2000 may certainly be regarded as a milestone on Mexico's path towards democracy. After 71 years of nearly unrestricted rule by the Institutional Revolutionary Party (PRI), the opposition's Vicente Fox took over the helm of the country, bringing the long path of transition – paved with the electoral fraud of the ruling party, with forgeries, and with vote-theft – to a temporary close. However, the old regime was not yet defeated; authoritarian traditions lived on, forcing even Mr Fox to rule with a code of law developed by his predecessors and based on the principle of command and obedience of a still-powerful political party.

Although statements about political parties and party systems in Latin America as a whole have a short shelf-life, the centre of Mexico's current party-political landscape, consisting of a three-party system, appears quite stable. What is more, the country's three big political parties – the PAN, the PRI, and the PRD – are optimally institutionalised: They are deeply rooted within society, and they have powerful, campaign-hardened machines as well as strong personalities. Debates within the parties are lively; nevertheless, their parliamentary parties are highly disciplined. This results from a long forming process which turned the political parties into organisations that were and still are indispensable for anyone who intends to secure his own political career, as well as from the traditional prohibition of re-election, which leaves an MP more dependent on the leadership of his party than on the voters of his constituency.

However, even the high degree of institutionalisation of the Mexican parties cannot guarantee their future. General approval of politics and its designers is too limited, and there are many Mexicans to whom the symbiosis of corruption and politics is still too proverbial. Those who profit from this deficiency are the party leaders, such as the head of the PRD, López Obrador who, in the style of a *caudillo*, made the dissatisfaction of the citizens his instrument, confronting Mexico's political sphere with a serious challenge.

However, even Vicente Fox knows how to pose as a charismatic person. To him, the PAN as a political party was only a tool to gain power. Mr Fox's leadership is certainly attractive to the voters; however, his understanding of 'the people' is as abstract and ambivalent as populist thinking demands. Numerous Mexicans supported their outgoing president until the end, although they did criticise the way he led the country. The fact that only five of his eighteen ministers survived in their original functions shows, for example, that Mr Fox was not master of his team. People spoke of *Foxilandia*, of a president whose remoteness from reality has become proverbial – despite all the successes attributed to him, such as macroeconomic stability, a low inflation rate, and a balanced budget.

At first glance, the conditions for the new strong man, Felipe Calderón, appear less favourable than those faced by Mr Fox at the time when he was swept into office on a wave of popular eulogy, aided by a high oil price and high transfers from Mexicans living abroad. However, Mr Calderón's starting position is not a bad one: He is backed by 'his' PAN, is supported by smaller political parties, and even the PRI seems open to compromises. What is more, arrangements with the PRD are not impossible, as the unanimous adoption of the budget shows.

In comparison to the PRI and the PRD, Mr Calderón's party is certainly the country's most stable political force in terms of its ideology and structure. The spectrum of its members and voters includes not only its Catholic conservative founders but also Christian democratic forces and, a later enrichment, market-liberal components. Today, the PAN is a modern people's party comprising diverse currents which, however, still has to accustom itself to its tasks as the ruling party. While it is true that its long party history has given the PAN security in its own basic values, it is also true

that, in view of the opposition role which it has played for decades, it has not gained any experience in dealing with power. The next mid-term elections and the elections to the house of representatives in 2009 might give this majority party a chance to expand its position in the country.

A dispute which has been smouldering between the PRI and the PRD for quite some now revolves around the question of which is the worthier administrator of the heritage of the Mexican revolution. While the PRD was founded by former PRI politicians who had collided with the party's neoliberal economic course, the PRI seems to be shaken by an ideological confusion which had come up at the time of president Salina. Some people think that the party's dilemma lies in the fact that its centre of power has been orphaned since the defeat of 2000. They say that the party no longer is a confederation of interests, as the president who managed those interests to the satisfaction of the people has ceased to exist. The party's corporatist structures no longer suffice to assure an election victory at the federal level, and the breakdown of the trade unions, which sustained the PRI for a long time, as well as of the societal groups surrounding it is playing its own part. The only way to revive the former 'national party' is to radicalise the PRD further, to define a constructive course vis-a-vis the PAN government, and to carry out a sweeping reorganisation within the party itself.

The only chance for the PRD, on the other hand, is to develop into a modern left-wing party on the basis of the good election results of 2006. In this context, the future of Andrés Manuel López Obrador is not unimportant, as his strategy of mobilising the rank and file could be the more effective the longer it takes for any achievements by the Calderón government to materialise.

Meanwhile, president Calderón is facing a mountain of work. The upcoming reforms may be divided into two groups: Next to changes in the economic and social sectors, the country urgently needs a reorganisation of its political system. Here, the composition of the new cabinet gives away some of the guidelines: A strong arm is to coordinate the suppression of organised crime within the country. In the field of economics, the macroeconomic course adopted by the Fox government is to be continued. A rather assistentialist approach and a compromise with social organisations may be detected in the societal sector. What is urgently needed in the field of economic and labour policy is not only to liberalise the labour market but also to reform the country's inefficient tax system and to open the energy sector to private investment. And finally, the government is also taking steps in the security-policy sector. Here, similarly to the style of the Colombian president, Mr Uribe, whom Mr Calderón esteems very highly, the motto is 'safety first', not without the approval of the Mexican population.

Calderón's security policy also constitutes a signal to its neighbouring country, the USA, whose ambassador, Mr Garza, criticised months ago the legal black holes in Mexico's border region which, he said, enabled traffickers to transfer tons of drugs across the border to the north. As a matter of fact, Washington is interested in a stable Mexico. As both countries are members of the free-trade zone, NAFTA, as Mexico supplies the USA with oil, and as it plays a role as a low-priced producer of supplies, the necessity of good neighbourly relations is evident. As Mr Calderón is aware of this, he is probably endeavouring to avoid friction with Washington.

Among the reforms which immediately affect the political system, abolishing the prohibition of direct re-election of MPs at various political levels is overdue. Having been pampered like a holy cow for many decades, this prohibition has always been explained by the endeavours of numerous politicians to extend their own mandates. Furthermore, it had its function within the closed PRI system, allowing the president to retain his absolute power without major conflict. However, it is very uncertain whether the principle of non-reelection will indeed be abolished, since it consolidates the power of the party leaderships and machines.

Finally, the tight election result of 2006 triggered a debate about introducing a run-off vote, as it is already common practice in other Latin American countries and might contribute towards strengthening Mexico's governing capability. However, opinions on this issue differ widely. Rather more probable are changes in the financing mode of political parties and election campaigns, the objective being to shorten campaigns and reorganise the use of the media. The fact is that Mexico is under great reform pressure. However, another fact is that it is exactly this pressure which the public discusses with increasing intensity.