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The Peril and Promise of López Obrador

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In 2012, Mexico's future looked promising. The election of a dashing young president, [Enrique Peña Nieto](#) ^[1], imbued the country with a new sense of energy and purpose. Back in power after a 12-year hiatus, the Institutional Revolutionary Party, or [PRI](#) ^[2], had promised to reinvent itself and shun the corrupt authoritarianism it had practiced during the seven decades it ruled Mexico. As the country seemed to reach a consensus on long-delayed structural reforms, the international press heralded "[the Mexican moment.](#)" ^[3] According to [the cover of Time magazine](#) ^[4], Peña Nieto was "saving Mexico" by opening up the energy sector to foreign investment, combating monopolies, changing archaic labor laws, and leaving nationalism and crony capitalism in the past.

Just six years later, however, [a historic election](#) ^[5] swept the PRI from power and delivered a landslide victory to its nemesis, the antiestablishment leader Andrés Manuel López Obrador, and his party, the National Regeneration Movement (MORENA). The election was a [sharp rebuke](#) ^[6] to Peña Nieto, his agenda, and the political and economic system that has been in place since the country transitioned to democracy in 2000. Despite the early promise of Peña Nieto's modernizing reforms, by 2018, eight in ten voters disapproved of the PRI. The election catalyzed popular anger over frustrated economic expectations, [rampant corruption](#) ^[7], and a [homicide rate](#) ^[8] that has made Mexico one of the most violent countries in the Western Hemisphere.

But the vote was about more than merely punishing the PRI for its failings. López Obrador won because he was perceived as an authentic opposition leader: an insurgent politician who for years—including during two previous runs for the presidency—had railed against rapacious elites and a democratic transition gone awry. This time, however, his message in defense of "the people" resonated with wider segments of the Mexican electorate because the ills he diagnosed had become increasingly evident during the Peña Nieto administration.

López Obrador's promise to shake up the status quo [appealed to a restive population](#) ^[9] eager for regime change. What it will mean in practice, however, remains unclear. So far, the president-elect's policy positions have been vague, and his team is unknown and untested. Addressing Mexico's toxic mix of [truncated democracy](#) ^[10] and crony capitalism will require substantive reform. Many citizens hope that López Obrador will make Mexico's government and economy genuinely inclusive. Others fear that he will push the country backward by resurrecting dominant-

party rule, increasing presidential power, and stoking nationalism. A polarized Mexico is now caught between two forces: anger at those who have governed so badly and fear of those who have just been elected.

Unfulfilled Promises

For decades, Mexico has been plagued by the same set of problems. From 1929 to 2000, single-party rule normalized corruption and stunted the development of Mexican institutions. Even now, the country's economy produces profound inequality, with wealth concentrated in the hands of a few elites. Power operates through patronage and bribery. There are no adequate checks and balances to hold leaders to account. At the same time, the proliferation of drug-related crime has made violence routine.

Throughout the 1990s, political elites and party leaders focused on changing the rules of electoral competition in Mexico. These efforts culminated in Vicente Fox's victory in the country's 2000 presidential election. Fox, a member of the National Action Party (PAN), was the first opposition candidate to defeat the PRI. His victory ended single-party rule and marked the country's official transition to electoral democracy.

Many believed that the PRI's defeat would transform the prevailing political and economic system, but that did not prove to be the case. The vices associated with authoritarian rule persisted, including corruption and a lack of transparency and accountability. After Fox's victory, the Mexican political system became a strange hybrid of authoritarianism and democracy: a system that promoted power sharing among party leaders but did little to guarantee the representation of ordinary citizens.

From 2000 to 2012, the PAN's approach to governing closely resembled that of the party it had replaced. Patronage, vote buying, and corruption continued. As a result, citizens began to lose faith in the system altogether. According to a government survey from 2011, only four percent of the population had a favorable impression of political parties, and only ten percent believed that legislators governed on behalf of their constituents.

The democratic transition also failed to improve the country's security situation—in fact, before long it got worse. In 2006, President Felipe Calderón launched a “war on drugs,” deploying the Mexican military to fight powerful drug cartels and end drug-related violence. Instead of solving these problems, the policy, which is still in place, has turned Mexico into a country of graveyards, where mothers sift through dirt to find the remains of their children. In states where the military has conducted operations, the violence has actually increased, as cartels fight both government forces and one another over territory and move on to other illicit activities, such as extortion and kidnapping. Where the armed forces have replaced civilian police officers, ordinary crime has skyrocketed. The army is not trained to carry out police duties, and its incursions to fight the cartels have often produced an escalation in human rights violations.

In the last decade, Mexico has seen over 250,000 homicides and over 34,000 disappearances. More than 140 mayors and candidates for office have been assassinated. And whole swaths of the country, including parts of the states of Guerrero, Michoacán, Morelos, and Tamaulipas, are now controlled by organized crime. Meanwhile, corruption and incompetence in the police forces, the courts, and the military have continued unabated.

Penastroika and Its Discontents

The deteriorating security situation and the PAN's failure to turn Mexico into a functioning democracy opened the door for a PRI comeback. Peña Nieto promised to help his struggling country join the ranks of the developed world. Immediately after assuming office in 2012, he forged the Pact for Mexico, a legislative accord among the country's main political parties that approved structural reforms on issues such as energy, labor, tax policy, telecommunications, and education.

The pact was initially celebrated as a political achievement. But although many of the reforms looked good on paper, their design and execution were deeply flawed. Peña Nieto's proposals conflicted with the vested interests of the same powers that had enabled his ascent to the presidency: the gerontocracy that controlled the labor unions, the monopolists that dominated the Mexican economy, the government-controlled media, and the powerful television duopoly that carefully manufactured his image. These forces were willing to support a light version of the proposed reforms, but they opposed more substantive changes that threatened to undercut their power. As a result, when the reforms reached Congress, where secondary legislation was designed to put them into effect, a legislative branch captured by special interests introduced new rules that diluted the possibility of a deeper impact. Peña Nieto's cronies defended their privileged positions with the tacit consent of a government that seemed more interested in marketing the approval of the reforms than in making them succeed.

Although not all the reforms failed—energy reform, for example, spurred foreign investment, and telecommunications reform lowered cell phone rates for consumers—their modest achievements pale in comparison to what was promised. Peña Nieto assured Mexicans that he would raise economic growth to six percent per year. Instead, growth has averaged only 1.3 percent per year. Meanwhile, inequality and wealth concentration are on the rise. According to the economist Gerardo Esquivel, ten percent of the Mexican population now controls more than 64 percent of the country's wealth. In 2002, the fortunes of Mexico's top 16 multimillionaires represented two percent of GDP; by 2014, that share had risen to nine percent. And the four richest people in Mexico all made their fortunes in sectors regulated or controlled by the government. Mexico now occupies seventh place in *The Economist's* index of crony capitalist countries, behind Russia, Malaysia, Ukraine, Singapore, Hong Kong, and the Philippines.

Mexican society is shaped like a pyramid: at the top are a handful of rent seekers, who manipulate the system to increase their personal wealth rather than invest in the economy or support innovation. At the base, meanwhile, are the 52 million Mexicans who live below the poverty line—21 million of whom survive on less than \$2 a day. According to a 2015 Oxfam report, only one in five Mexicans can be considered not poor or vulnerable to poverty. Successive reformist governments have failed to address the persistence of manipulated, highly concentrated markets. Growth is not possible when the state cannot ensure equality, regulate monopolies, or guarantee the transparency of economic transactions. Under Peña Nieto and his predecessors, pervasive cronyism crippled reformist efforts. Even good intentions delivered bad results.

It's the Corruption, Stupid

In Mexico, paradoxically, more democracy has meant more corruption. The democratic transition did not stop the transfer of public wealth into private pockets; instead, it exacerbated and normalized that historical practice. Although democratic theory suggests that pluralism and political competition help combat corruption, Mexico demonstrates that in the absence of the rule of law, they actually incite further rapacity.

In Mexico's fledgling democracy, corruption has spread from the executive branch to the legislature, the judiciary, state and local governments, and even the media. As the legislative branch has gained more power over how money is spent, illegal appropriations for political use have multiplied. Decentralizing the federal budget to the states has opened up new opportunities for local leaders to do business with public funds. Instead of providing checks and balances against corruption, the federal and local legislatures have been the beneficiaries of government largess. The same is true of the 32 governors who receive large amounts of federal funds, which they use at their own discretion.

According to the nongovernmental organization México ¿Cómo Vamos? (Mexico, How Are We Doing?), corruption eats up nine percent of Mexico's GDP. It deters foreign investment, hampers economic growth, and limits the benefits of the North American Free Trade Agreement. The World Economic Forum says that corruption is the main factor that makes it hard to do business in Mexico.

During the Peña Nieto administration, however, corruption, which had long been considered normal, was increasingly denounced as it became more public and less constrained. According to the nongovernmental organization Mexicanos Contra la Corrupción y la Impunidad (Mexicans Against Corruption and Impunity), corruption has reached alarming levels in the last six years. Mexico is currently ranked 135 out of 180 countries on Transparency International's Corruption Perceptions Index ^[11]; 90 percent of Mexican citizens believe that corruption is one of the country's primary problems. This concern is not unwarranted. During the Peña Nieto administration, the governor of Veracruz, Javier Duarte ^[12], allegedly embezzled millions of dollars of public funds, and more than a dozen other governors and former governors, many of whom Peña Nieto praised as examples of the new PRI, are now under investigation or hiding from the authorities. The president's own family has been implicated: in 2014, the so-called Casa Blanca scandal revealed that the president's wife had purchased a \$7 million house from a favored government contractor.

Peña Nieto attempted to avoid responsibility for these scandals by arguing that corruption was a cultural issue. Instead of reforming bad rules or designing better laws, he blamed amoral citizens. But corruption is the product of incentives, not habits; it's about what authorities sanction, not what society condones. And under Peña Nieto, Mexican authorities were willing to tolerate a staggering level of official wrongdoing. Consider, for example, the massive scandal involving the Brazilian construction company Odebrecht, which has admitted paying more than \$800 million in bribes to government officials in various countries. The case has shaken up politics throughout the region, bringing down presidents and prominent members of the political elite. But in Mexico, not a single politician or contractor has been indicted, owing to pressure on law enforcement authorities from high-level officials who fear that a real investigation would be damaging to the PRI. What the Mexican media have dubbed "a pact of impunity" protects the political class regardless of party or ideology, undermining public trust in government institutions.

The starkest example of official impunity is the case of the 43 students ^[13] from Ayotzinapa Rural Teachers' College who disappeared in 2014 and whose fate remains unknown. After massive protests ^[14] erupted over the incident, Peña Nieto's government brought in a panel of independent international experts to review the case. But when the experts began to cast doubt on the government's handling of the investigation ^[15], authorities made it impossible for them to carry out their work and ultimately forced them out of the country.

Enter AMLO

During the 2018 election, López Obrador became the candidate of choice for the majority of voters, who were frustrated with the current state of affairs. Decades of corruption and the failures of the Peña Nieto government allowed López Obrador to cast himself as the redeemer of a fundamentally flawed system.

The election results were a crushing defeat for the PRI, which did not win a single governorship out of the nine in contention or any of the 300 federal electoral districts. The party even lost in Atlacomulco, Peña Nieto's hometown. The PRI will become the fifth-largest party in Congress after being dominant for 89 years.

For López Obrador, the results were a triumph. MORENA earned 53 percent of the vote, versus the PRI's 16 percent, and it received 30 million votes, significantly more than the 15 million that Fox obtained in 2000. López Obrador's party and its coalition allies will have an absolute majority in Congress, with over 300 seats out of 500, and a majority in the Senate. After 24 years of divided rule, López Obrador will enjoy a unified government, which will have the capacity to pass laws and approve the budget with little opposition.

López Obrador's victory can be explained by both what happened during the race and what failed to happen over the last 30 years. There is no question that his opponents ran disastrous campaigns. Ricardo Anaya, the candidate of a center-right–center-left alliance that had been forged among the PAN, the Party of the Democratic Revolution, and the Citizens' Movement, was viewed as smart but robotic—someone who connected more easily with Silicon Valley executives than with his disgruntled fellow citizens. And he was never credible as a transformative opposition leader, given the 12 years of PAN rule that came before. Meanwhile, the PRI candidate, José Antonio Meade, bore the brunt of Peña Nieto's unpopularity and the tarnished PRI brand.

López Obrador, on the other hand, assembled a team of moderates who tempered his strident tendencies and explained his policies in a way that made them seem more acceptable and less radical. MORENA transitioned from purism to pragmatism and created a broad, multiclass, and ideologically vague coalition that was capable of drawing in both conservative evangelicals and progressive civic activists. U.S. President Donald Trump's demonization of Mexico also helped López Obrador, whose brand of nationalism resonated among those who felt offended by Trump's tirades and Peña Nieto's mild response to them. López Obrador also won support by defending the oil industry in the face of energy reforms that many viewed as benefiting only foreign investors and their domestic allies.

But something more profound lies at the root of this political reconfiguration. López Obrador's message and personality have been the same since he became an opposition leader in 2006. But what seemed radical in 2006 feels necessary in 2018. What once provoked fear now engenders hope. The majority of the electorate supported López Obrador because his bleak diagnosis corresponded with the violence, corruption, and insecurity that ordinary Mexicans experience every day.

Members of Mexico's traditional ruling class did not understand that lambasting López Obrador as a populist would not prevent him from reaching the presidency; they should have instead addressed the grievances he exploited. But they did little to make the economic system more inclusive or the political system more representative. López Obrador's ascent is the predictable consequence of failed modernization. Greedy, antidemocratic elites should have seen it coming.

The Road Ahead

Despite his landslide victory, López Obrador remains a polarizing figure. His critics view him as a divider and a class warrior; his supporters cherish him as an unwavering champion of democracy and social justice. For some, he is a wolf in sheep's clothing; for others, he represents a radical and long-desired break with the old regime.

López Obrador's victory will almost certainly alter the party system and the existing economic model. But the specific nature of that change is difficult to predict. When it comes to policy, López Obrador has been erratic and often contradictory. As mayor of Mexico City from 2000 to 2006, he was a pragmatic leader, and his team today mostly consists of moderates. Now, however, there will be pressure from his base to disavow many of the reforms implemented during the Peña Nieto administration. López Obrador has said that he will support the North American Free Trade agreement, but he has also hinted that protectionist measures might be necessary to invigorate the domestic market and promote food security. Ultimately, he is a social leader drawn to grand narratives, not to the specifics of public policy. It will be up to his inexperienced cabinet to maintain the delicate balance between the changes that Mexicans demand and the macroeconomic stability that investors expect.

In his victory speech, López Obrador espoused the language of reconciliation, declaring that he would seek a peaceful and orderly transition and that he would not "govern arbitrarily." But there is no question that he will have a great deal of discretionary power. Along with the smaller parties in his electoral coalition, he may even have enough votes to modify the constitution.

Although the PRI and the PAN retained a small presence in the legislature and still control a number of governorships, the opposition has been decimated, and it could become even smaller as members flee to join MORENA. López Obrador's party is on its way to becoming a new version of the old PRI: a hegemonic party that crowds out competition by uniting disparate political factions under a pragmatic umbrella. Patronage and corruption held the PRI together, and MORENA has not signaled that it will break with those practices; in fact, it is well positioned to emulate and embrace them. López Obrador has not broken ties with union leaders associated with government graft or acted against members of his own party accused of using public funds for personal gain.

For those worried about Mexico's dysfunctional democracy, there are some troubling signs. López Obrador has promised to return power to the people by submitting key policy issues to public referendums. This practice could push the country toward majoritarian extremism, in which democracy is seen as a constant confrontation between the popular will and those who oppose it, rather than as an inclusive system of negotiation and compromise. During the campaign, López Obrador portrayed institutions such as the Supreme Court and the National Institute for Transparency, Access to Information, and Personal Data Protection as obstacles, vilified the media outlets that criticized him, and suggested that his personal moral rectitude meant that he should be granted broader discretionary powers than his predecessors.

But much of what he has promised, including an end to corruption and violence, will require significant modifications to Mexico's institutions, which were created in an era of single-party rule. Unless the government promotes an agenda focused on transparency, accountability, institutional remodeling, and the protection of individual rights, Mexico will simply replace one unaccountable party with another. Some of López Obrador's critics have warned that he might turn Mexico into another Venezuela, where the authoritarian leader Nicolás Maduro ^[16] has dismantled democratic institutions and bankrupted the state, pushing society to the brink of collapse. The real risk for Mexico, however, is not that it will become another Venezuela; it is that it will simply remain the same old Mexico.

To prevent this outcome, López Obrador would be well advised to take a new approach when he assumes office on December 1. The centerpiece of this agenda should be the establishment of an autonomous attorney general's office with the authority to investigate and prosecute corruption at the highest levels. In addition, he should push for the passage of legislation, currently stalled in Congress, that would make the national anticorruption system fully functional. He will also need to name an anticorruption czar and guarantee that the position has teeth. Finally, López Obrador should rethink the war on drugs ^[17] by gradually returning the military to the barracks and, at a minimum, legalizing marijuana for medicinal and recreational use, which would reduce the profits enjoyed by the cartels.

Mexico will experience truly transformative change only if its new leaders focus on strengthening the rule of law. The biggest mistake López Obrador can make would be to delegitimize democracy by relying on referendums and centralizing power in his own office. Much of the positive change that Mexico has experienced since 2000 was the result of pressure from below, fomented by an increasingly vibrant and demanding civil society. The country's future does not depend on one man or one movement. Mexico needs a broad, pro-democracy coalition that addresses the root cause of its polarized politics: the absence of institutions that are capable of providing transparency, accountability, and systemic checks and balances. The Mexican people need to put pressure on López Obrador to make good on his bold promises. The Mexican novelist Juan Rulfo once wrote, "It had been so long since I lifted my face that I forgot about the sky." If Mexicans do not look upward and demand more, those who govern won't do so, either.

CORRECTION APPENDED (August 15 2018)

An earlier version of this article incorrectly described Tamaulipas as a "southern" state of Mexico.

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[3] <https://www.theguardian.com/world/2014/jan/09/mexico-moment-reforms-enrique-pena-nieto>

[4] <http://content.time.com/time/covers/pacific/0,16641,20140224,00.html>

[5] <https://www.foreignaffairs.com/articles/mexico/2018-07-02/lopez-obrador-and-future-mexican-democracy>

[6] <https://www.foreignaffairs.com/articles/mexico/2015-02-04/mexicos-perfect-dictatorship>

[7] <https://www.foreignaffairs.com/articles/mexico/2016-06-22/fighting-corruption-mexico>

[8] <https://www.nytimes.com/2017/08/04/world/americas/mexicos-drug-killings.html>

[9] <https://www.nytimes.com/2018/07/10/opinion/victory-mexican-democracy.html>

[10] <https://www.foreignaffairs.com/articles/mexico/2018-03-22/what-ails-mexican-democracy>

[11] https://www.transparency.org/news/feature/corruption_perceptions_index_2017

[12] <https://www.nytimes.com/2017/04/16/world/americas/mexico-javier-duarte-captured.html>

[13] <https://www.nytimes.com/2018/06/05/world/americas/mexico-43-missing-students-investigation.html>

[14] <https://www.foreignaffairs.com/articles/mexico/2014-11-23/march-mexico>

[15] <https://www.newyorker.com/news/news-desk/the-missing-forty-three-the-mexican-government-sabotages-its-own-independent-investigation>

[16] <https://www.foreignaffairs.com/articles/venezuela/2016-04-29/maduro-cracks-down>

[17] <https://www.bbc.com/news/world-latin-america-42803801>