MEXICO: ECONOMIC REFORM AND POLITICAL CHANGE

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- DEMOCRACY WITHIN REASON: TECHNOCRATIC REVOLUTION IN MEXICO. By Miguel Angel Centeno. (University Park: The Pennsylvania State University Press, 1994, Pp. 272. \$35.00 cloth, \$15.95 paper.)
- THE DYNAMICS OF DOMINATION: STATE, CLASS, AND SOCIAL REFORM IN MEXICO, 1910–1990. By Viviane Brachet-Márquez. (Pittsburgh, Pa.: University of Pittsburgh Press, 1994. Pp. 251. \$59.95 cloth.)
- POLITICS IN MEXICO. By Roderic Ai Camp. (Oxford: Oxford University Press, 1993. Pp. 200. \$39.95 cloth, \$14.95 paper.)
- THE POLITICS OF ECONOMIC RESTRUCTURING: STATE-SOCIETY RELATIONS AND REGIME CHANGE IN MEXICO. Edited by Maria Lorena Cook, Kevin Middlebrook, and Juan Molinar Horcasitas. (La Jolla: Center for U.S.-Mexican Studies, University of California, San Diego, 1994. Pp. 351. \$21.95 paper.)
- POLITICAL STABILITY AND DEMOCRACY IN MEXICO: THE "PERFECT DICTATORSHIP"? By Dan A. Cothran. (Westport, Conn.: Praeger, 1994. Pp. 252. \$55.00 cloth.)
- MEXICO: DILEMMAS OF TRANSITION. Edited by Neil Harvey. (London: Institute of Latin American Studies, 1993. Pp. 381. \$69.50 cloth.)
- MASK OF DEMOCRACY: LABOR SUPPRESSION IN MEXICO TODAY. By Dan La Botz. (Boston, Mass.: South End Press, 1992. Pp. 223. \$35.00 cloth, \$14.00 paper.)
- OPPOSITION GOVERNMENT IN MEXICO. Edited by Victoria E. Rodríguez and Peter M. Ward. (Albuquerque: University of New Mexico, 1995. Pp. 254. \$45.00 cloth, \$22.50 paper.)
- THE CHALLENGE OF INSTITUTIONAL REFORM IN MEXICO. Edited by Riordan Roett. (Boulder, Colo.: Lynne Rienner, 1995. Pp. 195. \$36.50 cloth.) MEXICO UNDER SALINAS. By Philip L. Russell. (Austin, Tex.: Mexico Resource Center, 1994. Pp. 485. \$14.95 paper.)

Mexico's ongoing economic and political crises, set off in 1981–1982 by falling petroleum prices and rising international interest rates, have resulted in a flood of scholarly studies attempting to chart the direction and nature of change in that country. At the same time, the vagaries of

economic and political events over more than a decade have rendered problematic commonly held assumptions about the continuity of current political arrangements and the inevitability of economic growth (despite unbending faith in neoliberal reforms in some quarters). Following the economic debacle of 1982, the Mexican economy was heralded in the international press for having "adjusted well," only to slide into renewed economic crisis by 1985–1986. Policymakers responded by initiating deep structural adjustment measures: trade liberalization, deregulation, privatization, and labor "flexibilización." 1 Agreement with multilateral lending institutions under the auspices of the Brady Plan in 1989 provided access to much-needed foreign credits, while negotiation of the North American Free Trade Agreement (NAFTA) was to ensure economic growth through the 1990s. But despite widespread praise for Mexico's economic reforms and the renewal of economic growth in 1990, 1991, and 1992, sustained economic recovery has proved elusive. The Achilles' heel of the new economic model was a chronic and worsening current-account deficit financed by unreliable short-term capital inflows. When the current-account deficit increased in early 1994 as capital inflows declined (economic developments no doubt exacerbated by the Chiapas uprising and two top-level political assassinations), the economy once again plunged into crisis. The December 1994 devaluation and subsequent float of the peso set in motion a financial crisis that resulted in government commitment to a tight monetary and fiscal policy and further structural reform under strict supervision of the International Monetary Fund.

The political fortunes of Mexico's ruling party, the Partido Revolucionario Institucional (PRI), have become similarly problematic, especially in comparison with its history prior to 1982. Receiving the lowest proportion ever of the popular vote in the 1988 presidential election (50.4 percent of the vote according to official figures), the PRI is widely believed to have hung on to political power only by means of massive electoral fraud. By the 1991 midterm elections, however, the party appeared to have recovered much of the political support lost in 1988. With renewed economic growth and expanded spending on social welfare, the PRI achieved victory in the 1994 national election, its presidential candidate receiving 48.8 percent of the popular vote—and this time, according to most observers, without the large-scale use of fraud that characterized the earlier election.² Yet political unrest and political crisis have persisted. The Chiapas rebellion initiated in January 1994 continues. And two political crisis have persisted.

^{1.} The term *flexibilización* (making labor more flexible) refers to modifications in collective labor law with the objectives of increasing productivity and international competitiveness.

^{2.} Alianza Cívica, the largest and most independent observer organization, declared that although irregularities likely affected the distribution of seats in the Senate and Chamber of Deputies, they probably did not alter the results of the presidential contest in 1988. See "Las anomalías no alteran el resultado: Alianza Cívica," La Jornada, 20 Sept. 1994, p. 1.

cal assassinations in 1994—of PRI presidential candidate Luis Donaldo Colosio and the party's secretary general, José Francisco Ruiz Massieu—reflect the PRI's loss of internal cohesion and external control.

Given the rapidly changing nature of events in Mexico, it is noteworthy that the body of literature reviewed here has arrived at such a high degree of consensus regarding the nature of political change in Mexico. Of the four edited volumes, three (*The Politics of Economic Restructuring, Mexico: Dilemmas of Transition,* and *The Challenge of Institutional Reform in Mexico*) cover much of the same ground: changes in the relationship between trade unions and the Mexican state, the impact of economic policy changes on the peasant sector, the impact of recent electoral reforms, the new role of the private sector, and the relationship between urban social movements and the state. The fourth edited volume, *Opposition Government in Mexico* edited by Victoria Rodríguez and Peter Ward, breaks new ground in examining the opportunities as well as the constraints on opposition state and local governments in Mexico.

The six books by single authors under review here draw on varying interpretations of Mexican history, society, and politics to illuminate the changes undergone during the recent administration of Carlos Salinas de Gortari (1988-1994). These diverse works will appeal to distinct audiences. Roderic Camp's Politics in Mexico is a clearly written and balanced introduction to Mexican politics—the ideal core text for an undergraduate course on Mexican politics. Philip Russell's Mexico under Salinas provides a detailed and fascinating account of the Salinas years—covering the gamut from electoral fraud and human rights to the debt, the environment, and NAFTA. This book evidences general appeal to the educated and interested public. Mask of Democracy, Dan La Botz's passionate condemnation of Salinista labor policy, Dan Cothran's Political Stability and Democracy in Mexico, Miguel Angel Centeno's Democracy within Reason, and Viviane Brachet-Márquez's The Dynamics of Domination will all appeal to a more academic audience. Centeno explains Mexico's success in achieving economic restructuring through examining the nature and evolution of the policy elite, while Cothran seeks to explain Mexico's political stability by focusing on similar issues of elite unity, co-optation, and economic policy. Brachet-Márquez's book is an elegantly written and original treatise reinterpreting labor history and social reform in Mexico.

While the transformation in the Mexican economy has been sudden and profound, the paradigm guiding analysis of the social and political realms assumes continuity and incremental change. This emphasis on the continuities of the Mexican political system over time has been reflected in a preoccupation with the way in which the co-optative capacities of the state have been evolving in response to changing economic and social conditions.

Students of Mexico generally agree that decision-making power in Mexico has become more concentrated than ever. Both the technocratic

elite (the subject of a burgeoning literature during the late 1970s and 1980s) and presidentialism (the concentration of political power in the hands of the president) have strengthened, while the private sector, now the motor force behind continued economic expansion, has increased its influence over state policymakers. Yet despite rising economic inequalities, the Mexican political elite has maintained tight control, largely by adapting traditional mechanisms of political domination. The electoral system has been reformed to channel and co-opt dissent, but marked authoritarian features remain: electoral fraud and corruption persist, and violent repression continues to be used (fairly successfully and in varying degrees) against recalcitrant groups and individuals. Traditional corporatism is now neocorporatism, the old sectoral organizations of workers and peasants having lost power and been partially replaced by new forms of clientelistic mediation, particularly the Programa Nacional de Solidaridad (PRONASOL), a Salinista social-welfare program that matches federal grants with local initiatives. Most analysts agree that the power and influence of the labor sector (the official labor movement) has diminished markedly, while the state has established new clientelistic links with the urban popular classes (peasant and urban) through PRONASOL.

For analysts focusing on Mexico's policy elite, events have been guided almost entirely by that elite's strategy and interests. According to Miguel Angel Centeno's Democracy within Reason: Technocratic Revolution in Mexico, the growth of presidential power and the emergence since 1970 of a cohesive, homogeneous technocratic elite insulated from interest groups enabled President Salinas to carry out deep structural economic reforms (p. 164). Indeed, economic restructuring owes much to the traditional mechanisms of PRI control (p. 73). Even PRONASOL is characterized as a "perfect example of classic PRI tactics" (p. 66). In *Political Stability and Democracy in Mexico: The "Perfect Dictatorship,"* Cothran credits Salinas's employment of "all the classic approaches that the Mexican regime had used for decades" (the strengthening of an already institutionalized and insulated presidency, measures to increase economic growth, adaptability via response to societal demands through PRONASOL, electoral reform, and the use of coercion) for the Salinas regime's ability to survive severe economic difficulties and increased demands for democracy (pp. 182-84). Merilee Grindle's contribution to The Challenge of Institutional Reform in Mexico (edited by Riordan Roett) reports that the reform of Article 27 of the Constitution was formulated by a small group of planners in the Salinas administration with absolutely no consultation of the peasant sector (p. 46).3 And although Philip Russell's Mexico under Salinas is more

^{3.} The reform privatized ejido (communal Indian) lands, giving peasants the legal right to hold title to land and therefore the right to sell it, rent it, or use it to form joint ventures with agribusiness.

descriptive than analytical in approach, its message is a familiar one: the PRI continues to maintain its hegemony through a variety of traditional means that include the use of patronage, some reforms within the PRI, electoral reforms, electoral fraud, control of the media, and violent repression.

For both Russell and Cothran, Mexico remains the "perfect dictatorship," a term originally conceived by Mario Vargas Llosa to connote a relatively legitimate and benign authoritarianism "in which the leader is changed regularly and most major social forces were incorporated into the regime" (Russell, p. 49; Cothran, p. 135). According to Centeno, however, Mexico is a democracy limited by "reason"—meaning by the policy elite's requirement that the opposition accept "economic reality," that is, the technocracy's neoliberal solution to Mexico's economic problems (p. 218).

But if tactics of political control have not changed in fundamental ways, most authors agree that change has occurred in the coalitional basis of the state. Camp argues in *Politics in Mexico* that President Salinas created a decision-making process highly concentrated in the executive (p. 172) but also "alter[ed] overall government group relations, giving greater attention . . . to business, military and the church and less attention to labor" (p. 121). Further, among the groups with influence over the decision-making process, business has gained new clout and is now second only to the policy-making elite in influence on policy (p. 120). While agreeing on the growing power of business, economically and politically, Matilda Luna points in The Challenge of Institutional Reform (edited by Riordan Roett) to a growing division within the private sector between big conglomerates that have benefited from state policy and small and medium-sized firms that received fewer benefits and have been marginalized from the policy process (pp. 89-90). Francisco Valdés reiterates this point in *The Politics of Economic Restructuring* (edited by Maria Lorena Cook, Kevin Middlebrook, and Juan Molinar Horcasitas) by referring to the "new alliance" between the state (particularly a strengthened presidency) and (as a consequence of deregulation and privatization) the most powerful business interests (p. 240).

The new relationship between the state and labor is a theme explored extensively in recent literature. For James Samstad and Ruth Berins Collier in Roett's *The Challenge of Institutional Reform*, the 1988 national election marked a watershed. After that point, President Salinas sought to redefine the regime's relationship with labor by establishing a "new unionism," theoretically a more representative and autonomous unionism that would provide the labor support for the regime clearly lacking in the 1988 election. Despite such efforts, the old corporatist and clientelist arrangements remained largely intact by the end of the Salinas *sexenio*—perhaps, the authors suggest, because the possibility of union democracy was at odds with economic restructuring (p. 31). With economic restructuring

turing and its attendant labor "flexibilization," unions have lost both economic and political power. This outcome leads Ilán Bizberg to argue in Mexico: Dilemmas of Transition (edited by Neil Harvey) that economic modernization will entail alterations in Mexican corporatism because its "homogenizing, centralized, hierarchical and inflexible structure" blocks the decentralization in labor relations needed to ensure that wage increases reflect increases in productivity (pp. 311-12). Both Bizberg and Enrique de la Garza Toledo (in The Politics of Economic Restructuring edited by Cook, Middlebrook, and Molinar Horcasitas) speak of the rise of neocorporatism, an arrangement involving the reduction of centralized labor power and the participation of labor in increasing productivity. The power struggle dimension of the restructuring of labor-state relations is dealt with in Guillermo Trejo's contribution to the volume edited by Roett. Trejo argues that the Mexican government's scheme to modernize education was largely its strategy for regaining the administrative power lost to the Sindicato Nacional de Trabajadores de la Educación (SNTE) (p. 21). Indeed, the decline of labor's position in a variety of state structures—fewer seats in the House of Deputies, diminished importance within the ruling PRI—all suggest that labor has been shed as a major coalitional partner.

This marked decline in labor's political and economic power is, according to Dan La Botz in Mask of Democracy, integral to the Mexican government's commitment to a model of exporting manufacturing goods that depends on cheap labor. Published in a series on labor rights by the International Labor Rights Education and Research Fund, Mask of Democracy is not a nuanced analysis of labor-state relations in Mexico, nor does it purport to be. The conclusion that labor rights have been "systematically suppressed in Mexico" is buttressed by a wealth of now-familiar details on labor conflicts arising in the public and private sectors from the economic restructuring of the 1980s. But La Botz's characterization of the corrupt leadership of the petroleum workers' union under "La Quina" (Joaquín Hernández Galicia, who was arrested by Salinas for murder and illegal possession of arms in 1989) as somehow more "benevolent" than Salinas's own state-imposed successor, Sebastián Guzmán Cabrera, does not do justice to the truly repressive nature of old "charro" arrangements and the selective nature of the benefits they bestowed (p. 113). Nor does La Botz's characterization of FESEBES (Federación de Sindicatos de Empresas de Bienes y Servicios), an organization established by a number of public-enterprise unions, as arising at the instigation of Salinas accurately reflect the complexity of the resistance of the public-enterprise unions to restructuring and privatization (p. 129).

By the 1990s, Viviane Brachet-Márquez finds (in *The Dynamics of Domination*) that the labor movement has become "a profoundly eroded and delegitimated movement" (p. 179) and that the traditional corporatist

mechanisms have altered in fundamental ways. But she challenges the standard interpretation emphasizing the power of the Mexican state (especially post-1989 interpretations stressing presidentialism and elite rationality) in accounting for social reform. Brachet-Márquez criticizes this literature for what she regards as its failure to grant the subordinate classes, particularly labor, their role in history. She argues that although the state has undoubtedly been the initiator of social reforms, its need to inhibit widespread dissidence has produced piecemeal reforms (p. 31). Labor leaders therefore should not be viewed simply as corrupt and opposed to change. They have also played a role in the process of change because they must respond at least minimally to rank-and-file labor demands (p. 169). The introduction of a limited insurance scheme in 1927, reforms in health, education, and related areas under President Lázaro Cárdenas (1934–1940), and the social reforms of the 1960s and 1970s are all linked to the Mexican state's fear of worker mobilization.

As is true of other recent work on Mexico, Brachet-Márquez's analysis considers the historical continuity between the past and the present central to comprehension. She argues that without understanding the way in which social reform has developed in Mexico, the resurgence of social welfarism under Carlos Salinas (largely in the form of PRONASOL) comes "as somewhat as a sūrprise" (p. 19). By 1988 the pressure from below was threatening the PRI's electoral hegemony. Hence the "triggering force" to establish PRONASOL "was the challenge from below contained and transformed by social reform" (p. 163).

By implementing PRONASOL, the state attempted to establish new ties with the urban poor and succeeded in both co-opting and dividing urban popular organizations, as Paul Haber argues in his two essays (one in Harvey's *Mexico: Dilemmas of Transition* and the other in *The Politics of Economic Restructuring*). At the same time, according to Ann Varley (in the Harvey volume), traditional clientelistic practices continue to be effective in incorporating urban communities into the PRI on the issue of urban settlements gaining legal title to *ejido* lands. Similar tactics of co-optation and segmentation have been used in the countryside, as shown in Neil Harvey's essay in his edited volume and that by Jonathan Fox in *The Politics of Economic Restructuring*.

Less agreement exists, however, on the prospects for democratization or even further political liberalization. Riordan Roett is clearly the most optimistic. In the concluding chapter of his edited volume, he affirms the democratic nature of the Mexican transition: "The series of economic, political and social reforms that Mexico has engaged in especially since 1988 has had the dual nature of maintaining governability and deepening the democratic process." He thus concludes that Mexico "is a leader in economic and political reform in Latin America and the world" (p. 185). At the opposite end of the spectrum is La Botz's *Mask of*

Democracy, which maintains that persistent violations of labor rights have increased over the last two decades, among them the near absence of freedom of association, denial of union democracy, and use of police and military force against workers and unions—rights believed to be fundamental to the strengthening of democratic institutions (p. 190). Sergio Zermeño (in Mexico: Dilemmas of Transition) sees the major threat to Mexican democracy as coming from the increasingly exclusionary nature of the Mexican political system. According to Zermeño, "free and fair elections" may develop parallel to an exclusionary policy-making arena in the hands of a dominant, hard-core "núcleo duro" (policy elite) (p. 286).

The notion that political liberalization in Mexico has been tightly controlled from the top down emerges repeatedly in virtually all the works reviewed in this essay. According to Centeno, for Mexico's technocratic elite, democratization must be allowed to progress only "in a controlled fashion" (p. 64). The reason is the very real dilemma pointed out in Neil Harvey's preface to Mexico: Dilemmas of Transition: the "possibility that groups opposed to economic liberalization might take power" (p. 2). Soledad Loaeza (in The Politics of Economic Restructuring) argues that what has occurred in Mexico is political liberalization, not democratization, a process involving electoral reforms in response to a mobilized opposition (p. 109). Because this entire process has rested in the hands of the governing elite, that sector has the power to reverse it. Political liberalization, in Loaeza's view, is not a transitional phase (p. 106). In fact, its very success may halt democratization. Marcelo Cavarozzi writes in the same volume of "controlled liberalization" (p. 308). Similar sentiments are expressed by Neil Harvey in his edited volume (p. 24), and by Roderic Camp in Politics in Mexico (p. 173). Rodríguez and Ward, in the introduction to their edited volume Opposition Government in Mexico, argue that the "democratization process is likely to proceed only to the extent that the PRI and the government feel confident that they will not lose overall control" (p. 9). Unlike most of the other authors, they acknowledge "the very real advances towards genuine democratization and pluralism . . . since 1988" (p. 15).

At the same time, some studies point to additional dimensions of the issue of political liberalization and democratization, suggesting that the control from above may not be as secure as many have supposed. For example, Grindle (in the collection edited by Riordan Roett) acknowledges the importance of mechanisms like PRONASOL by which the Salinas administration has been able to control the peasantry. But she raises the possibility that reform of Article 27. and the consequent erosion of local intermediaries' power may cause the government to lose control over the rural population, creating the potential for autonomous organizations (p. 46). Haber cautions in *Mexico: Dilemmas of Transition* that the signing of "convenios" (cooperative agreements between federal and local

governments with local groups to undertake various anti-poverty projects) may not necessarily mean simple co-optation but could foster political openings by providing resources that sustain organizations struggling for democracy (p. 243).

Discussions of the impact of electoral reforms, while generally acknowledging the state's objective of maintaining political power, credit those changes with contributing to greater oppositional activity. Jorge Alcócer (in the Roett collection) argues that as a consequence of recent electoral reforms, conditions "are certainly better than in the past for free and fair elections" (p. 67). And while Silvia Gómez Tagle (in *Mexico: Dilemmas of Transition*) remains skeptical about the likelihood of the PRI ceasing to try to control electoral results, she finds hope in the rising demand on both the Left and the Right for democratization and in the changing role of elections, "allowing us to talk of a change in political culture" (p. 88).

The theme of Mexico's political culture and its implications for future democratization is explored more fully in Camp's Politics in Mexico. His understanding of Mexicans' belief system makes him cautiously optimistic about Mexican democratization over the long term. In two chapters dealing with Mexican political culture, Camp argues that although Mexicans show a marked lack of confidence in political institutions, the decline in confidence has been surprisingly small between 1980 and 1991, given the extent of the economic crisis afflicting the country. Further, Mexicans' confidence in their fellow human beings doubled during the 1980s, an encouraging sign in that democratic institutions rely on a high level of personal trust. At the same time, Mexicans are committed to expansion of the opposition, with only one in four believing that the PRI should remain strong (p. 69). And while feelings of lack of political efficacy and intolerance for opposition views are considered obstacles to democratization, these attitudes decline with increased education. Hence Camp is able to conclude that "democracy is slowly eating away at the framework of authoritarianism in Mexico, creating a hybrid political model of the future" (p. 75).

An important contribution to knowledge of the ways in which changes in the electoral system and opposition gains may erode Mexican authoritarianism is found in the collection edited by Victoria Rodríguez and Peter Ward. As several contributors to *Opposition Government in Mexico* illustrate, these administrations have achieved some degree of autonomy and certain policy goals in Mexico. Peter Ward, for example, argues that PAN mayors of Chihuahua and Ciudad Juárez were successful in the policy areas of security and garbage collection, where intergovernmental relations and costs were minimal (p. 152). As a consequence, the Partido de Acción Nacional was able to broaden its overall support and thereby improve its electoral fortunes in 1992. Rodríguez argues that there was no

appreciable difference in state financial assistance to these municipalities when PAN mayors were in power. Genuine autonomy developed "precisely because they were opposition governments." That is, because Panista mayors were not subordinate to PRI governors, they did not hesitate to demand an increase in revenues that could increase autonomy (p. 168). Similarly, Moisés Jaime Bailón argues in the same collection that opposition municipalities in Oaxaca obtained 25 percent more government investment than did PRI municipalities because they were freer to lobby for increased resources (p. 218). But clearly, the other major opposition party, the leftist PRD (Partido de la Revolución Democrática), has been far less successful in expanding its autonomy and support base than has PAN. The essay in this volume by Kathleen Bruhn and Keith Yanner shows that the PRD in Michoacán did not manage to turn its voting support into solid support for the party after 1988 due to strenuous efforts made by the PRI to regain its losses there, combined with extreme media bias and the use of repression (p. 125).

All these domestic political and economic changes have occurred within the context of the international political economy—a focus downplayed in much of the literature on Mexico. Few of these ten works incorporate this aspect of the Mexican transition in any important way, and at least one outrightly rejects this dimension as decisive. Centeno argues that Mexico's technocratic political elite defined the debt as an economic problem (p. 140), not the other way around: "reformulation of the debt crisis in terms of political stability, Mexican autonomy or statesponsored development would have enabled a very different faction to take over the state" (p. 230). Exceptions include the articles by Jaime Ros in The Politics of Economic Restructuring and by Mónica Serrano in Mexico: Dilemmas of Transition, both of which note the importance of foreign financing and the U.S. Brady Plan. Philip Russell devotes a chapter of Mexico under Salinas to the debt, recognizing the "strong pressures from U.S. and the World Bank in helping to account for Mexico's economic policy change" (p. 179). Most of the works under review here mention NAFTA, if only in passing. But the general tendency to neglect this dimension is a curious feature, especially given that virtually all other Latin American countries underwent similar structural adjustment reforms in the late 1980s and early 1990s. The strength of Mexico's technocratic elite, so controlling in its relation to Mexican society, is assumed rather than demonstrated in the international sphere.

The ten books reviewed in this essay focus instead on the continuity and finely tuned adaptive qualities of the Mexican political system—primarily on how change continues to be controlled and guided from above. Some authors note contradictions in the present state of affairs, trends that indicate the possibility of autonomous resistance from below. Given the rapidly changing nature of events in Mexico, a research agenda

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focused more sharply on sources of transformation might now be in order. Although Mexico's technocratic elite may make history, it has not been making Mexican history to its liking of late. The policy elite's dogged devotion to the neoliberal economic agenda and its stiff resistance to political liberalization may yet unleash forces beyond the PRI's control.