

MEXICO

Firm Steps on Uncertain Ground

by Harley Shaiken

When Vicente Fox, the presidential candidate of the conservative National Action Party (PAN), unexpectedly upended 71 years of PRI (Institutional Revolutionary Party) rule in 2000 he unleashed a brief period of widespread optimism in Mexico. Since leaving office in late 2006, however, that euphoria has turned to anger. Today, the once popular Fox has become mired in scandal, caught between a corporate-owned Hummer and allegations about the funding of his lavishly remodeled ranch house. While Fox proclaims his innocence, many political observers now view his presidency as largely transitional, characterized by legislative gridlock and tepid economic growth.

Felipe Calderón, Fox's former Energy Minister and a long-time PAN member, achieved a razor-thin victory in a bitter July 2006 election and managed to maneuver through a bruising follow-up. Now that the dust has settled after Calderón's first year in office, a key question concerns the forces shaping Mexico's political terrain in a post-Fox era.

Sergio Aguayo, a professor at the Colegio de México and a noted public intellectual, sought to provide a context for this question in a public talk entitled "Governors, Billionaires, Drug Cartels and Mexican Democracy."

The talk, the core of a book on which Aguayo is working, offered a provocative thesis: Fox's defeat of the PRI at the polls, followed by six years of political drift, has led to the cratering of the all-powerful Mexican presidency. The vacuum left at the top



Photo by Júbilo Haku.

has been filled by a potent new set of autonomous actors including governors, billionaires and drug dealers, among others. The result is decentralization without democracy.

Aguayo developed this thesis by exploring three themes: a critique of the legacy of the Fox presidency; an analysis of the 2006 presidential election; and, finally, a moderately optimistic sense of current developments.

A Splendid Candidate, A Lousy President

“Fox was a splendid candidate but a lousy president,” Aguayo maintained, arguing in fact that Fox should be remembered as “one of the worst Presidents in Mexican history.”

Consider the new opportunities for governors. One of the signal, though less visible, transformations has been a massive shift of billions of dollars — \$46 billion or about 30 percent of the federal budget in 2003 alone — from the national government to the states. This funding windfall combined with far looser state-level oversight has made some governors “the new mandarins in Mexican political life.” Given the vacuum at the top, unsupervised cash translates into powerful political fiefdoms with little accountability.

The very wealthiest also had cause to celebrate under Fox. Ten Mexican billionaires on the Forbes list of the world’s richest people saw their accumulated fortunes rise 237 percent to \$84 billion between 2000 and 2006. The problem was not the stellar success of the Mexican business elite but rather the political cronyism and monopoly practices that made it possible.

The November 2006 Economist inveighed against the “many vestiges of the old order” that “involve monopoly power, public and private, political and economic.” Aguayo put it more directly. “Mexico is a “paradise for monopolists,” he said, and a “hell for consumers.”

And, if all this weren’t enough, organized crime has moved aggressively and violently to rake in a larger share of the spoils. Billions of dollars are at stake in the export of illegal drugs such as cocaine, marijuana and methamphetamine; the import of illegal weapons from hand guns to grenade launchers; and, in a particularly troubling new development, a large upsurge in the sale of drugs domestically in Mexico.

“In the old days, there were rules,” a one-time PRI official told the Washington Post in November 2006 concerning what drug dealers could or could not do under the old regime. “We’d say, ‘You can’t kill the police. If you kill the police, we’ll send in the army.’ We’d say, ‘You can’t steal 30 Jeep Cherokees a month; you can only steal five.’”

Complicating matters considerably, former soldiers and deserters are finding their way into the murderous militias of the drug lords. During the Fox presidency alone, 123,000

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military personnel deserted, and many reportedly are pursuing lucrative new careers. Aguayo pointed out that the going wage for a soldier is \$300 a month while a hit man can earn \$3,000 a month.

The burgeoning Mexican domestic drug market has unleashed a vicious turf war among increasingly ruthless cartels. Ordinary Mexicans are concerned, terrorized, angry and caught in the crossfire. Executions attributable to organized crime almost doubled from 1,200 in 2004 to 2,120 in 2006 and were already approaching 1,500 in mid-2007, poised to set a new record for the year.

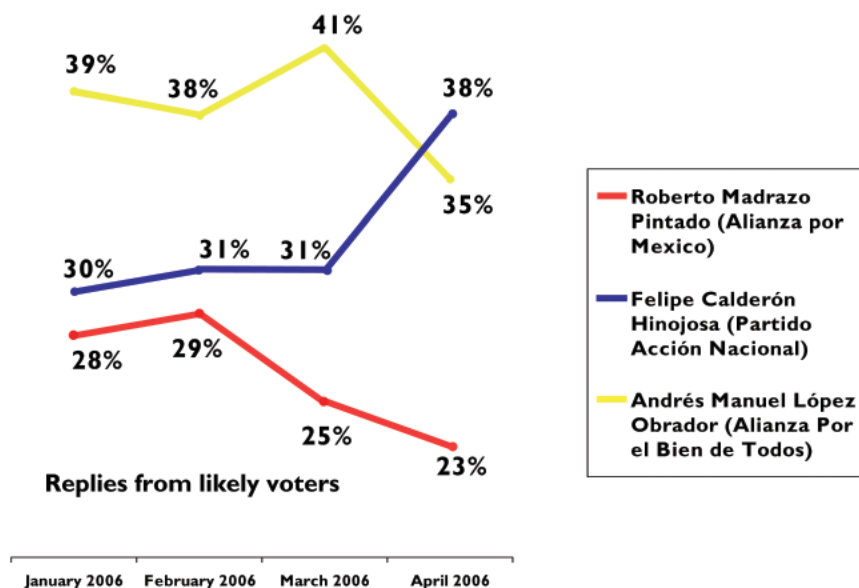
The cartels have become so powerful they destabilize the state, putting police, journalists and political leaders on their payroll where possible or murdering them when necessary. “Years of government inaction under former President Vicente Fox,” according to Mexican political scientist Denise Dresser, “have left key institutions infiltrated with cartel accomplices, hundreds of police officers dead, scores of judges assassinated and dozens of journalists missing.” She estimates that cocaine traffickers funnel as much as \$500 million a year into bribes, more than double the annual budget of the ministry of the Mexican attorney general.

President Calderón, assuming office in December 2006 with his legitimacy in question, made a bold move by sending the army into states he viewed “as kidnapped” by organized crime. He deployed thousands of federal troops into eight states accounting for 40 percent of Mexican territory and 24 million people, almost one-fourth the national population. The move jump-started Calderón’s popularity, propelling his poll approval numbers to 68 percent in spring 2007, almost double the share of the vote he received less than a year earlier.

2006 Elections: Context and Count

The 2006 elections became particularly critical given the drift and deadlock that had set in during the Fox years. Aguayo termed the contest the “elections of crony capitalism” to emphasize the outsized influence of the wealthiest Mexicans.

If the presidential elections were held today, for whom would you vote?



The effect of negative campaigning: Calderón's attack ads first ran in February 2006.

Graph courtesy of Sergio Aguayo.

The final official vote count left the two leading contenders in a virtual dead heat: 14,916,927 votes (35.89 percent) for Felipe Calderón versus 14,683,096 for Andrés Manuel López Obrador of the Democratic Revolutionary Party (PRD) (35.33 percent), a difference of 233,831 votes or 0.56 percent of the total.

Was there electoral fraud? The country remains deeply divided on the question. An August 2007 poll indicated that 50 percent of Mexicans believe Calderón won a clean election while 40 percent feel fraud took place.

Emphasizing that the election had to be judged according to Mexican legal standards, Aguayo laid out four criteria that would indicate fraud: first, the incumbent president works in favor of a candidate; second, physical force is used; third, legal norms are violated; and, finally, the institutions organizing the election are biased.

The good news was the absence of major violence. The bad news, according to Aguayo, was the failure on the other three counts. And, clearly it wouldn't have taken much to throw the final result in an election this close.

The November 2006 Economist matter-of-factly pointed out that "Mr. Fox, along with Mexico's richest businessmen, weighed in on Mr. Calderón's behalf," as did business and trade associations.

The Calderón camp was also the first to deploy negative campaigning, legally prohibited in Mexico, according to Aguayo. A negative ad from the campaign, one of three shown during the lecture, had a video clip of a hectoring Hugo Chávez seemingly morph into a video of López Obrador denouncing President Fox as a "*chachalaca*," an annoying chattering bird, all under the banner of intolerance. Admittedly, this ad wouldn't cause much of a stir in a U.S. context but is proscribed in a Mexican setting.

The negative campaigning likely contributed to plummeting poll numbers for López Obrador. In February 2006 he was 10 points ahead of Calderón in the polls, a leading position he had by-and-large occupied for over two years. After the negative campaigning kicked in, López Obrador tumbled into second place.

The PRD campaign was slow to challenge the ads, and the electoral institutions were slow to react. While waiting for a ruling, López Obrador himself eventually began running negative ads. By the time the electoral tribunal finally ruled that the negative ads had to be withdrawn, the damage had already been done.

The López Obrador campaign had more than its share of foibles and disasters. The PRD candidate, for example, in calling Fox a *chachalaca* for giving speeches denouncing his candidacy wound up offending many Mexicans who view the presidency with respect. The former Mexico City mayor also skipped the critical first of two presidential debates reinforcing an imperial image.

Aguayo, though long associated with the left, admitted to having voted for Fox in 2000 in the hope of jump starting a democratic transition in Mexico. This time around he signed a public statement in favor of López Obrador. "I was shocked by the brutality of negative campaigning and the intervention of Fox," he said.

What happened election day? Aguayo maintained that there are unanswered questions and that a thorough exploration of all aspects of the election could prevent electoral fraud in the future.

In his view, however, the 2006 presidential race was more transparent than previous Mexican elections. He argued that whatever electoral fraud did indeed occur was of a different character than previous campaigns: this time around "irregularities" were less extensive and not a "state" operation but had a different, more diffuse, set of actors.

"We are no longer a presidentialist, authoritarian country," he said. "We are a more unsure and unpredictable country."

Moment of Optimism?

Aguayo closed on an optimistic note, pointing to the expanded role of civil society — consumers, human rights groups, gender rights organizations and others — as potentially an important force in shaping Mexico's future.

He also hailed a September 2007 constitutional amendment on electoral reform, passed with the support of all three political parties, as an important step in the right direction. The amendment's passage was a sea change from the brawl that greeted Calderón's inauguration in the same chamber less than a year earlier and the legislative paralysis during the Fox years.

This amendment was part of a complex bargain with the opposition — both the PRI and PRD — in the congress. Calderón wanted, and got, a tax reform that could boost his government's tax take (excluding oil) from 10 to 12 percent of GDP by 2012.

In return, he supported an opposition demand for electoral reform that, among other things, prohibits political advertising except for official time slots, a move that could cost the country's largest television network 8 percent of its election year revenues. And, there are new restrictions on negative campaigning.

Not everyone is happy. Jorge Castañeda, Fox's first foreign minister and himself a one-time presidential candidate, skewered the electoral reform amendment in a September 2007 *Newsweek* column. "The putative reform is the result of collusion between the three main parties," he wrote, "to virtually eliminate the possibility of anyone else entering the electoral arena." He views the new limits on negative campaigning as "arbitrary and authoritarian" and feels the lawmakers have managed the "defenestration of the widely respected Federal Electoral Institute," the organizers of the 2006 election.

As Calderón begins his second year in office, he has proven a more savvy political actor than many predicted. The real challenge, however, is not his political survival but rather whether Mexico is

able to deepen its democracy and prosper in a turbulent and uncertain world.

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This statue of former President Vicente Fox in Boca del Río, Mexico was toppled on the night before its dedication.



Photo from Associated Press.