How is Mexican policy-making changing as we move into network society?

Tesis de Maestría

Presenta:
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Introduction

With the advent of information and communication technologies (ICT) there has been a trend throughout the world to reorganize production, consumption and rendition of services. The rhythm of global integration is increasing. Government and policy-making are also under a process of transformation. Policy-making is an important feature of government activity that can be influenced by the implications of the concept of network society, hence it will be important to work out a definition of it. This thesis is a theoretical review that works with concepts such as social and human capital, globalization and the transformations taking place in policy-making. It explores the potential and risks entailed in network society in Mexico. The conceptual framework is complemented with a descriptive methodology.

There are many challenges in the Mexican policy-making agenda. One of the most critical is how to establish guidelines to reduce informality. Therefore building trust in institutions and articulating the civil and economic functionality of society can result from better coping with the inclusion of citizens as stakeholders. Network society as a conceptual framework can contribute to it. The concept of social capital is also important to approach these issues. Productivity, social cohesion, legitimacy, perception and expectation of government performance are vectors of social capital that will be transformed through network society. The relevance of social capital in the context of network society is in its contribution to building trust in institutions (Putnam, 2000). In The Forms of Capital, Pierre Bourdieu distinguishes between three forms of capital: economic capital, social capital and cultural capital. He defines social capital as “the aggregate of the actual or potential resources which are linked to possession of a durable network of a more or less institutionalized relationships of mutual acquaintance and recognition”.

Social capital has two dimensions, the first is structural, which includes groups and collective actions; the second one is cognitive or subjective, which includes shared values of reciprocity,
solidarity and trust (interpersonal and institutional). The categories according to the levels of trust in networks and enforcement mechanism are:

- Bonding: deals within the group, it takes care of reputation.
- Bridging (connecting): Has to do among groups horizontally. This is the case of prospecting and entrepreneurship in action.
- Linking (tying for leverage): It targets groups higher in hierarchy.

It is useful to describe the evolution of the concept of social capital. Emile Durkheim wrote in 1893 about Organic Solidarity in modern economics versus mechanical solidarity in preindustrial society, this leads to social cohesion. Bourdieu in the 1960s developed the concepts of Cultural-symbolic capital and the conservation of power “habitus”. James Coleman focused in the 1990’s on social capital and education. Robert Putnam in 2000 established the link between social capital and the reduction of delinquency and the improvement of health and governance. Gary Becker developed then the concept of social economics.

In Robert Putnam’s Bowling Alone some indicators appear about social capital in the United States. Between 1973 and 1993 there was a reduction in the index of political and community participation of 25%. Civil participation went down 40 percent. Church related organizations and events went down 10 percent. It would be useful to develop this metrics for Mexico in order to be able to interpret how Mexican social capital behaves.

According to the National Survey about Political Culture and Citizens Practices (SEGOB 2005) Mexican population participates in civil activities like this:

- 4.3% belong to a professional association
- 10.8% participate in a cooperative
- 8.6% are involved in philanthropy
- 22% belong to religious organizations
- 13.3% participate in citizens organizations
• 14.4% are involved in neighbors organizations

• 8.6% belong to sport associations

In order for network society to flourish in Mexico it will be necessary to find ways to boost these indicators. Competition in markets can contribute to enhance social capital by opening up more opportunities and highlighting the power of association (Putnam, 2000).

The relevance of network society in the context of Mexican policy-making can be better understood through the study of the works by Manuel Castells and Yochai Benkler. Manuel Castells wrote “the Rise of Network Society” (1996), in it he describes the transformations that are taking place due to the emergence of the information society. Castells contributes the concepts of timeless time and space of flows to analyze the impact of networks on production, consumption, experience, culture, technology and power. The extension to policy-making can be an important conceptual tool. Benkler wrote “the Wealth of Networks” (2006), where he analyzes the new schemes of communication that have opened up through networks. Benkler contributes the concept of networked information economy, which can be useful to explore schemes to better design and discuss policy.

The main research question is related to how Mexican policy-making is changing as we move into the network society. The relevance of the question can be understood through the consideration of emerging processes of deliberation and inclusion of stakeholders. It also addresses innovative communication strategies through the concept of interoperability of information.

Mexico is a society layered with elements of the pre-modern (caciques), modern (bureaucracy) and networks (operation of international corporations). There is a clash among these three. Policy-making can focus on bringing consensus to foster an institutional environment more conducive to formality, functionality and trust. Informality has meant disarticulation to implement policies. Network society as a framework can assist in bringing stakeholders together and build a more informed civil society. In the first chapter I will work on the definition of network society and networked information economy, afterwards the connection with policy-making will be examined.
Then the effort goes on by analyzing the status quo of the Mexican policy-making environment. In chapter 2, I will consider actors and institutions. Different policy-making processes are described in order to find applications to the tools of network society. Finally conclusions will be drawn.

What is Network Society?

In this section I will outline the concept of network society and establish why it is relevant for policy-making issues. This is a theoretical review and I will try to bring it close to the Mexican context. Network society is a concept that encompasses the interaction of technology, telecommunications and society (Castells, 1998).

The origin of network society is largely related to a historical moment: the coincidence around the 1970's, of three major independent processes that took place around the world: the information technology revolution, the cultural social movements of the 1960's/70's, and the crisis and subsequent restructuring (or perestroïka) of the two socio-economic systems at the time, Capitalism and Statism (Castells, 1998).

Jan van Dijk (1999) defined network society as a society in which a combination of social and media networks shapes its prime mode of organization and most important structures at all levels (individual, organizational and societal). He compares this type of society to a mass society that is shaped by groups, organizations and communities ('masses') organized in physical co-presence.

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become the basic units of modern society. Van Dijk does not go that far: for him these units are still individuals, groups, organizations and communities, be it increasingly linked by networks. The spatio-temporal social configurations constitute cultures. This has repercussions on the way the government organizes itself and approaches policy-making issues. Network society constitutes a different optic to regard politics and policy-making. Network society can help as an analytical and structural tool to describe possible evolutions in government and policy-making.

Manuel Castells (1998) conceives two main ideas: *timeless time* and the *space of flows*. Timeless time is the technological ability to record information and to make it accessible to a wide audience online rather than being limited to sequential time. The *abolition* of linear time through the online processes can constitute a major threshold for transparency and accountability. Timeless time as a concept can help explain the interoperability of information and immediate access to it through the use of information technologies. The applications to government and policy-making in Mexico will imply the development of formality in society to attain thorough relevant information; the space of flows has to do with the way globalization has been organizing production throughout the world. These two concepts can impact strategies necessary for policy-making. The space of flows explains the trends emerging in economic activity and policy-making. The applications to government and policy-making involve economic processes.

Networks absorb and subdue pre-existing forms, without discarding them altogether, just like industrial societies did not exclude many pre-industrial forms for a long time to come (Castells, 1998).

Network society can be used to better understand the changes that pervade local and international communities emerging out of the application of technology and the transformation of the concept of the state and its sovereignty. Benedict Anderson (1983) establishes that communities larger than primordial villages of face-to-face contact (and perhaps even these) are imagined. So there is a need for a special language to describe them. Network society becomes a good metaphor to explain how consumption, production, experience, semiotic democracy and power change in society through the
influence of technology and communication (Castells, 1998). Hence policy-making undergoes a series of transformations.

Policy-making orients itself towards more cohesive discussions to bring about consensus. The recognition of bad political practices and policies will lead to channeling social demands for amendments and transformation. Such bad practices in Mexico include among others the neglect of infrastructure, deficiencies in areas such as national accounting, justice procurement and educational strategies.

Network social entrepreneurs and politicians will have the role of generating community value and filtering it into the National agenda of policy-making. The consideration and inclusion of stakeholders is extremely important for good policy-making (Bullock et al, 2001).

Better policy-making involves changing the way people think, work and connect (Bullock et al, 2001). This simple argument will prove useful in discerning the changes in Mexican policy-making as we move into network society. A trend to discover is an innovative and creative approach to policy development.

Network externalities result in the interconnectedness of the users of the new IT and telecommunication strategic tools. By the same token network society as a concept opens possibilities for governmental innovation and more accurate and sensible policy-making. E-government carries latencies of efficiency and redimensioning of human capital in the public sector (Liebowitz, 2004). It also triggers a dramatic improvement in performance (Dunleavy et al, 2006).

The critical issue is how to boost inclusion given the informality environment prevailing in Mexican society.

Network society will impact the organization of human capital. There must be a strategy to retain and endow human capital with the necessary resources for optimal performance in Mexican government (Liebowitz, 2004). It is also relevant to conceive the creation of a CHCO (Chief Human Capital Officer) function for federal and state government in order to manage the formation of strategic cadres and the substitution of the retiring human capital (Liebowitz, 2004).
Social value creation must be recognized and become a priority during the policy-making process. The strengthening of connections among social entrepreneurs, politicians and representatives of civil society adds up to legitimacy. It can contribute to articulating transparency in government. The ownership of strategies facilitates policy-making. The interplay between policy-makers and operational staff represents an opportunity to assess benefits and improve the policy briefing and delivery. Joined-up solutions (articulated) are key to policy-making success (Bullock et al., 2001).

In network society e-government is one of the most promising tracks for Latin American and developing countries. The reason is that the digitalization of government opens ways for civil society stakeholders to participate in the processes of policy-making.


According to Pascual Montañés (2003), government resembles the private sector in everything but the relevant parts. Relevance can be attained when benchmarking policy-making with business modeling. This means analyzing the design of the information flows in business in order to generate added value. The vertical and horizontal interoperability of information is a goal that can be achieved by examining the most successful instances in business and government throughout the world.

Network society, without being a panacea, can be an element to empower policy-making to attain the pertinent relevance in strategy, tactics and build-up of institutional trust. Sharing best practices emerging from Network Society in policy-making will be a plus in public administration development (Bullock et al, 2001).

Network economy effects can profoundly influence market behavior of firms (Shy, 2001). Network society can profoundly reconfigure elements of government and civil society (Benkler, 2006). There is the argument that globalization is bringing about a reduction of the sovereignty of nations or at least a redefinition thereof. This leads to thinking about the transformation of the state
Sovereignty is transforming itself into somewhat unusual morphologies which involve networks. It is paradoxical to realize the etymology of the word sovereignty. The King was the rule. So there was room for visceral decisions that could be detached from society at large and even run against it, until a revolution toppled down the sovereign to substitute him or her with someone subject to the same limitations. Governance in network society goes against that way of thinking by basing itself on cohesive discussions among members in order to establish policy-making.

The State is becoming intertwined with the operation of international corporations. This can be a hint of the build-up of network society. It is no wonder that the concept of corporate social responsibility can go beyond the tradition of philanthropy and that it somehow encroaches into social policies that were originally a prerogative of the State. The problem in Mexico lies in the intrinsic asymmetry among corporations and private citizens. Corporations seem to hold sway on decisions affecting economic and fiscal policy matters, whereas citizens are faced with fiscal uncertainties and bear the brunt of macroeconomic burdens.

Network society is an enhancement to the concept of social capital in the understanding of institutional possibilities in terms of the way business, government and society have evolved throughout the late second half of the twentieth century.

In network society there seems to be an ingrained respect for the constitutional order and its contractual realm. US General David Petraeus has pointed out that reconstruction in Iraq requires a thorough legal strategy that includes educating and incorporating into practice as many lawyers as necessary. Violence in that country shows that no political system can be imposed, even if it is democracy. Pax Americana and Pax Britannica represent the core of the rules of network society. There is a risk that network society becomes an excluding hegemony (Benkler, 2006). Therefore, one important fallacy of network society can be the inconsistency between values, discourse and action (Chomsky, 2005).
Technology itself offers more benevolent manifestations, such as being a platform for education and semiotic democracy. The latter is the ability to use technology in order to make discourse and cultural expressions match social and political reality in terms of needs and priorities (Fiske, 1987). The Internet was also extremely important in the rise of semiotic democracy. According to Terry Fisher, a professor of intellectual property at Harvard University, the Internet has made it much easier for ordinary people to make and share cultural products in the form of audio, video, and publishing. The Internet has led to a dramatic increase in the number of people who participate in the making of culture, that is, a dramatic increase in semiotic democracy.

Semiotic democracy becomes a forum for articulating the traits of diversity and order (Benkler 2006, Fisher 2003). Semiotic democracy is a novel platform that will have repercussions on new strategies to approach the national agenda. Consensus build-up can emerge out of the exercise of semiotic democracy. The more awareness can be achieved about social priorities, the better inclusiveness can be attained and thus contribute to reducing the informality featured throughout the country. Semiotic democracy can be a byproduct of the process of establishing network society in Mexico. The discussions originated by semiotic democracy can address essential problems that affect specific groups of society and thus become information inputs for policy-making (Benkler, 2006). This puts forward the notion that the development of interactive, horizontal networks of communication has induced the rise of a new form of communication, mass self-communication, over the Internet and wireless communication networks. Under these conditions, insurgent politics and social movements are able to intervene more decisively in the new communication space. However, corporate media and mainstream politics have also invested in this new communication space. As a result of these processes, mass media and horizontal communication networks are converging. The net outcome of this evolution is a historical shift of the public sphere from the institutional realm to a new communication space (Castells, 2007).

Legislation is likely to arise in order to establish the contractual groundwork for the new requirements brought by network society. Legislation must take into account the new technological
environment and the impact of the knowledge economy and network society. In Brazil and Argentina, efforts have been made to consider the free/open source software (FOSS) as an alternative to proprietary software for governmental applications (Mannila, 2005). The argument is that there can be social advantages such as savings and more inclusiveness.

Dynamism in legislation has a weight in pondering social and political transformation. It is important to address the question of how necessary an overhaul of the Mexican legislation is to adapt to the emerging conditions of network society (Mannila, 2005).

The legal aspect splits the market and non market organizations. The reliance on joint-consumer expectations generates multiple equilibria where in one equilibrium all consumers adopt the new technology, whereas in the other no one adopts it (Shy, 2001). This points out to the path-driven direction of networks (Müller, 2007).

The recognition of trends in network society provides leeway for strategic and tactic solutions for Mexican government and society. Policy-making must take that into account. This process will evolve radically in the years to come. This constitutes a hypothesis of the role of network society as one factor, among others, of influence on policy-making.

The history of technology can help document the way inventions such as the printing-press, telegraph, radio, television, fax, satellite and cable television, computer, internet and wireless internet have, in their due moment as irruptive technologies, fashioned the way society performed its functions and redefined needs, changing thereby governmental processes and policy-making (Schorske, 1998). Computers and telecommunications have revolutionized the ways government can operate (Dunleavy et al, 2006). Network society as a framework explains the direction policy-making can take in the coming years.

While working out a definition of network society, it is important to emphasize the study and description of the role and repercussions global economics and technology have on the reconfiguration of domestic and international economies.
Interconnectedness was brought about by globalization. Foreign investment, either direct or in stocks, shapes and conditions the economies of most countries in the planet. We can trace the collateral transformations of governmental and social variables. The Mexican economy depends heavily on US investment (Cook, 2006).

One instance of network organization is the WTO (Hoeckman and Kostecki, 2001). Trade is redefining economic policy throughout the world and can help to explain one of the underlying principles of network society.

Peer production, free open source software (FOSS) and copyright management can contribute to improve equilibria for countries like Mexico (Mannila, 2005).

Network society can be an unprecedented opportunity to bolster the role of Mexico in NAFTA and in the international community. Governance, conceived as the process of policy-making through active and cohesive discussions among policy-makers who are interconnected through a broad range of networks (Koiman, 2003 World Bank), has to be enhanced in Mexico. This implies the transformation into a Mexican identity of functionality and competitiveness, being able to offer opportunities to its citizens.

The mass migration to the United States shows that Mexico has gone astray in some essential elements of its project of a nation. Little competitiveness and pauperization add pressure to the digital divide dynamics. As long as there is an economic gap between the two nations the problem of migration will become bigger. This calls for networking bilateral solutions.

Social capital explains the level of civic trust in terms of association skills (Putnam, 2000). Mexico is losing ground in the perspective of trust among institutions and citizens. The collectivist and assistentialist background of the recent Mexican history can account for the brittle level of trust in Mexican institutions. Cultural and historic variables must be taken into account to explain this serious deficit of trust in institutions. The economic rule of the state encompassed stifling of both private and public initiative. The fact of the matter is that a major exodus of Mexican population has been the consequence, creating a peculiar situation in the United States. Informality (Mexican
illegal immigration) grows and flourishes continuously amidst the most developed economy in the world. The level of remittances crossing from the United States into Mexico witnesses this eloquently. The understandable concern and animosity expressed by some groups of American society concerning illegal migration constitutes further evidence of the problems looming ahead.

It is important to approach the interaction of multi-sector policy networks and how the government units are institutionalized. The outcome bears on legitimacy. The space of flows has to do with production and consumption, it implies the quest for the most optimal way to bring about products and services throughout the world. This is a feature that characterizes globalization. The value chain and the assembly processes have become truly international. How does this challenge and complement the concept of government? The space of flows and timeless time do have an impact on policy-making by means of digital government and the demands involved in transparency. A redimensioning and redefinition of policy-making is in place.

We come across situations within the process of globalization such as restructuring, shutting down of whole facilities and relocating to areas where factors of production are cheaper. These two elements enable the flux of production throughout the world. Part of this trend can be visualized thus: knowledge and social organization take precedence over natural resources and traditional industry (Castells, 1998). By the same token, instability in major features of the market factors emerges. Networking and governance acquire dimensions of efficiency and legitimacy. The lag between developed countries and Mexico will be a key element to implementing strategies for using network society productivity in an advantageous manner.

The emergence of principles that define network society will be a guideline to follow throughout this section. The governmental repercussions and the innovation challenges will be determined out of these principles (Müller, 2007).

Network Society is mediated through technology (Castells, 1998). This is the groundwork to depart from to work a definition of network society. We can think of an arrangement of nodes which are
empowered by technology (mobility and telecommunications). Microelectronics-based information/communication technologies and genetic engineering replace the technological paradigm of the Industrial Age, organized primarily around the production and distribution of energy (Castells, 2000). Biofuels can bring redefinitions to the hydrocarbons markets and their concomitant political economy. Mexico is one of the world's top 10 producers of crude oil and more than a third of its revenues come from oil exports. But production at key oil fields is falling rapidly and the country is a net gasoline importer. A redefinition of energetic markets would have a great impact of the national budget. Network society implies reacting to many changes taking place in the global economy due to technological transformations.

The sociological approach allows us to concentrate on five different features of social identity, namely production, consumption, power, experience and technology (Castells, 2002). Network society brings about the producer/consumer innovation (prosumer) which adds up to flexibility in both labor and capital (Toffler, 1980). The prosumer concept can be an interesting alternative to the formulation of policy in the context of consensus between stakeholders and policy-makers. It also has a role to play in networked information economy (Benkler, 2006).

Commons-based peer production (CBPP) is one of the innovations that can contribute to educational policy-making. It can supply new approaches. Commons-based peer production refers to any coordinated, (chiefly) internet-based effort whereby volunteers contribute project components, and there exists some process to combine them to produce a unified intellectual work. CBPP covers many different types of intellectual output, from software to libraries of quantitative data to human-readable documents (manuals, books, encyclopedias, reviews, blogs, periodicals, and more) (Benkler, 2002).

The transformations of power and experience in network society deserve analysis. Power, when going digital, attains efficiency and an ability to build more consensus and to exert more control over the elaboration and application of indicators (Dunleavy et al, 2006).
The choice principle implies that any network member chooses to participate or to leave at any point in time (Müller, 2007). According to the needs of members of society there will be opportunities to be more active in the cohesive discussions about policy-making. Power can be generated through traditional and network political groups. Alliances become essential for optimal governance. Members are free to participate or to leave. This connects with the reality of the different projects of government. The recent presidential election evinced a slight margin for the victory of the Calderón administration. In terms of choice, one third of the electorate decided in favor of PAN (National Action Party), this makes it difficult for the rest of society to accept the result.

It will be urgent to establish institutional micro arrangements in a context of multiple equilibrium systems to bolster better policy-making and governance. Legitimacy based on outcomes can assist society to participate further in democracy by addressing the main issues of governance. The optics of the choice principle will be an element to establish little by little what Eduardo Bohórquez (Interview, 2007) from Mexican Transparency calls the assurance of the supply of public services supervised by civil society rather than by the state. Assessing what part of the population is excluded from the networks will be a tool to planning digital alphabetization and an overhaul of education in general.

The consensus principle has to do with decisions in choice-communities. Unanimity is to have all members agree, which proves to be difficult. Consensus is to reach the point where nobody is against a proposal or plan (Müller, 2007). This can bolster the merging values of network and democratization. Legitimacy becomes more relevant. When it comes to structural reforms, consensus will be essential. To the extent that network society becomes representative of agents of change and inclusion, there will be opportunities for building consensus.

Industrial and immigration policies are opportunity areas for exercising the consensus principle. Ambassador Andrés Rozental (interview, 2007) conceives immigration policy as an impulse to economic activity. It is evident that there has not been one and that the Mexican migration reality
includes a mixture of xenophobia and neglect which prevents steps taken in the direction of the successful efforts achieved by Germany and the United States, among other nations, in attracting qualified immigration. The Mexican emigration experience offers lessons to articulate policymaking. Illegal flows of population obey major crises. Scant economic expectations force population to move and look for a place where they can aspire to have better life conditions. The United States was built as a country of immigrants. Mexico can also become a country where immigration plays a positive role by offering incentives to build capital and by rendering services that complement society.

Network effects are the cohesion of network society. The more members participate, the more efficient is the performance of a network (Müller, 2007). Policy-makers will be major users of the transformations brought about by network society. An important indicator to develop is the opportunity cost of not having network society take off as it could in Mexico.

The path-dependency principle makes it costly for us to exercise choice and leave any given network. Policy-making purports to address strategic goals for society; the path-dependency is given by the political agenda. In Mexico, there is a clear influence by the spheres of power on the political parties. If our path-dependency is taking us to a no way back oligarchy, like the one in Russia, which is prone to being plagued by pandemic corruption, network society will probably acquire an operational role that will preserve, manage and widen the digital divide. Hence the idea that there is not much democracy embedded in network society (Benkler, 2006). This points to the idea of capturing network society by well established power groups. To complete a typology, there can be derailing network society and productive network society.

A tour de force would be if network society participated in bringing along a sense of fairness and transformation to Mexican government. In a United Nations report over inequality, Mexico ranks 103 out of 123 countries in the income gap. 10 percent of the richest Mexican households concentrate 39.4 percent of the national income, versus 1.6 percent of the 10 percent of the poorest
in Mexico. This means that the richest have 24.6 times more income than the poorest in Mexico, whereas in the United States this statistic is 15.9 times.

In network society, a member might want to understand how a specific decision was reached to assure that the principle of consensus was not violated and why a specific standard was set in the way it was (Müller, 2007). Transparency goes hand in hand with the principle of consensus. Transparency has also become a repository of hope, by being a strategy to constrain corruption through the open flow of information and accountability. Legitimacy is another feature that associates with transparency. IFAI and Instituto de la Función Pública are two instances of the potential of transparency in Mexican policy-making.

The term governance assumes that the right of any participant in any decision-making situation needs to be reflected at all times. The legitimacy of a policy is derived from the public value created, as defined by its stakeholders and recognized by the policy-makers (Müller, 2007).

In order to better understand trends it will be necessary to delve into the theoretical development of the concept of network society.

As a further background to the network society we can examine Moore’s, Metcalfe’s and Reede’s laws. Moore’s Law states that computer microchips—microprocessors, microcontrollers and memory chips—get cheaper as they grow more powerful. In 1965, an engineer at Fairchild Semiconductor named Gordon Moore pronounced his famous prediction, now known as Moore’s law: the number of transistors that can be packed onto a sliver of silicon would double every 12 months (Moore, 1965), which was amended to 24 months in the 70s (Moore, 1975).

When regarding the historic perspective of computers, it is striking to witness both the swift pace of change, from transistors to microprocessors and the way communication and production have been affected. “No invention in history has so quickly spread throughout the world, nor so deeply touched so many aspects of human existence. In one generation, they have changed the world so
profoundly that daily life without them has become unimaginable. The diffusion of wireless communication will be a consequence of Moore's law. Furthermore, wireless communication will open possibilities for governmental and policy-making transformation. The vertical and horizontal interoperability of information for the different levels and departments of government will benefit from the new technologies. Better public services tailored to the needs of the citizen and businesses require the seamless flow of information across government. The underlying infrastructure necessary for interoperability of information frees up public organizations to better serve their customers through building added value information and services. Stipulating policies and specifications in themselves is not enough. Successful implementation will mean the provision of support, best practice guidance, toolkits and centrally agreed schemas (UK Interoperability framework, 2002).

The original military applications of computer science explain the period of secrecy and late opening up to civilian use. Right now they have become all-pervasive and are leading to the possibility of ultimate mobility and connectivity. Technology is reshaping society in ways previously hard to imagine. Information technology and telecommunications will endow individuals with the resource of mobility, articulating the concepts of timeless time and space of flows to a more particular extent. The applications to government will be in the realm of social, budget and fiscal "logistics". The value and supply chain management can become a milestone to transforming governmental "business/ policy-making" modeling. This is the ability to assess what level of participation and dissociation lies within specific groups of society and what are the added social value opportunities at hand. At the same time it provides the opportunity to do fiscal planning with the goal of reducing informality and articulating economic thrust.

Now we consider Metcalfe's Law. The useful power of a network multiplies rapidly as the number of nodes in the network increases. Mexico has a dual identity, in many ways it is a developing country, at the same time is a member of OECD. In education it ranks 29 out of 43 countries in the

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PISA study\(^2\). Considering that OECD has 29 members, we can recognize the little competitiveness Mexico can deploy to the world and the perspective consequences thereof. Network society can capitalize on the weaknesses of a society characterized by little competitiveness. Benkler even points out that there is a trend to polarization. There is a slight margin of opportunity to explore solutions to digital divide using network society.

The integration of financial markets, production and the roles of international institutions such as the IMF and the World Bank has contributed to a ceaseless enhancement of nodes in the network. It is critical for the country to upscale formality in its society.

Reed’s Law states that the power of a network, especially one that enhances social networks, multiplies even more rapidly as the number of different human groups that can use the network increases (this can be applied to civil society checks and balances on governmental performance). Mexico is becoming a less corporate –corporativist- society, individuals are drifting away from top to bottom decision making. International corporations have become crucial for the performance of the economy.

Manuel Castells establishes that network society is the social structure characteristic of the Information Age, as tentatively identified by empirical, cross-cultural investigation. Industrial society characterized the social structure of both capitalism and statism for most of the twentieth century (Castells, 2000). The Space of flows plays a central role in Castells’ vision of network society, defined by hubs where these networks crisscross. Elites in cities are not attached to a particular locality but to the space of flows. How does this space of flows interact with policy-making? What is the role of timeless time with policy-making? In order to answer these questions we will examine the concept of Networked Information Economy.

\(^2\) www.pisa.oecd.org
The importance of networked information economy in terms of policy-making lies in the arising role of the flexibility brought by ICT. Networked information economy can be defined as a "system of production, distribution, and consumption of information goods characterized by decentralized individual action carried out through widely distributed, nonmarket means that do not depend on market strategies" (Benkler, 2006).

Information technology is, has to be understood as, social technology. In a network society, it can reinforce existing physical communities and help build entirely new communities. Needless to say, it also brings down communities unable to cope with the new environment. It suggests that the networked environment makes possible a new modality of organizing production: radically decentralized, collaborative, and nonproprietary; based on sharing resources and outputs among widely distributed, loosely connected individuals who cooperate with each other without relying on either market signals or managerial commands (Benkler, 2006).

The challenge of being a country that lags behind in terms of education and competitiveness must consider the nature and operation of the Networked Information Economy in order to complement policy-making to adapt the country to new circumstances (Benkler, 2006).

One key assumption of networked information economy is technology implementation. The fax machine was used in the 1950's by flight service stations to transmit weather maps every hour on the hour (transmissions of single page took about one hour that time. However, fax machines remained a niche product until the mid-1980's. During a five-year period the demand and supply of fax machines exploded. Before 1982 almost no one had a fax machine, but after 1987, the majority of businesses had one. The internet exhibited the same pattern of adoption. The first e-mail message was sent in 1969, but adoption did not take off until the mid-1980s. The Internet did not take off until 1990; however from 1990 Internet traffic more than doubles every year (Shy, 2001). The diffusion of telecommunications, especially wireless, empowers and imposes change. Policy-
making is subject to transformations brought by IT which enables a better use of information gathering and interoperability (Dunleavy et al, 2006).

Networked Information Economy can contribute to the processes of reaching consensus. A devolved environment is more feasible when dealing with the inclusion of stakeholders in the process of policy-making. The public administration academic community can become more articulated and interconnected. The strengthening of contacts moves along with Reed’s law, enriching the added value as the number of participants in the network increases.

Wireless communication can become an element for increasing accountability. To the extent there is mobility and immediate access to critical information, the space of flows and timeless time articulate the networked information economy. This will have repercussions on the way to think about government variables and policy-making.

“The networked information economy makes individuals better able to do things for and by themselves, and makes them less susceptible to manipulation by others than they were in mass-media culture. In this sense, the emergence of this new set of technical, economic, social and institutional relations can increase the relative role that each individual is able to play in authoring his or her own life. The networked information economy also promises to provide a much more robust platform for public debate. It enables citizens to participate in public conversations carried out at many levels of political and social structure. Individuals can find out more about what goes on the world, and share it more effectively with others. They can check the claims for others and produce their own, and they can be heard by others, both those who are like-minded and opponents.

At a more foundational level of collective understanding, the shift from an industrial to a networked information economy increases the extent to which individuals can become active participants in producing their own cultural environment. It opens the possibility of a more critical and reflective culture” (Benkler, 2006).

The European Union has the target that at least 90% of the European territory have access to high-speed internet. In order to achieve that goal, the initiative E-Inclusion has been deployed, this will
attempt to close the digital divide that some of the countries in the region still have. The goal is that by 2010 all the public administrations count with their own portal. Emphasis will also be placed on digital alphabetization to reduce the number of persons belonging to groups exposed to exclusion risk, like the handicapped, the elderly and the unemployed.

In the networked information economy labor becomes more flexible. The recent trends of restructuring and the boost in productivity brought along by technology attest the expected flexibility in labor and the emergence of new markets for services and particularly for education. Labor depends on the self-stored skills and the self-programmable capacity of individuals (Benkler, 2006). This too has repercussions on the ways to think about education and its corresponding association and purchasing power latencies.

Technology plays a key role. According to Howard Rheingold (2002): “Between 2000 and 2010, the social networking of mobile communications will join with the information-processing power of networked PCs. Critical mass will emerge sometime after 2003, when more mobile devices than PCs will be connected to the Internet. If the transition period we are entering in the first decade of the twenty-first century resembles the advent of PCs and the Internet, the new technology regime will turn out to be an entirely new medium, not simply a means of receiving stock quotes or email on the train or surfing the Web while walking down the street. Mobile Internet, when it really arrives, will not be just a way to do old things while moving. It will be a way to do things that couldn’t be done before”. The year 2007 represents the consolidation of such a shift and the repercussions are to be pervasive in governmental spheres. What are the things that could not be done before or were done sub optimally in Mexican policy-making? Prioritizing social policy with an orientation to market habilitation, that is education, health, social security, housing, infrastructure and migration issues can be one of the most important activities to come. A platform of transparency, legitimacy, accountability and governance will empower the process of Mexican policy-making through the networking of mobile communications. Transparency obeys the imminence and availability of the information. The process of formalization of the population opens
the space to a complete flow of information that makes the rendition of results feasible. This can also contribute to strengthening institutions. According to Gabriela Ramos from OECD, Mexico has up to 40% of informality, which is similar to the levels reached in Turkey. Bank of Mexico sets the figure at 44%. This figure represents the extreme difficulties in implementing networked information economy and network society in Mexico.

Some questions to address are:

How to innovate in government under the framework of networked information economy?

How can the wealth of networks relate to closing the gap of digital divisors? (Benkler, 2006).

How to gain legitimacy in the emergence of a vibrant Mexican civil society? (Benkler, 2006).

The new media characteristics arising from networks of transcending time and place, “timeless time” and a “space of flows”, lead to social classes and movements which are in different times and places, the elite moves in the instant time of computer networks and the rest of society in the clock of everyday life. Increasingly they live in different spaces as well: the first in cyberspace and in the highly mobile cosmopolitan jet set spots of the information elites; the rest in the old place-bound localities of cities and country sides (Castells, 2004). The social asymmetries between these two groups constitute an important tool to design remedial public policy.

**Connection to policy-making.**

In order to approach the connection to policy-making, it will be necessary to define the public-policy process. Kingdon (1984) considers public policy-making as a “set of processes, including at least (1) the setting of an agenda, (2) the specification of alternatives from which a choice is to be
made, (3) an authoritative choice among those specified alternatives... and (4) the implementation of a decision” (Kingdon, 1984).

Here I will outline the steps involved in that process:

**Building the action agenda of the public sector.** This step implies identifying and anticipating problems and opportunities of public intervention that suggest the need to act. A public problem is a demand, a need or an opportunity of public intervention, which when identified, must be followed up through a public action (Jones, 1984).

**Classification of problems or filtering problems.** Once the problem has been identified and a decision becomes necessary, the matter that comes up is how to make that decision: Should it be left to the normal political and administrative process or should a specific analysis be performed? This stage is usually neglected in the process of policy-making, but if filtering problems is performed, it implies making a conscious choice with explicit criteria over the matters that have to be dealt with the analytical skills available in the organization.

**Definition of problems.** Once a problem or public issue has been identified, it requires further analysis. This can be achieved subjectively or through an objective analysis. What is frequently defined as a problem is a combination of problems that need to be separated or identified. When it is possible, problems should be measured when identified, since there are diverse advantages in quantification. In any case, the identification of a problem does not mean its existence, we have to try to explain how it arose and what combination of causes and effects interact with each other.

**Prevision (prospective analysis).** It is frequently possible and necessary to foresee how a situation will develop. It can even be useful to speculate over alternate possibilities, resulting in different suppositions over the development of problems and public policy.

**Goals and priorities setting.** The explicit establishing of goals is often forgotten or avoided in the process of policy-making formulation. A more analytical focus should face such questions as: what is what we are trying to do and how it will be done. Due to the presence of a gap between the desired future and the expected future, it is necessary to identify the most important limiting factors.
In big organizations and programs with multiple purposes it can be necessary to examine the relative priorities of various goals that compete for limited resources. Anyway, the goals in definition in policymaking does not always have negative consequences, since the freedom of movement can sometimes result optimal, given the point of view of the achievements attained (Blau, 1973).

*Analysis of alternatives.* There are generally various possible ways to try to achieve an objective (or set of objectives). The alternatives are the possible lines of action that can contribute to reach the goals and the resolution of a public problem. From the different lines of action, we have to establish positive and negative consequences. Additionally we have to assess information about the legal, political and economic restrictions. A common critic is that only the options with support within the organization are considered. However, a more independent analysis would help identifying a wider number of possibilities.

*Policy implementation, follow up and control.* When an option arises from the previous stage it is generally necessary to formulate and communicate the resulting public policy and to design the program with more detail. The implementation must be seen as a part of the process of policymaking, since the interaction between the elaboration and implementation of policies is generally very complex. For an effective implementation it is essential that possible problems be considered before the implementation, and that the adequate procedures be designed in the program. Once a policy and the programs related with it are operational there are efforts to do a follow up of their progress to verify if the real execution adjusts as foreseen. Practically, the follow up can be unspecific and without structure or it can be rigorous and analytical. A more analytical focus implies comparing real progress with the plans designed in previous stages. When the analysis shows that the program is not developing according to the plan, some actions may be necessary to remedy this situation. The implementation is where bureaucracy performs a more important function. Bureaucracy executes the decisions made previously by the level of political decision, trying to make reality the previously fixed objectives.
Evaluation and revision. A revision of a policy can be performed at a certain stage. This can imply the question whether the policy has achieved the desired effect. An effect is an observed consequence in public action, they are the results of the products. The consequences of a public action are not totally determinable or known prior to their taking place. Besides, not all the consequences of a public action were intentioned or foreseen. The information about the consequences of a public action is produced before and after it has been realized. The possibility of an evaluation depends on the previous specification of the expected effect and on having designed the program in a way that permits employing one or various evaluation techniques, without it, it will be difficult of impossible to determine if the program is working as it was expected. The evaluation must consider too if the policy deserves widening or it should be reduced or even terminated.

Maintenance, replacement or termination of policies. It is generally difficult to terminate or replace a policy, even when it has been decided to do so (Behn, 1978). The possibilities of a replacement or termination of a public policy increase if that possibility was designed from the beginning. The achievement of a public policy is the degree in which the effects of it contribute to reaching the goals and objectives. The information about achieving a public policy can be used to develop new alternatives of action or to restructure public problems (Dunn, 1981)

How can the traditional model of policy-making evolve under the influence of network society? Civil society can play a more participative role by bringing issues to the agenda. Additionally, civil society can assist in the implementation of transparency in policy-making. Policy-making can use the concept of institutional microarrangements (Eduardo Bohórquez, interview 2007) to bring about the foundation of the reform of the state in a gradual and more feasible manner rather than by pretending to enforce a thoroughgoing reform. Network society enables the design of such institutional microarrangements by bringing together the forces involved in political and policy-making issues. These institutional microarrangements can arise from a more articulate communication among actors moving in a context of networked information economy (Benkler, 2006).
We are in the midst of a technological, economic, and organizational transformation that allows us to renegotiate the terms of freedom, justice, and productivity in the information society. How we shall live in this new environment will in some significant measure depend on policy choices that we make over the next decade or so (Benkler, 2006).

The lag in matters such as education, poverty, migration, pensions, infrastructure and the financial rescue of banks are leading into major structural disadjustments. The recent attacks on Pemex infrastructure (July and September 2007) and the generalized violence in the country related to organized crime remind us how crucial timing can be for making the right decisions and implementing institutional microadjustments in the context of network society policy-making. Network society becomes a pervasive feature of the current transformations in social, political and economic variables. “Dominant functions and processes in the information age are increasingly organized around networks. Networks constitute the new social morphology and the diffusion of network logic substantially modifies the operation and outcomes in the processes of production, experience, power and culture. While the networking form of social organization has existed in other times and spaces, the new information technology paradigm provides the basis for its pervasive expansion throughout the entire social structure” (Castells, 1996).

Network flows become more important than the interest they represent. It becomes important to be present in a network and not to be excluded from it. One network might dominate another less dynamic and powerful network.

Network society can help establish the agenda for governmental transformation and adjustment to continuous exertions towards globalization and modernization. Governance constitutes one critical variable for the success of the aforementioned transformations. The traditional values of justice and freedom must be prioritized in the exercise of government under the context of network society.
Patrick Dunleavy (2006) raised the warning of an ever increasing power of technology suppliers of government. The assurance of keeping fundamental functions of government public compensates the yearning of a shrinking and more business-like government postulated by the school of New Public Management (Gaebler et Osborne, 1993). Technology and IT companies have become very powerful suppliers to government and are establishing trends.

The emergence of a substantial non market alternative path for cultural conversation increases the degrees of freedom available to individuals and groups to engage in cultural production and exchange, and doing so increases the transparency of culture to its inhabitants. This will also impact on business and policy-making modeling.

2 How is Mexican policy-making changing?

Mexico is a country where pre-modern (cacique relationships), modern (bureaucracy), and network society clash. However, the way political actors legitimize their actions is very much influenced by network society. And it seems that this will increase in importance in the years to come. Legitimacy demands can reshape many processes that have prevailed in the continuum from the pre-modern to the modern. First and foremost comes the integration of the different layers of society, mostly of those that have been discriminated and excluded for various historical reasons. As part of a strategy, efforts can be made to invest in building the institutional environment in which network society can bloom.

It will be useful to contrast the traditional model of policy-making in Mexico with policy-making in Mexican network society. The traditional model features centralized decision makers. Network society will imply a more open participation of agents such as civil society. The deliberation process can become more inclusive.
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It is also important to establish that there are risks of having a captured network society. That means that all the potential of different stakeholders can be constrained. The case of China can be an example of how a regime controls absolutely the flows of information that had been enhanced by Information and Communication technologies.

Mexican policy-making involves several actors. In this section I will highlight the connection with the network society framework and I will portray the complexity of the Mexican policy-making environment. In order to do so, I will refer to main actors (political and economical), institutions, processes, deficiencies and opportunities.

Policy-making can be defined as 'the process by which governments translate their political vision into programs and actions to deliver outcomes in the real world (Bullock et al, 2001). Changes in the processes of policy-making are relevant because they have an impact on the government’s performance and the political process. In democracy this is critical for continuity or for change.

Mexico faces a fragmented society where democratic exercise can lead to unpredictable results. Networks can bring elements for a gradual articulation of legitimacy.

The status quo of Mexican policy-making can face a transition from a traditional industrial to a network society and networked information economy orientation. This transition implies reacting to influences coming from the global community, mostly through new technology and its implications on the organization of production and service rendition. At the same time the internal struggle can be accentuated by an ever widening digital divide.

The overhaul of policy-making implies a serious effort to reorient education to provide the tools and elements for society, so that network society opportunities can be created. Policy-making can devolve purpose and dignity to individuals and society.

The development of a sound social market provides alternatives to isolated macroeconomic consensus. Macroeconomic stability is essential, so is social balance. Mexico is in a process of redefinition. The migratory pressures can be addressed from a network society perspective in order to find alternatives to the massive movement of people within and out of Mexico.
Political Actors.

Network society is about technology and how this interacts with society and government (Benkler, 2006). Mapping the Mexican policy-making is a matter of assessing the political influence of different interest groups, their conflicts, limitations and executive skills; the purpose is to find the bonding among network society procedures, technological perspectives and limitations, political culture and Mexican policy-making (Castells, 1998). It is also important to inquire into the timeframe and the feasibility of the implementation thereof.

The concept of network society in government implies reinventing some of the roles and tools of politicians and public servants (Gaebler et Osborne, 1993). There is a catalyzing role of networks over the latter. It will also deal with the ability to perceive the new reality that accompanies policy-making and political processes in the context of network society.

In Mexico the political parties constitute the platform for proposing the national agenda. PAN (National Action Party), PRI (Institutional Revolutionary Party) and PRD (Democratic Revolutionary Party) are the main actors among the political spectrum. PRI ruled for a space of 71 years. Its legacy consists in corporativism, which has lost a good deal of its hegemony. PRI has been eroding in its political prominence, to the extent that it ranked third in the 2006 presidential election. Its challenges lie in how to transform itself into the requirements of the present time. There are critics about the corruption that flourished under the PRI mandate.

The concepts of space of flows and timeless time can represent main challenges for PRI. Understanding the new economy involves reconsidering strategic positions such as the privatization of oil and the transformation of unions. This goes against the political principles of the party.
The mere fact that PRD split out of PRI tells about the identity crisis that will keep on going for both parties. The opposition to the Reform of the State obeys criteria that could be branded as outdated and populist. By the same token there are serious social lags that explain a discourse of justice and social welfare.

Left and right wing parties have opportunities by exploring network society. Patrick Dunleavy (2006) has developed the concept of Digital Era Governance. It challenges New Public Management by encompassing three main features: reintegration (brining issues back into government control, like US airport security after 9/11); needs-based holism (reorganizing government around distinct client groups); and digitalization (fully exploiting the potential of digital storage and Internet communications to transform governance). These concepts can be considered by the political parties in order to bring about critical transformations of their platforms in the context of an emerging network society.

PAN has become the governing party in the last two presidential terms. PAN has been developing a more keen membership in the group of Christian Democratic Parties, both in Europe and Latin America. PAN holds ties with the Konrad Adenauer Foundation and the Christian Democratic Parties of Latin America. Through this network-building some of the expected changes in thinking about Mexico and network society can take place.

The political scene in the country is utterly key to network society implementation. PRI positions itself as a left-center party, while PRD identifies itself as a left party. As political actors, the parties will have to be able to strike a balance in the struggle to adapt to the changes imposed upon by globalization. Right now, the debate centers on civil matters and structural changes on issues such as pensions, electricity, social security and others. The framework of network society can become a tool to better address the problems that have characterized pre-modern and modern Mexico and that constitute the major social burdens to a big part of the population. Emphasis can be placed on the processes to assist formalization of society.
How do the concepts of the space of flows and timeless time affect the performance of the political parties (Castells, 1998)? Addressing this question is an important prospective issue, which will permit the description of what the short and middle run in policy-making in the country can be. The space of flows can explain the influence global business has on the economy and politics (Castells, 1998). Timeless time can bear on transparency and accountability. The political parties have to develop acumen and skills to be able to face network society reality as it evolves. Timeless time can also play a role on the configuration of information used for political purposes. Campaigning can be influenced by networked information economy by means of trying to reduce the influence the corporate media has on elections. Strategies of transparency will be assets for campaigning in terms of gaining legitimacy.

Economic Actors

Other main actors that have influence in Mexican policy-making are vested interests in monopolies and oligopolies, such as those in Television and Telecommunications. This is so since they hold and use the infrastructure required for some of the critical network society activity. Antimonopoly regulation has been slow and ineffectual. But if we consider the time it took the United States to regulate competition in television and telecommunications we can have a glimpse into what the timeline for change in Mexico can be. Chances are there will be opposition to the kind of competition that is encompassed in network globalization. Opening up to competition in these areas will be a major achievement towards the optimization of network society. Nevertheless the monopolistic and oligopolistic features of telecommunication markets in Mexico will pose a major
challenge to policy-makers and legislators. This can be regarded as a test through which network society can either stagger or manifest itself in the country.

The conceptual tools of microeconomics and particularly those of industrial organization will provide elements for dealing with competition issues, which will have to be confronted in due time (Shy, 2001). Competition involves better opportunities for society as a whole to organize the market. Mexico has shown disarticulation in its markets. Network society can help orient the emerging alternatives into the redefinition of labor and markets. The Federal Competition Commission (CFC) and the Federal Telecommunications Commission (COFETEL) will play a role in the transformations embedded in network society. Their role is crucial; competition can level the prices the Mexican market faces in telecommunications. Telefónica has enjoyed some privileges that have made its owner the richest man on earth. Televisa and Televisión Azteca maintain their control on the television market. In the years to come, the opening up of these two sectors will bring about elements that can bolster network society. Competition and competitiveness are two elements that can contribute to the changes required by the context of network society (Shy, 2001).

There can be further acceleration in the implementation of network society approaches to Mexican policy-making. Currently the cost of telecommunications and the oligopoly of television constitute a paradox of high price imposed on a society with a low purchasing power. At the same time, it exerts cramps on cultural freedom as Benkler (2006) has pointed out. It is up to the authority to enforce competition standards that help open up the country to complementary telecommunications. As economic policy, allowing yesterday's winners to dictate the terms of tomorrow's economic competition would be disastrous. As social policy, missing an opportunity to enrich democracy, freedom, and justice in our society while maintaining or even enhancing our productivity would be unforgivable (Benkler, 2006). Network society requires specific legislation and regulation.

NAFTA is another main economic actor for network society to the extent it has forced upon Mexico a series of confrontations with higher standards of quality and efficiency (Cook, 2006). At the same time it has made evident the level of disorganization that had prevailed in Mexican markets and
society. This puts Mexican competitiveness and capacity to integrate to the global community to the test.

Total trade between Mexico and the United States more than tripled in 10 years, from $81.5 billion in 1993 to a high of $266.6 billion in 2004 (Cook, 2006). Up to 2007 United States investment has become an essential part of the economic life of Mexico. It is estimated that 62% of foreign investment originates from the United States (Dallas Federal Reserve, 2007).

Mexico had a major macroeconomic crisis in 1994. Mexico has been the biggest borrower of the IMF; this has established commitments that will somehow force Mexico to comply with trends related with network society. Mexico has opened its economy, but it continues to face major challenges with its population. There have been major internal migration flows from the south to the north; the trend is that there will keep on being migration pressures throughout the country.

The political economy of NAFTA has been complex, after major devaluations there seems to be stability in the exchange rate, but the cost of money is high, given all the commitments with the IMF and international creditors. The recent history of macroeconomic disarray encompasses the dependence Mexico has developed on US investment and decision-making. It is important to establish leeway by diversifying foreign trade and establishing criteria for social capital build-up.

North American cooperation can exemplify the emergence of networks. Several NAFTA institutions mandated by the agreements have been functioning since 1994. The tripartite Commission on Environmental Cooperation (CEC) was established in Montreal, Canada; and the Commission for Labor Cooperation (CLC) was established in Dallas, Texas. In addition, the bilateral Border Environment Cooperation Commission (BECC), located in Ciudad Juarez, Mexico; and the North American Development Bank (NADBank), headquartered in San Antonio, Texas, were created to promote and finance border environment projects along the U.S.-Mexico border (Cook, 2006).

The main asymmetries among the American, Canadian and Mexican economy open leeway to developing policy-making to make Mexico less vulnerable and more proactive in its interaction in
the context of NAFTA. The problem is that the amount and size of the asymmetries make Mexican policy-making extremely dependent on US interests. There is a considerable external debt; the purchasing power of Mexican income is very low in comparison to that of the United States, foreign investment is critical to the functioning of the economy. How can network society help balance such situation?

Other than NAFTA, Mexico has subscribed Free Trade Agreements with the European Union and Japan. Trade and Industrial policy can be analyzed in the emerging context of network society. The opportunity cost of not devising both policies has to be kept in sight for remedial strategic planning in the years to come.

Strategic and tactic thinking calls for a furthering of competitive advantages, which no longer can depend only on cheap labor. Knowledge and human capital will have to be taken into consideration when deploying free trade. Human capital will become a key issue in the Mexican government at its different levels (Liebowitz, 2004).

Foreign trade diversification becomes a component of network society. It opens up avenues for network building. The truth of the matter is that network building is a unilateral process. Power imposes an agenda upon a disarticulate society which constitutes debtors and consumers with a low purchasing power. This furthers and deepens the economic dependence and vulnerability of the population.

SEDEC (Secretaria de Economía) and the Foreign Ministry must transform themselves into network society agents to enable the necessary diversification. The economic might of Mexico is governed to a considerable extent by transnational corporations. They establish the foreign trade agenda according to their interests. This is probably one of the reasons for ingrained pessimism in the future of Mexico.

Until the early 1980s, Mexico had a closed and statist economy and its independent foreign policy was often at odds with the United States. Beginning under President Miguel de la Madrid (1982-1988), and continuing more dramatically under president Carlos Salinas de Gortari (1988-1994) and
President Ernesto Zedillo (1994-2000), Mexico adopted a series of economic, political and foreign policy reforms. It opened its economy to trade and investment, adopted electoral reforms that leveled the playing field and increased cooperation with the United States on drug control, border issues and trade matters. Cooperation under NAFTA and the annual cabinet-level meeting of the Binational Commission are the clearest indications of the close and increasing relationships between the countries (Cook, 2006). Network society formation can be accounted for by the increase in trade and foreign investment flows between Mexico and the United States. At the same time, illegal migration to the United States has meant the formation of different networks that might imply a role in the future configuration of Mexican network society.

Vicente Fox of the conservative Alliance for Change coalition was inaugurated as President on December 1, 2000, for a six-year term, promising to promote free market policies, to strengthen democracy and the rule of law, to fight corruption and crime, and to end the conflictive situation in the State of Chiapas.

Fox’s inauguration ended 71 years of presidential control by PRI. Fox was elected with 42.52% of the vote in the July 2, 2000 election (Cook, 2006). The expectation created by the change in course for the country was one of integration within the context of NAFTA.

With nearly 90% of the country’s exports going to the United States, Mexico’s economy was strongly affected by the slowdown in the United States following the terrorist attacks of September 11. Mexico’s economy contracted in 0.8% in 2001, and grew only 0.9% in 2002 and 1.3% in 2003, it revived strongly in 2004 with a 4.4% growth rate, the best in Fox’s presidency. Economic growth in 2005 (3.0%) established a record of 750,000 jobs created. Growth in 2006 was 3.5% (Cook, 2006). Under those circumstances, President Fox was forced to operate with austere budgets in 2001, 2002, 2003 and 2004, reducing the funding for promised health and education programs. Lacking majority support in Congress, Fox was unable to obtain approval of major legislation, including proposed tax and energy reforms that would permit greater private participation in the
hydrocarbons and electricity sectors, although Congress did pass a social security reform in July
2004 (Cook, 2006).

Felipe Calderón of the conservative PAN was inaugurated as President on December 1, 2006. President Calderón’s Administration has been confronting organized crime. The extradition of the most important heads of drug trafficking organizations constituted a benchmark for collaboration with the United States. This triggered a wave of generalized violence throughout the country. Insecurity has worsened in terms of violence and executions (1,723 accumulated to September 2007, El Norte), to the extent that concern has been expressed both domestically and abroad. In September 2007 the directors of security of the states of San Luis Potosi and Hidalgo were murdered.

The President has the faculty to propose regulation and veto legislation. President Calderón has the challenge to lead Mexico among the major transformations taking place in the global economy.

Zhenli Ye Gon’s drug related scandal (205 million dollars seized in a Mexico City residence) represents a true test for assessing the level of leadership in justice for the Calderón administration and its collaboration with the United States Department of Justice. It will be critical to punish public servants and politicians guilty of complicity in order to reestablish a sense of due diligence in the war on corruption.

The instances of immigrants involved in illegal activities, like the cases of Zhenli Ye Gon and Carlos Ahumada signal to the importance of correcting the incentives to attract assertive immigration to Mexico. The operation of Russian, Chinese and Korean mafias in Mexico constitutes a flagrant warning and a threat to what the country can become if criminal international organizations kidnap the state.

Policy-making in Mexico will face challenges such as bringing and managing consensus. The ideological differences among the parties can stop the reforms scheduled to help modernizing Mexico. PRD as opposition seems to be blocking the agenda of restructuring with the valid argument of surveillance of a damaged social welfare.
Network society can become a tool for creating added value in politics when it comes to proposing policy. It seems like an opportunity for both PRI and PRD to deploy competitiveness in terms of better addressing the needs of a country that is still inarticulate in its fiscal platform and which requires to leverage entrepreneurship and educational integration of most of society.

The main actors will be those involved with strategic reforms, such as fiscal, education, national security and intelligence. The institutions of national security and intelligence have to be overhauled. Part of the effort will include the creation of a National Strategic Studies Center and the formation of cadres of interdisciplinary professionals to strengthen the practice of the intelligence community (Jeannetti, 2007). The instances of conflagration throughout Mexico, that is the operation of insurgent forces, be it through EPR (Ejército Popular Revolucionario) or drug trafficking organizations, constitute a clear warning and a signal to do an efficient work in the strategy of building human capital for Mexican intelligence. The concept of Peace Keeping Intelligence (PKI) suggests new avenues for planning national security (Jeannetti, 2007).

Network society calls for the digitalization of government and ultimately for the design of the human content of government in the enhanced environment of networks which can act as a factory of possibilities.

Institutions

There will be various important institutions in the context of network society. Congress and the Senate play the legislative role to find consensus and bring about structural reforms. As part of the revision of the status-quo of policy-making in Mexico it would be appropriate to address the issue of reelection in Congress, the Senate and State and Local administrations under the aegis of professionalization of human capital in the public sector. One of the main critics of the legislative
performance and outlook is the situation of lack of continuity and professionalization of civil service.

Intergovernmental coordination constitutes an avenue to better orient policy-making. During the Fox administration the good government agenda included six strategies in which to work simultaneously: honest and transparent government, professional government, quality government, digital government, regulatory improvement government and government that costs less (Sotelo, 2006). These strategies agree with the changes required by network society. The problem is how to implement them.

A first step is to determine what the main hindrances to innovating government are. Transparency was a promise in Fox’s administration that has not crystallized yet. Embedded corruption explains the fierce rejection to transparency. The involvement in organized crime of former governor of Quintana Roo, Mario Villanueva, is an example of a symbiosis of power and criminal activities. Mexico is a country of impunity where even authorities get killed. How can the concepts of network society be applied to justice? Can the concepts of space of flows and timeless time bring anything useful to justice procurement?

IFAI (Federal Institute for Information Access) is key to the efforts of transparency. Just recently it set off a portal on transparency obligations for the Federal Public Administration to publish information about bidding, contracts, budget management, salaries and benefits of public officers, among others. The goal of this portal is to integrate the 239 public offices of the Executive Federal Power. Transparency will redefine processes, mostly those of fighting corruption.

From 2007 on, the Public Management Department (Secretaría de la Función Pública) will launch and important goal-oriented program based on the administrative development of the federal entities. The new system, called Management Improvement Program (Programa de Mejoramiento de la Gestión) has as main reference the Chilean government, where an integral public policy evaluation and budgeting by objectives has been implemented. The operation of this program in Mexico will be included in the Performance Evaluation System (Sistema de Evaluación del
Desempeño) under the direction of the Finance Department (SHCP). The goals of the Management Improvement Plan are:

1. Impulse clear, verifiable and measurable improvements in common areas of Public Administration departing from a robust system of indicators of the Federal Public Administration.

2. Make sure that the work of public officers and their administrative units be based on clear criteria.

3. Bring about a goals oriented culture among public servants.

4. Create mechanisms to evaluate, follow up and improve the performance of the institutions of the Federal Government.

The Finance Department (SHCP) also plays a key role in governance in the context of network society. The new schemes of e-government must carry transformations in efficiency and better application of the national budget and tax collection. Public Finance must take into account the structural burdens that have been accumulated in the last decades of macroeconomic turmoil.

**Main processes**

Coercive isomorphism (Argyriadès, 2006) is the concept of the awkwardness of imposing macroeconomic and institutional solutions to developing countries. The complexity of Mexico requires that we break down different processes in order to address the influence network society will have on each of them and assess opportunity areas considering the prevalent restraints: In order to further inquire into the status quo of Mexican policy-making it will be useful to consider
the National Development Plan. The different political parties contribute with proposals on how to
establish the national agenda. The National Development Plan is an instrument that mirrors the
interests and priorities for the country. Shallowness is the risk when there are not the essential
elements of strategic planning and a sense of National reality to elaborate it. There is a
constitutional obligation that establishes that the National budget must be oriented by programs.
Historically this goes back to the Lopez Portillo (1976-1982) administration when it was first
conceived as the Global Development Plan which lacked the legal platform that characterizes the
National Development Plan. The follow-up of such programs entails the elaboration of metrics that
permit both control and feedback. The elements of accountability and legitimacy ensue out of the
intertwining of goal-setting and achieving those goals.

**Fiscal Processes**

Jesús Sylva Herzog Márquez, former Finance Secretary, has recommended conceiving fiscal
processes in conjunction with appropriations. Tax-levying has been a difficult task for Mexican
government. There is a trend to informality, there is additionally an income distribution polarization
which contributes to the creation of a vicious circle.

Mexico has been the top borrower of the IMF in the period stretching from 1947 to 2000. The
amount of SDR (special drawing rights) has reached 18 billion dollars.

The main opposition to Fiscal Reform has been exercised by PRI and PRD. The issue has been
split by the different political interests. The principles that should articulate fiscal efforts are
fairness and a boost to economic growth and development. An immense contribution gap emerges
out of informality and corporate evasion and privileges. The dependence on oil revenue from
Pemex is subject to international fluctuations of the hydrocarbons market. Inefficiency pervades
PEMEX, figures of a floating loitering work force amounting to 15% of the payroll indicate the extent of waste.

The law of Budget and Financial Responsibility, approved in 2006, established new tasks for SHCP (Finance Department), among which the implementation of an evaluation system to the performance of public policy can be highlighted. The Law demands a system of general objectives connected to the National Development Plan, with clear indicators that can be measured. These indicators will feedback the budget planning and management for the following years. The performance indicators will be promoted by SHCP with the support of the National Council for the Evaluation of Social Development (CONEVAL).

Electoral Processes

Progress has been achieved to a certain extent. The moment transparency begins influencing the parties financing and operation during electoral campaigns, there will be a sense of more trust on the electoral authorities (IFE). The influence of the television companies on electoral campaigns has to be dimensioned. Being a duopoly, they capture most of the electoral budget which reaches squandering levels.

Given the weight that democracy carries, it would be relevant to explore the possibility of reforming the electoral process to allow second rounds to make sure the results are fully acceptable to the whole of society and enable continuity in civil service.

The recent presidential election aroused many disputes about legitimacy. Network society can become a framework to apply transparency and fairness to the electoral processes. Again, transparency is essential to encompass all the electoral processes.
Educational Processes

Educational policy-making requires efficient ways to bring relevance and accreditation to schools. The redefinition of educational programs can utilize commons based peer production to supply tools and contents that overhaul endemic failures in the school system. Presentational education has to be complemented with task orientation.

The content and applicability of education are the focus of education improvement. The lag between Mexican and developed countries education is considerable. This gap risks a continuous widening. It exerts migration pressures throughout the country towards the United States. This creates serious challenges on how to handle the border.

Competitiveness requires a profound transformation in the educational system. Since NAFTA and free trade with other regions is so prominent in the productive life of Mexico, it will be important to establish the compatibility of the Mexican educational goals with those of Canada and the United States.

Competition with the Far East nations, particularly with China, exerts pressure towards low wages. This in turn, creates a dynamic where low wages incentivize less education and then spirals into poverty, violence and migration. The emergence of the demand for new services can be an opportunity to develop education strategies.

Digital alphabetization will be one priority in the education agenda. Goals have to be established in this area. Private and public partnerships in education may represent an alternative for achieving and leveraging the bulk of the tasks involved in the rudiments of network society. Hence fiscal strategies have to be implemented to incentivize such collaboration. Companies like Intel and Microsoft can be investors in schemes of technological enhancement of education. The opportunity cost of deficient education is increasing.
Desertion is high in the Mexican school system. The teachers' union has been criticized, both within the country and abroad, repeatedly for having an agenda quite detached from the legitimate goals of education, at least when it comes to procedures and human resources management.

Underperformance has become a common practice. The teaching positions are sometimes sold, instead of being occupied by qualified and certified teachers. Network society can be a framework to target strategies for adjusting Mexican education to more practical and relevant goals. The use of open source in education can compensate the limitations imposed by the cost of proprietary software (Manila, 2005).

The shift from industrial to network society will require the skills to manage knowledge (Benkler, 2006). Peer-to-peer production and non-proprietary approaches to collaboration can unlock a wealth of options for providing tools and assertiveness to Mexican education and to society as a whole (Mannila, 2005). The MIT project of a generic, one-laptop-per-child (OLPC) computer is practically complete. It would be a matter of taking this into account while setting the goals for education in the years ahead. Training the teachers to use these computers will constitute a major immediate challenge, given the fact that it requires a bigger effort than the mere acquisition of the computers.

President Fox established as a high tech approach the use of the enciclomedia in the classrooms. Pedagogic human resources are necessary to implement it. There have been many critics against enciclomedia in terms of the transparency of the acquisition of the equipment. The idea though can assist in the configuration of Mexican Network Society.

Privileging education must call for fiscal incentives and investment in order to tie performance and quality to the teachers' salaries. There is currently an increasing demand for qualified Mexican teachers and professionals willing to become teachers in the United States, which adds pressure to pedagogic human resources in Mexico. A program for training Public School English teachers can be an opportunity to put to the test the “possibilities factory” of network society. Internships could be arranged, so that qualified English Teachers, both native and Mexican, can cooperate in building
up professional training for teachers and better performance in the classroom. Enciclomedia can be
used along with software to improve classroom management. There must be fiscal incentives
available to make this possible. Standardized tests can be applied to teachers and tag the results to
their salaries. The better a teacher is, the more salary he makes. The more and better a teacher trains
other teachers, the better salary he or she makes. Human capital in schools requires strategies for
growth and development. Network society can help focusing on delivering outcomes for schools.

“We merely need to see that the material conditions of production in the networked information
economy have changed in ways that increase the relative salience of social sharing and exchange as
a modality of economic production. That is, behavior and motivation patterns familiar to us from
social relations generally continue to cohere in their own patterns. What has changed is that now
these patterns of behavior have become effective beyond the domains of building social relations of
mutual interests. Fulfilling our emotional and psychological needs of companionship and mutual
recognition can be achieved. They have come to play a substantial role as modes of motivating,
informing, and organizing productive behavior at the very core of the information economy. It is the
feasibility of producing information, knowledge and culture through social, rather than market and
proprietary relations—through cooperative peer-production and coordinating individual action—
that creates the opportunities for greater autonomous action, a more critical culture, a more
discursively engaged and better informed republic, and perhaps a more equitable global community” (Benkler, 2006).

The principles of social market can apply to an education based on the use of open source and peer
production. Given the informality (exclusion) of approximately 44 % of Mexican society, it is
essential to design educational policy-making that incentivizes a civil culture of participation and
trust for institutions. Here arises the interplay between economic and education policy-making.

Semiotic democracy stands for a more vibrant participation in exposing the needs and aspirations of
the different strata of society (Fisher, 2004). Education in network society can take this into
account. Semiotic democracy represents breaking away from the monopoly or oligopoly of ideas
that flow to build the national identity. The problem is that under the current circumstances in Mexico, it is difficult to assess the value and feasibility of semiotic democracy.

The burden of informality and poverty must be confronted with studies grounded in the reality of excluded groups in order to bridge educational policy-making to relevance. Qualitative methods have to be implemented to dimension economic planning. The risk of drifting away from society when conceiving policy-making has resulted in the worsening of functionality of governmental programs.

**Transparency Processes.**

As mentioned earlier, IFAI can become the motor of transparency for Mexico. At the state level, transparency commissions will confront a series of situations. The challenge is to connect transparency with accountability in order to build trust in Mexican institutions. The outlook in this respect is uncertain, there is legislation on transparency, but opacity continues to prevail. A decree of austerity on the budget was passed last December. Information and Communication technologies are crucial to the implementation of the decree. Major corruption practices can be traced, exposed and lead to judiciary action. The risk and problem is to privilege inertia when evidence is sufficient to fight specific instances of unconscionable civil service behavior. As mentioned in the section on electoral issues, the unwieldy power of Television stations, reflected in the lion-share they get from the electoral processes, constitutes a major obstacle to the establishment of network society. The endemic corruption and its consequences must be tackled with swift and firm procedures. As of this writing, there has been a reversal on what was known as Ley Televisa (Televisa Law). The Competition Commission has achieved an unprecedented influence on having the judiciary respect that brings better opportunities for society as a whole.
Knowledge management and competitive intelligence are concepts necessary to develop possible improvements in government (Liebowitz, 2004). Transparency must play a more active role in the judiciary. It is important to establish assertiveness in the processes of the judiciary.

Network society and the judiciary can be recognized in the intelligence community. Given the challenges posed by organized crime and embedded corruption in different levels of the government, the collaboration among international intelligence organizations will empower the risk agendas conception. In Mexico it will be crucial to deploy strategic and tactic intelligence to ferret out corruption in the civil service. Mexico will have to develop multicultural intelligence and there emerges the threshold for networking and buttressing of the judiciary. A network will have to be built and consolidated for intelligence matters. Intelligence and National Security have become priorities in the realm of foreign affairs collaboration and particularly in the bilateral agenda for Mexico and the United States (Jeannetti, 2007).

The porosity of the Mexican-American border and the increase in trade between the two countries pose major challenges in terms of vulnerability. International collaboration on intelligence issues must be a component for National Security policy-making. Al Qaeda allegedly stated that attacks on oil facilities in countries allied to the United States would be carried out. The attacks on Pemex facilities in July and September 2007 corroborate the need for professional collaboration to prevent terrorism incidents in Mexico.

When it comes to studying the influence of the judiciary on telecommunications it is important to reflect on the US experience. If we learned one thing from the history of American communications policy in the twentieth century, it is that regulated entities are adept at shaping their services, pricing, and business models to take advantage of every weakness in the common-carriage
regulatory system. They are even more adept at influencing the regulatory process to introduce lucrative weaknesses into the regulatory system (Benkler, 2006).

The media-concentration type argument has been central to arguments about the necessity of open access to broadband platforms. It was made most forcefully over the past few years by Lawrence Lessig. The argument is that the basic instrumentalities of Internet communications are subject to concentrated markets. This market concentration in basic access becomes a potential point of concentration of the power to influence the discourse made possible by access (Benkler, 2006).

**Main deficiencies**

Little purchasing power and competitiveness have become a vicious circle that permeates throughout Mexican society. An obsolescent and vitiated educational system with an assistentialist approach calls for an overhaul. Entrenched corruption in education is a hurdle when considering innovation in educational issues. This has led to excessive migration.

Osborne and Gaebler (1993) point out that in New Zealand the Labor and Education departments merged to provide a more accurate service. This could be an alternative for Mexico. Orienting education to labor could prove conducive to better focusing on the goals for educational issues.

As mentioned earlier, informality in fiscal processes is a major deficiency. According to Robert Putnam (2000), social capital and trust in institutions go hand in hand. Mexico has the task of coordinating institutions, society and trust in order to aspire to functionality. Network society and globalization processes will exert pressure on the reconfiguration and functionality of Mexican institutions.

It will be critical for political parties to understand networking and its correlation with agenda setting and policy-making. This can be one of the key areas for implementing network society in Mexico.
Social polarization is another aspect to consider. The increasing divisions between rich and poor are furthered by an educational model that does not address the essential strategies to provide the population with the skills to interact with the emerging demands of a global economy, thus hampering competitiveness.

Informality constitutes a serious problem in Mexico. A security deficit and violence follow naturally. The ever increasing smuggling of weapons from the United States into Mexico is originating more vulnerability of the law and order by empowering criminal organizations in the conflict between the State and drug traffickers.

**Main opportunities.**

Cooperation among the different Departments in the federal government in the context of network society can be a way to balance policy-making and politics within Mexican government. During President Salinas administration, there was an exercise of joint efforts by the main players in the different Departments (Secretarías). This seems to have been somehow diluted during the following administrations including the current President Calderon’s.

In the new rules of the new economy, Kevin Kelly (1998) exemplifies how there have been perception paradigms in the concepts of stability and flux. In the 1950 most people considered General Motors the epitome of organizational efficiency and expected it to be long-lasting, in the 1990s the story was somewhat different, GM was on the brink of a major financial crisis. According to Kelly, technology will become a commodity and then we will face a content based world, where politics and business will depend on precise and elaborate models of specificity. This means that the hegemony of companies like Microsoft, Oracle and Intel will give way to new business models.
Mexico can experience a sudden involvement with knowledge based economics and society. There are obstacles in our development agenda. The political transformation into knowledge basis may lay bare the skein of privileges and corruption that has pervaded in the governmental realm in the last 80 years.

The soft skills of thinking with history will be crucial to learn the lessons of contextual crossroads and to gain an assertive political intelligence (Schorske, 1998). This might hint what kinds of skills are required for the new kind of politicians who will be working in the context of network society. Institutional Memory has to be emphasized in order to facilitate building blocks for policy-making and agenda-setting.

Democratic Culture, legality and dialogue have to position themselves among individuals with polarized differences. Luis Alberto Bolaños Vera, former Director of the Internet System of the presidency implemented a vision of a transparent government online, making sure there would be access for most of society with open standards and sharing experiences. Bolaños established that the government had to guarantee free access to all the stored information and that the only way to achieve it was by implementing open standards; this had to be embedded in legislation and relevant regulation. The Massachusetts State Government for example, made compulsory the use of the open format “Open Document Format” in order to save all the information generated by the State Executive. Access to government services and systems must just require a navigator compatible with the open standards defined by the World Web Consortium.

In order to explore governmental innovation, Osborne and Gaebler in Reinventing Government (1993) come up with a list of suggestions called “Many Arrows in the Quiver”. Let’s proceed to see what some of these avant-guard solutions to government innovation can be. Additionally it is important to determine what the role of network society is in implementing those solutions and their implications for policy-making.
• Seed money: Economic crisis has raised the interest rates. Money is expensive in Mexico. It would be wise to develop financial strategies to buttress productive and competitiveness conducive projects. The government can play a catalytic role in bringing that about.

• Equity Investments: the government as a catalyzer has the opportunity of investing in projects that will bring about market consolidation and thus social advantages. The supervision by civil society and the academic world of public administration can contribute to a better performance of this function.

• Voluntary Associations: Social capital and networking can manifest themselves through NGOs. If semiotic democracy is to have a bearing on the reshaping of communication, voluntary associations play an important role. Citizens Relations Management (CiRM) will become crucial for the work of coordination of voluntary associations. One parameter is the reduction of bureaucracy (Barzelay, 1992) and the empowerment of citizenry (Benkler, 2006). The creation of a market for public services regulated by civil society rather than by the government is another major objective.

• Co production or Self-help: rather than assisting and supporting, there is the need to catalyze the potential of vulnerable groups. This can connect with Equity investment.

• Quid Pro Quos: Efforts to empower civil society can constitute the best examples of Quid pro Quos. Subsidiarity calls for a more active participation of citizens in the proposals of elements to build the public management agenda.

• Demand Management: this involves health, housing and education. Instead of playing the role of providing the services and products, catalyzing demand to better market solutions can be a thoroughgoing innovation and a chance to explore public-private alliances.

• Sale, Exchange, or use of Property: There might be resources that are not being used optimally; property can help build social capital and trust for the institutional environment.

• Restructuring the Market: In service provision markets there is room for innovation.
Conclusions: What will Mexican policy-making look like in network society?

Globalization has become a motor for transforming societies. The most important geopolitical variables for Mexico are NAFTA and the competition posed by China. The process of NAFTA has brought a major restructuring of the Mexican economy. It demands a social transformation as well. Globalization is shaping network society in Mexico. Network society calls for an assertive policy-making in terms of foreign trade diversification and better positioning of new sector economy firms. Globalization encompasses the possibilities of contrasting one nation’s government with the most efficient instances throughout the world.

The Scandinavian countries have achieved a level of governance that might prove useful to explore for Mexico. New Zealand, Australia and Chile can also contribute ideas to overhaul Mexican public administration and policy-making.

New ideas include the democratic and network society transformation. Politics and policy-making in this context require new skills from politicians. Hard and social science, economics, law and business have to be considered in order to better cope with the issues of competitiveness. Domínguez (1997) developed the concept of Technopols. It has to do with the combination of political savvy and technical skills that characterize politicians and policy-makers in contemporary society.

The open source can become a way of linking civil society and the transparency processes. Innovation can arise from open source applications to governance. Peer production can also represent alternatives for the development of new strategies for governance (Manila, 2006).

Open source software development first received mainstream media attention in 1998 due to publication of a leaked internal memorandum from Microsoft. In it, a Microsoft strategist identified the open source methodology as the one major potential threat to the company’s dominance over the desktop (Benkler, 2006).
GPL (general public license) has been a legal and social feat that has made free open source software possible. Free and open source software is clearly a promising strategy for developing information societies because of the benefits it has compared to its closed-source, proprietary counterparts (Manila, 2005).

Policy-making can coordinate and incorporate the vectors of market forces, corporate social responsibility and the emergence of peer-to-peer based production (PPBP). This means that regulating the release of social production can be a trigger to network society and its economies of scale on Mexico. Better access to knowledge and the emergence of less capital-dependent forms of productive social organization offer the possibility that the emergence of the networked information economy will open up opportunities for improvement in economic justice, on scales both global and local (Benkler, 2006).

Even today we can analyze Mexico better, if we understand the concept of network society. The outlook for Mexican policy-making in the context of network society involves different challenges. Fostering an institutional ecology in which network society can bloom is one important policy recommendation. In order to do so, it will be necessary to understand the emerging digital public domain. The production and consumption of information is undergoing an enclosure, that is privatization prevails in the regulation of the sector.

There are important developments in network society. Public bidding and the professional career service can be influenced by the implementation of ICT. In what regards consultation, the changes in legislation and the regulation impact can be better channeled through networks.

In this section I will try to highlight major areas of change and opportunity for policy-making. Education and competitiveness are some of the key challenges that Mexican policy-making will face in the years to come.

The space of flows and timeless time are two concepts that can alter the way policy-making is both perceived and performed. The National agenda will require reestablishing priorities. The transition for Mexico into network society will be difficult. Setting new standards to measure the performance
of education will be a top priority. The theoretical problems of the applicability of network society to Mexico must consider the overwhelming size of the digital divide.

Some of the expected changes in regulation and systems include modifications to article 6 of the Mexican constitution. The evaluation of policy-making can benefit from more dynamic use of indicators. ICT solutions will be key to this end. Additionally, the coordination of public policy constitutes another avenue for a more important role for networks.

Flattening the organization of government and strengthening the interaction with civil society must be part of the strategy. The professionalization of civil servants implies an overhaul of the human capital of the three levels of government (Liebowitz, 2004). Political entrepreneurship implies taking educated risks in order to improve the welfare of society. Professionalization of government calls for continuous education and certifications.

Network society can help conceive new strategies for policy-making. For some time now the notion of network-form of organization has been associated with far reaching changes in contemporary economy and society. Increasingly, networks have been tied to the emergence of a new socio-economic context that is supposed to challenge central principles of the organizational order of modernity, notably the boundary-maintaining practices of modern organizations and the institutional relations sustaining such practices, i.e. rule following and hierarchical stratification (Kallinikos, 2004).

Mexico is undergoing an approximation to network society and it is likely that policy-making will evolve into more assertive procedures. What will these procedures look like? It depends on the degree of diversification and integration Mexican society and government can achieve.

Network society does posit challenges to the organization of the State and the exercise of sovereignty. International governance can contribute to the transformations taking place.

Network society will bring about major changes in Mexican policy-making. The definition of the national agenda will be circumscribed by transformations taking place in the space of flows.
Rupture will be a choice if Mexican politics accepts the new roles emerging under globalization. The way Mexico has embedded itself in the globalized world signals the inevitability of further transformations in this direction. Identity, reputations, boundaries, inducements for commitment, and punishment for free riders seem to be common critical resources all groups need in order to keep their members cooperatively engaged. These are the social processes most likely to be affected by technology that enables people to monitor reputations, reward cooperation and punish defection (Rheingold, 2002). This can be one contribution to policy-making in the context of network society. Transparency becomes a yardstick for assessing reputations. Reputation can supply elements for consensus. Reputation can help determine who is entitled to participate in the policy-making process. Reputation can be grounded in outcomes, what amounts to legitimacy. The science of reputation, so to say, can emerge once the media is dimensioned to its role through openness and competition instead of its holding sway in electoral processes. Network society enables a more agile exercise of citizen mandate over elections. Legitimacy becomes a requirement for cooperating with different networks. The legislation on transparency will be put to the test and undergo the necessary transformations. In the coming years we will see whether the concept of network society really weighs that much in organizing the policy-making and politics of any country. It is undeniable that major transformations are taking place, and that there is a risk when ignoring and neglecting them. Policy-making should become more inclusive and open. The principles that underlie network society call for an up-scaling in the coming years according to Reed’s law. While the prior social arrangement (industrial) may have been the most efficient, or even may have been absolutely necessary for the current production system, its extension under new technological conditions may undermine, rather than improve, the capacity of a society to produce and provision the goods, resources, or capacities which are the object of policy analysis (Benkler, 2006).
The rise of social production does not entail a decline in market-based production. It is a matter of substituting traditional solutions with new organizational arrays that provide novel and efficient outcomes.

Social production first and foremost harnesses impulses, time, and resources that, in the industrial information economy, would have been wasted or used purely for consumption. Its immediate effect is therefore likely to increase overall productivity in the sectors where it is effective. But that does not mean that its effect on market-based enterprises is neutral. A newly effective form of social behavior, coupled with a cultural shift in tastes as well as the development of new technological and social solution spaces to problems that were once solved through market-based firms, exercises a significant force on the shape and conditions of market action (Benkler, 2006).

At the simplest level, social production in general and peer production in particular present new sources of competition to incumbents that produce information goods for which there are now socially produced substitutes (Benkler, 2006).

Network society implies a change in the way we conceive government. Fostering an investment in the institutional environment for Network society and considering schemes for implementing open source software to policy-making application can result in added value for the country.
Key Words.

*Network Society*

*Networked Information Economics.*

*Digital Divide.*

*Coercive Isomorphism*

*Moore's Law:*

*Metcalf's Law*

*Reede's Law*

*Governance, Accountability and Transparency.*

*Competitiveness*
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This work addresses the topic of network society and its relationship with Mexican policy-making. It reviews the concepts put forward by Manuel Castells in the “Rise of Network Society” (1996) and by Yochai Benkler in “the Wealth of Networks” (2006). The transformations that are taking place due to the implementation of information and communication technology have an influence on government and policy-making. In order to study this, the approach is to work out a definition of the concepts of network society and network information economy. Furthermore there is an analysis of the applications to policy-making in Mexico. In order to answer the research question, how is Mexican policy-making changing as we move into network society, this work uses a description of the Mexican status quo of issues related to policy-making, hence actors are classified as political and economic. Then there is a description of the different institutions that can be influenced by the concept of network society. The work proceeds analyzing different processes, main deficiencies, opportunities. The context of globalization is applied. Finally the main contributions to policy-making arising from network society are summarized.