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Filling Cracks and Hammering

Portraits from the workshop of Mexican civil society

MORELIA, Mexico

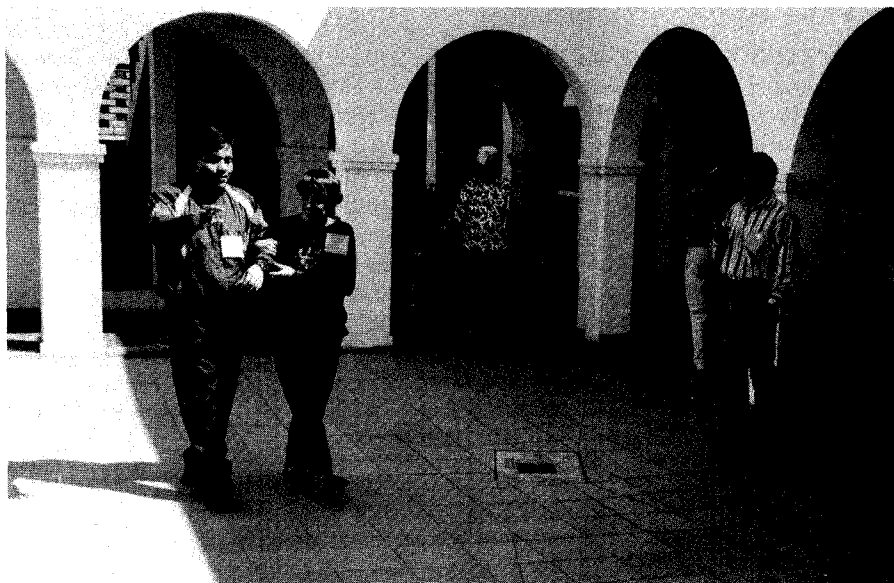
April 4, 1996

By William F. Foote

In the background were the cloisters of a weathered convent; in the foreground was Miguel Angel Vazquez de la Rosa, walking around the stone courtyard, eyes closed, arms thrust forward like a zombie. "Stop! Turn left, continue walking." Miguel heeded the commands of a nearby female voice, unknowingly evading a prickly rose bush. Then someone hollered, Switch! He opened his eyes just as the woman shut hers. "Turn right," shouted Miguel, chuckling as his former guide stumbled off the rock pathway.

Blind man's bluff? Pin the tail on the donkey? No. This scene was part of the opening exercise of a conference on citizen leadership held recently in the city of Morelia. Arriving from the state of Oaxaca, Miguel joined three dozen fellow grassroots activists from across Mexico to discuss local power. Later that day, the participants agreed that the kick-off drill offered a metaphor for Mexico's changing state-society relations. "No more following our government blindly," said workshop leader Mario Enzastiga. "It's time to switch roles; time for us citizens to learn how to lead our elected officials."

The two-day workshop was the latest in a series of similar events that Enzastiga has organized in the state of Michoacan as the local representative of *Centro de Servicios Municipales*, "Heriberto Jara" — Municipal Services Center (CESEM). Founded in 1989, CESEM is a non-profit, non-governmental organization committed to the eradication of exclusionary political practices in Mexico's local politics. Municipal government, CESEM maintains, constitutes a space for democratization from the bottom



Vazquez de la Rosa (left) wanders with eyes closed as Enzastiga (right) of CESEM looks on inside an old convent.

up, Mexico's best school for learning pluralistic politics. Hence the organization conducts training courses across the country for newly-elected municipal authorities as well their potential successors, like grassroots activists.

"Our federal and state governments aren't interested in preparing most local officials for their jobs, but we are," said Enzastiga during a coffee break catered by the Sisters. "It's a crack in the system," he added, "and we're filling it."

Filling cracks in the system. I've heard that phrase often during my first six months as an ICWA fellow. Had I lived here 30 years ago, however, I wouldn't have. For decades (1940s-1970s), the Mexican state successfully projected an image of having no "cracks" to be filled. During the postwar boom years, the state acted as a well-oiled agent of development, and managed to silence opposition (e.g., labor unions) through economic growth and its redistribution.¹ On a relative basis, Mexicans enjoyed improved basic services, wages and benefits; providing, of course, that they voted for the provider, a.k.a. the PRI, Mexico's ruling party.

During the 1980s, however, severe economic crisis and ensuing policies of austerity and structural adjustment combined to produce a significant rise in poverty and inequality. A sharp drop in wages, a slashing of the government's budget for social programs, and the elimination of subsidies led to a dramatic loss of regime legitimacy. From sugar daddy to miser, the state became unable or unwilling to provide for the social welfare of a growing number of Mexicans. Coupled with the impact of natural disasters, especially the 1985 earthquake, these economic effects on Mexican workers led to an unprecedented mobilization of the population. Increasingly, poor people hit the streets in protest, organized by the millions into new social movements, demanding (and invading) land, seeking housing, basic services, and, in time, greater democracy.

This general awakening of Mexican civil society provided a backdrop for the proliferation of so-called non-governmental organizations (NGOs), of which CESEM is an example. In Mexico, as elsewhere, non-profit, voluntary NGOs had begun to appear in the 1960s and 1970s. Many of these early groups were inspired by the Catholic Church and dedicated to providing social assistance to the urban and rural poor. However, in the 1980s Mexican intellectuals, professionals and experienced popular organizers were increasingly called upon to provide technical and organizational support to the sprawling social movements. Responding to demand, these experts would form hundreds of NGOs to provide technical training and education in diverse ar-

eas: agriculture, income-generating projects, health-care, children's education and health, women's issues, the environment, human rights.

Today, Mexico's civil society boasts a whopping 2,200 NGOs, so many that generalizations seem futile. Nevertheless, I'll hazard dividing the universe into three groups: first, "developmental" NGOs, which provide a stimulus to economic growth, facilitating grassroots projects; second, "watchdog" NGOs, which check on potential abuses of power by government and elites (e.g., observing elections); and third, "popular interest" NGOs, which promote alternative patterns of civic participation in government (like CESEM) and advocate alternative public policies.

Some NGOs may straddle these categories. Others may defy neat classification. That the organizations exist at all, however, underscores a clear-cut message: the government cannot do everything to solve the country's problems, and Mexican civil society is coming together, with guidance and help from NGOs, to fill the gap.

This begets several questions. First, are the NGOs merely occupying cracks, or are they the thin edge of a wedge? Second, what is the government's attitude toward these do-gooders? Is it one of reliance, or defiance? Finally, how do NGOs survive financially in an economy in collapse since December 1994? More importantly, perhaps, where did they get their money in the first place?

This newsletter attempts to explore these queries. Before doing so, however, it might help to reflect first on the people inside Mexico's vibrant civil society. Who are they? What motivates them? Why do they care? Consider, for example, two men from the city of Morelia: first, Mario Enzastiga of CESEM, whom we've already met; second, Enrique Ramirez, a wealthy businessman who recently founded a local food bank. Their stories are as different as Mexico's civil society is diverse. Their conception of the "cracks in the system" are as unlike as their reasons for filling them. Indeed, if they met, they probably wouldn't like each other. Nevertheless, they share something in common that has been, in this country at least, historically uncommon: a desire to help Mexicans help themselves.

On a poster hanging from the wall inside CESEM's Morelia office, a clenched fist punched the sky above the dark silhouette of the Mexican masses *en marcha*. Underneath it, dressed in jeans and a grey cotton sweater, Enzastiga sat before a makeshift conference table in one of three small rooms located on the second

1. During World War II, the country broke from its former isolationism. In the postwar boom, Mexico enjoyed great demand for its commodity exports, and fueled industrialization by providing assorted fiscal incentives and basic infrastructure to encourage foreign and domestic investment. The central idea was to use the private sector to industrialize a largely rural economy through a program of "import substitution." This was reflected in the fall of agriculture's share in the economy from 21 percent to 11 percent between 1940 and 1970. Meanwhile, industry grew from 25 percent to 34 percent of the economy.



Discussing citizen leadership at CESEM's local power workshop.

floor of a 1980s cinder-block building. Computer keys clicked in the adjacent room, where Enzastiga's wife, one of CESEM's two other local employees, was writing an e-mail to their home office in Mexico City.

At the start of our interview, Enzastiga pointed to the block letters printed across the poster behind him, reading: CONAMUP. "I served as a national leader of that organization in the early eighties," he said, referring proudly to the *Coordinadora Nacional del Movimiento Urbano Popular* — National Coordinating Committee of the Urban Popular Movement.

A pan-urban supermovement founded in 1981, CONAMUP successfully united millions of shantytown dwellers, tenants, land and housing claimants, and self-employed workers. In Mexico City, the heart of the movement, Enzastiga helped build CONAMUP into a social and political force capable of exacting from the PRI government better wages, security, and a medley of services, like housing, education and health provision. In the process, CONAMUP helped bust the PRI's ideological hold over the majority of the population.

Moving on from the CONAMUP poster, I soon learned



Mario Enzastiga standing inside his CESEM office beside the CONAMUP poster.

that it marked but a single chapter in a lifetime of activism, one that began in 1949 in Oaxaca, the home state of his mother. She hailed from a poor indigenous village to which Enzastiga proudly attributes his black hair and dark complexion. She married young and moved to Mexico City. There, her eldest son's career would track the ascent of civil society in recent Mexican history.

During Mexico's student movement in the 1960s, for example, Enzastiga was an undergraduate in engineering at the *Instituto Politecnico Nacional* in Mexico City. One of the country's largest universities, the *Politecnico* was founded by leftist President Lazaro Cardenas in the 1930s to provide technical education to workers' children. Given the humble origin of its student body, Enzastiga's *alma mater* became a hotbed of sixties activism. He recalled the excitement of marching in protests as a gawky teenager through downtown Mexico City. In 1968, however, the fun ended abruptly. That year, an infamous shower of police bullets doused the flames of university discontent.

"The crackdown left me with deep scars," said Enzastiga, visibly moved in the recollection. "Close friends fell in the massacre."

Today, experts contend that that watershed year marked the emergence of a generation of student leaders who would participate, as one historian wrote, "in all of the important popular movements [of the last two decades] and in every attempt to build new parties and other political organizations."² Following graduation, Enzastiga would become one of thousands of leaders of the so-called *Generacion del '68*, social activists who would settle into Mexico's neighborhoods, factories and villages "to plant the seeds of a new political culture."³

In 1984, after a decade of social organizing and three years with CONAMUP in Mexico City, Enzastiga moved to Morelia to help extend the urban movement into the state of Michoacan. Soon after, however, he began to question the mass-mobilization strategy. Yes, they had achieved much. By the mid-eighties, Mexico's civil society exhibited an unprecedented capacity for organization and protest. CONAMUP's demands were immediate, pragmatic, concrete — and often met. However, Enzastiga knew that the viability of the mega-movements depended closely on their success in solving short-term problems of the community or group. But what about the long-term? Would their efforts ever generate real, lasting change? With these questions in mind, he began to explore other elements of Mexican civil society, namely the NGOs.

"At first I was skeptical of them," Enzastiga recalled. Most of all, he distrusted the financing from foreign foundations that the intellectual and professional groups often received. "We considered the NGOs pedants at best,

CIA agents at worst," he admitted, laughing.

However, the more NGO leaders Enzastiga met, the more he realized they shared his commitment to social change, only from a different angle. In fact, he would soon come to see in their specialization, expertise and professionalism the key to a more creative leadership role, a way to advance beyond, as he put it, "the tired confrontational opposition of the social movements."

In 1989, Enzastiga took the plunge. Together with four fellow activists, he founded CESEM. Their expertise? Local politics, an understanding that they had honed over 10-plus years of interface with municipal governments on behalf of urban social movements. Bolstered by the unprecedented upsurge of electoral opposition in the 1988 presidential elections, they targeted the "conquest of the municipal space."

Today, CESEM's strategy holds steady. On the one hand, they work to convince Mexico's skeptical civil society that knowledge of and participation in municipal government offers real possibilities for change at the local level. On the other, CESEM educates incoming municipal officials so as to avoid replicating the anti-democratic practices so prevalent at other levels of Mexican government.

As I left his office following our interview, Enzastiga went back to work on that very task: preparing a new instruction manual funded by the Ford Foundation that lays out in plain language and neat drawings exactly what municipal officials should expect, and watch out for, in their new posts.

Entering the office of Mr. Enrique Ramirez, one cannot help but notice the photo of him shaking hands with a well-known politician: former President Carlos Salinas de Gortari. Fronting a luxurious conference table, the picture says as much about his story as the CONAMUP poster did of Enzastiga's. Don't rush to conclusions, however.

It's true that Ramirez is a successful businessman, Morelia's wealthiest, in fact. During the past twenty years, while Enzastiga battled for noble causes in Mexico's urban trenches, he was busy building a commercial empire called *Organizacion Ramirez*, which includes *Multicinas*, Mexico's largest movie-theater chain. It is also fact that his company headquarters consumes an entire city block and features a private zoo of emus and other exotics. A squadron of private police guard beasts and buildings.

In addition to generating wealth, however, Ramirez also helps fill the stomachs of thousands of hungry people in Morelia today. Last summer, he founded a local

2. Ann I. Craig, "Institutional Context and Popular Strategies," *Popular Movements and Political Change in Mexico*, (Lynne Rienner Publishers) Boulder, 1990, p. 271.

3. Ibid. p. 284.



One of many office buildings at the headquarters of Organizacion Ramirez in Morelia.

food bank, which doles out to the poor surplus produce from the city's largest farmers' market. Together with several business leaders, he donated trucks and bankrolled much of the project. Today the food bank distributes 20 tons of fruits and vegetables each month to just under one thousand needy households. An additional 1,300 families purchase basic staples from the bank at below-market costs, low prices that Ramirez helps obtain by jawboning appropriate business chums, like the owners of *Comercial Mexicana*, a national supermarket chain.

Where would his food bank fall on the map of civil society? Well, it's definitely not an NGO. Rather, it fits the category of social-assistance institution, because it's concerned with solving immediate problems of poverty. As such, it might draw criticism from hard-core activists like Enzastiga for targeting the effects, not the causes, of impoverishment. Like it or not, however, Morelia needs a food bank, as do scores of other Mexican cities where malnourished bellies are ballooning amid the crisis-stricken. Ramirez did something about this. Therefore, shouldn't he be considered, like Enzastiga, as an important member of Mexico's civil society?

"Certainly," said Gustavo Marroquin, Ramirez's childhood buddy and fellow founder of the food bank. A local contractor and the owner of Grupo Marey, a local construction firm, Marroquin sat at his desk beside a wall covered with yellow toy construction vehicles. Noting my admi-



Vendors were happy to donate their leftover produce to Morelia's food bank.

ration for the Tonka trucks, he lamented that the crisis ground his company's real-life projects to a halt last year. The upside, however, was that he had more free time for the food bank. He recalled the night it all began.

"It was mid-August last year," said the engineer, leaning forward for effect. "Enrique and I were eating dinner together. I remember, we looked at each other with mouthfuls of food. Enrique swallowed, and then asked me how many people might be starving out there? I said a lot, what with the crisis and all. He said we had to do something about it."

The next morning, Ramirez called several business associates and his friend, the new archbishop of Morelia. Soon they joined forces with CARITAS, a Catholic charity agency. Borrowing a successful food bank model from the nearby city of Guadalajara, they hired social workers; rented an empty stall at the wholesale market; persuaded vendors to donate their leftover food; recruited local college students (and two ICWA dependents) to conduct socio-economic studies of destitute families; and, *voila!* Hungry families ate.

Great news. But, why wait until August? Why not February? Why not five years ago? Marroquin explained that since the economic crisis broke in January 1995, many local businessmen believe society has divided too much. They acted last summer because the situation in Morelia had markedly deteriorated, with spiraling assaults and robberies. "It's understandable," said Marroquin. "If my children were hungry, I too would be willing to rob, even kill, for their supper." He hopes that the food bank will help to mitigate that threat.

Asked whether he thought their project had filled a crack in the system, Marroquin said yes, but not necessarily in response to the government's shortcomings. Rather, he considered it a natural division of labor, concluding that "the private sector just does things better."

Local authorities appear to agree, enthusiastically in fact. Several months ago, Ramirez organized a fundraiser for the food bank to which my wife Gina and I were invited. To our surprise, the mayor of Morelia, the governor of Michoacan, and about half of their respective cabinets showed up, too. Inside a glitzy hotel ballroom, before the who's who of Morelia, elected officials heaped flowery appreciation on the project. Ramirez, along with the other food bank founders and a host of recognized civic and religious leaders, basked in the city's response to their uplifting concern for Morelia's poor.

Funny though, Enzastiga wasn't invited. In fact, he'd never heard of the food bank before our interview. Hence the reason for comparing him with Ramirez: two people with vastly different backgrounds who illustrate the diversity and complexity of Mexican civil society. Two accomplished men whose perceptions of the country's problems are as dissimilar as their proposals for solutions. Yet, both qualify as social activists. There-

fore, both men fall within that broadly defined and increasingly important arena called civil society — an arena, I should add, whose significance and diversity is not lost on the mayor of Morelia, or the governor of Michoacan, or the president of Mexico. Hence, they choose their allies carefully.

Carlos Heredia of *Equipo Pueblo* (People's Team) is President Ernesto Zedillo's worst NGO nightmare.

Well, not officially.

But the co-director of the Mexico City-based NGO is considered to be one of the fiercest, most outspoken critics of the government today. Heredia holds a Ph.D. in economics from McGill University, has six years of work experience in the Mexican Finance Ministry, and speaks English with professorial precision. Before Mexico's financial meltdown, he spent 1994 in Washington D.C. on invitation from U.S. NGOs, conducting a study of the negative impact of structural adjustment in Mexico. If he was lonely then — being about the only guy in town knocking the neo-liberal reforms of former President Carlos Salinas de Gortari — he's not now. In fact, he's become an NGO celebrity of sorts. Hence it came as no surprise when our interview was interrupted by a phone call from Cuauhtemoc Cardenas, founder of the PRD, Mexico's leftist opposition party.

"As I was saying, the government has excluded us from its club of 'good' NGOs," said Heredia, hanging up the phone inside *Equipo Pueblo's* headquarters, a handsome two-story house in the southeastern quadrant of the federal district. What's a "good" NGO? According to Heredia, one that doesn't challenge the rules of the game, or get involved in debating economic policy...

Which happens to be *Equipo Pueblo's* forte. What's their angle? Basically that the crux of Mexico's problems today result in large measure from a set of misguided economic policies that have been implemented since 1982, policies that have led to the extreme polarization of Mexican society. While the economic elites have taken the lion's share of the wealth and benefited from the so-called modernization process, the bulk of the population have undergone severe impoverishment and deterioration in their standards of living.

Heredia underlined, however, that *Equipo Pueblo* is not opposed to the modernization process *per se*, or to the expansion of trade. Rather, they advocate a different type of development from today's; namely, a more equitable economic integration in North America. Stated Heredia: "We consider ourselves part of the globalization process, but our concerns are more about who wins and loses in that process."

Heredia represents a new breed of Mexican NGOs. He belongs to a group of civil-society actors that have learned how to make their policy criticisms heard, nationally and internationally. While comprising a tiny



Equipo Pueblo blames today's polarization of Mexican society on a misguided set of economic policies implemented since 1982.

fraction of the 2,200 NGOs in the country, their voices rise disproportionately to their numbers; and, Equipo Pueblo's is particularly loud.

Founded in 1977 as a popular education team, the NGO boasts nearly 20 years of experience in the field, working with grassroots organizations, popular movements, citizen coalitions. During that time, the staff claims to have acquired a sound understanding of the kinds of social policy that can be effective. Today they channel that knowledge toward influencing decision-making in centers of power.

"During the first ten years we kept a low profile," said Heredia, who grew up in Tamaulipas, a northern state to which he plans to return permanently this summer to establish Equipo Pueblo's fifth regional office. "In the early days, we believed our work had to be centered on building grassroots movements rather than speaking out."

In the mid-1980s, however, stormy social movements erupted in the aftermath of the 1985 earthquake. Then came the federal elections of 1988, characterized by widespread, clumsy voter fraud. Bursting with opinions and prepared to articulate them, Equipo Pueblo emerged from its grassroots cover.

Today, Heredia and his colleagues have a patently public profile. In fact, they call their work "citizen diplomacy," because they build bridges like diplomats between local, national and international circles. They hardly toe the government line, however. Rather, on the local end, they translate international macroeconomic policies into terms that can be understood by

Mexico's grassroots communities. On the national and international side, they use their technical capacity and political mediation skills to help systematize the experiences of the grassroots organizations, and to put forward their proposals in a public-policy language.

In order to voice those proposals, Equipo Pueblo and a number of other citizen-diplomat NGOs are mastering two nouns-become-verbs: lobbying and networking. The former mirrors the art of influencing policy in the world of government and finance. It involves approaching national and foreign government officials as well as multilateral institutions (e.g., World Bank, Inter-American Development Bank) to influence both their perceptions of public issues as well as the decisions they make.

The latter refers to building national and international non-governmental networks. Connected through the Internet and conferences, these networks attempt to coordinate in some fashion hundreds of NGOs' actions and strategies. In recent years, the networks have become an increasingly significant new level of organization. In fact, if locally-focused NGOs (like CESEM) constitute a first tier of Mexican civil society, and the bridge-builder NGOs (like Equipo Pueblo) form a second, then the NGO networks constitute a third, and perhaps most potent, stratum of organization.

One example of a national network is the *Foro de Apoyo Mutuo* — Forum for Mutual Support (FAM), to which Equipo Pueblo belongs. Comprising about 100 NGOs, the FAM was formed for the specific purpose of shaping the Mexican government's social policy. In order to develop expertise and draft alternative pro-

grams, member NGOs are organized into "working groups" on specific matters concerning children, the disabled, the elderly, housing, employment, rural development, etc. To voice these proposals, FAM members will typically sponsor conferences and invite state officials from the Ministry of Social Development, for example, or attend meetings organized by the government and the NGO community more generally.

As for international network examples, *La Red de Acción frente al Libre Comercio* — Action Network Against Free Trade (RMAFC) evolved in response to the negotiations on NAFTA. Perceived as a highly exclusionary process, the NAFTA negotiations fueled NGO networking across North America. Specifically, Canadian NGOs representing labor concerns wanted to build a broader front to challenge the passage of NAFTA, which they viewed as subversive to labor conditions and workers' rights. While the RMAFC obviously failed to stop NAFTA's passage, the consequences of the ongoing union of some 100 members are blossoming relationships between Mexican NGOs and their U.S. and Canadian counterparts.

Wrapping up our discussion of these networks and of Equipo Pueblo's international experience, Heredia closed our interview by reaffirming the group's commitment to rooting all their efforts in Mexico's local communities. Emphasizing Equipo Pueblo's principal role as a developmental NGO, he mentioned an organization of small corn-and-bean growers with which they are working in the northern state of Chihuahua, as well as numerous other projects spread across the five states they cover. "There's no sense in thinking macro," he concluded, "if you can't account for the micro."

Leaving behind Equipo Pueblo and the smog-skirted

skyscrapers of Mexico City, I journeyed back to the one-room food bank in Morelia, Michoacan. Parking between a mule-pulled cart of mangoes and a truck full of fresh tomatoes from Sinaloa, I spied the stall where Ramirez's project used to be. Pink and green piñatas, mounds of radishes and a rotund woman now filled the space. The crucifix on the back wall was gone, too. "They moved to the church, love, up on there on the hill," said the buxom vendor.

As I arrived, Hermalinda Calderon Aguilar, who heads up the social workers assigned to the veggie dispensary, was bending over to study a fresh crate of damaged avocados on the warehouse stoop. I congratulated her on the new location, which occupies the basement of the farmers-market chapel and affords a panoramic view of the Sierra Madres and Morelia's urban sprawl. Choking on dust, she greeted me as a food-bank truck rattled away, descending the dry slope toward the outlying river basin flooded with shantytowns; a place, according to Calderon, where growing micro-misery eclipses all things macro.

"These women can't see beyond their children's bloated bellies," said Calderon, pointing to a group of mothers huddled over a fly-infested pile of poblano chiles. "It's hard for me to think about much else either."

Calderon, 29, holds a business degree from the University of Michoacan. Her father, a *campesino*, thinks she's crazy for having left a secure government job to become a social worker. Why does she live on a shoestring and spend her days shuffling mashed bananas and marshaling hordes of hungry families back to their neighborhoods to wait for her delivery trucks? "I feel a profound sense of compassion for people who live in extreme poverty," she said. No need for further explanation.



Hermalinda Calderon Aguilar (left) with fellow social worker at Morelia's food bank.



Waiting for handouts beneath the chapel at the farmer's market.

Calderon would like to work some day for an organization that addresses the causes, not the effects, of poverty; but not yet. On the one hand, what she thinks Morelia needs today are practical, simple solutions to immediate problems. "It would be a luxury," as she put it, "to be able to think about structural adjustment, economic policy, stuff like that."

On the other, she feels inexperienced. For all she knows, there may be people out there who have worked enough with the local communities to pursue problem resolutions from above. Yet given Mexico's current circumstances, she would rather stick to concrete things below. "These people need our food bank, that's for certain, and that's why I'm here."

Her logic makes sense. However, there are other citizen leaders, some with decades of experience in the field, who think social workers and citizen diplomats alike are off the mark. "Sure, they're important," said Luis Lopezllera of *Promocion de Desarrollo Popular* — Promotion of Popular Development (PDP), a Mexico City-based NGO. "We always need good Samaritans to help the hungry, the street kids, the blind. We may benefit from a few noise-makers, too, like Equipo Pueblo and Alianza Civica [an electoral "watchdog" NGO network]. But neither roles are as important as creating real economic sustainability and autonomy at the local community level."

Founded in 1967, PDP has worked with hundreds of grassroots initiatives throughout Mexico (e.g., income-generation projects, local savings banks, popular education campaigns). A founder of the organization, Lopezllera criticizes the paucity of NGOs today that con-

centrate on sustainable economic development at Mexico's grass roots. Over the years, he has advised over a hundred citizen organizations, inside and outside Mexico. Too few of them, he tends to argue, have understood his message.

"If the country's cells are dying — which they are — then neither Band-Aids nor new policy clothing for the body politic are going to save us," said Lopezllera. "Furthermore, without that solid foundation of economic sustainability at the base," he added, "the noise-making becomes an act of dilettantes."

Lopezllera excused himself to answer the phone. In his absence, I surveyed his offices: the scratched Formica conference table; the frameless wall posters; the cramped working space; the windowscape of Tlaxpana, a working-class neighborhood in downtown Mexico City. Through a doorway, I could see the threadbare cushions in the waiting room, and the secretary who told me that PDP's staff had fallen from 15 to 7 people in recent years. Examining the poured-concrete floors beneath me, I thought of the finely painted moldings and frescoes of Equipo Pueblo's headquarters, inside that renovated house of California rococo design. When Lopezllera returned from his phone call, I asked him how Equipo Pueblo afforded such digs, stifling my observations of the immediate surroundings.

"They have strong financial support from the Dutch foundation NOVIB [Netherlands Organization for International Development Cooperation]," he responded. "That's why they can raise their voice," he added, as if it were obvious. As he spoke, he turned toward the window to observe a teenage street vendor hawking useless items on the sidewalk below. "Over all these years, I've learned that when poor people in Mexico speak up, they get killed. So, we advocate a quieter strategy."

Darkness engulfed the city of Morelia as Mario Enzastiga began the four-hour drive to the federal capital. He'd set his alarm for three a.m., early enough to reach Mexico City by sunrise, pick up his boss at CESEM's home office, and make their appointment by eight. The week before, I had arranged a breakfast meeting between CESEM and a visiting representative of a U.S. NGO, not realizing Mario would have to go through such trouble to get there. I apologized when he arrived on time at the Maria Cristina, a downtown hotel. "Don't be silly," he said, "you're doing us a big favor."

David Winder, who covers Latin America for the Synergos Institute, a New York-based NGO, greeted the CESEM representatives in the restaurant. I knew he had a full schedule that day, so I suggested that



Where have all the funders gone? Mario Enzastiga and colleague sit in CESEM offices beside computers paid for by Miserio, a German foundation.

Mario's boss get down to it. After a brief introduction of CESEM's operations, he disclosed the organization's current financial instability. Evidently Miserio, a German foundation that has backed CESEM since its conception in 1989, had begun to withdraw support recently. The man expressed his interest in pursuing economic relations with Synergos.

"I should make it clear," said Winder, politely interrupting his appeal. "Synergos is not a financing institution." Rather, the organization works on selective projects for sustainable poverty-alleviation in developing countries. In the process, they strive to create synergies between different NGOs located in 18 countries on three continents around the world. "We can help to put you in touch with other groups and foundations, and would look forward to building a relationship with CESEM, but we don't have money to provide," stated Winder, tactfully reciting a speech he must repeat often. As the former head of the Ford Foundation in Mexico, Winder happened to know many of CESEM's associates, which provided a needed diversion in the conversation.

There were no hard feelings. Back in his office in Morelia, Mario assured me that his expectations were never purely economic. "Unlike many other NGOs," he said, "we don't see dollar signs on the foreheads of people like Mr. Winder." He admitted, however, that he worries about the future of CESEM, and his job. He and his wife have no other employment. If they lose funding, they're in big trouble. Nevertheless, he explained that life as a social activist toughens a person. "We've been through a lot over the years," he stated. "We're

ready for hard times if they should come."

CESEM's story finds echo across Mexico's NGO community. Historically, most of the country's NGOs have relied on international support to fund their projects. Today, many NGOs are concerned by the decline in international sources of aid, particularly from large European donors like Miserio.

Historically, foreign assistance has never flowed abundantly into Mexican civil society. Before the 1985 earthquake, many European and North American foundations and aid agencies considered Mexico an oil-rich, democratic country well on its way to industrial development. This view changed, however, during the late eighties following the huge grassroots response to the earthquake. But in the early 1990s many donors interpreted the NAFTA debates, and Mexico's entrance into the OECD, as First-World integration. While the Zapatistas and the current economic crisis have patently disproved this, the European foundations increasingly appear to expect their North American counterparts to take care of their own continent. Hence, the Europeans' reallocation of funding toward Eastern Europe, Africa and Asia.

"Miserio has set new priorities," said Enzastiga, his face swept over by a melancholy smile. "We understand that they can't justify funding our municipal education projects when, in Africa, entire populations are starving. Logically this makes sense, but it still hurts us."

Lopezllera disagrees. For many years, he believes, foreign aid has sickened Mexican civil society. Especially when that assistance has been scarce. "It gener-

ates a backstabbing environment, a petty beauty contest where participants apply whatever seductive make-up donors want to see: ecological projects this month, street children the next, then birth control," stated Lopezllera, edging toward sarcasm.

Not that he ever rejected foreign assistance. From 1990-92, *Promocion* received a large grant — 75 percent of its total funding at the time — from the Kellogg Foundation. It was never renewed, however, because *Promocion* stepped out of line, according to Lopezllera. "Kellogg claimed to have a three-year project financing limit, but I know of many exceptions. Why weren't we one? Because of our criticisms of transnational corporations. The foundation officials wanted to help us, you see, but the voice from above said no."

Like it or not, however, international donors provide about 95 percent of NGO financing in Mexico today (not including social-assistance institutions, like Ramirez's food bank, which rely mostly on donations from private business and the Church). If more of those resources are heading toward Europe, Africa and Asia, and if some claim such money undermines the solidarity of NGOs anyway, then what kind of funding might replace, or at least complement, the foreign assistance?

Some NGOs advocate economic self-sufficiency. *Promocion* generates some revenue, for example, through the publication of a highly interesting magazine called *La Otra Bolsa de Valores* — The Other Stock Exchange. With feature articles like "The Japanese NGOs," *La Otra Bolsa de Valores* serves as an eclectic journal about citizen organizations worldwide, poverty, grassroots mobilization, etc. Lopezllera said about 100 NGOs currently subscribe and pay a service fee. Likewise, CESEM has also begun to charge for its municipal training courses. Yet there are, of course, inherent limits to this "patchwork" self-financing for non-profit organizations.

So what else? How about the government's coffers? After all, NGOs and other citizen organizations are providing social services to a sector of the population that can neither obtain that good on the market (*i.e.*, housing or health care) nor from the state (either because the state does not cover this sector of the population or does not provide the service).

Sounds good, but there are big obstacles: first, Mexico's current financial crisis; second, the propensity of its government to discriminate between, as Carlos Heredia put it, "good" and "bad" NGOs. Citizen organizations might have found a way to clear these hurdles, however. Why not, they argue, leap over the federal treasury and appeal to a loftier, ostensibly non-partisan level of public finance: the multilateral banks?

As luck would have it, the Inter-American Development Bank (IDB) seems to agree. At a conference held recently in Mexico, the IDB expressed its desire to invest in

Mexico's civil society. Hundreds of NGOs showed up to listen, and their ears, needless to say, were wagging.

Snow-white habits, dark sunglasses of the blind and shiny wheel chairs sparkled amid the sea of participants finding their seats inside the grand salon of the Continental Plaza hotel. Throughout the morning the representatives of some 300 NGOs had flowed into the opulent convention center located in the city of Guadalajara. During the previous three months, each citizen organization had drafted proposals on how to optimize resources for social development in their respective fields. Today, they would be distributed, and some of them presented. There to listen and take part in the conference — called the Strengthening of Civil Society: A Proposal of Mexican Citizen Organizations — were the governor of Jalisco state, and representatives from the federal government and the IDB.



"Strengthening of Civil Society: A Proposal of Mexican Citizen Organizations."

"I am sure the Mexican government will be very interested and receptive to the proposals that various groups of civil society have been working on during these past months," said Peggy Dulany, president of the Synergos Institute, which sponsored and organized the conference. "For me, this event — only one in a long process — marks the beginning of a partnership that the world will be watching with much interest."

Preparing for the IDB's participation in the conference, the bank had proposed two principal objectives: identifying the means by which Mexico's citizen organizations can participate in programs that the IDB finances; and finding new mechanisms to channel resources from government, companies and society in general, toward the work of citizen groups.

"We think that the IDB proposal touches one of the principal points of the problem of strengthening civil society, which is the financial resources of the NGOs," said Ricardo Govea Autrey, president of Synergos's Mexican affiliate, Philos. "In Mexico, insufficient value is given to the role that citizen organizations play for the public interest. Today, they are considered marginal, secondary actors, and are subjected to working under shamefully precarious and difficult circumstances," he added, as applause fizzed up like seltzer.

Jairo Sanchez Mendez, who represents the IDB in its Mexico City office, smiled over the microphone. He offered good news. "We have a mandate to promote the participation of civil society in the process of socioeconomic development in Mexico," the banker stated.



Peggy Dulany of the Synergos Institute (second from left) and Steve Quick of the IDB (far right) during the inauguration of the NGO conference in Guadalajara.

Soon after, however, he made a few unpopular things clear. For starters, while the IDB could help create forums like this conference — "to promote dialogue and open spaces between the state and civil society" — the bank has little actual money to provide for NGOs. Of the US\$7 billion dollars of total loans the bank granted to member nations last year, for example, less than US\$100 million reached small projects and grassroots initiatives (or about 1.4 percent).

In addition, Sanchez informed the audience that "we have received 60 applications for funding from FOMIN [a fund comprising part of that US\$100 million annually available throughout the Americas for small projects], yet we have the capacity to finance only three or four projects each year." Before he could finish, boos and whistles consumed the auditorium, drowning out his voice.

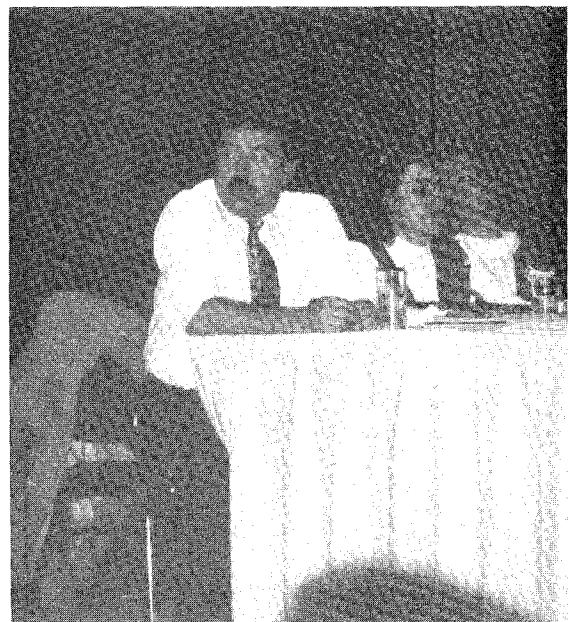
Steve Quick, head of strategic planning and policy at

the IDB, offered to help explain how bank decisions are made. "Our resources come mostly from loans guaranteed by the member countries," he said, referring to the guarantees that the IDB uses to raise capital by issuing bonds in the international financial markets. "The bank also receives basic priority instructions from its member countries. Hence, we cannot finance any project in any member country without the consent of their respective government."

That point drew fierce criticism. "The IDB exhibits a profound lack of understanding of the organization, reality and environment of Mexican civil society," stated Jose Miguel Moto, director of rural technology programs for the Miguel Aleman Foundation, an NGO based in Mexico City.

He went on to attack the IDB's programs for being designed in their Washington headquarters with minimal consultation of social groups in the country concerned. He added that virtually all the bank's resources go toward financing macro-projects that must be administered by government agencies. Combined with the non-objection rule from the Finance Ministry, the entire system serves to augment, as he put it, "discretionality and bureaucracy, and seriously mitigates access of small organizations to the developmental process."

Enter another citizen diplomat, Carlos Heredia of Equipo Pueblo. Having attended a lot of similar meetings, Heredia said he wondered whether this would be the same: where everyone agrees that democracy is great, poverty is terrible, and then goes home and says what a splendid conference. To avoid that, he suggested that the IDB representatives look at themselves in the mirror and ask: What do I really mean by the strengthening of Mexican civil society?



Carlos Heredia of Equipo Pueblo mincing no words before representatives of the IDB.

If the bank truly desires to channel money to the NGOs, he reasoned, then why not provide an "ABC" list of instructions so that the NGOs can get to work filling out applications? That said, Heredia proceeded to itemize the reasons why the IDB could do nothing of the sort. First, the bank's interlocutor is the Mexican Finance Ministry. The governors of the IDB comprise the director of the central bank and the finance minister from each of its member countries. Since those officials largely determine bank policy, Mexico's federal government effectively dictates the IDB's actions in the country.

In addition, Heredia noted that the IDB offices sit in Washington D.C. From there, he argued sarcastically, it would be highly cumbersome for IDB president Enrique Iglesias to have to consult with Mexico's unwieldy civil society when he can just pick up the phone and call President Ernesto Zedillo. He imagined their conversation:

"Listen Ernesto, we're working in Mexico on policies to strengthen civil society. What do you suggest? Zedillo says to him: Why not talk to the Council of Mexi-

can Businessmen, they have some great philanthropic ideas?" The crowd laughed and Heredia concluded: "Seriously though, I think it's great that the businessmen want to help out. But that's not enough. Because what happens is that, as always, it remains up there in the intimate circle, the *petit comité*, with no thickening of civil society below."

Charles Reilly, who spent a career working in Latin America's NGO community, finished the day trying to pull things into perspective. Poking fun at himself for being a banker now with the IDB, he reminded everyone that his employer is in fact a bank, not a foundation. Therefore it must loan, not donate, money. He went on to urge the participants not to expect miracles from the IDB, or anybody else abroad for that matter. "The rhythm of change in the world is truly remarkable, and regrettably, the bank changes slowly," he acknowledged, but concluded: "This is a fascinating challenge, yet one that requires patience, time, and lots of dialogue between state and citizens in order to design programs that truly target the neediest people."

Pushing through the crowd after the conference, I ap-



proached a man who represented an NGO from the state of Oaxaca. Earlier in the day, he had told a story that cast a dark specter over the conference. Unfortunately, Benito Lopez, who works for *Maderas del Pueblo del Sureste, A.C.* — People's Woods of the Southeast, had spoken as one of many anonymous attendees, so the implications of his words failed to loom as they should have.

During a Q&A session, he had raised his hand neither to ask a question, nor to criticize the IDB, but rather to commend Jalisco's state government for having supported the NGO conference in the first place. Such an event, he claimed, would have been difficult, if not impossible, to stage in his home state of Oaxaca.

Here's why: On November 4, 1995, the official bulletin of Oaxaca's state government published a decree, No. 312, which stipulated the formation of a new council to be named by the governor himself. Its mission: to follow and monitor the actions of all NGOs in the state. The council, according to Lopez, has the power to remove NGO leaders indiscriminately; to audit NGO financing; and to decide whether or not a citizen organization should receive money from international donors. In addition, the council's operations are to be financed through a monthly fee charged directly to each NGO, with interest to be collected in the event of late payments.

"We consider this an egregious breach of NGO autonomy in Oaxaca," stated a bristling Lopez. "It reflects an increasingly authoritarian position taken by state governments in southern Mexico toward local NGO

communities." Asked what prompted the measure, he pointed to "a generalized fear of the problems in Chiapas."

Traveling back home to Morelia, I thought about Lopez's story and the determination in his eyes when he vowed to have that decree overturned. His efforts to organize other NGOs in opposition, their attempt to appeal the measure in a court of law — it all harked back to that two-day workshop on citizen leadership, the one that began with the blind game in that old convent in Michoacan.

In hindsight, that game — a metaphor for accepting mutual leadership between state and society — seems to apply more at present to Mexico's society than to its state. After all, Enzastiga at CESEM, Heredia at Equipo Pueblo, Lopezllera at PDP, hundreds of NGO representatives at the Guadalajara conference, and thousands of other citizen organizations that haven't been mentioned — they all started off knowing how to follow, yet learned how to lead. And, in the process, their example has demonstrated that the strengthening of Mexico's civil society offers much hope for the country's future.

Now it's the state's turn. Remember, the game rules say that those who know how to lead must also learn to follow. So, state, the directions of your citizen partners have been made clear. What then will it be? Defiance or reliance? *Le petit comité* or the *grand*? Oaxaca or Jalisco? Suspicion or trust? These are the questions and this, unfortunately, is no game. □

Institute Fellows and their Activities

Hisham Ahmed. Born blind in the Palestinian Dheisheh Refugee Camp near Bethlehem, Hisham finished his A-levels with the fifth highest score out of 13,000 students throughout Israel. He received a B.A. in political science on a scholarship from Illinois State University and his M.A. and Ph.D. from the University of California in Santa Barbara. Back in East Jerusalem, Hisham plans to gather oral histories from a broad selection of Palestinians to produce a "Portrait of Palestine" at this crucial point in Middle Eastern history. [MIDEAST/N. AFRICA]

Adam Smith Albion. A former research associate at the Institute for EastWest Studies at Prague in the Czech Republic, Adam is spending two years studying and writing about Turkey's regional role and growing importance as an actor in the Balkans, the Middle East and the former Soviet bloc. A Harvard graduate (1988; History), Adam has completed the first year of a two-year M. Litt. degree in Russian/East European history and languages at Oxford University. [EUROPE/RUSSIA]

Cynthia Caron. With a Masters degree in Forest Science from the Yale School of Forestry and Environmental Studies, Cynthia is spending two years in South Asia as ICWA's first John Miller Musser Memorial Forest & Society Fellow. She is studying and writing about the impact of forest-preservation projects on the lives (and land-tenure) of indigenous peoples and local farmers who live on their fringes. Her fellowship includes stays in Bhutan, India and Sri Lanka. [SOUTH ASIA/Forest & Society]

William F. Foote. Formerly a financial analyst with Lehman Brothers' Emerging Markets Group, Willy Foote is examining the economic substructure of Mexico and the impact of free-market reforms on Mexico's people, society and politics. Willy holds a Bachelor's degree from Yale University (history), a Master's from the London School of Economics (Development Economics; Latin America) and studied Basque history in San Sebastian, Spain. He carried out intensive Spanish-language studies in Guatemala in 1990 and then worked as a copy editor and Reporter for the *Buenos Aires Herald* from 1990 to 1992. [THE AMERICAS]

Sharon Griffin. A feature writer and contributing columnist on African affairs at the *San Diego Union-Tribune*, Sharon is spending two years in southern Africa studying Zulu and the KwaZulu kingdom and writing about the role of nongovernmental organizations as fulfillment centers for national needs in developing countries where governments are still feeling their way toward effective administration. She plans to travel and live in Namibia and Zimbabwe as well as South Africa. [sub-SAHARA]

John Harris. A would-be lawyer with an undergraduate degree in History from the University of Chicago, John reverted to international studies after a year of internship in the product-liability department of a Chicago law firm and took two years of postgraduate Russian at the University of Washington in Seattle. Based in Moscow during his fellowship, John is studying and writing about Russia's nascent political parties as they begin the difficult transition from identities based on the personalities of their leaders to positions based on national and international issues. [EUROPE/RUSSIA]

Pramila Jayapal. Born in India, Pramila left when she was four and went through primary and secondary education in Indonesia. She graduated from Georgetown University in 1986 and won an M.B.A. from the Kellogg School of Management in Evanston, Illinois in 1990. She has worked as a corporate analyst for PaineWebber and an accounts manager for the world's leading producer of cardiac defibrillators, but most recently managed a \$7 million developing-country revolving-loan fund for the Program for Appropriate Technology in Health (PATH) in Seattle. Pramila is spending two years in India tracing her roots and studying social issues involving religion, the status of women, population and AIDS. [SOUTH ASIA]

Teresa C. Yates. A former member of the American Civil Liberties Union's national task force on the workplace, Teresa is spending two years in South Africa observing and reporting on the efforts of the Mandela government to reform the national land-tenure system. A Vassar graduate with a *juris doctor* from the University of Cincinnati College of Law, Teresa had an internship at the Centre for Applied Legal Studies in Johannesburg in 1991 and 1992, studying the feasibility of including social and economic rights in the new South African constitution. While with the ACLU, she also conducted a Seminar on Women in the Law at Fordham Law School in New York. [sub-SAHARA]

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