Economic cycles in the Mexican economy from 1982 to 2018

Los ciclos económicos en la economía mexicana de 1982 a 2018

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Abstract

Dados los hechos y acontecimiento recientes en la economía mexicana, el presente trabajo consta de utilizar la historia económica y la teoría de los ciclos económicos para revisar, analizar e identificar el comportamiento que se tuvo en el periodo comprendido de 1982 al 2018; para poder dar explicación a las variables que han tenido impacto durante el periodo mencionado. Durante el periodo acotado se mencionan hechos como la década perdida, la crisis económica petrolera, la entrada de México al tratado de libre comercio, el error de diciembre, la recuperación económica al inicio del nuevo milenio, la crisis económica hipotecaria, y finalmente las causas y síntomas de una recesión económica para fines del 2018.

Economic Cycle, Mexican Economy, Economic History, Crisis, GDP

Resumen

Given the facts and events in the Mexican economy, the present paper is about using economic history and economic cycles theory to review, analyze and find out the behavior we had had between 1982 to 2018; the purpose is giving explanation thru some facts such as the lose decade, the petroleum economic crisis, the joining to NAFTA, the December's mistake, the economic recovery by the end of the millennium, the mortgage economic crisis and finally the causes and symptoms for the economic recession by the end of 2018.

Ciclo Económico, Economía Mexicana, Historia Económica, Crisis, PIB

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Introduction

During the study of the Mexican economy, we will try to explain it with referenced information and that the protagonists have expressed and written. It begins with the understanding of an economic cycle, showing the graph of the average GDP growth rate from 1982 to 2018, as well as the average by sexennium. The following is to explain the background of 1982, with López Portillo. Then mention the facts and achievements of Miguel de la Madrid. Later with Salinas de Gortari that takes up and modifies certain variables that are explained in its section. Ernesto Zedillo receives an economy in crisis. Finally, the six-year term of Fox, Calderón and Peña Nieto is explained together.

Theory of economic cycles

A period of oscillation that a nation suffers in a given period is called an economic cycle. The factors that influence it are vast, although the main ones are the level of production, employment rate, income level, investment level, and credit rates, to name a few. The simple and known way to quantify this concept is the Gross Domestic Product (GDP), whose definition is the sum of the market values of the final goods and services produced in the economy of some country (Heath, 2012). For A. F. Burns and W. C Mitchell (1946) consider that a cycle consists of expansions that are known as recessions, contractions and recoveries. It can be shown graphically, which uses the Gross Domestic Product Growth Rate (GDP) in percentage terms, while in the abscissa axis the time used in years.

Graphic 1 Economic cycles, recessions and expansions
Source: own elaboration with World Bank data

Period	President	PIB (%)
1982-1988	Miguel de la Madrid	0.34
1988-1994	Salinas de Gortari	3.99
1994-2000	Ernesto Zedillo	3.36
2000-2006	Vicente Fox	1.95
2006-2012	Felipe Calderón	1.76
2012-2018	Enrique Peña	2.41

Table 1 Average GDP Growth Rate per sexennium
Source: own elaboration with data from the World Bank

Background

Before explaining the study period, it is pertinent to understand the preconditions they had. During the six-year period of López Portillo, macroeconomic imbalances were found, such as having a current account in the balance of deficit payments, and controlled inflation. External debt became more substantial and unpayable (Torres, 2018). By the end of his term, the economic policy used was based on the fact that oil prices would continue to rise. The income generated by the sale of oil represented approximately twenty-five percent of GDP, which caused the expansion of Petróleos Mexicanos (Huerta, 2017). In the industrialized countries the energy crisis forced the implementation of energy saving programs, significantly reducing their levels of oil consumption by the end of the seventies. As a consequence, the Mexican oil market weakened; to such a degree of having to decrease the prices of a barrel of oil and depreciate the Mexican currency; what ultimately led to capital flight and that the reserves in the Bank of Mexico were at record lows (Ramos, et. al., 2005). In parallel, the United States suffered a recession caused by interest rates, which caused credit to be reduced worldwide. That is, when a loan was requested, variable interest rates were agreed upon and in short payment periods. This caused the payment of interest and capital to be somewhat unpayable for those debtor countries, including Mexico (Cruz, 2017). Given this, international banks cut the credit lines granted. As a consequence of this, Jesús Silva Herzog was commissioned to meet in the United States with representatives of the International Monetary Fund, World Bank and private banks to publicize the debt crisis with the phrase “I owe, I do not deny. I don't have payment.” In the last presidential report of López Portillo, the decree to nationalize the bank is announced. This caused the ties between the private sector and the government that had been working together on the policies of economic growth and development in the country and their application to be broken (Orlik, 2016).

What Miguel de la Madrid left

In the speech given by Miguel de la Madrid during the presidential protest, he mentions that the country was in danger of getting rid of its hands and that the solution was neither easy nor prompt. The first actions of the new government were to renegotiate the terms and terms of the external debt of both the public and private sectors (Navarrete, 2016). In macroeconomic terms, there was an increase in inflation due to the public deficit. This resulted in the basic basket, and in general, goods and services increase in price, with the solution of implementing subsidies to maintain its acquisition level (Ibarra, 2013). The unemployment rate increased twice as much as in the previous administration. In addition, there was a general closure of companies due to the contraction of the internal market, due to the inability of companies to pay their debts assessed in US dollars, since both their raw material and spare parts were imported (Cortés, 2013). In the end, the role of the state in the economy had to be redefined. Entrepreneurs hoped to have more participation in key economic activities, and the expropriation of banks would be reversed. In this period, in the political sphere the strength of the opposition to the partisan regime that had been taking place increased (Villanueva, 2018). Entrepreneurs supported this nascent force. Two streams of thought were extrapolated, the first that the dominant regime expects in the short term the least state participation in the economy and adopt what is known as globalization; while the nascent regime maintained the idea of nationalism that would maintain state intervention in the economy (Brid, 2013). That is how the 25th and 28th constitutional articles were reformed to clarify the role of the state in the economy. As an example of this, the private sector mainly participated in banking institutions and other key sectors (González, 2013). This event did not achieve union between government and companies, rather it generated uncertainty and increased support for the nascent political party, the National Action Party. This is how the government, under the motto of "economic realism", sought structural change through the protection of the productive apparatus; reduce unemployment; guarantee the supply of the basic basket; increase tax rates and tax revenues; and reduce the subsidy to products that previously (Barajas, 2014).

With the application of the previous measures, the national economy gradually stabilized. But during this period there was an opportunity cost, and this was the cut to social programs, which generated deterioration in the social welfare of the population (Loría, 2014). Even so, the debt crisis was overcome, largely by the loan granted by bankers for five billion dollars for the payment of moratorium and subsequently to the payment of capital. Once the crisis was over, the restructuring policy was implemented, which consisted of two guidelines: on the one hand, reducing the importance and interference of the public sector with key economic activities; and on the other hand, generate competitiveness through foreign trade (Ruiz, 2011). As a consequence of this, the privatization process began. At the beginning of the six-year period there were one thousand one hundred and fifty-five parastatal companies, now with this measure six hundred and seventeen were reached (Mosqueda, 2013). Previously a protectionist apparatus had been structured in which it was changed so that foreign trade gained ground. This was consolidated when the president in turn made the decision to enter the GATT along with a liberalization policy (Mejía, et. Al., 2006). Even when they were left behind after the effects of the crisis, two important events made the efforts in vain: the fall in oil prices, and the earthquakes in September of nineteen eighty-five (Carreño, et. Al., 2015). In the case of oil, barrel sales were weakened due to overproduction. This is how the Organization of Petroleum Exporting Countries (OPEC) managed a price-based strategy in order to recover both production and quantity in income (Rodríguez, et. Al., 2015). This strategy caused increases in prices when needed, and decreases in this to break businesses that did not belong to the organization. This brought a significant impact on the Mexican economy, which remained largely dependent on oil revenues (Hernández, 2018). The macroeconomic indicators that had improved (such as the inflation rate, public debt, current account deficit, to name a few) collapsed to similar figures that caused the crisis that was overcome. As a corrective measure, the Breath and Growth Plan (CAP) was implemented, whose main goal was the reactivation of the economy, through the recovery of oil market prices; the renegotiation of outstanding debt; export support and reduction of import barriers.

Eventually, some nonconformists in the political dome of the Institutional Revolutionary Party left it to form an opposition front called the Democratic Revolution Party (Sánchez, 2019). This reflected that both the PAN and the PRD have favorable results in candidates in the north of the country. These are the bases of political democratization. In the social aspect, the middle class was reduced, as well as the upper class, with the lower class giving greater proportion (Ibarra, 2009). It was lived with uncertainty, especially with the precariousness in wages and its zero increase. People of productive age were unemployed. The prices to acquire products and services fluctuated. One day it was bought at a reasonable price, on another day it was stopped buying for an exorbitant price. The lag permeated education, where few people had degrees of university studies. The social indicators of housing and health decreased in the decade (Laos, 2000).

The Economic Solidarity Pact (PSE) came out at the end of the presidency period, with the purpose of reducing the inflationary level that was taking place, and in general, recovering economic growth. This pact was made up of an increase in tax rates, reduction in expenses and temporary price controls for certain basic necessities, as well as wages (Aspe, 1993). Once again the opportunity cost was the social cost. The results of this program were to control inflation, but not eliminate it. Based on the Austral and Cruzado plans for Argentina and Brazil respectively, so as not to go through the mistakes they both made. In addition, corporatism was included in the development, the same relationship that was fragmented, derived from the nationalization of banks.

The results that were achieved were to reduce public spending and in turn raise tax revenue; together with the stable exchange rate, which together caused inflation to remain low during the last year of the Madrid government (Espinosa, et. al., 2019). Once the economy was relatively stable, it was recognized who was the intellectual author of the program, Carlos Salinas de Gortari. As in any previous six-year term, the PRI used to uncover its candidate with the approval of the president, although the presidential contest would have serious rivals (De la Madrid, et. Al., 1982).

El salinato

During the previous years, the political force fragmented, resulting in the creation of the PAN and PRD parties. For the presidential elections of 1988, the candidates were: Carlos Salinas de Gortari for the PRI; Manuel Clouthier for the PAN; and Cuauhtémoc Cárdenas for the PRD (Rogozinski, 1997). During the counting of the votes to declare the winner, the then president of the IFE gave a conference on the night of the end of the elections to notify a fall of the system in the counting of the votes, which referred to the delay to publicize the election results (Puche, 2015).

Before that fall, the votes favored the PRD representative. After the system had been re-established, the votes favored the PRI representative. With very little legitimacy of the population and the political opposition, Carlos Salinas received the presidential side of Miguel de la Madrid. This is how the sexennium began (Rugarcía, 2011). The next day, the president met with the political opposition groups to make truce and join efforts towards the same path. The way in which the president would recover credibility was by trapping and imprisoning public figures, such as the oil union leader, the leader of the Education Workers' Union (SNTE). With these achievements he was recovering the legitimacy he needed to start the plans in mind (Cárdenas, 2009).

The new government, who for the first time was made up of a generation of PhD students in foreign universities and that the president called "the compact group", faced an economic stagnation (Reyes, 2019). From the first presidential speech in Salinas, he sought to renegotiate the debt and reduce the transfer of resources abroad. The correction measure was to keep the Economic Solidarity Program under the name of the Pact for Stability and Economic Growth (PECE) under the task of growing without neglecting inflation. In addition, the US government, through the secretary of the treasury, launched the "Brady plan", which sought to keep Latin American countries stable public finances so that they could renegotiate their respective debts with creditors (Avendaño, at. Al., 2011). Derived from this, it was permeated until public opinion that Mexico was ready to receive foreign investment again, and that the debt problem was not an impediment to growing economically speaking.

On the other hand, the results of the PECE during 1989 were significant: the inflation rate decreased further; there was an average growth of 3%; the financial deficit decreased; foreign investment increased; and the trade balance was surplus (Herreros, 2019). With this, the markets were opened and liberalized, led by external events, such as the fall of the Berlin Wall, the break-up of the USSR. All this was combined with the Republican US government that culminated in the Washington Consensus (Reyes, 2019). The purpose of this consensus was to limit the actions of any state in the economy, freely trade goods and capital, eliminate subsidies that hinder competitiveness. This is how the country was reformed during the rest of the six-year term, the economic model, which was mainly protectionist and nationalized, was changed to another model that was called neoliberal. The notable achievement recognized by Salinas de Gortari was the creation of the Free Trade Agreement between Mexico, the United States and Canada, which was the beginning and engine of the new economic model (Moreno-Brid, et. Al., 2009). The purpose of being part of the FTA is to promote economic growth through the export sector, but not because of the stimulus to competitiveness within the Mexican productive apparatus (Nápoles, P., 2017). In parallel, the president tried to unite the broken ties with the private sector before the opportunity to privatize what remained of the parastatals. The bank was returned to those who had lost it in the time of López Portillo (Rice, 2018). Other cases of companies that went to the private sector were Altos Hornos, Mexican aviation and Telephones of Mexico. As a consequence of this, trust was regained between the private and public sectors, in addition to the flow of capital. In addition to this, the deregulation policy of key sectors, such as cement and steel, was carried out in order to minimize production costs (Lomelí, 2012). During 1990, the distribution of income to families caused consumption to be reactivated and purchasing power maintained. The structural change made had repercussions on trade and market liberalization, openness to foreign investment, privatization of parastatal companies. The latter gave results that were not expected, such as airline companies, while others have been questioned, such as the company Telephones of Mexico, given that the state monopoly became part of a private monopoly (Loría, 2009).

In the case of bank privatization, which was the means to consolidate ties with the private sector again. Same that was very well received by both corporatism, and public opinion (Díaz, 2019). The way in which it was carried out was through a bank disincorporation committee, composed mainly of officials of the Ministry of Finance, Bank of Mexico and the National Banking Commission (Avendaño, et. Al., 2011). In total, eighteen banks were those that went to the private sector. On the other hand, land properties were considered to be the problem with which the agrarian system did not grow. To improve productivity in this sector, a constitutional article 27 reform was made. Which added the power to sell land. The results of this change were nil. A possible cause of this event was the lifting of the Zapatista Army of National Liberation (EZLN) in 1994, which will be explained later. Some other relevant reforms during the sexennium, was the autonomy of the Bank of Mexico, as part of a requirement to consolidate the free trade agreement (Vázquez, et. Al., 2012). In addition to this, the economic competition law was created, from which it emanates from the federal economic competition commission, under the premise of avoiding monopolies in sectors where the government was not. By 1991, the Mexican economy showed signs of economic slowdown, which would have an impact on a crisis for 1993 (Ibarra, 2012). The imbalances were in real GDP and in the capital account of the balance of payments derived from the large flow of currencies. Some historians called this period the "Dutch disease." What generated a general increase in the prices of non-tradable internal goods, such as labor, industrial or energy sector services. An impending devaluation was coming (Reyes, 2019). The productive apparatus was weakened, as they now faced three axes: competition with other foreign companies, the phenomenon of the Dutch disease, and the overvaluation of the exchange rate. For 1992 and 1993, the Mexican economy was in recession. The current account was in deficit (Díaz, 2019). This translated into an increase in the unemployment rate, since less efficient national companies closed or broke. With the entry into force of the free trade agreement in early 1994, Mexico was recognized as part of the developed world and leader among emerging countries. However, what was least expected was an armed uprising, which, although it is true, did not generate macroeconomic imbalances, but collective awareness about the country's direction with the reforms made (Lustig, 2010).

Since the privatization of Mexican banks, financial institutions continued to have internal problems caused in part by the acquisitions, whose funds were mostly through debt. The reason was that capital was not enough to acquire the banks. Having a loan to acquire the bank's shares, a credit expansion was generated, which throughout the year was increasing until it reached a point where it became an overdue portfolio (Lustig, 2010). In parallel, the existing legal framework for the financial sector was brief. Both the National Banking Commission and the National Securities Commission were responsible for developing the banking regulation framework (Lustig, 2010). This phenomenon benefited Mexican families, because the opportunities for a line of credit were accessible. The purpose of these credits was mainly to acquire durable consumer goods (Ibarra, 2012). The savings of the families were supported by the Bank Fund for Savings Protection (FOBAPROA), which was founded in 1990 by the Bank of Mexico and contributions from commercial banks.

The government solved this with the issuance of Treasury Certificates (cetes) and treasury bonds (tesobonos), both valued in dollars and with the latent risk of increasing due to the volatility of the exchange rate (Ibarra, 2012). However, the second cause of the crisis at the end of 1994 was due to macroeconomic imbalances, specifically the overvaluation of the exchange rate; In addition, derived from the events of the murder of Luis Donaldo Colosio in March, who was the candidate for the PRI for the presidency of the Republic, capital flight escalated in just the month after the murder (Vázquez, et. al., 2012).

Days later, Ernesto Zedillo Ponce de León, who was the head of the Colosio campaign, is the new one chosen by the PRI. In August the elections were held, giving Ernesto Zedillo as a wide winner. Above the candidates Diego Fernández de Cevallos for the PAN, and Cuauhtémoc Cárdenas mainly for the PRD (Avendaño, et. Al., 2011). Some political analysts agree that the population voted for the continuity of the PRI in the government as a way of counteracting some fear of the destabilization of the country after five years perceived as progress in the outgoing government.

El zedillismo

The president-elect, Ernesto Zedillo, receives the Mexican economy and describes it as "pinned with pins," because the internal debt issued by cetes and tesobonos exceeds international reserve levels; Furthermore, due to the overvaluation of the peso, which, in the opinion of analysts, it was urgent to devalue it (Girón, 2002). The question asked by public opinion was why the peso was not devalued at the time it was needed. Possible answers were speculated: Salinas de Gortari was not suited to continue retaining its public image and also aspire to the position of the general direction of the World Trade Organization. Another was that in ten days it is not possible to make, approve and implement an adjustment in the economic package (Dávila, 2010). For December 1994, another crisis appeared known as "the December mistake." This was the result of an incorrect management of internal credit provided by the Bank of Mexico (Rojas, 2008) in Latin America, it was called the "tequila effect", because it affected countries like Brazil and Argentina mainly. The impacts of the devaluation in 1995 were deeper than predicted. The exchange rate increased considerably. In addition to this, the purchasing power decreased by approximately half (Avendaño, et. Al., 2011). That is, the precise goods and services increased to an average fifty percent. The International Monetary Fund led consultants to assist in the economic crisis, determining to provide financial support in conjunction with the US government of fifty billion dollars (Ibarra, 2012). In addition to following macroeconomic rules that would not be very acceptable by society in general (Guillén Romo, 2015). The measures were of a contractionist nature, such as a reduction in public spending, an increase in tax rates such as Value Added Tax (VAT), high interest rates that sought to promote investment, and an increase in inflation up to a figure (Avendaño, et. Al., 2011). Therefore, the GDP growth rate decreased at negative rates compared to previous years. On the other hand, privatized financial institutions were already showing signs of weakening in large part because of the way they were acquired (Lustig, 2010). The credits obtained and granted multiplied, because they were valued in dollars, and with the financial crisis of the end of 1994 and the beginning of 1995, they became unpayable accounts.

Another aspect that had been taken care of was the savings of the clients with the support of FOBAPROA, which continued to be fulfilled (Vázquez, et. Al., 2012). Given the circumstances of payment problems, the phenomenon of portfolio purchase was generated, where the government injected capital into the banks through the Temporary Capitalization Program (PROCAPTE) and replacing it with the Portfolio Capitalization and Purchase Program (PCCC). The mechanics were as follows: when banks could not sell their debt, the government bought the bank's past due portfolio and others in the same situations. The government issues a promissory note through FOBAPROA so that the bank will enter cash flows to heal its finances. This applied measure became public debt approved by the congress (Avendaño, et. Al., 2011). The so-called "bank bailout" transferred the debt of private banks and other sectors to a debt where the population will pay "the broken plates".

Once the year of 1996 arrived, the ravages of the economic crisis were overcome. So much so that the average GDP rate between 1996 and 2000 was 5.5% (Vázquez, et. Al., 2012). the then president Zedillo left solid macroeconomic foundations where the recovery of the productive sectors and the best efficiency of the government in its expenses and income were sought, until benefiting society with employment opportunities and improving the distribution of wealth (Ibarra, 2012). This was thanks to the consolidation of the Free Trade Agreement. Until now, it has been the best period of prosperity since what happened in 1982. Another important event was the political sphere. Given the actions applied in previous years, the opposition was favored, to the point of having the majority in the chambers of deputies and senators in the intermediate elections (Lustig, 2010). This would be the beginning of political change in the country. By 1998, the Bank Savings Protection Law was generally approved, which gave rise to the Bank Savings Protection Institute (IPAB), whose purpose was to replace FOBAPROA (Avendaño, et. Al., 2011). The political opposition took advantage of the events to position themselves and be favored with the votes in the intermediate elections, envisioning a change in the presidential elections. So it was. Social unrest was the reason why the population expected a change for the 2000 elections.

The main candidates for that contest: Vicente Fox for the PAN, Francisco Labastida for the PRI, and Cuauhtémoc Cárdenas for the PRD. finally, the alternation through the PAN was the one who took power from the hopes of change and improvement in society (Vázquez, et. al., 2012).

A new hope in the new millennium, and the counterattack of the old regime

Since the beginning of the year 2000, national development plans, in their prospects for economic growth, have been far from reality and far from what was promised (Ramos. Et al., 2005). The phenomenon of a weak presidentialism was presented, where the power was held by the congress of the union, the governors and certain interest groups that through them were making the decisions that the president did not take (Mayer-Serra, 2013). The president could no longer approve his economic reforms, largely due to the union and coalition of political parties to prevent it (Vázquez, et. Al., 2012). With the passage of time, not even the subsequent presidents could. For the 2006 elections, the main candidates were: Felipe Calderón for the PAN, Andrés Manuel López Obrador for the PRD, and Roberto Madrazo for the PRI (Lustig, 2010). The elections were fought between the candidates of the PAN and the PRD. In the end, the PAN candidate was the winner by a minimal difference. The elections were controversial, which generated social movements and demonstrations throughout the country (Moreno-Brid, et. Al., 2009). In addition to this, the scandals between the political class and the businessmen; the frontal struggles to eradicate drug trafficking and deaths. This presidential loss in the political aspect was of complications, because the consensus to approve the structural reforms was becoming more frequent and delayed. The financial crisis was created in the United States (Cordera, et. Al., 2009). The problem was caused by the real estate sector. Mortgages granted to low-income clients with a higher risk for debt payment (Guillén Romo, 2015). Investors from any country lent money to hire securities backed by mortgage loans, which expected a profitable business (Vázquez, et. Al., 2012). The free movement of capital allowed derivatives to be acquired and marketed worldwide, of which the majority belonged to the real estate sector (Mayer-Serra, 2013).

This increased the price of real estate and, therefore, generated indebtedness to the families that acquired them (Vázquez, et. Al., 2012). This was known as a bubble in real estate. When the bubble exploded, collateral damage was caused, as in the automotive sector, where its sales decreased considerably (Mejía, et. Al., 2017). In Mexico, inflation increased and it was difficult to acquire the basic basket with income that did not grow (Guillén Romo, 2015). In recent years, economies have been recovering from the crisis (Moreno-Brid, et. Al., 2009). For the 2012 elections, the main candidates were: Enrique Peña Nieto for the PAN, Andrés Manuel López Obrador for the PRD, and Josefina Vázquez Mota for the PAN. The winner was the PRI representative, who beat his close PRD rival. In Mexico, social programs were cut, where the largest budget was destined to finance political parties (Mejía, et. Al., 2015). The perception of corruption and favoritism for certain private sector domains has maintained social unrest (Mejía, et. Al., 2017). In addition to finishing and drying "the golden egg hen", which is PEMEX, with the implementation of structural reforms in 2013 (Naples, 2019). Average growth rates of GDP at 1% have been glimpsed. Poverty has been increasing, as has underemployment (Ros, 2019). Of course, we carry an external debt that, until the end of this edition, is around ten billion pesos (Vega, et. Al., 2019).

Conclusions

The solution used to overcome the crisis in the 1980s was based on the diagnosis of a cash flow problem. Although the problem lay in the development strategy along with a late macroeconomic decision making. This was recognized by the then Secretary of the Treasury, Jesús Silva Herzog. In addition, this refers to the fact that, due to solving the short-term problems, they omitted the structural weakness that caused a depletion of the previously developed model. The dependence of the productive apparatus with foreign trade and the rupture between the public and private sectors in favor of the economic development caused by the nationalization of banks was evident. The crisis of 1995 could have been controlled differently, if and only if the decision was taken without particular interest bias. Today it is still questioned that a private trust would receive public money for the help of private institutions.

The benefits of FOBAPROA was that it prevented the suspension of operations of the institutions involved and the account holders. He made sure you want bank deposits they won't lose it. The legislation was an important point, because due to the facts and events, the regulations were reformed until certain aspects that were not previously considered were considered. The economic crisis of 2008 uncovered the neoliberal model, criticizing and conjecturing that economic crises are inherent in the capitalist system. It has been won in terms of balance of podres. The democratization of the country has become more common. Despite facing more challenges, macroeconomic stability is capable, even with economic growth rates. The workforce is absorbed by the private and public sector; income distribution has been distributed throughout social classes; and it has been gained in access to goods and services around the world. The question with which the present investigation culminates is: will another "Mexican miracle" be returned?

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