informal discussions led quickly to the first of many regular agreements on taxes, exchange rates, prices, and wages that were signed by representatives of business, government, and labor. The CCE acted as the central coordinator on the business side, and its leaders and backers contributed much time and money to organizing and enhancing business representation in the Pactos. The CCE could not compel members to abide by the agreements, but its leaders spent a great deal of time persuading members to do so. The CCE also benefited from the broad public approval won by the Pactos as inflation subsided rapidly in 1988 and 1989. Contact between the government and the CCE was intense in the first years of the Pactos, entailing marathon weekend negotiations and lengthy regular monitoring meetings each week. Even after inflation fell, the Pactos continued under various names into the mid-1990s.⁵¹

In the late 1980s and 1990s, in part because of the Pactos, the CCE went through some internal conflicts that showed how well the CCE represented big business, certainly in the eyes of its critics in the business community (Tirado 1998). Through the late 1980s, three presidents of the CCE were members of the CMHN, and two of them owned large financially centered conglomerates.⁵² At the end of the term of the last CCE president, Rolando Vega, other members voiced their opposition to the dominance of big business and demanded greater internal democracy and stronger representation of small and medium firms. The impasse was first postponed by keeping Vega on another year and later "resolved" through the automatic rotation of the presidency among the heads of the member associations. The CCE dropped the rotation scheme several presidents later, however, and big business reasserted its strong hold on the CCE over the 1990s. The president in 1998–1999 was Eduardo Bours, officially from the mass agricultural association, the CNA. But Bours's firm is the huge conglomerate Bachoco, and his father is a member of the CMHN. Big business also retained its overrepresentation on the CCE board and continued to foot at least half the CCE's bills. In 2000 big business and the CMHN returned to more overt control of the CCE. In 1999, Claudio X. González of the CMHN lost the CCE presidential election to Jorge Marín Santillán, a smaller indus-

51. The formal name of the pacts changed several times. The full story of the pacts and the crucial role played by the CCE in their success are covered in Kaufman et al. (1994), Zuckerman (1990), Milor et al. (1999), and Schneider (1997).

52. Claudio X. González served as president of Kimberly-Clark in Mexico. Agustín Legorreta Chauvet was the scion of a traditional banking family and president of the Inverlat group. Rolando Vega Iñiguez also came from a traditional banking family.

trialist and former president of CONCAMIN. In early 2000, however, Marín Santillán announced his decision not to seek a second term due to opposition from the CMHN.⁵³ González won the presidency in June 2000, but at a cost. CONCANACO, the commerce confederation with a preponderance of small and medium firms, withdrew from the CCE, charging that the association was not representing small firms.⁵⁴

Overall, the CMHN has been a major force behind the CCE throughout the CCE's twenty-five-year history. Exclusion and threatening acts by government during the Echeverría administration provided the impetus for organizing the CCE. Echeverría gave each member association strong incentives to cede some authority to a central peak association. The elitist associations like the CMHN and the bankers lacked legitimacy as high-profile political activists and needed "mass business allies." The mass corporatist associations were vulnerable individually to government retaliation and needed the cover of a joint spokesperson for business. Renewed conflict in the early 1980s radicalized the CCE. De la Madrid's consistent pressure and courtship of business then helped bring moderation in the CCE and closer collaboration between the CCE and the government, which ended with the successful stabilization pacts of the late 1980s. The absence of conflict and collaboration in the 1990s translated into somewhat lower investment in the CCE and a reduction in its staff and activities. Nonetheless, the CCE retained a strong public presence and extensive research capacity that maintained a high profile for the association.

COECE: IN THE ROOM NEXT DOOR

COECE (Coordinadora de Organismos Empresariales de Comercio Exterior) originated as an ad hoc association created by the CCE in 1990 for the negotiations over NAFTA. It is a key recent example of how Mexican state actors continued to encourage and structure collective action by business. Even as the state withdrew from the economy in waves of market-oriented reform, state actors have continued to meddle in the organization of Mexican society. By the time COECE was created, the clashes between business and government of the 1970s and early 1980s were fading into distant memory. Its story thus revolves around the factors of close collaboration between the Secretaría de Comercio y Fomento Industrial (SECOFI) and COECE and the exclusion of business influence outside COECE. The irony of the harmony in the 1990s is that it was predicated on prior collective action, notably in the CCE, spurred by conflict.

When the Mexican government announced plans in March 1990 to pursue NAFTA, the CCE quickly created COECE (with government ap-

53. *Reforma*, 17 Feb. 2000, p. A3.

54. *El Universal*, 1 June 2000, electronic version.

proval).⁵⁵ COECE and the government in turn created decentralized advisory committees of about five officials and eight to ten representatives from businesses to accompany negotiations. These committees were first organized in twenty sectoral groups and later reorganized, as the negotiations progressed, into eighteen thematic groups. From 1990 to 1992, groups of business representatives and government officials held 1,333 meetings, roughly a dozen a week (Puga 1994, 185). At the outset, various sectoral and advisory groups worked to collect and analyze background data. Later, representatives from the advisory groups closely followed the negotiations, and government officials maintained constant contact with them. Business representatives were not allowed at the bargaining table with the United States and Canada but were figuratively and sometimes literally in the “*cuarto de junta*” (room next door).⁵⁶

Previous experiences made COECE easy to create and run. First, the existence of the CCE gave government officials an association to turn to in organizing something like COECE. Second, Minister Jaime Serra Puche of SECOFI, the ministry that would lead the negotiations, had already shared the positive experience of the Pactos and felt he could work with business associations and their leaders. Third, when asked to organize, business leaders had a model in the association that Canadian business had organized several years earlier, the Canadian Trade Advisory Committee, to accompany their government’s negotiations with the United States (Johnson 1998, 129). Last of all, smaller voluntary associations for international trade already existed in Mexico, and therefore CCE leaders knew where to recruit experienced association leaders to run COECE. Such preconditions do not exist in many countries. Trade officials in a country like Brazil, for example, would not know where to turn to find interlocutors for organized business (Schneider 2001).

The strongest impetus to organize and invest in collective action came from the government’s invitation. The sectoral participants knew that if they did not collect and organize reliable information and did not reach agreement among a sector’s producers and among that sector and others up- and downstream from it, then the government would push ahead and negotiate anyway. Consequently, big businesses invested heavily in meetings and research to enhance their participation. Investment was greater by big firms that became dominant within COECE (Johnson 1998, 129; Thacker 1999).⁵⁷

55. Although COECE formed at the invitation of the government, the private sector had been preparing for eventual trade negotiations. Several associations for international trade already existed, the most important among them being the Consejo Empresarial Mexicano para Asuntos Internacionales (CEMAI). See Thacker (1999, 64–65).

56. Interview with Raúl Ortega and other COECE staffers. See also Puga (1994), Thacker (1999, 2000), and Schneider (1997).

57. Full data are lacking on COECE finances. Generally, COECE did not have a large staff

But COECE would have been little more than a façade had the government not excluded other forms of lobbying and participation. That is, any firm would want to press its particular interest first through individual lobbying of SECOFI officials or through other sectoral or regional associations where the firm might carry more weight. Minister Serra Puche, however, made it clear from the beginning that he would talk only with COECE, and he instructed his subordinates to do the same. In the first weeks, several firms came directly to Serra Puche, and he told them to work through COECE. Denying several firms individual access sent a clear message to businesses that they would have to work through COECE if they wanted to participate in the NAFTA negotiations.⁵⁸

As with the Pactos, the participants generally considered COECE a positive experience in managing a major economic adjustment (Thacker 1999; Schneider 1997). Consultation through COECE and the NAFTA negotiations helped consolidate trade reform by building support in the private sector and increasing the flow of information between business and government. Business support for NAFTA was surprising, considering that business had blocked Mexico's entrance into the General Agreement on Trade and Tariffs (GATT) in 1979 (Story 1982; Kaufman et al. 1994; Thacker 2000). Although trade barriers had dropped dramatically prior to 1990, business was initially divided over the merits of NAFTA (Alba 1993). COECE was instrumental in negotiating and overcoming these divisions and in generating nearly unanimous support among big business for NAFTA.⁵⁹ COECE also expanded the flow of information between business and government. Generally, the advisory committees allowed for a lot of communication and mostly harmonious negotiation between business and government.⁶⁰ The Mexican government needed more systematic data, which COECE and member associations set about collecting. Initially, the government relied on the CCE's research unit to conduct an initial national survey to find out what business wanted from a trade agreement. Over time, sectoral associ-

or budget. Thacker estimated the administrative staff at about twenty employees (1999, 71). Most of the real work of COECE was done by decentralized self-financed commissions and advisory groups. One indication of the role played by big business in supporting COECE directly is a letter dated 24 Apr. 1995 from the secretary of the CMHN reminding all members of the decision at the previous CMHN meeting that each member would send the CCE 10,000 dollars (more than 400,000 dollars total) to keep COECE's office in Washington, D.C., open through the rest of 1995.

58. Interviews with Jaime Serra Puche and other SECOFI and COECE officials.

59. On opposition to NAFTA by smaller firms, see Johnson (1998, 136–41) and Shadlen (2000). COECE also staffed an office in Washington, D.C., to generate support and consensus there (Puga 1994, 186–87).

60. For a favorable review of COECE and concerted trade liberalization from the business side, see Coparmex's magazine *Entorno* (June 1991), p. 12, and the interviewees cited in Puga (1994, 10) and Thacker (1999).

ations began collecting more complete data on their respective sectors to use in the negotiations. Thus the government's invitation to participate in the NAFTA negotiations had longer-term impacts on the institutional capacity (especially in terms of professional staff and the ability to manage information) in sectoral associations as well as the CCE (Puga 1994, esp. 190–92).

Whether COECE was a greater boon to government or to business remains the subject of ongoing debate, although both sides readily admit that they got something out of the close and frequent interactions between COECE and SECOFI. What is much clearer is that COECE, as a form of collective action by business, resulted directly from SECOFI's invitation to accompany the negotiations and SECOFI's exclusion of other channels of influence. Secretary Serra Puche told his negotiators not to talk to anyone but COECE and further instructed them not to make any decisions without consulting the private sector through COECE (Thacker 1999, 69). Although COECE lacked permanent offices and staff, the CCE resurrected it occasionally (at least through 1997) to accompany trade negotiations with other countries or trading blocs like the European Union.

CONCLUSIONS

The key determinants of how big business in Mexico organizes and how much capitalists invest in their associations are variable relations with the state. Patterns of political exclusion (from the PRI and executive appointments) and changing relations of conflict and collaboration with top government officials (primarily presidents and economic ministers) decisively shaped the voluntary organization of big business. Exclusion, conflict, and cooperation were all present in the histories of each of the four voluntary associations considered here, although in varying degrees and changing composition over time. Coparmex, for example, thrived primarily on conflict (with heavy support from Monterrey industrialists) and drew strength later from cooperation with the government. COECE, in contrast, was created in a period of close collaboration and never experienced the kinds of conflicts characteristic of early relations between each of the other associations and the Mexican government. Both conflict and collaboration increase incentives to invest in collective action (in different ways), but neither alone is sufficient to explain patterns of organization in Mexican business. Conflict helped capitalists find common ground and establish encompassing associations. Subsequent cooperation with government through these associations gave capitalists strong continuing incentives (access and information) to maintain investments in their associations.

While patterns of conflict and collaboration varied over the postwar period, often dramatically from one president to the next, exclusion from the PRI and the cabinet—the third independent variable and incentive for

collective action—was more constant, although it declined after 1982. The liberalization of Mexican politics in the 1980s and 1990s opened up new opportunities for political participation by business. The business sector became more active in both the PRI and PAN as candidates and financiers. This trend allowed business leaders to diversify their portfolios of political investment and culminated in the election of businessman Vicente Fox in the presidential elections of 2000. Yet at the turn of the century, no prominent capitalist had been appointed to the cabinet or top circles of the PRI, as was common in Brazil in the 1990s. Even more constant has been the ongoing support by the same capitalists or same firms for expanding and differentiating business organizations. Business leaders like Juan Sánchez Navarro continually responded to new situations by devising and funding new associations. The result is a highly differentiated organizational universe that includes sectoral associations, the ideological employers' association Coparmex, the peak CCE to bring all associations together, the exclusive CMHN, and recently a specialized COECE for negotiating trade agreements.

While the central focus of this article has been the impact of the state on collective action by business, questions arise further back on the causal chain (Why did state actors promote collective action?) and also forward (What are the consequences of high levels of business organization?). Full answers to these questions lie beyond the scope of this essay, but they are worth addressing, if only in a preliminary way. Elsewhere I have argued that state actors have powerful incentives to strengthen business associations when they need information on circumstances and preferences in the private sector and when they need help in managing economic crises and structural reforms (Schneider 2000). These incentives for state actors vary over time and intensify during periods of crisis such as the Great Depression in the 1930s and the 1980s.

In Mexico the incentives for state actors to seek out business associations have been relatively stronger than in the other large countries in Latin America. First, relatively fewer network ties and social exchanges exist in Mexico between political and economic elites (Camp 1989), and therefore state actors need associations more for information on what the business sector is thinking and doing. This information function was explicit in the government inviting business to participate in the Pactos and the NAFTA negotiations. Second, Mexico has been more vulnerable than other countries of Latin America (especially after the 1970s) to capital flight and currency crises that have destabilized the economy (Maxfield 1990; Mahon 1996). To use Albert Hirschman's terms, state actors have incentives to amplify business voice (through regular consultations with business associations) if they think that doing so will stem exit through capital flight. A major reason that government officials pursued the Pactos was that they feared capital would flee at the end of the de la Madrid *sexenio* as had happened at the end of the previous two terms. In sum, while it appears that

big business in its investments in collective action largely just reacted to threats and overtures from state actors, a broader and more interactive analysis reveals that state actors are themselves responding in some instances to threats from business to take their capital elsewhere.

What are the consequences of high levels of organization by business? The comparative and theoretical literature on business associations provides many reasons to expect that strong encompassing associations will make positive contributions to development and democracy.⁶¹ In Mexico the economic benefits of encompassing associations in the late 1980s and early 1990s appear large. Business associations, especially the CCE and COECE, served as crucial interlocutors in the jointly negotiated stabilization pacts and NAFTA. In other Latin American countries, stabilization and liberalization policies were either imposed (with subsequently higher coordination costs) or delayed for lack of political support or lack of mechanisms for negotiating agreements, especially in Brazil (Weyland 1996). At a minimum, strong and encompassing associations in Mexico gave policy makers options that did not exist in Brazil and Argentina.⁶²

In politics, strong business associations at least expand the options, especially during major transitions. Little comparative evidence in Latin America suggests that high levels of organization made business more likely to oppose authoritarian rule (Silva and Durand 1998). Disorganized business groups in Brazil opposed military rule, while Chilean business, with some of the oldest and strongest associations on the continent, was not in the vanguard opposing Pinochet (Bartell and Payne 1995; Remmer 1993; Haggard and Kaufman 1995). Similarly, scholars of Mexican politics have not identified organized business as a major force for democracy despite the many complaints made by associations against authoritarian and arbitrary features of the Mexican political system.⁶³ Once transitions are underway, however, business associations can become major interlocutors in negotiating how the transition unfolds. After Pinochet lost the vote to stay in power in Chile, for example, business associations became key interlocutors in paving

61. For a review of these arguments, see Schneider (2000). Even Olson, who has argued that distributional coalitions reduce growth, admitted that encompassing associations are good for growth and for politics (1965, 51). On developing countries more generally, see Maxfield and Schneider (1997), Durand and Silva (1998), and Doner and Schneider (2000).

62. For favorable reviews of the pacts and the role of business associations in them, see Kaufman et al. (1994) and Milor et al. (1999). On COECE and NAFTA, see Thacker (1999) and Schneider (1997).

63. See especially Heredia (1995). Camp has argued that Mexican capitalists favored a limited form of democracy, and "they were willing to restrain their own criticisms and support a system that in turn put a lid on other actors, such as organized labor. . ." (1989, 46). Mexican business also feels more vulnerable to reprisal for political opposition. Individual capitalists have reportedly been threatened with cancellation of government contracts, labor unrest, and tax audits. See Centeno (1994) and Heredia (1995, 204, n. 49); also interviews with Manuel Camacho, Juan Sánchez Navarro, Emilio Goicochea Luna, and Rogelio Sada Zambrano.

the way for a smooth restoration of democratic rule (Silva 1996; Weyland 1997).⁶⁴ Again, business leaders have not played this intermediating role in countries where they have lacked strong encompassing associations.

Over the longer term, strong comparative and theoretical reasons can be found for expecting that strong business associations affect the consolidation and quality of new democracies. Colombian business associations, among the strongest and oldest, have been credited with some responsibility for that country's long record of democratic rule (Hartlyn 1985). Dietrich Rueschemeyer, Evelyne Huber Stephens, and John Stephens highlighted the general positive role of strong civil societies in counteracting the state and identified effective business representation as a crucial element to democratic consolidation in Latin America (1992).⁶⁵ Philippe Schmitter disaggregated democracies into five partial regimes (1992). In one of them, the concertation regime, business and labor associations determine the quality of representation and "partial consolidation" of democracy. Whether or not Mexican voluntary associations rise to these comparative and theoretical expectations will depend on how the transition evolves but also on the changing constellation of business organizations.

During Mexico's ongoing political transition, business associations have experienced considerable flux. The most recent changes, especially revision of the corporatist legislation in 1997, indicate a general trend away from state corporatism. The 1997 law rescinded compulsory dues, and membership and revenues appear to have fallen significantly in most corporatist associations, further weakening them vis-à-vis the four voluntary associations examined here.⁶⁶ If CONCAMIN and CONCANACO continue to shrink, they presumably will also lose influence within the CCE. At the same time, the compulsory associations became less corporatist: the downsized corporatist associations gained greater autonomy from the state, which gave them the opportunity for contestation and "truer representation" of member interests. My argument cannot predict whether Mexican business will continue to move from state to societal corporatism or from more to less organization. But it can suggest where to look and whom to watch: top state officials. Past patterns of collective action depended highly on the actions of presidents and economic secretaries. President Echeverría in the

64. In this context, it is significant that the CMHN began in the late 1990s to invite to their monthly luncheons more leaders from opposition parties, both PAN and the PRD.

65. Rueschemeyer, Stephens, and Stephens have argued that democratic consolidation in Latin America required effective representation of economic elites through either parties, associations, or direct representation (1992). For a more general argument on the importance of associations to democracy, see Cohen and Rogers (1995).

66. For example, CONCANACO, the commerce confederation, ran into financial trouble in 1998. The president of the Monterrey chamber charged that CONCANACO was unrepresentative and bankrupt, therefore unable to service a debt of over 1 million dollars. He vowed to create a new confederation as a rival. See *Reforma*, 22 Jan. 1999, p. A1.

1970s and Carlos Salinas de Gortari and Jaime Serra Puche in the 1980s and early 1990s were pivotal figures in determining business-government relations and thereby investment in business associations. Officials in the Ernesto Zedillo government were less inclined toward either conflict or close cooperation with business associations, with generally depressing effects on business investment in collective action.

The conclusion that analysts must watch top political executives to understand business organization also has important implications for future research and theory building. For one, it requires a rejection of simpler, often deductive approaches that view business organization as the direct function of economic features of firms and sectors.⁶⁷ Second, this conclusion requires closer attention to the motives, context, and incentives facing political executives in the economic bureaucracy. Much mainstream political science has focused on elected politicians and their incentives for re-election. Such a focus should not eclipse interest in political executives or state actors who are generally much more involved in organizing business than are elected politicians and who have different kinds of career incentives. Finally, examining how states organize business adds nuance to debates on democratization, especially the presumed positive role of civil society in enhancing democratic governance. If, as argued here, state actors are highly influential in organizing civil society, then analysts at a minimum cannot assume automatically that this same civil society can turn around and contest or limit the state.

67. Beyond the classic formulations of Olson (1965), see Lichbach (1996) for a general survey and Frieden (1991) and Shafer (1994) for applications to developing countries.

APPENDIX 1: ACRONYMS (for Mexico, unless otherwise noted)

ABM	Asociación de Banqueros de México
AMIB	Asociación Mexicana de Intermediarios Bursátiles
AMIS	Asociación Mexicana de Instituciones de Seguros
CANACINTRA	Cámara Nacional de la Industria de Transformación
CCE	Consejo Coordinador Empresarial
CEA	Consejo Empresario Argentino
CEESP	Centro de Estudios Económicos del Sector Privado
CEMAI	Consejo Empresarial Mexicano para Asuntos Internacionales
CMHN	Consejo Mexicano de Hombres de Negocios
CNA	Consejo Nacional Agropecuario
COECE	Coordinadora de Organismos Empresariales de Comercio Exterior
CONCAMIN	Confederación de Cámaras Industriales
CONCANACO	Confederación de Cámaras Nacionales de Comercio
Coparmex	Confederación Patronal de la República Mexicana
CPC	Confederación de la Producción y del Comercio, Chile
Federacafe	Federación Nacional de Cafeteros de Colombia
FIESP	Federação da Indústria do Estado de São Paulo, Brazil
IEDI	Instituto de Estudos para o Desenvolvimento Industrial, Brazil
PAN	Partido Acción Nacional
PRI	Partido Revolucionario Institucional
SECOFI	Secretaría de Comercio y Fomento Industrial

APPENDIX 2: INTERVIEWS

Business

Balsa, César, CMHN member 1962–1979, 28 July 1998, Mexico City

Borja Navarette, Gilberto, former president of ICA and CMHN member in the 1980s and 1990s, 24 July 1998, Mexico City

Calderón, Francisco, executive director of the CCE from 1976 to 1997, 12 June 1996 and 19 May 1998, Mexico City

Canales Clariond, Fernando, executive vice president of IMSA, 19 Nov. 1993, Monterrey

Chávez, Daniel, director of Vitro, 17 Nov. 1993, Monterrey

Espinosa, Gabriela, subdirector of international affairs in CANACINTRA, 15 Nov. 1993, Mexico City

García Segovia, Armando, president of the Centro Patronal de Nuevo León, Coparmex, 18 Nov. 1991, Monterrey

Garza Garza, Daniel, manager for membership, Centro Patronal de Nuevo León, Coparmex, 17 Nov. 1993, Monterrey

Goicochea Luna, Emilio, president of CONCANACO, 1982–1984, 6 Nov. 1991, Mexico City

González Graf, Jaime, advisor to CONCAMIN from the 1970s to the 1990s, director of the Centro de Estudios Industriales, CONCAMIN 1990–1992, 10 June 1996, Mexico City

Guémez, Guillermo, Banamex, 1974–1992, director of COECE, 1990–1995, director of the Banco de Mexico, 1995–, 7–8 June 1996, Mexico City

- Kalifa Assad, Salvador, chief economist for Alfa and Banco Atlántico, 17 Nov. 1993, Monterrey
- Legorreta, Agustín, president of Banamex before 1982, president of Inverlat, president of ABM 1954–1955, 1973–1974, president of the CCE 1987–1989, and member of CMHN 1970–1996, 4 July 1989 and 28 July 1998, Mexico City
- Ocejo Moreno, Jorge, president of Coparmex, 1988–1991, PAN deputy, 1994–1997, 18 Mar. 1998, Mexico City
- Ortega, Raúl, director of COECE, 16 Nov. 1993, Mexico City
- Prieto, Juan Luiz, board member of Coparmex, 7 Nov. 1991, Mexico City
- Sada Zambrano, Rogelio, former chief executive of Vitro 1974–1985, and federal PAN deputy 1997–, 6 Mar. 1994, Monterrey
- Sánchez de la Vara, Roberto, president of CANACINTRA 1990–1992, 8 June 1996, Mexico City
- Sánchez Navarro, Juan, founder of the CMHN and the CCE, Grupo Modelo, 10 June 1996, May 1998, Mexico City
- Tello, Pedro, chief economist, CANACINTRA, 17 Nov. 1993, Mexico City
- Vega Iníiguez, Rolando, president of the CCE 1988–1990?, president of the ABM 1961–1962, 1969–1970, 1979–1980, and CMHN member since 1962, 8 Nov. 1993, Mexico City
- Vera, Oscar, director of the Centro de Estudios del Sector Privado (CEESP) in the 1990s, 10 June 1996, Mexico City
- Villareal Palomo, Fernando, general director of CAINTRA, in Nuevo León, 18 Nov. 1993, Monterrey
- Winkler, Raymundo, director of the Centro de Estudios del Sector Privado (CEESP) 1996–, 4 June 1996, Mexico City

Government

- Camacho, Manuel, minister and mayor of Mexico City, 1987–1994, 2 Mar. 1992 and 13 Nov. 1996, Mexico City
- Cohen, Aslan, NAFTA negotiator, SECOFI, CFC, 7 June 1996, Mexico City
- Fernández, Arturo, head of the deregulation unit of SECOFI; rector of the Instituto Tecnológico Autónomo de México (ITAM), 16 Aug. 1988, 6 July 1989, and 6 Nov. 1991, Mexico City
- Macías, Santiago, director general of SECOFI, Nov. 1993, Mexico City
- Samaniego, Norma, on profit-sharing commission in the 1970s, minimum-wage commission in the 1980s, Subsecretary of Labor in the 1990s, technical secretary of Los Pactos 1988–1994, Secretary of Contraloría 1995, 18 Mar. 1998, Mexico City
- Serra Puche, Jaime, Subsecretary of Finance in the 1980s, secretary of SECOFI 1988–1994, Secretary of Finance 1994, 15 July 1996 and 16 July 1998, Mexico City
- Silva Herzog, Jesús, Secretary of Finance, 1982–1986, 8 Feb. 1988, and 3 July 1989, Mexico City

APPENDIX 3: MEMBERS OF THE CONSEJO MEXICANO DE HOMBRES DE NEGOCIOS (CMHN), 1962–1998

<i>Name (years active)</i>	<i>Companies</i>	<i>Sectors</i>	<i>Region</i>
Alemán Velasco, Miguel (1987–)	Televisa Aluminio SA	media industry	Mexico City
Arango Arias, Jerónimo (1974–)	Aurrerá Grupo Cifra Banca Confia	commerce finance	Mexico City
Aranguren Castiello, Ignacio (1987–)	Arancia Grupo Industrial	chemicals food, finance	Guadalajara
Azcárraga Tamayo, Gastón (1974–1993)	Promotora Mexicana de Hoteles Perkins & Chrysler Financiera Comercial	tourism automobile chemicals	Mexico City
Bailleres, Raúl (pre-1974, father of Alberto)	Industrias Peñoles Cremi	mining finance	Mexico City
Bailleres, Alberto (1974–)	Industrias Peñoles Cremi Palacio de Hierro	mining finance commerce	Mexico City
Ballesteros Ibarra, Cresencio (1974–)	Mexicana Constructora Ballesteros Union Carbide	air transport construction chemicals	Guadalajara
Balsa, César (1962–1979)	Nacional Hotelería	hotels, restaurants	Mexico City
Berrondo, Luis (1998–)	Mabe	manufacturing	Mexico City
Borja Navarrete, Gilberto (1980–1995)	ICA	construction	Mexico City
Bours Almada, Enrique Robinson (1987–)	Industrias Bachoco	agro-industry	Sonora
Clariond Reyes, Eugenio (1998–)	IMSA	industry	Monterrey
Cortina Portilla, Juan (1974–1983)	EPN Cia. de Fianzas	finance, real estate beer, liquor	Mexico City
Escandón, Eustaquio (1962–1977)	Nacional de Drogas	pharmaceuticals, finance	Mexico City
Espinosa Yglesias, Manuel (pre-1974)	Bancomer (pre-1982)	finance	Mexico City (Puebla)

APPENDIX 3 (continued)

<i>Name (years active)</i>	<i>Companies</i>	<i>Sectors</i>	<i>Region</i>
Fernández, Justo F. (1960s–1990s)	General Foods Espectáculos y Deportes Mexicanos	agro-industry entertainment	Mexico City (Veracruz)
Gallardo Thurlow, Juan (1993)	Grupo Embotella- doras Unidas	beverages	Mexico City
Garciarce Ramírez, Abelardo (1974–1997)	Consortio Aga	beverages, tourism	Guadalajara
Garza Laguera, Eugenio (1974–)	Grupo Visa Cevercería Cuahtémoc	finance bottling, beer	Monterrey
Garza Sada, Bernardo (1975–)	Grupo Industrial Alfa	industry	Monterrey
Garza Sada, Camilo (1962–1975)	HYLSA	industry	Monterrey
González Laporte, Claudio X. (1987–)	Kimberly Clark de México	paper	Mexico City
González Nova, Carlos (1987–)	Grupo Comercial Mexicana	commerce	Mexico City
Gutiérrez Prieto, Antonio (1987–)	Grupo Gutsa	construction	Mexico City
Hernández Pons, Enrique (1987–)	Grupo Herdez	food	Mexico City
Hernández Ramírez, Roberto (1993–)	Grupo Banamex- Accival	finance	Mexico City
Iturbide, Aníbal de (1962–1979)	Bancomer	finance	Mexico City
Larrea Ortega, Jorge (1962–1994)	Grupo Industrial Minera México	mining	Mexico City
Legorreta, Agustín (1962–1970)	Banamex	finance	Mexico City
Legorreta Chauvet, Augustín F. (1970–1996)	Banamex Inverlat	finance	Mexico City
Longoría, Octaviano L. (1974–1986)	Empresas Longoría	banking, agro-industry	Mexico City
López del Bosque, Isidro (1974–)	Grupo Industrial Saltillo	industry	Saltillo
López Martínez, Prudencio (1974–)	Cia Molinera Mexicana Gases Mexicanos	industry	Mexico City

APPENDIX 3 (continued)

<i>Name (years active)</i>	<i>Companies</i>	<i>Sectors</i>	<i>Region</i>
Madero Bracho, Antonio (1987–)	Corporación Industrial Sanluis	mining	Mexico City
Martínez Güitrón, Jorge (1988–)	Sidek	construction, tourism	Guadalajara
Mendoza Fernández, José (1987–)	Bufete Industrial	construction	Mexico City
O'Farrill, Jr., Rómulo (1962–)	Televisa Novedades	media	Mexico City
Pagliai, Bruno (1962–1983)	TAMSA	metals, mining paper	Italian immigrant
Ponce García, Fernando (1987–)	Administración Peninsular Corporativa		Mérida
Prevoisin, Gerardo de (1993)	Aeroméxico	airline	Mexico City
Prieto, Carlos (1962–1974)	Fundidora Monterrey	industry	Monterrey
Quintana Arioja, Bernardo (1962–1974)	ICA	construction, cement, steel	Mexico City
Represas, José (1960s–1993)	General Mexicana de Control Nestlé	food	Mexico City
Represas, Carlos Eduardo (1993–)	Nestlé	food	Mexico City
Robles Levi, Ernesto (1960s–1974)	Bacardi	liquor	Guadalajara
Rojas Guadarrama, Enrique (1974–1989)	Transportación Marítima Mexicana	shipping, banking	Mexico City
Romo Garza, Alfonso (1998–)	Grupo Pulsar	cigarettes, food	Monterrey, Mexico City
Ruiz Galindo, Jr., Antonio (1962–1987)	DESC	industry	Mexico City
Sada Treviño, Adrián (1988–)	Vitro Serfin	industry finance	Monterrey
Sada Zambrano, Andrés Marcelo (1987–)	Grupo CYDSA	chemicals	Monterrey
Sánchez Navarro, Juan (1962–1993)	Modelo	beer	Mexico City

APPENDIX 3 (continued)

<i>Name (years active)</i>	<i>Companies</i>	<i>Sectors</i>	<i>Region</i>
Senderos Irigoyen, Manuel (1964–1987)	DESC	industry	Mexico City
Senderos Mestre, Fernando (1989–)	DESC	industry	Mexico City
Servitje Sendra, Lorenzo (1987–)	Grupo Industrial Bimbo FIMSA	food finance	Mexico City
Slim Helú, Carlos (1989–)	Telmex Grupo Carso	telecom finance, industry	Mexico City
Trouyet, Carlos (1962–1971)	Comermex	finance, telecom, tourism	Mexico City
Valenzuela Valenzuela, Arcadio (1962–1973)		tourism, commerce	Sonora
Valle Ruiz, Antonio del (1987–)	Grupo Privado Mexicano Bital	finance	Mexico City
Vallina Lagüera, Eloy S. (1974–)	Grupo Industrial Chihuahua	paper, cellulose	Chihuahua
Vega Iñiguez, Rolando (1974–)	Confia, Ticharo Seguros Altas	finance	Mexico City
Zambrano, Lorenzo (1993–)	Cemex	cement	Monterrey

Sources: For names and dates, Camp (1989, 153); FCPS (1994, 51–53); Ortiz Rivera (1997, 300–302); and Valdés (1997, 261–91). Other information was taken from from Musachio (1987); *Expansión*, 28 Apr. 1993 and various other dates; Ortiz (1998, 50–52); and Camp (1993). Other sources were interviews with César Balsa, Rómulo O’Farrill, Juan Sánchez Navarro, and Jaime Serra Puche, as well as internal CMHN documents. Most members are involved in numerous diversified groups. Here only the two or three most important firms and sectors are listed. For complete information on the holdings of members in the 1990s, see Valdés (1997, 263–91). Region denotes the place where the business leader lived while a member of the CMNH.

NOTE: The dates in parentheses are the minimum known dates. In many cases, membership probably covered more years. Agustín Santamarina Vázquez, of a big corporate law firm, is listed as a member in the 1990s; however, he was invited to be the secretary for the council and did not vote. Others sometimes listed as former members, yet often not remembered by other members, include Santiago Garza de la Mora, Julio Serrano Piedecabras, and Heriberto Vídales.

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1970 *Las agrupaciones patronales en México*. Mexico City: Colegio de México.
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1991 "Politics and Big Business." In *Strong State and Economic Interest Groups: The Post-1980 Turkish Experience*, edited by Metin Heper, 135–47. Berlin: Walter de Gruyter.
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