



## The Mexican Presidential Elections 2018

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Mr. Andrés Manuel López Obrador from the National Regeneration Movement (Morena) party has won the elections (by 53.19 percent votes) to be the next president of Mexico<sup>1</sup>. His inaugural will be on 01 December. The new Mexican Congress will come to power on 01 September. Morena has also captured a majority in the Senate and Chamber of Deputies, marking the first time any candidate has won both chambers since 1997. President-elect López Obrador won 53 percent of the votes in an election that has seen voters demanding action against corruption and a security crisis because the murder rate has gone up. The elections themselves witnessed a lot of violence with close to fifty candidates being murdered and some attacked and journalists threatened.

The elections are being seen as a victory of democracy and the determination of the people to vote for change. President-elect López Obrador, who was unsuccessful in his previous two attempts to win the presidential elections, was a favourite to win. The new president is the son of shopkeepers from the South-eastern state of Tabasco. He began his political career in the 1970s when he joined the Institutional Revolutionary Party (PRI). He later joined other political dissidents in forming the Party of the Democratic Revolution, the PRD. He was elected mayor of Mexico City in 2000. Thereafter, he ran for the office of the president in 2006 and 2012, and lost both times.

### **The Domestic Agenda**

The President-elect has an extensive domestic agenda that is his main focus. It is being thought that he is going to engage with nations to achieve his campaign promises of reducing poverty.

The focal point of President-elect López Obrador's campaign was to end corruption and bring about transparency in the government. Analysts have stated that the high level of corruption in the government and the lack of accountability is one of the main reasons that the PRI lost the presidential elections. Corruption scandals damaged the standing of the PRI during the campaign. However, it remains to be seen how President-elect López Obrador's government will address the issue. He has stated that he would want to cut down on public expenditure and 'official privileges'. He will sell the presidential plane, cut his salary by half and stay in his own modest home rather than the presidential palace. He has stated that he will cancel the pending purchase by Mexico's navy of eight armed Lockheed Martin MH-60R helicopters from the US government, as Mexico can't meet that expense. Clearly, the lifestyle of the political elites will be different. The old ways of doing things, which was condemned by President elect as corrupt, will be closely watched and exposed. The public focus on the poor will continue, especially targeting the south of the country where poverty is rampant.<sup>ii</sup> Nonetheless, the details of the policy President-elect López Obrador will build to translate his campaign promises to reality have not yet been made public.

Expectations from his government would be high. He would have the legislative numbers to create anti-corruption bodies without interference from other parties in Congress. The independence of such bodies, their enforcement powers and their potential insulation from politics or politicization by the president remains open to questions. The prospect of an anti-graft body under the control of the new President is feared to threaten the opposition and the country's political establishment. The PRI and PAN are already in a weak position, and are likely to remain so for some time. The publicity they will get as more corruption scandals involving the parties and its members are investigated will only harm their standing among potential voters for the future.<sup>iii</sup> This will undermine the democratic processes in Mexico. His stress on putting social policies and reforms of the previous government through a process of referendums is being viewed as a move to build a powerful presidency.

The stress of the social programme, apart from raising wages and pension for the elderly has focused on the issues of unemployment and education for the youth. The new government will aim to reform the pension system and to reduce costs at Pemex during its six-year term. Mexico introduced an individually funded, private pension system in the 1990s, but it still retains a significant public pension scheme that has mounting liabilities.<sup>iv</sup>

President-elect López Obrador wants to address the rise in drug related gang wars by pushing the youth to study and then be gainfully employed. While drug use in Mexico is not high, death related to drug gang wars and infighting have claimed a large number of lives. President-elect López Obrador has said it is not up to Mexico to fight America's drug war and instead proposes giving amnesty to opium and marijuana growers and ceasing the use of the military against the cartels.<sup>v</sup> In Mexico, the military has been increasingly used by the government to handle issues which require local police. It is hoped that the police would be provided better training and equipment to address these issues. However, the United States currently provides Mexico with financial aid under the Merida Initiative, for cooperation to fight drug trade. Thus,

the new Mexican government has to build an action plan that will allow it to continue to work with the American agencies while implementing its own domestic policy. The fight against the drug cartels will also have some regional implications. Some cartels are based in other countries or have networks that stretch across the region. He would have to work with the countries of the region to bring about change.

In the education sector, President-elect López Obrador is likely to continue with the reforms started by President Enrique Peña Nieto and his government to improve the quality of education, provide access to all and try to limit school drop out rates. The main point of his education program is the understanding that education is a right for everyone and not a privilege. He has also proposed having a basic nutrition program for schools in marginalized zones of the country and a 2,400 pesos (about US\$130) scholarship so students from lower classes of society don't have to abandon their studies for work to support their families. He has pledged to provide more resources to the education sector.

President-elect López Obrador has clarified that he will revise the current government's policies on 'labour contracts' for the working professionals in the education sector. He stated that under the current education reforms, the teachers do not oppose the evaluation of their work but are protesting the mechanisms that would take their jobs away. He stated that teachers needed to be allowed a second chance to improve their performance before termination of contract. He indicated that there must be reconciliation among teachers, parents, specialists, pedagogues, civil associations and needs to make an educational plan to improve the quality of teaching without affecting the labour rights of teachers.

In the financial sector President-elect López Obrador has stated that the Central Bank of Mexico will remain an autonomous body. He will work towards controlling inflation and not raise taxes while trying to bring a balanced budget in the future. His economic policy has been based on 'put the poor first' and this would include better social security for all citizens. It also includes campaign pledges of subsidies for peasants, boosting local industry with the aim of reducing dependence on imported goods, and a massive program of paid youth apprenticeships and student stipends under the slogan "Scholarships yes, cartel hitmen no."<sup>vi</sup> He has proposed establishing a free-trade zone along the entire length of the border, where American companies would get hefty tax breaks to set up shop. He also envisions creating hundreds of thousands of jobs through his infrastructure plans and a massive tree-planting project that would mitigate the need for Mexicans to seek economic opportunity in the U.S.<sup>vii</sup>

In the telecommunication sector, there are media reports that the reforms of President Peña Nieto's government may be re-examined. The President elect has called for cell connectivity for the rural areas. Mexico's largest telecommunication company, America Movil, has claimed it can do the same but current regulations do not allow it. In 2014, Mexican government has signed a constitutional amendment that has transformed the government's role in telecommunications and expanded its power to curtail media monopolies. America Movil executives have complained publicly the company is hamstrung from entering underserved areas because that would only increase its market share, prolonging antitrust scrutiny. President-elect López Obrador's pick for telecoms minister, Mr. Javier Jimenez, has hinted that while the new government will not seek to

modify the overall reforms, which created an independent regulator, but would conduct a review of secondary regulations to ensure competition is not coming at the expense of coverage.<sup>viii</sup> Nonetheless, any review would have to keep in mind that the reforms in the sector, which led to lower tariffs, more choices for the consumer and better service, enjoys public support.

It is in the energy sector that he has most differences with the reforms implemented under President Peña Nieto. President-elect López Obrador is opposed to the reforms that were introduced in the sector which opened the sector to private entities and ended the monopoly of the State. It is likely that the revenue from the energy sector is going to be used to finance the social programme of the new government. President-elect López Obrador has stated that he will not reverse the contracts that have already been awarded, except for checking that they are legal and transparent. He has also promised to respect due process and refer any disputes to international tribunals, guaranteeing the rights of foreign investors. The reforms were approved by the Mexican Congress and thus would be difficult for the new President to overturn. The reforms were done to revive the Mexican oil sector. The state-owned firm, *Petróleos Mexicanos*, cannot reinvigorate Mexican oil and natural gas production on its own, and the country needs foreign investment and technology in order to reverse the decline in one of its most important economic sectors, especially in the all-important deep-water fields in the Gulf of Mexico.<sup>ix</sup> As one of the main campaign pledges of President-elect López Obrador was a stable economy, attempts to go back on economic reform processes might affect foreign investments into Mexico, with adverse consequence for the economy. It is possible that the new oil and gas fields would not be open to the international companies but the reforms are unlikely to be reversed.

### ***Foreign Policy: Relations with the United States***

Relations with the United States were not a main issue on the campaign, and AMLO promised “friendship and cooperation” with Washington, largely a continuation of the pragmatic strategy followed by the outgoing administration of Enrique Peña Nieto.<sup>x</sup> On NAFTA, he has been a critic of the agreement. Nonetheless, he has stated that he will continue the negotiations with the United States and Canada. His government would not like relations with the United States or the negotiations for NAFTA to collapse as it would have an adverse effect on the Mexican economy and undermine the government’s ability to fight poverty. Nonetheless, they have largely been in agreement with the way the current government has been negotiating with the other two countries. It is hoped that the strong support that President-elect López Obrador has got will allow him to negotiate with the United States with more credibility than President Peña Nieto.

Apart from NAFTA, President-elect López Obrador will work with the United States on border security, migration from Central and South America and the deportation of illegal Mexican migrants from the United States. President-elect López Obrador has stated that he is willing to work with the United States on all of these issues but the relationship needs to be based on respect and mutual cooperation. Washington has for too long taken for granted Mexico’s cooperation on a host of fronts like counter-narcotics, intelligence sharing, counterterrorism and curbs to Central American transmigration through Mexico. Many of these facets will most likely

be up for a full-fledged and overdue review under a López Obrador administration. In many ways, the next president of Mexico will likely approach ties with the United States in a way that's familiar to the Trump White House: Mexico First.<sup>xi</sup> Aware of the need to reduce Mexico's economic reliance on the United States and the changing geopolitical dynamics of the region President-elect López Obrador wants to strengthen Mexico's relations with Central American nations as well as with the larger South America to foster economic growth and build security.

Although the number of Mexican migrants entering the US has plummeted in recent years, Mexico is the main transit country for tens of thousands of Central Americans fleeing even worse levels of violence and poverty.<sup>xii</sup> He would have to work with the United States to address this issue but in a manner in which Mexico is seen as an equal partner. It is unclear if the President-elect will continue to support the United States in its efforts to return migrants to their home countries. However, reports in the media suggest that the Mexican government has refused to accept the proposal of the United States for a 'safe third country' agreement. This agreement would require asylum seekers transiting through Mexico to seek asylum in Mexico rather than the United States. It would allow U.S. border guards to turn back such asylum seekers at border crossings and quickly return to Mexico anyone who has already entered illegally seeking refuge, regardless of their nationality. U.S. officials believe this type of deal would discourage many Central American families from trying to reach the United States. Their soaring numbers have strained U.S. immigration courts and overwhelmed the U.S. government's ability to detain them.<sup>xiii</sup> The United States administration is of the opinion that President Peña Nieto and his bureaucracy may have been willing to come to a settlement on the agreement in return for favourable terms in NAFTA negotiations. They are not hopeful of a similar result under the new government post 01 December.

President-elect López Obrador announced that he would propose Mr. Marcelo Ebrard, who served as mayor of Mexico City, between 2006 and 2012, as Minister for Foreign Affairs. Mr. Ebrard would also be the head of the Senate Foreign Relations Committee.

Many analysts are of the opinion that Mexico-United States relations will be less dependent on the new President of Mexico and more on how President Trump reacts to the new government south of the border. Given the time gap between his victory and inauguration, it is hoped that both Presidents would be able to build a working relationship that sets the tone for how to move forward.

### ***Relations with India***

Mexico and India share cordial relations. The two countries have a lot in common. They are both growing economies bordered by powerful States, important nations in their respective regions, fighting economic problems while trying to be the bridge between the developed and the developing countries. India can lay the foundations of its better relations with the countries of South America by actively engaging with Mexico. Mexico is further strengthening its relations with the region in an effort to reduce its dependency on the United States.

Mexico is the gateway to both North and South America and it would be to India's advantage to be able to enter the vast markets of both regions by establishing manufacturing hubs in Mexico. To this effect India has to negotiate fair investment terms for its business that would like to set up units in Mexico. As India develops, it would need to secure assured supply of energy resources. Mexico is a leading producer of oil and gas and is also stressing on the need to develop renewable sources of energy. This is another area of future cooperation between the two countries. <sup>xiv</sup> Mexico has supported India in its bid to join the Nuclear Suppliers Group (NSG). India-Mexico relations are likely to continue to be on an upward trajectory. As President-elect López Obrador starts to elaborate on his policies during the transition period it will be useful to work on complementarities between the two countries.

## Conclusion

It is too early to predict the path the new government will chart in both its domestic and foreign policies. President-elect López Obrador has till December to convert his campaign promises into policies. He would have to find a balance between his domestic agenda and the fiscal discipline he wants to bring to the nation's economy. And while he has focused on domestic issues, he would now have to also outline his foreign policy goals, from Mexico's relations with the United States and the Americas to the rest of the world. He has an advantage. For the first time a single party is set to control the presidency, capital and Mexican Congress at the same time. Thus, he is unlikely to face resistance to his policies from the opposition party members but he has to ensure that there is no abuse of power.

President-elect López Obrador begins with high expectations from the public, much like the beginning of President Peña Nieto's term in office. The new government has been voted into power to fight corruption, and it can be voted out of power for the same reason. It has to ensure that not just the central government, but also the state and local administrations are made strong, corruption free and thus able to break their links with gangs and drug traffickers.

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Disclaimer: The views expressed are that of the Researcher and not of the Council.*

## Endnotes

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<sup>1</sup> Mr. Ricardo Anaya from the National Action Party won 22.2 percent of the votes, Mr. Jose Antonio Meade of the Institutional Revolutionary Party won 16.4 percent of the votes and Mr. Jaime Rodríguez Calderón, an independent candidate won 5.2 percent of the votes. Figures taken from Institute for National Elections Mexico.

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- <sup>iii</sup> Reggie Thompson, "What Will Lopez Obrador Do About Mexico's Corruption?," <https://worldview.stratfor.com/article/lopez-obrador-mexico-corruption>, Accessed on 06 July 2018.
- <sup>iv</sup> Reuters, "Exclusive: Pensions and Pemex to figure in Lopez Obrador's Mexico plans," <https://in.reuters.com/article/mexico-election-pensions-exclusive/exclusive-pensions-and-pemex-to-figure-in-lopez-obradors-mexico-plans-idINKBN1JS2GO>, Accessed on 13 July 2018.
- <sup>v</sup> William La Jeunesse, "Mexican presidential elections could deteriorate foreign relations with US," <http://www.foxnews.com/world/2018/06/30/mexican-presidential-elections-could-deteriorate-foreign-relations-with-us.html>, Accessed on 06 July 2018.
- <sup>vi</sup> Jo Tuckman, He was once called a "danger to Mexico." Now he's its next president.,," <https://www.vox.com/world/2018/7/4/17532736/2018-mexico-presidential-election-winner-amlo-lopez-obrador-trump> Accessed on 05 July 2018.
- <sup>vii</sup> Jonah Shepp, "AMLO Isn't Mexico's Trump – Nor Is He Trump's Natural Enemy," <http://nymag.com/daily/intelligencer/2018/07/amlo-not-mexico-trump.html>, Accessed on 05 July 2018.
- <sup>viii</sup> Julia Love, Christine Murray, "Billionaire Slim, America Movil, could profit from election of Mexican leftist," <https://in.reuters.com/article/mexico-election-slim/billionaire-slim-america-movil-could-profit-from-election-of-mexican-leftist-idINKBN1JE0B3> , Accessed on 13 July 2018.
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- <sup>x</sup> Bruno Binetti, "López Obrador Will Be Mexico's President: Now What?," <https://www.thedialogue.org/blogs/2018/07/lopez-obrador-will-be-mexicos-president-now-what/>, Accessed on 12 July 2018.
- <sup>xi</sup> Arturo Sarukhan, "What Mexico's next president means for Trump" [https://www.washingtonpost.com/news/worldpost/wp/2018/07/02/lopez-obrador/?noredirect=on&utm\\_term=.810ba68c7602](https://www.washingtonpost.com/news/worldpost/wp/2018/07/02/lopez-obrador/?noredirect=on&utm_term=.810ba68c7602), Accessed on 13 July 2018.
- <sup>xii</sup> Jo Tuckman, He was once called a "danger to Mexico." Now he's its next president.,," <https://www.vox.com/world/2018/7/4/17532736/2018-mexico-presidential-election-winner-amlo-lopez-obrador-trump> Accessed on 05 July 2018.
- <sup>xiii</sup> Joshua Partlow and Nick Miroff, "U.S. and Mexico discussing a deal that could slash migration at the border," [https://www.washingtonpost.com/world/the\\_americas/us-and-mexico-discussing-a-deal-that-could-slash-migration-at-the-border/2018/07/10/34e68f72-7ef2-11e8-a63f-7b5d2aba7ac5\\_story.html?noredirect=on&utm\\_term=.645b08bf1b0e](https://www.washingtonpost.com/world/the_americas/us-and-mexico-discussing-a-deal-that-could-slash-migration-at-the-border/2018/07/10/34e68f72-7ef2-11e8-a63f-7b5d2aba7ac5_story.html?noredirect=on&utm_term=.645b08bf1b0e) Accessed on 13 July 2018.
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