Mexicans behave according to normal economic voting rules: When economic conditions improve they support the president, and when the economy deteriorates they turn against him. Price increases have made people angry, substantially reducing presidential approval rates and eroding confidence in the success of the anti-inflation plan. Self-exonerating arguments do not seem to work in a polity in which the same party has held power since 1929. The article highlights the importance that timing has on the ability of governments to demand public support for economic reforms. Reforms have to be introduced early in the term. Otherwise, negative retrospective evaluations will weigh heavily in people's assessment of the government's ability to implement the economic program successfully. Further, if the government implementing the reforms is not a new one, it will be less able to blame problems on former governments.

ECONOMIC REFORM, PUBLIC OPINION, AND PRESIDENTIAL APPROVAL IN MEXICO, 1988-1993

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Good economic performance has traditionally been an asset for incumbent politicians. People support their government when the economy is doing well and oppose it when economic conditions decline. A healthy economy is good politics. In periods of economic reform, however, a healthy economy is out of the question. Economic policies usually produce a deterioration of welfare: Inflation and unemployment rise, and real wages decline. The purpose of this article is to explore the relationship between economics and presidential approval in Mexico between 1989 and 1993, when the Mexican economy experienced profound changes in its structure and Mexicans experienced hardships typical of promarket reform processes.[1] Did

1. The first draft of this article was written in the spring of 1994.

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Mexicans' responses to these changes follow the pattern of normal economic voting? Did intertemporal considerations lead them to accept pain in exchange for a brighter future? Or did Mexicans blame someone other than the government when times were hard and rally in support of the government?

It is worth noting that the fact that the same party has held power since 1929 conditions how Mexicans think about politics. There is little doubt which party is responsible for economic policy; therefore, we are unlikely to encounter "antidotal" attitudes in Mexican public opinion[2] (see the Introduction, 1996, this issue).

The government of Carlos Salinas (1988-1994), furthermore, consolidated reforms rather than initiated them. Salinas emphasized structural reform of the economy—trade liberalization, privatization of state enterprises, fiscal reform—while keeping a tight monetary and fiscal policy. The previous government of Miguel de la Madrid (1982-1988) already had implemented adjustment policies in an effort to address severe balance of payments problems and achieve price stability (Haggard & Kaufman, 1992, p. 5). De la Madrid's last stabilization program, the Pact of Economic Solidarity, was initiated in December 1987, 1 year before Salinas took power. The other case studies included in this issue (Poland and Peru) deal with the beginning of the economic reform processes, a phase when we would expect the public to be more receptive to an intertemporal framing by politicians.[3] The Mexican public was unlikely to view present economic downturns as promising better times ahead because they had already lived through many years of hardship.

In this article, I first review some general features of the Mexican economy and the reform process, starting with De la Madrid's government. In the second part, I will discuss how economic performance influenced people's evaluation of the president and how social class played a mediating role between economic conditions and presidential approval. The last part of this article is devoted to the analysis of public support for the Pact for Stability and Economic Growth.[4]

2. It is very common, however, for new administrations to blame the previous one for poor economic performance. The last year of the Echeverría administration (1970-1976) and the Lopez Portillo administration (1976-1982) witnessed severe economic crises, and therefore the incoming governments blamed their predecessors for the shaky state of the economy.

3. Unfortunately, it is not possible to analyze the whole economic reform process in Mexico because data on public opinion are almost nonexistent for the government of Miguel de la Madrid Hurtado. Some public opinion studies have been published (Alduncin, 1991), but their main concern is not the economic reform process. For the purposes of this article, it would have been relevant to have data, in particular, for the period starting in December 1987 with the introduction of the anti-inflationary program known as the Pact of Economic Solidarity (PES). We have data, however, for the Economic Growth and Stability Pact, which was the continuation of the PES under Salinas.

4. In October 1992, it changed its name to Pact for Stability, Competitiveness and Employment. I will use its acronym in Spanish (PECE) to refer to both economic pacts.

OVERVIEW OF THE MEXICAN ECONOMY

By the time Carlos Salinas de Gortari took power in Mexico (December 1, 1988), economic adjustment had been underway for 6 years. From 1983 to 1985, the first 2 years of De la Madrid's government, economic policy was characterized by attempts to stabilize the economy—that is, correct balance of payments problems and diminish inflation—while structural reform was postponed. It was not until mid-1985 that stabilization policies were accompanied by "an acceleration in trade liberalization signaling the beginning of the structural reform process" (Lustig, 1992, p. 39).[5]

Since the beginning of the De la Madrid government, drastic adjustments in public finances have taken place. From 1983 on, a surplus in the primary balance of the public sector finances[6] was achieved by reducing public expenditures and increasing public sector revenues. The government hoped that fiscal austerity would check inflation.

In spite of increases in public revenues and drastic reduction in public expenditures, during the 1980s the Mexican government still had a large deficit, which was caused by interest payments on its debt.[7] The public sector in these years shows a constant deficit that reached its height in 1986 and 1987, when it represented 16% of the GDP. During these years, inflation was relatively uncontrolled.

De la Madrid's efforts to curb inflation and improve the efficiency of the economy produced disappointing results after 5 years.[8] In 1987, GDP was at the same level as in 1982, per capita GDP had declined, annual inflation was at its highest level ever (159%), and real wages had fallen dramatically (see Table 1).

Although underemployment seems to have risen in this period (1982-1987), high levels of unemployment were avoided. Unemployment rose in 1983 and 1984, but by 1987 it had recovered its precrisis level.[9] The informal economy, however, grew substantially in this period. The low levels of unemployment can be explained by the fact that firms and the public sector seem

5. The opening of the Mexican economy is best symbolized by Mexico's entry to the GATT in 1986.

6. The primary balance of the public sector is the difference between revenues and expenditures, excluding from the latter interest payments on the public debt—both domestic and external debt.

7. From 1982 to 1988, the total net debt of the public sector, as a percentage of the GDP, ranged from 52% in 1982 to a high level of 81% in 1986 (see Table 1).

8. External factors such as the 1985 earthquake and the 1986 fall in oil prices also contributed to the stagnation of the Mexican economy.

9. In fact, from 1982 to 1987, the number of permanent jobs created, as measured by the Mexican Institute of Social Security (IMSS), grew at an annual rate of 3.5%, a rate slightly higher than the growth rate of the labor force (Aspe, 1993, p. 26).

Table 1

Basic Macroeconomic Indicators, 1980-1993

	80	81	82	83	84	85	86	87	88	89	90	91	92	93
GDP[a]	4,470	4,862	4,836	4,634	4,797	4,918	4,739	4,825	4,888	5,049	5,277	5,469	5,620	5,659
GDP growth	9.1	8.9	–0.6	–4.2	3.5	2.5	–3.6	1.8	1.3	3.3	4.5	3.6	2.8	0.7
Interest rates[b]	22.5	30.8	45.7	59.1	49.3	63.2	88.1	103.1	63.8	44.8	35	19.8	15.9	15.5
Real exchange rate	100	118.7	86.8	79.7	97.2	100.9	69.2	63.6	77.4	83.5	83.1	91.2	96.9	103.2
Annual inflation	29.8	28.7	98.8	80.8	59.2	63.7	105.7	159.2	51.7	19.7	29.9	18.8	11.9	8
Real wages[c]	100	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	69	68.7	74.8	77.5	82.2	89.4	93.4
Unemployment[d]	n.a.	4.2	4.2	6.3	5.7	4.3	4.3	3.9	3.5	2.9	2.7	2.7	2.8	3.4
Public finances[e]														
Financial surplus[f]	–7.5	–14.1	–16.9	–8.6	–8.5	–9.6	–16	–16	–13	–5.6	–3.9	–1.5*	0.5*	2.5*
Primary balance[g]	–3	–8	–7.3	4.2	4.8	3.4	1.6	4.7	8	7.9	7.8	5.3*	5.7*	3.7*
Public revenues[h]	25.5	25.2	27.8	31.7	31.3	30.4	29.4	29.5	29.1	27.7	27.5	29.4	29.2	26.1
Public expenditures[i]	33.5	39.7	44.5	41	39.3	37.2	42.2	43.3	38.7	33.2	29.5	25.6	24.5	24.5
Total net debt	26.6	29.5	52.3	61.2	58.1	58.2	80.7	76.6	66	59.5	49.3	39.2	29.6	24.5
Domestic debt	9.8	12.5	18.3	20	20.2	19	18.9	15.3	17	19.6	18.7	15.2	8.8	5.5
External debt	16.8	17	34	41.2	38	39.3	61.8	61.4	48.9	40	30.7	24.1	20.8	19
Number of public enterprises	n.a.	n.a.	1,155	1,074	1,049	941	737	617	412	379	280	239	217	210

a. Millions of new pesos in 1980 prices.
b. Cetes, 91 days.
c. Real wages per capita in the manufacturing sector (1980 = 100).
d. Open urban unemployment.
e. Data expressed as percentage of GDP.
f. Public sector borrowing requirements.
g. Public revenues minus public expenditures (excluding interest payments on public debt—foreign and national).
h. Consolidated total revenues for 1985-1993.
i. Consolidated total expenditures for 1985-1993.
*Excludes revenue from privatizations.

Sources. Bank of Mexico (1993, pp. 167, 254-323; 1994, pp. 95-112, 385-416; 1995, pp. 200-266); Banco de México, *Indicadores Económicos*, February 1995; Cuaderno de Información Oportuna, INEGI, several issues; Avance de Información Económica, Empleo, INEGI, several issues; Unemployment, 1981-1987 (Lustig, 1992, p. 71).

to have preferred to reduce real wages rather than turn to massive firings, but also because, in the absence of unemployment benefits, few people can remain unemployed for a long time (Alba, 1993, p. 188; Lustig, 1992, p. 75).

It was in this context that a heterodox stabilization program to curb inflation was announced in December 1987: the Pact of Economic Solidarity (PES). The program had at its core sound public finances. Under the PES, the government sought to increase its revenue and reduce its expenditures. Prices and tariffs of goods and services provided by the state were increased and subsidies and programmable expenditures reduced. Programmable expenditures diminished 8.9% in real terms during the first year of the PES (Aspe, 1993, p. 33). The adjustment focused mainly on lowering public expenditures, whereas between 1987 and 1989 were reduced 10 percentage points of the GDP, whereas revenues remained stable (see Table 1).

To reduce inertial inflation, the PES used several measures: price controls on basic goods, adjustment upwards of wages and salaries according to expected inflation and not to past inflation, and price stability of goods and tariffs provided by the public sector. The exchange rate also was fixed for almost a year,[10] and the maximum duties on imported goods were lowered from 40% to 20%. It was expected that international competition would push prices downward while improving the efficiency of Mexican firms.

One year after the PES was introduced, Carlos Salinas took power (December 1, 1988). Macroeconomic indicators for the first year of the PES show that inflation fell from a previous level of 159% to 51.7%, the GDP grew 1.2%, real wages in the manufacturing sector rose slightly,[11] and open urban unemployment declined. On the other hand, social spending fell, although by a mere 2% in 1988, a low figure given the magnitude of the fiscal adjustment. In per capita terms, social spending was reduced 3.6% (Lustig, 1993, p. 216).

One month after Carlos Salinas came to power, the Pact of Economic Solidarity changed its name to Pact for Stability and Economic Growth (PECE). The name of the economic program was changed to emphasize that restoring economic growth would now be a major governmental target. The PECE functioned from January 1, 1989 to October 1992, when it changed its name to Pact for Stability, Competitiveness, and Employment. The name was changed again to reflect that the objectives would now be to create jobs and

10. This was possible because the peso was extremely undervalued. In 1987, it reached its lowest level (see Table 1).

11. Using other sources, Lustig (1993, pp. 203-207) estimates that total income derived from wages and salaries declined 7.9% in 1988 and that the number of jobs created in 1988 increased 0.6% in comparison to the previous year. Success of the PES, then, also was based on a contraction of real wages.

strengthen the efficiency of the economy to face competition from the United States and Canada under the North American Free Trade Agreement ("Pacto para la Estabilidad," 1992).

Under Salinas, the government introduced greater flexibility in the prices of basic goods and a daily devaluation of the exchange rate. The size of the devaluation changed over the course of the program. To augment government revenues and achieve budgetary goals, the price of energy was increased on various occasions. As Table 1 shows, under Salinas, participation of public expenditures in the GDP constantly decreased, and the government achieved a financial surplus for the first time in 1992.

The main macroeconomic indicators between 1988 and 1993 show that the anti-inflationary strategy worked and that real wages in the manufacturing sector improved steadily (although they failed to recover their precrisis level).[12] By 1993, annual inflation was below 10%. However, there were signs that one-digit inflation was achieved at the cost of slowed growth and higher levels of unemployment, especially in 1993.[13] If the GDP grew at an annual rate of 3.5% from 1989 to 1992, by 1993 the economy hardly showed any signs of growth (0.7%). If we consider GDP growth per capita, the picture is more somber still.[14]

Ominous signs were also present in the external sector of the economy. From 1988 to 1993, the current account showed a deficit whose magnitude increased year after year. In 1993, the current account deficit represented 6.4% of the GDP. This deficit could only be sustained by a constant influx of foreign investment: The 1993 current account deficit ($23.4 billion) was financed by a surplus in the capital account of the balance of payments of $32.6 billion (Bank of Mexico, 1995, pp. 250-251).

The anti-inflationary program that began in 1987 was accompanied by other policies designed to change the structure of the Mexican economy: a fiscal reform,[15] a huge privatization program,[16] the acceleration of trade

12. Real wages outside of the manufacturing sector (contractual wages in the federal public sector and the minimum legal wage) do not seem to have improved as much as those in the manufacturing sector (Cortés & Rubalcava, n.d., p. 7).

13. In 1993, the absolute number of jobs, as measured by the IMSS, decreased from 11,368,000 to 11,318,000 (from December 1992 to December 1993).

14. In 1990, the annual rate of population growth was estimated at 2.1% (Bank of Mexico, 1993, p. 254).

15. The fiscal reform sought to widen the tax base to lower the tax rates without diminishing public sector revenues. "The number of taxpayers, other than individuals, rose by approximately 87 percent from 1988 to 1992, reflecting a substantial transfer of activities from the so called 'underground' economy to the formal economy" (Bank of Mexico, 1993, p. 155).

16. Miguel de la Madrid's government privatized most public enterprises (the number went down from 1,155 in 1982 to 412 in 1988). These public enterprises, however, were small or medium sized, whereas Salinas privatized the largest ones, including the banks and the monopolistic telephone company (Bank of Mexico, 1993, pp. 165-167).

liberalization culminating in the North American Free Trade Agreement, and the renegotiation of the external debt (Aspe, 1993, p. 32). All these measures had an enormous influence on the performance of the stabilization program. Privatization of public enterprises not only meant healthier public finances, but the revenue derived from privatization was used to reduce the internal public debt, helping the government to achieve a financial surplus for the first time in 1992.

The Salinas government tried to exclude the public sector from commercial activities and increase its role in social spending, particularly through the National Solidarity Program, which aimed to improve the living conditions of the poor. As the Bank of Mexico (1993) stated, "The size of the public sector has been reduced through expenditure cuts and the program of privatization of public enterprises. There has also been a reorientation of expenditures, with the share of social spending in total expenditures increased" (p. 164).

To summarize, when Salinas came to power in December 1988, a good deal of the economic adjustment had already taken place. The period from 1988 to 1993 then can be characterized as a period when stabilization policies continued (lowering inflation and cutting the budget deficit) and when the structural reform of the economy was deepened (trade liberalization, fiscal reform, privatization). In this sense, it was a period of consolidation of economic reforms.

ECONOMIC REFORM AND PRESIDENTIAL APPROVAL

Because they lie in the future, the benefits of economic reform are uncertain. Uncertainty allows a greater role for persuasion because people's beliefs about their economic interests can be influenced by political elites[17] (Bates & Krueger, 1993, p. 456; see also Zaller, 1992). Furthermore, how issues are framed influences what people think about them (Quattrone & Tversky, 1993). As Kinder and Sanders (1990) put it, "By promoting a particular frame, political elites may alter how an issue is understood and, ultimately, what opinion turns out to be" (p. 74; see also Kinder, 1993, p. 46). The Polish experience suggests that elite framing may forestall the normal economic voting response to inflation: If government officials are able to frame price increases in intertemporal terms—that is, that inflation must rise

17. Due to the actions of "political activists," under conditions of uncertainty it is likely that "rather than shaping events, notions of self-interest are instead themselves shaped and formed" (Bates & Krueger, 1993, p. 456).

in the short term if prices are to be stabilized in the medium term—it is possible that people will view rising inflation as a sign that the program is working and will support the government (see the Introduction, 1996, this issue, and Przeworski, 1996, this issue).

How did the Mexican authorities present the Pact of Economic Solidarity to the public in 1987? How did Salinas present its major economic objectives once he assumed office? In this regard, the Mexican experience diverges from the other cases considered in this issue.

The timing of the implementation of the Pact of Economic Solidarity is singular for several reasons: Unlike most economic reform programs (Bates & Krueger, 1993, p. 457; Haggard & Kaufman, 1992, pp. 30-31), the PES was not carried out by a newcomer government but by a government that had already been in power for 5 years. The De la Madrid government did not have the "political capital" derived from a recent electoral victory, as many Latin American countries have had while pursuing economic reform (Remmer, 1993, p. 405).[18] Besides, support for economic reforms may be more forthcoming if they are carried out early in the term of a government. The longer a government has been in power, the greater the chances that it will be blamed for the precarious economic conditions the reform seeks to address, making a self-exonerating or antidotal rhetoric less credible in the public's eyes (Alt, 1991, pp. 244-246; see also the Introduction, 1996, this issue).[19] Self-exonerating arguments are also less likely to succeed in Mexico because the same party has held power since 1929.

For the above reasons, it is not surprising that Mexicans did not have much confidence in the success of the Pact of Economic Solidarity. After 5 years of economic adjustment, people were skeptical of any economic reform package introduced by the De la Madrid government. In 1983 and 1986, two economic programs were introduced to stabilize the economy and restore economic growth. But these programs failed to achieve their targets (in part due to the fall in oil prices, Mexico's main export).[20]

It is highly unlikely, then, that Mexicans would evaluate the PES in the same way Poles did the Balcerowicz Plan when inflation rose or even as Peruvians did Fujimori's reforms when wages rose. Moreover, Mexicans perceived their current government as causally responsible for economic

18. It may have had it, however, at the beginning of De la Madrid's term in 1982.

19. The immediate impact on public opinion of a governmental intervention in the economy (i.e., a reform program) "depends on the balance between any positive effect on expectations (to the extent there is confidence in the effectiveness of the policy) and a negative effect on retrospective evaluations from increased awareness of economic problems" (Alt, 1991, p. 240).

20. The two programs were the Immediate Program of Economic Reorganization (PIRE) and the Program of Encouragement and Growth (*Programa de Aliento y Crecimiento*).

trends: In a survey conducted at the same time that the PES was introduced, 69% of the interviewees believed that the Mexican economic crisis was due to the government's mismanagement (Alduncin, 1991, pp. 96-97).[21] Only if inflation slowed were Mexicans likely to infer that the stabilization program was working. Otherwise, the PES would be another link in the chain of unsuccessful economic programs introduced by the De la Madrid government.

The De la Madrid government was probably aware of its constrained position vis-à-vis public opinion. It announced that after a temporary rise in inflation in the month following the implementation of the pact (January 1988), it expected inflation to go down. In its own words, "A major attempt will be made to bring inflation down *quickly* this year [1988], especially beginning the second quarter" (*Text of the Economic Solidarity Pact,* 1988, p. 68, emphasis added). The main reason for the government's urgency to curb inflation was that presidential elections were to be held on July 6, 1988, 7 months after the introduction of the PES. Thus the government could ask for little patience from the people.22

Given all this, we would expect Mexicans to evaluate their authorities and the economic reform program in the normal way: If economic conditions improved, they would be more likely to support the president and his policies; if they deteriorated, they would turn against him. In fact, the little data available on public opinion in this period suggest that overcoming public skepticism would require an excellent performance: a Gallup poll taken in May 1988 (5 months after the PES was introduced) shows that most people were skeptical about the future efficacy of the economic pact, even though the monthly rate of inflation had gone down from 14.8% in December 1987 to 3% in April 1988 (Domínguez, 1993, pp. 205-206).

The government of Carlos Salinas also framed its economic policies in an orthodox way. In his inauguration address, he promised that the economic crisis would be left behind and that a "new age of growth" was coming, meaning more jobs and an improvement of people's purchasing power. He was emphatic: "The priority will no longer be to pay [the external debt] but to resume economic growth" (Salinas de Gortari, 1988, p. 1140). Although he cautioned that 1989 would be a transition year to avoid overheating the economy, he expected a GDP growth of 1.5% in real terms, to cut inflation to half of its 1988 level, and to protect people's purchasing power and their

21. Unfortunately, this survey does not include questions on the PES.

22. The government also estimated a real GDP increase of 2% for 1988, although it cautioned that the anti-inflationary policies would have an "initial recessive impact" (*Text of the Economic Solidarity Pact,* 1988, p. 69; see also Bank of Mexico, 1988, p. 105).

jobs (Presidencia de la República, 1989, pp. 68-71).[23] This would be the benchmark against which to judge the Salinas government.

PRESIDENTIAL APPROVAL AND ECONOMIC PERFORMANCE

The analysis presented here is based on a multinomial logit time-series analysis of presidential approval (see the Introduction to this issue). The dependent variable has three choices that were labeled *support*, *oppose*, and *no view*.[24] The independent variables are monthly inflation rate, level of real wages per capita in the manufacturing sector (an index), and level of open urban unemployment. A dummy variable named *price increase* also was used as an independent variable. It took on the value of 1 if a sudden price increase in fuels or basic goods occurred that month, 0 otherwise.[25] Four such price increases occurred during the period I studied, May 1990 to November 1993.

Unlike the cases of Peru and Poland, the results of the statistical analysis show that in Mexico, the public behaved in a way consistent with normal economic voting. When inflation and unemployment rose, people were less

23. The General Economic Policy Criteria for 1989, presented by President Salinas to the congress on December 15, 1988, states the following: "We have to recover economic growth. During the 90s growth should be stable and permanent, at least twice the population growth" (Presidencia de la República, 1989, p. 67).

24. The data here analyzed come from more than 30 polls sponsored by the Technical Advisory, Presidency of the Republic (the data can be obtained from the Centro de Investigación y Docencia Económica [CIDE] in Mexico City or at the Roper Center for Public Opinion Research). The question I am using as indicator of presidential approval is "Do you agree or disagree with the way the president is governing?" (*¿Está usted de acuerdo o en desacuerdo con la manera como está gobernando el presidente?*). I recoded "don't know" and "no answer" into a single item (NVIEW). It does not affect the results. The other two questions included in the polls relating to presidential approval are "In a scale of 0 to 10, which grade would you give to the President?" (GRADE) and "Of the 1988 presidential candidates, who do you like most?" (PREF). The correlation between these three questions is very high: .87 between AGREE and GRADE, .84 between AGREE and PREF, and .88 between GRADE and PREF. Hence I am confident I am measuring presidential approval with the question first mentioned.

25. The independent economic variables were lagged 1 month because in some cases, our dependent variable was measured in the first 2 weeks of the month. Lagging the independent variables did not affect substantively the results of the analysis, although the magnitude of the logit coefficients increased. Because I did not have observations for several months, I first ran a multinomial logit regression with the observations available and then estimated the predicted probabilities of presidential approval for the missing months. The predicted observations are highlighted in the appendix. There are 11 predicted observations out of a total sample of 43. In those months in which I had more than one observation, I kept the last observation of the month. Twenty-six of the observations were derived from probabilistic samples taken in the six major

Table 2
MLE of Postures Toward the President, 1990-1993

Variable	Coefficient	SE	*t*-Ratio	Mean of *x*	Range of *x*
Support					
Constant	.16785	.031	5.4		
Inflation	–.021	.003	–6.5	1.2	.4 to 3.2
Unemployment	–.045	.003	–14.4	3	2.1 to 4
Real wages	.004	.0003	12.4	83.5	73.3 to 92.5
Price increase	–.071	.004	–19.5	.13	0 to 1
Oppose					
Constant	–.066	.026	–2.5		
Inflation	.021	.003	7.9	1.2	.4 to 3.2
Unemployment	.030	.003	11.2	3	2.1 to 4
Real wages	–.003	.0003	–10.6	83.5	73.3 to 92.5
Price increases	.057	.003	18.7	.13	0 to 1
No View					
Constant	–.102	.02	–5.1		
Inflation	–.0004	.002	–.19	1.2	.4 to 3.2
Unemployment	.015	.002	7.2	3	2.1 to 4
Real wages	–.001	.0002	–5.2	83.5	73.3 to 92.5
Price increase	.014	.002	5.8	.13	0 to 1

Note. Marginal effects calculated at the mean of the independent variables (standard errors corrected for sample size).

likely to support Carlos Salinas and more likely to oppose him. When real wages increased, people supported the president; when real wages fell, they opposed him (see Table 2). Measured at the mean of the independent variables, an increase of 1 point in the monthly inflation rate reduced in 2 percentage points the probability of supporting the president; a similar increase in the level of unemployment produced a 4.5 percentage point reduction in the probability of support. A 1-point improvement in the level of the real

cities of Mexico that together comprise 67% of the urban population of the country. The cities included in the polls are Mexico City and its metropolitan areas—Guadalajara, Monterrey, Tijuana, Merida, and Tuxtla Gutierrez (*N* = 3,500). Five other polls are representative of Mexico City, Guadalajara, Monterrey, and Tijuana (*N* = 2,500), and another one is representative of the latter cities, excluding Tijuana (*N* =2,000). There is not a significant difference between the aggregate results obtained from polls carried out either in three or four cities and the results of the polls carried out in all six cities because Mexico City, Guadalajara, Monterrey, and Tijuana have 96% of the population covered in the polls taken in the six cities. But I isolated the latter four cities in the "six cities" polls, and the aggregate results obtained from this isolation did not differ in more than one percentage point from the overall results.

wages index has a smaller but positive impact on presidential approval. Mexicans' calculus of support is consistent with normal economic voting.[26]

It is hard to tell which of these variables (unemployment, inflation, real wages) is the most important. Their quantitative impact on presidential approval is measure dependent; therefore, to compare a 1-point increase in unemployment with a 1-point increase in inflation is not appropriate. Moreover, the public importance of unemployment and inflation varies from time to time, and consequently their impact on presidential approval is not fixed (Jackman, 1995).

Comparative research, on the other hand, suggests the greater economic impact of unemployment. As Douglas Hibbs (1987) pointed out, "Movements in unemployment and real output (real income) are intimately connected," but "in principle, inflations do not adversely affect output and employment" (p. 136). Why is governmental approval sensitive to unemployment?[27] Even if unemployment is low, its consequences may be felt by many. Exposure to unemployment is not confined simply to those without a job. The rate of unemployment only in- cludes those who are currently out of work. In the United States, for instance, it has been estimated that the fraction of the labor force experiencing un- employment in a given year is 2.5 to 3 times larger than the unemployment rate (Hibbs, 1987, p. 49). Furthermore, exposure to job insecurity and unemployment is not limited to the unemployed themselves. As Schlozman and Verba (1979) put it, "Those who are fearful of losing their jobs, those who have been unemployed in the past, and those whose families or friends are out of work share in the experience of joblessness and unemployment insecurity" (p. 43). This may explain why anxiety about unemployment outstrips the unemployment rate.

We can test this hypothesis for the case of Mexico. In a poll taken in July 1993, when the open urban unemployment rate was of 3.6%,[28] 59.3% of the interviewees declared that they knew somebody who had lost his or her job

26. The statistical model presented in Table 2 also was conducted with lagged presidential approval as an independent variable. It does not affect the results presented here. Indeed, the variable did not achieve statistical significance. If time is also added to the equation, the results do not change substantively, with the partial exception of real wages that fail to achieve statistical significance only in relation to support for the president ($p < .12$).

27. Our indicator of unemployment is the rate of open urban unemployment, a very restrictive definition of unemployment. It is defined as the proportion of the economically active population that works less than 1 hour per week. The level of open urban unemployment in the period under study ranges from 2.1% to 4%. This low variance is not statistically desirable, but this was the best measure on unemployment available on a monthly basis.

28. From July 1992 to July 1993, the number of jobs created increased only 0.7% (IMSS figures), a negative per capita growth. It must be stressed that because our definition of unemployment is very restrictive, it probably underestimates the number of people who do not have a job (it does not measure underemployment).

in the prior year. Among those who had jobs (62.4 of the total sample), 32% thought that they might lose theirs, and 46% thought that this would not happen to them. Having met somebody who has lost his or her job increases the chances that a person feared losing his or her job.[29] By mid-1993, unemployment in Mexico was widespread in the eyes of most of the population. Although only a fraction of the interviewees feared they could lose their job, most of the population noticed that unemployment had been increasing, signaling that the state of the economy was not in very good shape. To the extent that unemployment affected presidential popularity, this was not mainly through the unemployed or those who feared losing their jobs (a relatively small number in the population). Instead, it was because many Mexicans regarded unemployment as an indicator of how well the economy was doing and as predicting the general future course of the economy, and they attributed the president responsibility for it.

PRESIDENTIAL APPROVAL AND SOCIAL CLASS[30]

One would expect social class to significantly affect people's attitudes toward the government or toward the economic reform program. If preference for present over future income is higher the lower the income (Hirschman, 1985, pp. 69-70), and insofar as success of economic reforms takes time, we would expect high-income people to be more supportive of the government and of economic reforms than low-income citizens. They have a greater capacity to absorb the loss of welfare that the economic reform entails without falling below a minimum level of consumption. Low-income people, on the other hand, cannot afford a substantial decline of their living standards because they would fall below the poverty threshold or they could be

29. Having met somebody who has lost his or her job increases in eight percentage points the likelihood that an employed person will fear losing his or her job (from 32% to 40%).

30. We have used family income as an indicator of social class. Our sample was divided in three different income groups. Low-income people are those whose income ranges between zero and less than one minimum wage. Middle-income people are those whose earnings range between one and less than three minimum wages, whereas high-income people receive three or more minimum wages. This classification was taken from the Bank of Mexico (*estrato bajo, medio, alto*). It must be noted that these income groups are not comparable with socioeconomic strata from other countries. That is, the middle-income people in Mexico "are far from being 'middle-class' families by the standards of advanced industrial countries" (Lustig, 1992, p. 94). Because the Bank of Mexico publishes data on inflation for every income group, the statistical analysis of presidential approval among the low-income group includes as an independent variable the monthly inflation rate reported for that group. The same was done for the two other income groups.

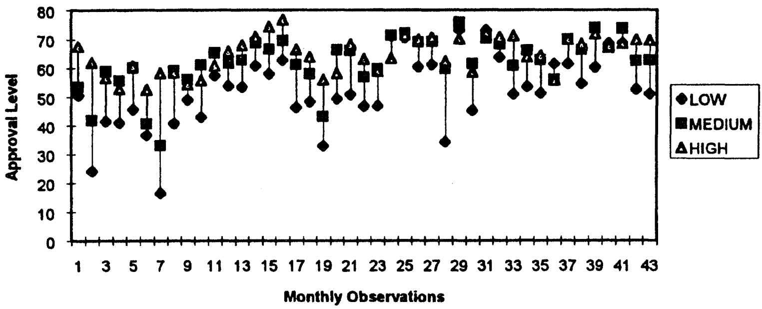

Figure 1. Net approval scores by income

very close to starvation (Cortés & Rubalcava, 1991, p. 85; Przeworski, 1991, pp. 174-178).[31]

Data on approval for President Salinas and for the Pact for Stabilization and Economic Growth (see next section) seem to confirm this hypothesis. Approval of the president presents a clear class basis. Salinas's ratings are highest among high-income people and lowest among low-income people.[32] The contrast is more salient if we consider net approval (approve minus disapprove, see Figure 1).

Even if the economy had improved in the first 5 years of the Salinas administration, low-income people seem to have benefited less from this improvement. To cope with declining income, the less well-to-do had to work harder, and some of them who did not work previously (homemakers, students) entered the workforce to compensate for the loss of real income that their families experienced since 1982. Insofar as expectations also affect presidential approval, it is likely that negative retrospective evaluations will be associated with pessimism toward the future. The relatively low level of presidential approval among the low-income people also could reflect their limited expectations for improving their economic situation.[33]

31. In addition, it could be argued that some of Salinas's policies, such as privatization of public enterprises and reduction of public spending, are closer to high-income people's positions than to low-income people's positions on what the role of the state should be. However, this hypothesis still needs to be tested.

32. We must keep in mind, however, that our data are derived from urban samples. Inclusion of the rural sector could ameliorate the relationship between income and approval.

33. In several polls analyzed here, high-income persons were more likely to think that the economic crisis would be over in the near future than low-income people. Similarly, low-income Mexicans were less likely than high-income Mexicans to report an improvement in their

On the other hand, we would expect low-income people to be more sensitive to changing economic conditions because the return of a one-unit increase (decrease) in welfare, however defined, is higher for them than for any other income group. As Richard Brody (1991) wrote regarding inflation, "Rising food prices affect all of us, but those who spend a larger proportion of their income on food are more affected than those who spend less" (p. 96). Furthermore, previous research has found that persons at the low end of the socioeconomic scale are more affected by unemployment (Hibbs, 1987, p. 60; Schlozman & Verba, 1979, pp. 35-43).[34] Insofar as the public attributes responsibility to the president for the state of the economy, changes in the level of unemployment or inflation should have a greater impact on presidential approval among the poor.

The statistical analysis of economic performance and presidential approval offers evidence for this hypothesis. Among all income groups, when inflation and unemployment rise, opposition to the president increases, and when both indicators go down, approval goes up (see Table 3). There is a class basis to Mexicans' response to changes in unemployment and real wages. As income rises, their impact on presidential approval diminishes. An increase of 1% in the rate of unemployment, for instance, decreases in 5.5 percentage points the probability of supporting the president among low-income people, whereas high-income people's probability of support decreases 3.5 points.[35] Inflation, on the other hand, has a more pronounced impact on approval of the president among the wealthy than among the poor, a finding consistent with research in the United States (Peretz, 1983).

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purchasing power in comparison with the previous year. Given the clear class basis of people's opinions, one may only wonder what Salinas's presidential approval levels would have been among low-income people if the National Program of Solidarity had not been implemented.

34. In our July 1993 poll, low-income people were eight percentage points more likely to know people who had lost their job than high-income people. Among those with a job, low-income people were also eight percentage points more likely to fear losing it than high-income people.

35. The higher sensitivity of low-income people to economic conditions also may be due to our classification, that is, whether someone is in the low-income group is not completely independent of the state of the economy. Someone who has just lost his or her job will probably move from an upper-income group to a lower one. This makes the lower-income groups particularly sensitive to unemployment and bad economic conditions, particularly because we expect persons who have done bad economically to hold the government responsible for the state of the economy. If this is true, our estimates for the low-income group may not be very accurate (Nordhaus, 1991, p. 39). This is relevant for our study because it means that the class basis reaction to economic conditions is also due to the fact that those who have been most negatively affected by the economic reform program (those whose family income has fallen sharply) are now found in the lower-income groups.

Table 3
MLE of Postures Toward the President, 1990-1993

	Low Income	Middle Income	High Income
Support			
Constant	.037	.066	.38
Inflation	–.018 (2.5)	–.009 (2.5)	–.031 (5.7)
Unemployment	–.055 (6.3)	–.044 (9.7)	–.035 (7.2)
Real wages	.006 (6.7)	.005 (12.2)	.001 (1.9)
Price increases	–.121 (11.5)	–.078 (14.9)	–.024 (4.2)
Oppose			
Constant	.036	.072	–.28
Inflation	.018 (2.9)	.006 (2)	.033 (7)
Unemployment	.031 (4.1)	.025 (6.4)	.035 (8.3)
Real Wages	–.004 (5.3)	–.004 (11.8)	–.0007 (1.5)
Price increases	.09 (10.3)	.061 (13.9)	.022 (4.5)
No View			
Constant	–.073	–.138	–.10
Inflation	.004 (.08)	.003 (1.2)	–.002 (.5)
Unemployment	.024 (3.9)	.019 (6.3)	–.0004 (.1)
Real Wages	–.002 (3.1)	–.0008 (3.1)	–.0003 (1)
Price increases	.032 (4.2)	.017 (4.9)	.002 (.5)

Note. Marginal effects calculated at the mean of the independent variables by income (standard errors corrected for sample size); *t*-ratios in parentheses.

PUBLIC OPINION AND THE PECE

My analysis turns now to people's attitudes toward the Pact for Stability and Economic Growth (PECE). Because monthly data are not available, the analysis is based on 12 polls carried out between 1989 and 1993. I have emphasized cross-sectional analysis while trying to distinguish, with the data at hand, temporal changes in public support for the PECE.[36]

Gaining the public's confidence was one of Salinas's major tasks. Introducing major economic and political reforms would be easier if they were implemented by a well-regarded president, but this could be achieved only if the economy were stabilized and reactivated. Salinas's approval rates were lower during his first 2 years in office than later. In March 1989, after 4 months in power, approval was at a 57% level. By 1993, approval levels

36. Unfortunately, public opinion data on other key components of the economic reform, such as trade liberalization or privatization, are scarce, leading us to concentrate on the anti-inflation program. Most of the polls analyzed here were conducted in the six cities described in footnote 25 ($N = 3{,}500$). The exceptions are the June 1989 observation that covers only Mexico City and its metropolitan area, Guadalajara and Monterrey, and the January and June 1990 polls that were carried out in the three cities mentioned earlier as well as Tijuana ($N = 2{,}500$).

Table 4
Do You Think the Government Has Taken the Appropriate Economic Measures?

	Net Scores			
Month	General	Low Income	Middle Income	High Income
JUN 89	–2	–3	–6	9
JUN 90	8	–1	10	8
OCT 90	17	8	18	24
NOV 90	5	–1	1	19
APR 91	31	30	30	35
NOV 91	16	5	14	29
JAN 92	36	26	38	38
FEB 92	31	22	31	35
AUG 92	30	26	28	39
OCT 92	25	19	27	26
JUL 93	40	33	40	45
OCT 93	34	30	35	36

Note. Net score = Yes minus No.

hovered between 75% to 80% (see Appendix). As expected, the trend in approval rates followed changes in the citizens' judgment on the government's economic strategy. Support for the overall economic policies increased as time passed (see Table 4). From a negative net approval score (yes minus no), it went to a positive net score of around 30%. At the beginning, people were divided on the wisdom of Salinas's economic policies. Later, the number of people supporting them increased, and the number of those opposed decreased. This trend was more accentuated among low- and middle-income people.

Support for the overall economic policies was higher than support for the PECE. Many people did not believe the PECE was helping to reduce inflation (see Table 5). This is, at first glance, puzzling because inflation had fallen steadily after the introduction of the economic pact in 1987. The fact that all important price increases in this period were announced as part of the economic pact may help to explain people's skepticism about its effectiveness. Mexicans did not believe that to lower inflation it was necessary to increase prices (i.e., correct relative prices). They did not make intertemporal judgments. As the previous multinomial logit analysis showed (see Tables 2 and 3), support for the president declined abruptly when a price increase was announced. Roughly, a price increase diminished by 7 percentage points the probability of supporting the president.[37] The decline in presidential approval

37. We say roughly because partial effects, when used with dummy variables, are not as accurate as when used with continuous variables (Greene, 1993, chap. 21; Liao, 1994, pp. 18-21).

Table 5
Do You Think the Economic Pact Has Helped to Reduce Inflation?

	Net Scores			
Month	General	Low Income	Middle Income	High Income
JUN 89	3	–4	–1	20
JAN 90	–1	–36	1	22
JUN 90	–19	–24	–19	–14
OCT 90	–10	–24	–12	5
NOV 90	–15	–30	–16	0
APR 91	7	4	5	13
NOV 91	–5	–17	–6	9
FEB 92	11	–8	10	27
AUG 92	–3	–6	–4	1
OCT 92	–18	–4	–22	–20
JUL 93	15	9	11	29
OCT 93	10	5	6	22

Note. Net score = Yes minus No.

was highest among the low-income group (12 percentage points) and less pronounced among the high-income group.

Public confidence in the government's ability to control inflation also dropped significantly after a renewal of the PECE was accompanied by price increases on fuels. In June 1990, November 1990, and November 1991, after a price increase, most people were pessimistic about the ability of the government to keep inflation under control. After the price increase on fuels, announced in November 1990 and November 1991, general net scores on that issue dropped, in comparison with the previous measurement, 15 and 22 percentage points, respectively.[38] It did not help the government that these price increases were on goods produced by the public sector.

Lower levels of presidential approval and diminished confidence in the effectiveness of economic policies after a sudden price increase are understandable: People may see price increases as a sign of the ineffectiveness of the anti-inflationary program, or they may infer that economic conditions are not as good as they thought (Alt, 1991). Others might see price adjustments as a breach of the government's promises that it will fight inflation. Again, we find evidence of "normal" economic voting.

38. General net scores on the question "Do you think the government will be able to keep inflation under control?" were as follows: June 1990, –9.6; October 1990, 4.5; November 1990, –11.4; April 1991, 24.3; November 1991, 2.4; February 1992, 25.4; and July 1993, 28.6.

Table 6
Do You Think the Government Should Keep the Pact?

	Net Scores			
Month	General	Low Income	Middle Income	High Income
JAN 90	43	37	41	51
JUN 90	41	23	43	51
OCT 90	40	40	38	45
NOV 90	28	18	23	46
APR 91	60	60	60	61
NOV 91	32	18	29	48
FEB 92	54	56	53	57
AUG 92	43	41	42	47
JUL 93	59	61	57	62
OCT 93	57	46	57	65

Note. Net score = Yes minus No.

The impact of price increases, then, is not only of a quantitative nature—as measured in a higher rate of inflation—but also has important qualitative features: Price increases modify people's expectations about future economic conditions, lead them to update their prior information on the state of the economy, and threaten the policy credibility of the government. Presidential approval rates fall sharply when price increases are announced. This negative impact does not last long. Usually approval rates rebound after 1 month.

Another puzzle regarding the PECE is that polls show that most people wanted the PECE to continue, including many who thought the PECE was not helping either to reduce or stabilize inflation (see Table 6). In several polls taken between January 1990 and October 1993, the proportion of people who thought the PECE should be kept varies from a low 28% (net score) in November 1990 to a high level, around 60%, in April 1991 and July 1993. There is no indication of any trend in levels of support for the PECE as time passes, although larger positive scores were registered in 1992 and 1993, years when inflation went down and price modifications due to the PECE were not substantial. Why did people want the PECE to continue, even if many of them thought it did not work?

Although we have no data to sustain this hypothesis, Mexicans probably wanted the PECE to continue because it reduced economic uncertainty. People dislike inflation not only because of their negative real-income effects but also because of the uncertainty it creates regarding personal finances in the future (Peretz, 1983, pp. 93, 99). The PECE offered important clues about the future level of inflation because it fixed the prices of basic staples and the prices of goods produced by the state for a predetermined period. It also established the rate of devaluation of the peso vis-à-vis the U.S. dollar. Even if the PECE was perceived by some as failing to reduce inflation, it helped to reduce the uncertainty that is inherent in inflation.

DEMOGRAPHICS AND SUPPORT FOR THE PECE

As we have seen previously, social class conditions public attitudes about the president. Similarly, as income rises, people's views about various features of the PECE become more favorable. Net scores on the effectiveness of the PECE in reducing inflation show continuously a negative sign for low-income groups and a positive sign for high-income groups, with middle-income groups in between (see Table 5). There does not seem to exist a time pattern in people's answers. Beginning with our first observation (June 1989), low-income Mexicans showed the lowest levels of approval, high-income Mexicans the highest. In 1993, however, when annual inflation fell to single digits for the first time, low-income Mexicans' opinion of the PECE showed a significant improvement (as reflected in positive net scores).

A cross-sectional multinomial logit analysis conducted on 10 surveys (see Table 7) shows that among the main demographic variables, social class (as measured by family income) consistently influences support for the continuation of the PECE. The higher the income, the higher the chances of support for its continuation. This class-based support seems to have its origin in different perceptions of the effectiveness of the PECE: As income rises, the probability that people believe the PECE is reducing inflation increases. The lower class tends to be more pessimistic about PECE's effectiveness. Although the consumer price index shows that inflation has been somewhat higher for the goods consumed by the low-income group, this does not explain the difference of opinions among the three main income groups.[39] Rather, this difference may be due to the fact that enduring the costs of economic reform is harder for low-income people than for high-income people, and that may lead them to question the effectiveness of the economic program. Further, low-income people may believe that they are the ones who

39. From November 1987 (before the implementation of the Pact of Economic Solidarity) to December 1993, the general consumer national price index rose 289%. The same index calculated for the low-income group rose 311% (287% and 289% for the middle- and high-income groups, respectively). In the first year of implementing the "Pacto," prices increased at almost a similar pace for all income groups. Under the Salinas administration, the price index rose a little bit faster for the low-income group.

Table 7
Multinomial Logit Estimates of Support and Opposition to the Continuation of PECE

	Support			Oppose		
	Age	Income	Education	Age	Income	Education
JAN 90	–0.27	0.46	0.08	–0.37	0.23	0.27
	(2)	(5.3)	(.62)	(1.8)	(1.9)	(1.4)
JUN 90	0.20	0.32	0.31	–0.07	0.00	–0.38
	(1.5)	(4.6)	(2.6)	(.4)	(.04)	(2.5)
OCT 90	–0.47	0.27	0.30	–0.57	0.23	0.19
	(3.6)	(3.1)	(2.3)	(3.8)	(2.4)	(1.3)
NOV 90	–0.21	0.30	–0.12	–0.10	–0.10	–0.18
	(2)	(5)	(1.2)	(.78)	(1.3)	(1.5)
APR 91	0.08	0.09	0.05	–0.03	0.20	–0.44
	(.75)	(1.4)	(.47)	(.2)	(2.1)	(2.9)
NOV 91	–0.15	0.15	0.22	–0.08	–0.20	0.18
	(1.2)	(2)	(1.8)	(.5)	(2.3)	(1.3)
FEB 92	–0.44	0.20	0.05	–0.34	0.15	–0.20
	(3.5)	(2.7)	(.38)	(2.3)	(1.8)	(1.4)
AUG 92	–0.03	0.24	–.01	0.20	0.24	–0.12
	(.29)	(5.8)	(.06)	(1.5)	(4.4)	(.9)
JUL 93	–0.22	0.03	–0.18	0.15	–0.06	–0.29
	(1.7)	(.64)	(1.5)	(.99)	(.96)	(2)
OCT 93	–0.20	0.05	0.21	–0.10	–0.34	–0.11
	(1.7)	(1.1)	(2)	(.66)	(4.9)	(.75)

Note. t-ratios in parentheses; the reference category is indifference/no view toward the continuation of PECE. *Age* is a dummy variable labeled 1 for those 41+ years old and 0 otherwise. *Income* is an ordinal variable measuring family income (range 1 to 4). *Education* is a dummy variable labeled 1 for those with secondary education but not more than high school, 0 otherwise.

are paying the main costs of reform.[40] It is not surprising, then, that support for continuation of the PECE will be lower in this stratum.

The statistical results do not offer definitive evidence for level of education as a variable influencing people's support for the PECE. John Zaller (1992) has argued that support for governmental policies varies depending on the level of political awareness (I use education here as a proxy for political awareness). According to Zaller (1992), "The most politically aware members of the public receive the largest amounts of government propaganda [but] are also most capable of resisting it" (pp. 301-302). On the other hand, because low-educated people are less exposed to information flows, they exhibit lower levels of support for government policies. It follows that support for the PECE should be higher among middle-educated people: They

40. See footnote 35.

have enough exposure to governmental discourse but are not very capable of resisting it.[41] As I have said, the evidence for this hypothesis is mixed: In 4 of 10 surveys analyzed here, middle-educated people were more likely to support the continuation of the economic pact, confirming Zaller's hypothesis. But in 6 other cases, middle-educated people's opinion of the PECE either did not differ statistically from the low- and high-educated groups or did not confirm the hypothesis (wrong sign). In three of these cases, a price increase in fuel, electricity, and gas had been announced shortly before the survey was carried out. Because price increases make people angry, no governmental discourse seems likely to change their minds.[42]

Finally, in most of our surveys, older Mexicans (41 years or older) do not differ significantly from younger people (18-40 years) in their support for the PECE. However, in the three surveys carried out between August 1992 and October 1993, older people were more likely to oppose the PECE than young people. A likely explanation is that as unemployment began to rise in 1992 and 1993, it hit the 40+-year-old cohort hardest. Hence opposition to the PECE would be a symptom of a broader discontent with the state of the economy. However, more data are needed to find out whether among older people a shift in support for the PECE took place from mid-1992 on as a consequence of experiencing harder economic conditions than before.

CONCLUSIONS

Unlike the other countries considered in this issue, in Mexico support for the president seems to have followed the traditional route: When economic conditions improved people supported him, when conditions deteriorated they turned against him. Unlike in Poland, rising inflation was not seen as a sign that the enemies of change were blocking reforms, leading people to rally around the government. And unlike in Peru, rising wages were not interpreted intertemporally as bad news about future inflation. In the period under study, normal economic voting prevailed in Mexico. Price increases

41. I have created three educational categories: (a) the low-educated group comprising those with primary education or less (0-6 years of education); (b) the middle-educated group, including those with any secondary or high school studies (7-12 years of education); and (c) the high-educated group, including those with any college education or more.

42. I also ran a multinomial logit model, expecting support for the PECE to increase as the level of education increases. In 5 of 10 cases, education achieved statistical significance but its sign was not consistent, sometimes being positive and sometimes negative. If education is coded as an ordinal variable instead of a dummy variable, the effect of income in support for the PECE is larger.

made people angry, substantially reducing presidential approval rates and eroding confidence in the success of the anti-inflation plan.

Economic conditions affect social groups in a differentiated way. The wealthy were more tolerant than the poor of deteriorating economic conditions. This is the group in which the government is more likely to find support for economic reforms, confirming the hypothesis that an unequal distribution of income makes economic reforms "politically more palatable" (Przeworski, 1991, p. 178). Perceptions on the efficacy of the economic reform also have a clear class basis: The poor are more skeptical about the success of the economic program, and, consequently, support for its continuation declines as income falls.

Our analysis also highlights the importance that timing has on the ability of governments to demand public support for economic reforms. Reforms have to be introduced early in the term. Otherwise, negative retrospective evaluations will weigh heavily in people's assessment of the government's ability to implement the economic program successfully. Furthermore, if the government implementing the reforms is not a new one, it will be less able to blame problems in former governments, so antidotal rhetoric will resonate less. In 1987, the Mexican government did not have the capacity to persuade people to endure a longer period of economic adjustment before conditions improved. Inflation, in particular, had to be reduced to prove that the economic plan was working.

The *consolidation* of economic reforms in Mexico suggests that building support for the reforms can no longer be based on asking people to be patient until the economy improves. After several years of economic hardship, the public is likely to reward the government if the economy improves and to punish it if the economy does not improve. Unlike the initial stage of economic reforms, in the consolidation stage the government's room for maneuvering to build support for its policies narrows, especially if the same party or the same government continues to be in power. Under such circumstances, governments have no choice but to spur economic growth. Otherwise, their support in public opinion will ebb.

APPENDIX
Monthly Presidential Approval, 1990-1993

Month	Approve	Disapprove	No View	Net Approval
MAY 90	0.74	0.18	0.08	0.56
JUN 90	0.67	0.24	0.09	0.43
JUL 90[a]	0.71	0.20	0.09	0.51
AUG 90	0.71	0.19	0.10	0.52
SEP 90[a]	0.73	0.18	0.09	0.55
OCT 90	0.68	0.25	0.08	0.43
NOV 90	0.62	0.26	0.13	0.36
DEC 90	0.74	0.19	0.07	0.56
JAN 91	0.73	0.19	0.08	0.54
FEB 91[a]	0.71	0.20	0.09	0.51
MAR 91	0.79	0.17	0.04	0.63
APR 91	0.77	0.16	0.07	0.61
MAY 91[a]	0.77	0.15	0.08	0.61
JUN 91[a]	0.80	0.13	0.07	0.67
JUL 91	0.80	0.13	0.07	0.67
AUG 91	0.78	0.08	0.15	0.70
SEP 91	0.74	0.14	0.13	0.60
OCT 91	0.76	0.18	0.06	0.58
NOV 91	0.67	0.23	0.10	0.44
DEC 91[a]	0.74	0.18	0.08	0.57
JAN 92	0.78	0.14	0.09	0.64
FEB 92	0.74	0.17	0.09	0.57
MAR 92	0.74	0.17	0.09	0.57
APR 92	0.81	0.12	0.07	0.70
MAY 92	0.83	0.11	0.07	0.72
JUN 92[a]	0.80	0.13	0.07	0.67
JUL 92[a]	0.80	0.13	0.07	0.68
AUG 92	0.75	0.19	0.06	0.56
SEP 92	0.84	0.11	0.05	0.74
OCT 92	0.75	0.17	0.08	0.58
NOV 92	0.81	0.10	0.09	0.71
DEC 92	0.80	0.12	0.09	0.68
JAN 93	0.77	0.16	0.07	0.61
FEB 93[a]	0.75	0.16	0.09	0.59
MAR 93[a]	0.76	0.16	0.09	0.60
APR 93	0.74	0.17	0.09	0.57
MAY 93[a]	0.81	0.12	0.07	0.68
JUN 93	0.79	0.14	0.07	0.64
JUL 93	0.83	0.12	0.05	0.71
AUG 93	0.80	0.13	0.07	0.67
SEPT 93	0.82	0.10	0.09	0.72
OCT 93	0.76	0.14	0.10	0.62
NOV 93	0.78	0.16	0.07	0.62

a. Estimated.

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