



Mexico's 2012 Elections: Key Issues and Critical Questions Now and Beyond

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By Eric L. Olson

SUMMARY:

- Mexicans go to the polls on July 1st to elect a president for a single six-year term, 128 Senators, 500 Deputies, 6 governors and the Mayor of Mexico City.¹ Polls suggest that the long-ruling PRI is poised to return to power after a 12-year hiatus.²
- Polls have consistently shown former PRI governor Enrique Peña Nieto with a commanding lead, lending a sense of inevitability to the campaign. Efforts by opponents to cast the return of the PRI as a step back to an “authoritarian” and “undemocratic” past have reduced the frontrunner’s lead slightly, but it appears that a plurality of Mexicans see Peña Nieto and the PRI as capable of delivering a better future.
- After trailing in the polls for many months, the candidate of the Progressive Alliance³, Andrés Manuel López Obrador, former mayor of Mexico City and narrow loser of the 2006 presidential election, has moved into second place in most polls. He has presented himself as the only real alternative to the PRI and PAN, and worked to moderate and soften his image.
- The governing (PAN) party’s candidate, Josefina Vázquez Mota, remains a close third and could still make up ground, but the proximity of the election makes that an extremely difficult task.
- Candidates are emphasizing messages of change, framing the election as a choice between the past and the future in the final days of the campaign.
- Issues related to public security, narco-violence, and organized crime have been discussed throughout the election season but have not been the lynchpin of the campaign. All candidates promise to continue the policy of confronting organized crime and security collaboration with the United States with each offering their own nuances on the strategy and relationship.

¹ The states of Yucatán, Jalisco, Tabasco, Guanajuato, Morelos and Chiapas will hold elections for governor on July 1, and the Federal District of Mexico City will elect its mayor on the same date.

² For fuller background on the candidates and parties competing in the July 1st election, please visit the Mexico Institute’s *Election Guide* web portal at <http://mexicoinstituteonelections.wordpress.com/>

³ The Progressive Alliance includes the Party of the Democratic Revolution (PRD), Party of Work (PT), and the Citizens’ Movement (Movimiento Ciudadano).

- Concerns about the influence and impact of criminal groups, violence and dirty money are serious but focalized in specific areas of the country. Local elections are more likely to be affected than the federal election, given greater institutional strength and monitoring capacity, and there is no evidence of a comprehensive national strategy by disparate organized criminal groups to favor one party or candidate. Electoral authorities, political parties, and the military have taken steps to ensure election day is safe.
- Debate about economic growth and management has been a central theme. Each candidate has promised to maintain sound fiscal management while expanding social welfare programs, yet many of the needed structural reforms, such as tax reform and increasing competition, have received only cursory attention. Energy reform has also been debated with frontrunner Peña Nieto promising major reforms and opening up PEMEX to private investment, though Vázquez Mota has proposed similar reforms as well.
- Congressional elections appears to reflect trends in the presidential contest with the PRI likely to win pluralities (and potentially an outright majority) in both upper and lower chambers of the legislature, followed by the PRD and the PAN trailing. The PRD is poised to win all major offices in Mexico City with historic margins of victory for the mayoral candidate, Miguel Ángel Mancera. If Mancera wins in a landslide, he instantly becomes a major party leader now and for the future.
- Recent scandals and a spontaneous student movement have injected new dynamism into the waning days of the election.
- Mexico's electoral institutions appear strong and capable of ensuring free and fair voting on election day. All candidates have agreed to abide by the results, but questions remain about what their response might be in the case of very close results as there where in 2006.

CONCLUSION: Mexicans are heading into an election that will chart their future for the next six years. The campaign has been less about ideology and more about practical matters and the ability of government to deliver on its promises. The question many voters will face is whether they believe a return of the PRI is good for them and Mexico or whether it will bring back the corruption and undemocratic practices that characterized former PRI governments. Polls suggest the PRI is likely to return to power after a 12-year hiatus, suggesting that a plurality of Mexicans believe the PRI is more likely to deliver on its promises, and less concerned about the potential risks of the PRI's past authoritarian practices and corruption.

OVERVIEW:

With mere days before Mexico's July 1st federal election the country of 114 million, with roughly 77 million eligible voters, is on the cusp of deciding what direction it will take for the next six years and possibly beyond. After suffering major electoral defeats in 2000 and 2006, Mexico's long dominant Institutional Revolutionary Party (PRI) seems poised to recapture the presidency and re-establish itself as the country's predominant political force.

The question on most people's minds is whether a PRI victory on July 1st, and the election of Enrique Peña Nieto, will bring back the old PRI with a reputation for corruption and un-democratic practices, or usher in a new era with a reformed PRI capable of tackling the issues of corruption and inefficient government, security and violence, and economic under-performance that have vexed other parties as well.

As the young, photogenic former governor of Mexico's most populous state, Peña Nieto has worked hard to cast himself and his party as renewed, capable of effectively tackling the myriad of issues that weigh on the minds of most Mexican voters. He has framed the election as a referendum on the last twelve years of PAN stewardship and has tapped into the general sense of disappointment that permeates much of the electorate. He has focused on the under-performing economy of the past six years, sky-rocketing violence, and the fears and concerns of a sizable segment of the population that are not sharing in the prosperity of an increasingly middle class Mexico and do not have access to public healthcare benefits and quality education.

Running as a coalition candidate for the Party of the Democratic Revolution (PRD), Labor Party (PT), and Citizen's Movement (MC), Andres Manuel López Obrador and the PAN's Vázquez Mota continue to battle to become the main alternative to Peña Nieto and the return of the PRI. In recent weeks López Obrador (widely known as AMLO) has tried to position himself as the only real candidate of change since the other two major parties have held power for the past twelve years (PAN) and prior to that, 71 years (PRI). He also sought to reduce negative perceptions about his past, moving from the candidate with the highest negatives among the main candidates to now near the bottom. As a result, he has tended to benefit most from external developments such as the emergence of an outspoken and unaligned student movement (#YoSoy132), a scandal involving a former PRI governor, and the emergence of damning documents, as yet unverified, that purport to show collusion between Peña Nieto and Mexico's leading television network Televisa.

In this context, undecided voters, those on the sidelines and the previously uninvolved have begun to shift election dynamics ever so slightly. Peña Nieto, who had consistently polled between 15 and 20 percentage points ahead of his nearest rival, now polls, on average, between 10 and 14 points ahead with a couple of polls showing the race a little tighter. But with Peña Nieto's margins so consistently strong and just a few days until the election, the only remaining hope for the other two leading candidates is a last minute debacle in the Peña Nieto campaign, or the emergence of unexpected and previously undetected groundswell of support for AMLO or Vázquez Mota and/or against the return of the PRI.

Whether AMLO or Vázquez Mota emerges as the primary alternative to Peña Nieto will depend in large part on the “second choice preferences” of each candidate’s supporters. Possibly the biggest challenge for both will be to convince voters to support them as the best alternative to Peña Nieto when their candidate no longer seems viable. For example, if PAN supporters decide their candidate cannot win, will they vote for Peña Nieto to ensure that the country does not move to the left with AMLO, or will they vote for AMLO because of their historic antipathy to the PRI and refusal to return power to the party they defeated in 2000. Most polls suggest that PAN voters lean to the PRI as their second choice, and a recent statement from former President Vicente Fox, the first one to defeat the PRI, seemed to call on PAN sympathizers to support the PRI over the PRD and AMLO.

How are the candidates framing the election?

What are the messages and issues the candidates are trying to emphasize in the final days of the campaign? In their own unique way, each candidate is asking the voters to reject the past and trust them with their future.

For Peña Nieto, the challenge has been to present himself as the leader of a new PRI – not the party that dominated all levels of government and ruled Mexico uninterrupted for 71 years until 2000. He defines himself as the leader of a modern and reformed PRI, capable of delivering on its promises for a better tomorrow for Mexicans. While he acknowledges the history and past of the PRI, some of it tarnished by corruption, scandal, and un-democratic practices, he argues that the party has learned from its mistakes.

More importantly, he seeks to make the election a referendum on the past 12 years of PAN rule pointing to the failures of this period including elevated rates of crime and violence, and an underperforming economy, which averaged less than 2% growth during the current administration, despite recovering rather quickly after the global financial crisis of 2009. If elected, Peña Nieto promises to restore effectiveness and efficiency in government, and a government that fulfills its promises. He promises a more vibrant economy, a reformed energy sector open to private investment, renewed efforts to fight crime and reduce violence, important infrastructure projects, and an improved safety net for the poor and working class.

Peña Nieto has built a modern campaign team led by mostly young professionals with a proven track record in the State of Mexico, the country’s most populous and where he was governor until 2011. As governor he had the practice of making promises to the electorate that he certified before a notary and then latter publically ratified when completed, keeping a very public tally of his performance. By the end of the governorship he maintains he fulfilled 608 specific promises, which he kept track of on a public website. The practice may seem like a gimmick but in a country where public perceptions are that politicians make many promises but never deliver, it helped build his reputation as an effective and trustworthy politician. He has continued the practice in the presidential campaign.

For López Obrador, the election boils down to a choice between those who have governed before (the PRI and the PAN) with disappointing results, and those that have not and represent “true change” - Mexico’s left. He paints with a broad brush as has describes the PRI and the PAN as parties cut from the

same cloth. Both parties have held power in Mexico for decades and both represent the status quo, according to AMLO. He describes his opponents and their candidates as the product of political and economic elite that control the media, tele-communications, and political power in Mexico and has used these instruments to serve their own narrow interests and not the interests of the majority of Mexicans.

In particular, AMLO argues that media conglomerates such as Televisa have created and championed Peña Nieto for years in exchange for his commitment to protect their privileges and prerogatives in the market place. As evidence, he points to the considerable airtime the State of Mexico purchased during Peña Nieto's government that benefited the networks while promoting his own political ambitions. Furthermore, Peña Nieto married a Televisa soap opera star after his first wife died tragically, and the marriage received extensive television coverage, again cementing the relationship between candidate and networks according to AMLO.

Whether this is true is difficult to prove, but there is a widespread perception that the entire election process has been manipulated by the predominant TV networks and their alliance with Peña Nieto. His case may have been bolstered on June 7th when *The Guardian* published an article based on what it believed to be internal documents from 2005 and 2006 belonging to a marketing firm associated with Televisa that allegedly revealed a plan to intentionally benefit Governor Peña Nieto and focus negative coverage on AMLO. Whether or not these documents are authenticated and a "smoking gun" in the alleged conspiracy of complicity between the PRI and Televisa, they very well may serve to confirm public suspicions of collusion.

Additionally, AMLO has sought to tie Peña Nieto to the old guard of the PRI holding up a picture of the former governor with his predecessor, Arturo Montiel, someone widely believed to be corrupt and part of a group representing the PRI's past, sometimes referred to as the *dinosaurs*. Furthermore, persistent reports of Peña Nieto's ties to much maligned former President, Carlos Salinas de Gotari, also seek to portray Peña Nieto as the product and puppet of an old guard that is often viewed as corrupt and unreformed, and contrary to the new modern PRI that Peña Nieto has sought to portray.

AMLO also points to the current PAN government's failure to take on the vested interests of the media and telecommunications empires, amongst others, as evidence that the PAN did not represent change even though they were the first to defeat the PRI in 2000. AMLO told *The Washington Post* in a recent interview that the parties are controlled by, "... the group that has economic and political power and the power of the media...In 2006, they used the PAN. Right now, as the PAN is exhausted, they started to project the return of the PRI and they chose Peña Nieto. They introduced him to the market the way you introduce a junk-food product. But even though they have him in a bulletproof case, the truth is coming out."

To the extent that "change" is the principal issue driving the election in the final days, AMLO's case may be the easiest to make since neither he, the PRD or the Progressive Coalition has ever won a presidential election. He can make a persuasive case that he is not in the arms of the vested economic interests, and thus better able to deliver change that will benefit ordinary people.

Nevertheless, an alternative view from both the PRI and PAN candidates argues that the “change” AMLO represents would be radical and harmful to Mexico, bringing it back to a tired and old leftist ideology that has failed Mexico in the past. Additionally, they argue that AMLO is against the “right” kind of change such as labor reforms, and could be considered in the grasp of labor unions that have resisted modernization. Furthermore, the PRD and AMLO have made protecting the nation’s oil, and thus the state owned PEMEX Corporation, from private investment a top priority. AMLO and the PRD maintain that they are for reform, but within a much narrower parameter than the PAN or PRI.

Finally, Josefina Vázquez Mota, the candidate of the ruling PAN party has faced the greatest challenge presenting herself as the candidate of change. Ironically, she anticipated this theme from the outset making “*Josefina, Diferente*” her tag line and campaign theme. But effectively explaining from who and what she wishes to differentiate herself has proven much more difficult.

Presumably, her early goal was to demonstrate some distance from the last twelve years of PAN rule, and specifically current President Felipe Calderón, given the aforementioned disappointments with the country’s economic performance and significant violence. Yet she has been unwilling or unable to publically break with the President, and, instead, has increasingly relied on him and his political advisors as her campaign has stumbled. While the PRI and PRD have sought to frame the election as a referendum on the past 12 years of PAN governments, she has tried to walk a fine line by resisting the referendum narrative while also claiming some distance from an administration she served as secretary of education.

Her bigger challenge has been to frame the election as a choice between the “authoritarianism” of past PRI governments, and the era of democracy ushered in by the PAN. On her website she writes that, “there are those who say, quite unfortunately and wrongly, that ...those [the PRI] who were in power before can return to power, even if they were authoritarian, because we now have democracy. They are forgetting our history and why we now have a democracy.”

But the challenge is enormous because contrasting one’s self to a period twelve years ago can be unconvincing for those facing problems today, and especially when there is a sense that the PAN has already had its opportunity to govern. Besides, the demographics are not in her favor. Indeed, 26 million young people will be voting for the first time in 2012, and an estimated 31 million voters between 18 and 30 years old have never lived under a PRI government. Fanning fears of a PRI that is unknown to almost half of the electorate is a hard sell.

Vázquez Mota has also tried to differentiate herself by appealing specifically to women voters. As the first major presidential candidate to also be a woman, she has a basis for taking such an approach and thus distinguish herself. Early on in her campaign she seemed to down play the notion that she was the women’s candidate and preferred to focus on other issues. Yet, as she has struggled to articulate what differentiates her, and has resisted breaking with President Calderón, her options have become fewer and she has tended to appeal more directly to women, families, and youth. Most of her publicity and campaign billboards focus on her as a candidate sympathetic to the needs of Mexico’s women and families. She started a recent speech thanking women for their support and said that, “women have an

indomitable spirit and it has been proven that Mexico without its women is neither complete nor a great country. “

Scandals and a student movement have unsettled the campaign

While the PRI's candidate Enrique Peña Nieto continues to hold a strong lead in the polls, developments in the last few weeks have begun to erode the sense of inevitability that surrounded Peña Nieto's campaign for the past two years. Periodic missteps and gaffes have fed the notion that he is young and untested leader lacking in gravitas. He has pushed back on this notion and performed reasonably well, exceeding expectations, in the only two officially sanctioned presidential debates.

Additionally, two external factors have coincided to erode his general campaign message of a new, reformed, and more youthful PRI. A scandal involving alleged corruption and money laundering by former PRI governors from the state of Tamaulipas (which borders Texas) broke into the open when Texas prosecutors moved to seize assets allegedly connected to Tomás Yarrington, governor from 1994 to 2000. The Texas prosecutors alleged in a civil suit that Yarrington was involved in the purchase of property in Texas to launder funds from the cartels. PRI party leadership, which defended Yarrington when a Mexican investigation began in January, was quick to condemn the corruption alleged by Texas prosecutors and called on the former governor to appear in court to answer the charges.

The news did not implicate Peña Nieto directly but reminded people of the PRI's legacy of corruption, and gave political opponents, especially Vázquez Mota, an opening to question Peña Nieto's claims that he represents a new and reformed PRI. For his part, Peña Nieto has responded by condemning the corruption but reminding Mexicans that all political parties have suffered internal corruption scandals.

Interestingly, despite the potential risks to his campaign, these developments and scandals do not appear to have significantly affected Peña Nieto's standing in the polls.

Additionally, an apparently spontaneous youth movement erupted when Peña Nieto was heckled from a stage at a private Mexico City university in mid-May. The heckling itself was possibly embarrassing but not damaging until Peña Nieto's campaign lashed out against the protesters branding them paid trouble makers, not students, sent by the left to embarrass the candidate. The problem was compounded when Televisa repeated the campaign's accusations against the students.

In response, the students posted a video in which 131 protesters produced their student identity cards and disputed the campaign's claims, and called into question the neutrality of the television networks, accusing them of backing Peña Nieto. The student's video went viral and generated enormous sympathy. The movement that emerged as a result became known as the “#Yo soy el 132” or “#I am number 132” as an act of solidarity with the university students.

While the movement, which is largely a leaderless and unorganized group of young people connected by social media, has concentrated its ire on Mexico's highly concentrated media market and not has not endorsed any particular candidate, some have been outspoken critics of Peña Nieto, who they believe the networks have unfairly and undemocratically supported while undermining other parties and

candidates. This apparently spontaneous, largely anti-media conglomerate, and anti- Peña Nieto movement has injected a sense of dynamism into the election season that was largely absent until mid-May. At rallies in May and early June, including during the final presidential debate, as many as 90,000 protestors participated.

The political beneficiary of the movement's campaign initially appeared to be AMLO who himself has railed against the media empires and criticized both the PRI and the PAN for failing to break up the media empires during their administrations. But Vázquez Mota has also tried to position herself to benefit from the student movement by emphasizing youth and women's themes in the closing weeks, as well as publically expressing support for the movement in the final presidential debate on June 10. Nevertheless, polling suggests AMLO has benefited slightly more helping him move into second place. In either case, both AMLO and Vázquez Mota must move carefully so as not to give the impression that they are trying to control a movement that emerged spontaneously and benefits from an aura of authenticity.

More recently, an article appearing in *The Guardian* newspaper of London on June 7th seemed to confirm the student movement's claims that the relationship between the PRI and Mexico's predominant television network, Televisa, is unethical, undemocratic, and potentially illegal. The article is based on a series of computer files purportedly from a marketing firm run by Televisa that appear to show a series of payments made to the network for favorable coverage of then-governor Enrique Peña Nieto, as well as a campaign to discredit AMLO. Both Televisa and Peña Nieto's campaign deny the authenticity of the documents and reject any claim of collusion between them.

Public security, organized crime and violence in the elections

Ironically, given the widespread concern about crime and violence, security issues have not been the driving force in the final days of the campaigns. Polls suggest that public security and narco-violence are top concerns for voters, neck and neck with the economy and employment, but the candidates are not emphasizing security concerns in the final days and do not appear to see security issues are what will get people to the polls or close the deal with voters. Perceptions in the United States that Mexico is in the grip of powerful drug mafias and nearing collapse are evidently not shared by Mexico's presidential candidates.

Explanations for this are numerous and complex. It is possible that despite perceptions in the United States, crime and violence is a significant issue in specific cities, municipalities, and states hardest hit by violence, but not an immediate priority for most voters throughout the country. With the majority of crime related violence concentrated in five or six states, candidates may believe public security concerns are important but not the driving issue for the majority of Mexicans. Mexico City, for example, is a relatively peaceful with homicide rates about half of the national average; and overall, Mexico has a homicide rate about 30 percent lower than Colombia.

For others, the explanation lies in the fact that the issue has been debated and proposals made, but there are no new ideas being proposed and no particular electoral advantage to be gained. Polls

suggest voters want their next leader to continue to aggressively confront organized crime, which they have all committed to do, but no candidate is proposing a fundamental change in the current strategy.

Additionally, the candidates have all publically stated their commitment to continue collaboration with the United States based on mutual respect and shared responsibility.

The candidate's security proposals have largely been about a change in emphasis rather than an entirely new strategy. For example, they all agree that the Mexican military should not be the primary instrument for confronting organized crime, but they also agree that the military will continue to play a role in the immediate future, differing primarily on how quickly the military should stand down.

Likewise, there is general agreement that social investments, better education and life opportunities for young people are key to a long-term violence prevention strategy. AMLO gives this issue greater importance than the others by placing the fight against economic inequality at the center of his governing strategy, and making social investment and economic opportunity a central element of his security strategy to combat crime and lower violence. He has called on the United States to send less security equipment to Mexico and support social and economic development instead. But all three of the main candidates have made social investment, better education, and employment opportunities an important element of their proposed security strategy.

Peña Nieto has proposed the creation of a federal gendarmerie – or quasi-military police force under civilian control – as one way to dramatically increase the capacity of federal law enforcement to confront organized crime, while reducing the need for the military to undertake public security missions. Peña Nieto has also suggested prioritizing the implementation of the far-reaching constitutional reforms passed in 2008, but never implemented at the federal level. He points out that he implemented similar reforms to create an adversarial criminal system with oral and public trials in the State of Mexico and believes failing to do so at the federal level has been a serious mistake by the government. In recent weeks, Peña Nieto has coincided with AMLO and strongly argued that economic development is key to reducing violence.

Reducing Violence as a Priority:

A subtle shift in the debate about security has been the new emphasis placed on reducing violence as part of the overall strategy. One vulnerability for the Calderón administration and its legacy, and consequently for Vázquez Mota, has been the extreme violence that has shaken Mexico over the last five years, and especially since 2008. Calderón's government made a priority of confronting organized crime and dismantling their networks, but did not make violence reduction a priority. In some ways the government was dismissive of the violence suggesting in various ways that it was a regrettable but necessary consequence of confronting organized crime, and suggesting that the subsequent violence was primarily amongst those involved in organized crime. Those being killed were primarily people with criminal ties, according to the government, so there appeared to be less urgency for dealing with the violence.

Whether or not this is true, many Mexicans began to feel that their concerns for security were not being taken seriously. What most affected individual Mexicans was the violence itself, which made them unable to go to work, go to school, or visit family without fearing for their lives. Furthermore, there were important cases in which the government first suggested a victim was a likely criminal only to back track when it became clear that the victims were likely innocent of any wrongdoing. One particular case involving the murdered son of a poet, Javier Sicilia, and five friends, touched a chord across the country. Their murders and the very public mourning and outrage expressed by Sicilia ignited a spontaneous victims' movement that sought to highlight the importance of reducing the violence and finding justice for innocent victims of crime.

Additionally, a growing body of independent research appears to suggest that the government's own strategy was contributing to greater violence. As leaders of criminal groups were either killed or imprisoned by authorities, criminal organizations often fractured into splinter groups and rival gangs that generated more conflict and competition leading to increased violence.

In this context, then, candidates have tended to emphasize violence reduction as a priority within their security strategies, not suggesting they will ignore criminal organizations in exchange for a reduction in violence, but making violence reduction an explicit element in their strategy to confront organized crime.

Will criminal violence and dirty money disrupt or alter the election results?

There is evidence that criminal violence, threats, and dirty money have disrupted and altered elections in specific municipalities and cities in Mexico during the Calderón administration. This was particularly true in the State of Michoacán during state elections in November 2011 where there were credible accounts of threats, payoffs, and in some municipalities candidates forced to flee or quit campaigning. There is evidence of similar problems in other states like Tamaulipas and Veracruz.

Nevertheless, evidence that criminal groups are working in a concerted, organized fashion across the country to favor a particular party or candidate is weak. In fact, most experts believe that criminals are acting pragmatically at the local level with some favoring one party or candidate, and others favoring another. It may also be the case that criminal groups bet on all parties and candidates equally thereby ensuring some leverage over whoever wins the election.

While not an impossibility, there is little evidence of any coordinated effort or large-scale attempt to influence the presidential races. Mexico has systems in place to help guard against such possibilities, although none are inviolable. Mexico's campaigns are largely publically financed so there are procedures in place to monitor and limit campaign expenditures. Private fundraising is allowed, but the limits are quite restrictive. Individual contributions cannot exceed 0.5% , or just over 120,000USD, of the total federal contribution to each campaign. Contributions from party members, the party, and sympathizers can amount to another \$4.8 million per year per campaign.

Will the PRI and Peña Nieto negotiate with criminal organizations?

Whether through negotiations, accommodation, or by turning a blind eye to criminal organizations there is little evidence to suggest that Peña Nieto intends to cozy-up to the drug lords and criminal organizations and give them free reign in Mexico. Nothing in his public statements or private meetings suggests that he believes “negotiation” is possible or desirable. He has repeatedly committed himself to maintaining a policy of aggressively confronting organized crime, albeit with some nuances.

Obviously, suspicions to the contrary persist based on a history of PRI accommodation with drug traffickers in past decades and the legacy of corruption during earlier PRI governments, especially at state and municipal levels. These suspicions are made stronger with the recent efforts to sanction former Tamaulipas governor Tomás Yarrington for money laundering. .

Furthermore, while there have been improvements in security collaboration and intelligence sharing between the United States and Mexico during the Calderón years, it is not surprising that distrust and concern persist in the United States about organized crime’s infiltration of local, state, and federal authorities. Should he be elected president, one of Peña Nieto’s biggest and earliest challenges will be how forcefully he pursues those within his party (and others) who have already made deals with organized crime.

Nevertheless, there is no concrete evidence suggesting that Peña Nieto would turn his back on collaboration with the United States, and he has stated as much on numerous occasions. U.S. officials, including Vice President Biden, have repeatedly stated the United States willingness to work with whoever wins the presidential election. Presumably, the U.S. will continue to take the same precautions it takes now when working with the current government, but until there is proof to the contrary they are unlikely to hold back current collaboration plans. In fact, most U.S. authorities believe that expanding collaboration, including with a Peña Nieto government, is probably the best way to guard against any erosion in support for confronting organized crime.

Additionally, there are reasons to believe that re-establishing the old PRI political order of centralized control will be impossible for Peña Nieto should he be elected. The old system that enabled the PRI to control almost all political discourse and decision-making came to a close in 2000. While not perfect, Mexico’s political decision-making is increasingly decentralized and there are many more independent voices in the press and civil society that would make it far more difficult for the PRI and Peña Nieto to return to a pre-2000 (and pre-1994) way of conducting business.

Likewise, organized crime itself is much changed – vastly more powerful, wealthy and fragmented, and thus less likely to be easily subsumed by the federal government.

Finally, Peña Nieto and his advisors seem intent on modernizing Mexico economically, emphasizing energy and fiscal reform and significantly opening Mexico to international investment. Their real passion seems to lie in these areas. Moreover, they are well aware that Mexico’s economic wellbeing is largely tied to the United States economy. Mexico trades more with the United States than any other

country, and Mexico depends on good relations with the United States to maintain their economic stability. Both economies are irreversibly intertwined.

In this context, it seems improbable that Peña Nieto would turn a blind eye to crime and violence in his country and thereby put in jeopardy the larger economic agenda of his campaign.

Could he attempt some accommodation with organized crime? It is possible, but based on the evidence we have to this point it seems unlikely and improbable. That sort of grand bargain with criminals is exceptionally hard to establish and even harder to maintain, and the risks to his reputation, his economic agenda, and Mexico as a whole would be enormous.

A more likely challenge is the constant creeping threat of criminal penetration of the state by organized crime and the need to deal aggressively with it. Additionally, local arrangements and accommodations with organized crime have already occurred in some cities and municipalities, and ensuring that this practice does not spread or become the norm is a greater challenge that all candidates will face if elected.

Economy and energy sector reform

Along with security concerns, economic growth, job creation and poverty reduction are top concern for voters. Despite robust growth since the 2008-2009 recession ended, GDP growth has been sluggish, at about 1.8% per year, during the Calderón administration. Adept economic management and a growing middle class during the same period have not altered the general pessimism about the economy amongst many voters. Polls suggest that economic concerns are generally equal to security concerns as top priorities for voters. Both the PRI and PRD have sought to exploit this perceived weakness, promising to deliver more robust growth.

Peña Nieto's campaign has identified increased competitiveness within Mexico's economy, especially energy sector reform, as a cornerstone of his economic revitalization agenda. To encourage greater competitiveness, Peña Nieto's says the Mexican state must be stronger, one that "regulates market competition, drives new energy reforms and promotes a deeper portfolio of financial services through both commercial banks and an effective development bank." The goal is to revitalize the domestic market that he believes has been stagnant and undervalued for many years.

Labor market and energy sector reforms are two key areas to accomplish this agenda, according to Peña Nieto. In particular, he has proposed a reform of the energy sector modeled after the Brazilian experience of opening the national petroleum industry to private investment without fully privatizing it. Vázquez Mota has, likewise, put forth similar proposals for energy sector reform.

Additionally, the former governor is proposing new investments in major infrastructure project that he argues will spur productivity, employment generation, and have been neglected by the PAN governments. He also promotes "integrated labor relations," expanding health insurance coverage to all workers including those in the informal sector, and tax system reforms to create a more equitable system..

AMLO's proposals have centered on revitalizing Mexico's economy by emphasizing job creation and reducing inequality. He has areas where he would reduce the cost of government and thus generate the revenues the government can use as "seed money" to foster job creation. The three areas for saving are ending corruption, reducing the salaries of top government employees, and ending tax provisions that benefit the rich. Together, he estimates these measures will generate 800 million pesos (57 million USD) for investment and the creation of an estimated 200,000 new jobs. AMLO has also proposed the creation of a new government agency, similar to the Small Business Administration, to encourage and promote small and medium sized business

For her part, Vázquez Mota's announced economic proposals stand firmly on maintaining the economic stability that the current government has obtained. The PAN and the Vázquez Mota campaign often speak proudly that Mexico is among the world best managed economies. They point out that despite a global economic crisis and a steep decline in economic growth in Mexico in 2009, the country did not nationalize the banking system (as it has done in the past) and did not experience any major devaluations. Maintaining economic stability is key to the future, according to Vázquez Mota.

Not content to leave it there, Vázquez Mota has also proposed ideas she believes will make Mexico's economy more productive and competitive and thus grow faster. Key among these proposals are "labor flexibility" – reform of Mexico's antiquated labor laws to generate more employment; reform of Mexico's educational system to increase labor productivity and better prepare Mexicans for the job market; support for small and medium business; a focus on family incomes and greater economic competitiveness.

Does party matter?

Mexico's three main political parties have their own unique history and structure that make it difficult for a U.S. audience to fit them into a traditional left-right paradigm. For example, debates about the size and role of government, especially regarding social welfare policy, are not central. The three main parties formally support sound fiscal management but they are also proposing ways to expand and strengthen the social safety network to address the needs of Mexico's roughly 47 million poor people, and the 10.4 million living in extreme poverty. Likewise, all parties agree that fiscal reform is needed and tax revenues increased. They disagree on the specifics of the policy options, but share a common vision that more general social services and fiscal reforms are a priority.

Generally speaking the National Action Party (PAN) is understood as a conservative party: pro-markets, pro-private enterprise, and historically rooted in the conservative traditions of the Catholic Church. As such, they have tended to be more pro-life. As the former Secretary of Social Development and Secretary of Education, Vázquez Mota focused on each of these areas throughout her campaign. She has also proposed economic reforms and the opening the energy sector to greater competition.

The Party of the Democratic Revolution (PRD) has traditionally been the party that brings together most of Mexico's left. A strong early impetus for the party was a breakaway faction of the PRI that became frustrated with the centralized, undemocratic decision-making of the PRI, and that tended to favor more leftist or nationalist policies. This breakaway faction, led by Cuauhtémoc Cárdenas, joined with other

smaller leftist parties such as Mexico's Socialist Party, factions of the Communist Party, and various workers' parties to challenge the PRI in 1988. By most accounts the coalition won that election but was later denied victory through well-orchestrated fraud. After 1988 the groups and parties that supported Cárdenas banded together to form a new party, the PRD.

Today the PRD continues to be a broad tent for left leaning parties and those who have abandoned the PRI for various reasons. Its greatest challenge has been to overcome the internal disagreements and differences posed by the disparate ideologies and movements that make up the PRD. It has also struggled to develop a strong national presence having won only a handful of governorships outside of Mexico City, and often losing those seats after one or two terms. Nevertheless, the PRD has developed a very solid base of support in Mexico City, and a reputation for effective government in one of the world largest and most complex cities. Ironically, there are many voters in Mexico City who consistently vote for the PRD at the local level but the PAN or PRD in national elections.

AMLO proposes eliminating corruption as the key to increasing economic growth. He believes cutting government waste and high salaries would free up budget for social spending. He has tried to court the private sector, promising to respect and promote private investment, as both an economic policy and in order to counter lingering perceptions that he could be a danger to Mexico (which was successfully used against him in 2006). He rejects many structural reforms as technocratic and externally imposed and rejects anything approaching privatization of energy, but promotes investment in refineries as a means of making the sector more profitable.

The long-ruling PRI is the broadest tent of all and most difficult to fit into the left-right paradigm. It is known less for its ideology and more for its effective use of power to accomplish specific ends. During its years of political domination its leaders swung from more conservative to more progressive from generation to generation and depending on the particular political environment. It has roots in social movements, peasant movements, labor, as well as within elite circles where businesses and individuals have benefited immensely from the PRI's largess and protections.

Most recently, it has tended to favor more open market and less protectionist policies. The Salinas and Zedillo governments dramatically reversed the country's history of state-led development and protectionism, and a devastating economic crisis in 1995 helped usher in an era of greater free trade, better fiscal management, and floating exchange rates. These policies, which were continued by the PAN governments of Vicente Fox and Felipe Calderón, seem to be the direction Enrique Peña Nieto will continue to follow as well.

Nevertheless, there are also strong nationalist tendencies within the PRI that will put a break on some economic reforms and possibly make increased competition within Mexico's telecommunications, television, and energy sectors more difficult. A key challenge for a Peña Nieto administration will be to effectively manage the competing ideological factions within the party.

Each candidate has recognized the importance of maintaining strong economic relations with the United States and none is calling for a re-negotiation of the North American Free Trade Agreement (NAFTA).

What about congressional elections?

One of the stumbling blocks for the past two PAN Presidents has been negotiations with the Mexican congress. As political competition has increased over the last 15 years, the Mexican legislature has become an increasingly important, and sometimes frustrating, branch of government. Minority parties have used the legislature to further their agenda and, at times, obstruct the President's. As a result the outcome of congressional elections can be of great importance to the new President, his/her agenda, and the future of opposition parties.

Polling related to congressional elections is mostly generic and not specific to a state or district. Many congressional seats, known as "plurinominal," are chosen based on the number of votes a party receives in a particular area so the emphasis is on a party's ability to deliver votes and less on the individual candidate.

According to some of the latest polls, the PAN is expected to receive around 20% of the vote in the lower house – Chamber of Deputies – the PRI and coalition parties around 36%, and the Progressive Alliance coalition with the PRD around 23.4%, with nearly 20% undecided or unresponsive.

Will this be a free and fair election?

It is widely accepted that the July 1st election will be free and fair and that the Federal Electoral Institute has the political independence and technical capacity to ensure a smooth and trustworthy election.

Given a legacy of manipulated elections, Mexico has slowly built one of the most sophisticated electoral institutions in the region, if not the world. Beginning in 1996, Mexico created for the first time a fully independent electoral body, the Federal Electoral Institute (IFE), which is overseen by nine citizen councilors.

The IFE is not only autonomous but has benefited from a strong federal election law and significant government resources that enable it to carry out its role effectively. Its responsibilities include monitoring the election process to ensure parties and candidates comply with the electoral law and regulations; and, preparations for and conduct of the voting process itself. It is not a judicial body with legal authority to rule on violations of the election law or party rules, a task left to the Federal Electoral Tribunal. Nevertheless, the IFE has the authority to monitor and audit campaign related expenses and levy fines on parties and candidates that violate the electoral laws. The IFE's rulings can be challenged before the Federal Electoral Tribunal.

To date, the overwhelming majority of the elections overseen by the IFE have been transparent and well managed. There was some controversy related to the 2006 presidential election because of confusing statements made by the IFE's then-president, and the insistence of AMLO that there had been electoral fraud that deprived him of victory. AMLO lost the 2006 election by less than 1% of ballots cast, and he insisted on a full recount.

The Federal Electoral Tribunal eventually ruled that there would only be a recount in a limited number of districts where there were allegations of misdeeds, and Felipe Calderón was declared the official

winner. Many of AMLO's supporters cried foul and blamed the IFE, in part, for not carefully monitoring the pre-election process.

While the controversy damaged the IFE's reputation, there has been a complete turnover among the councilors and the institution's reputation has been largely restored.

Important questions have also been raised about the IFE's willingness to prevent sitting governments – whether federal, state or local – from using public resources to unduly influence the voting process. This is an age-old problem in Mexico that remains a major concern, especially amongst those out of power. The IFE has sought on occasion to stop or prevent this sort of intervention, but overall it remains a major concern for many.

Unique features of Mexico's electoral law

Mexico's current electoral law includes three unique elements: a "no negative campaigning" clause, a highly regulated public financing system that severely limits private contributions, and an audit provision that is carried out after the election and thus can only result in a fine and cannot alter the outcome of an election.

The provision prohibiting negative campaigning has proven to be less restrictive than originally thought. The majority of IFE councilors have interpreted the provision to be consistent with other legal provisions prohibiting slander and libel, so the threshold for negative campaigning is actually quite high. Simply criticizing an opponent's record does not constitute slander or libel, and is not subject to sanction by the IFE.

Since campaign financing is largely limited to public financing, the IFE has enormous control, some would say too much, over expenditures. Based on the equations established by the federal electoral law, each presidential campaign can spend no more than \$24 million USD (336,112,084.16 Mexican pesos) during the 2012 contest. In addition, campaigns can raise another 10 % from "sympathizers⁴," 10% from internal or party resources and public collections, and 0.5 % from individuals. The maximum an individual can give is 1 million pesos (\$71,000 USD).

One element of financial control exercised by the IFE is the requirement that all advertisements must be purchased by the IFE from each campaign's resources. Candidates cannot purchase airtime directly from Televisa or TV Azteca but must do so through the IFE. This allows for greater controls, but has severely limited the amount of airtime each campaign purchases, and not surprisingly has upset the television networks.

Finally, the IFE can carry out emergency audits of expenditures if there is reason to believe overspending has occurred in a certain location, but the final audit of expenditures by each campaign happens after

⁴ Mexican electoral law allows for three categories of voters – party members, sympathizers who officially identify with a party but do not join the party, and individuals with no party affiliation.

the election. As a result, the audits will not overturn electoral results but can result in financial penalties levied against campaigns and parties ex-post-facto.

Independent Electoral Observation:

As part of Mexico's electoral reforms in the 1990s, the country opened up for the first time to independent electoral observation. One of the first organizations to conduct observation was a loose-knit coalition of civic groups known as Alianza Cívica. Their traditional role has been to train citizen monitors to observe the voting process and report any irregularities, monitor media coverage to report on unfair or biased coverage, and to monitor and report on vote buying and coercion (*compra y coacción*) by governing authorities prior to the election. The goal is to guard against the practice of using public goods and services for a narrow electoral purpose. Once again in 2012, Alianza Cívica is planning to carry out a full array of electoral observation activities.

Additionally, there will be an official electoral monitoring mission from the Organization of American States headed by former Colombian President César Gaviria. The OAS mission will include dozens of international observers that will be dispersed around the country and will together offer a preliminary report on the voting process soon after the election.

Conclusion: The preponderance of public opinion polling appears to suggest that Enrique Peña Nieto will become the next President of Mexico restoring the PRI to power after a 12-year hiatus. Nevertheless, a boisterous student movement and a number of scandals related to corruption within the PRI and perceived media bias have thrown some late uncertainty into the final outcome. Both López Obrador and Vázquez Mota are racing against time and hoping that voters will ultimately be more concerned about the PRI's return than they are about two successive PAN governments that saw weak economic growth and a dramatic rise in violence, and a left that is still fighting perceptions of volatility and lack of new ideas. Whoever the final victor, it will be important for the U.S. and U.S. policy makers to respect the results and work assiduously to maintain the hard won framework of collaboration that has characterized relations between both countries in recent years.

Appendix 1, Who are the candidates?

Andrés Manuel López Obrador (PRD-PT-Movimiento Ciudadano)

On November 16, 2011, Andrés Manuel López Obrador (AMLO), 59, became the candidate of Mexico's progressive coalition (PRD-PT- Movimiento Ciudadano) when he outpolled his main rival, Marcelo Ebrard, in an internal PRD poll. López Obrador is a popular former mayor of Mexico City (2000 – 2005) and became the party's presidential candidate in 2006 when he lost by less than one percentage point, according to official results. Negative campaigning during the 2006 campaign that portrayed AMLO as dangerous, and a peaceful but disruptive street protest after the 2006 election, contributed to AMLO's volatile populist image amongst some. During the 2012 campaign, AMLO has worked hard to moderate his image, reaching out to the business community and middle class, and has committed himself to accepting the legal framework for the elections and the rule of law. A central theme throughout AMLO's campaign has been a call to transform Mexico into a *República Amorosa* - a country based on the "principles of honesty, justice, and love."

Enrique Peña Nieto (PRI-PVEM)

Former governor of the State of Mexico (2005-2011), Enrique Peña Nieto, 45, is the current front-runner. He became the Institutional Revolutionary Party's (PRI) candidate on November 27, 2011. He is a coalition candidate and standard bearer for the PRI and Mexico's Green Party (PVEM) on the *Compromiso por México* platform. He won the PRI nomination based on his record as an effective governor of Mexico's most populous state, his ability to unify disparate elements of the party, and by portraying himself as the "new face" of the PRI, differentiating himself from the party's legacy of corruption and authoritarianism. His opponents portray him as a "puppet" of the old PRI that seeks to recover its political power; and as a charming media personality with an actress wife lacking in gravitas.

Gabriel Quadri de la Torre (PANAL)

Gabriel Quadri, 57, rose from virtual political anonymity when he declared his candidacy for president with the Nueva Alianza (PANAL) political party on February 16, 2012. PANAL is the party of Mexico's teacher's union, headed by long-time union boss, Elba Esther Gordillo. He has been a clever debater during the campaign but consistently polls below 5 percent.

Josefina Vázquez Mota (PAN)

Josefina Vázquez Mota, 51, is the candidate of the governing National Action Party (PAN) – the party that ended the PRI's long dominance of the presidency in 2000, and won a second term in 2006. Most recently she was the leader of the PAN's congressional faction in the Chamber of Deputies. Vázquez Mota previously served as Secretary of Education during the Calderón administration (2006-2009) and as Calderón's campaign manager in 2006. She was also Secretary of Social Development under President Vicente Fox (2000-2005). She has developed a large political network and is a well-known figure within the party, which helped her win the PAN primary in February with 55% of the vote. The novelty of being the first woman presidential candidate from a major political party, her reputation as a strong motivational speaker, and her experience dealing with Mexico's major social issues have buoyed her candidacy. Her campaign has also been weighed down by scheduling blunders and her inability or unwillingness to fully differentiate herself from the current government.

	Ándres Manuel López Obrador	Enrique Peña Nieto	Josefina Vázquez Mota
U.S. - Mexico Cooperation	A closer relationship “based on cooperation for development...” (WashPo)	Wants to, “seize and rebuild our historic partnership on...shared responsibility and mutual respect.” (HuffPo)	Strengthen relationship and shared responsibility to, “recognize that what Mexico is now facing is not a local issue.” (WashPo)
U.S. Relationship	Relationship important but proposes substantial changes including development of a specific plan for job creation, and access to cheap credit for Mexico from the US. Wants more development focused aid and less military assistance.	Calls for more cooperation with Washington (frank and open dialogue); especially introducing weapons flows. Regarding the drug war Mexico should “not subordinate its strategies to other countries”	Wants to work closer with the U.S. on security issues – specifically wants newer intel systems, better technology to locate illicit financial webs, reduce drug consumption and weapons flow; would create a Secretary of the Interior
U.S. Immigration Policy	Will insist on immigration reform especially with regards to immigration policies; work w/ other Latin American nations to encourage US reform.	Will work with US to improve treatment of undocumented workers, encourage more labor visas, and wants comprehensive U.S. immigration reform.	Create undersecretary for migrants to advocate for change in U.S. immigration policy towards a human rights focus; change labor visas
United Nations	Open minded about peace keeping and would not rule out involvement; believes Mexico should only participate if in its interests. Work more w/ human rights commission	Mexico should take a more active role in peace keeping operations, but only when they are approved by the Security Council. Mexico would take on more non-military roles	Mexico should be more active in the UN, including in peace keeping operations. Wants strategic reform of the Security Council, w/ more non-permanent members
Combating Traffickers and Illicit Drugs	Security strategy called, “Hugs not bullets;” includes job creation in poor neighborhoods instead of a war on gangs, and would remove the military from the streets within six months of being elected.	Would move away from the decapitation strategy and would focus on violence reduction, but says that capturing El Chapo would remain a goal. He would also create a gendarmerie to target the cartels in locations with high violence and emphasize judicial proceedings.	Would continue current policy, expand the police, introduce stricter penalties for narcotics traffickers, and introduce an identity card for banking so as to fight money laundering after approving a new anti- money laundering law.
Narcotics Legalization	Would consider decriminalization	Opposed	Opposed
Central/ South America	Wants closer relations especially with Brazil and greater need to support Central American security measures	Wants closer relations; especially in trade through a “privileged position” for Mexican products and further expansion of security initiatives.	Wants to strengthen ties with, but will prioritize Central America, especially through trade and migration
Trade	Remains staunchly opposed to privatization of the petroleum industry	Wants to increase Mexico’s global presence. Ideas include: opening PEMEX to private investment, a plan to compete with China on low-cost manufacturing, and N. America as main trading partners	Would modernize PEMEX like Brazil’s Petrobras, work with the US to expand border trade beyond the <i>maquiladoras</i> , create a N. American market to export finished products to Asia.

About the Author

Eric L. Olson is the Associate Director of the Mexico Institute at the Woodrow Wilson International Center for Scholars in Washington, DC. In this position he oversees the Institute's work on U.S.-Mexico security cooperation and research on organized crime and drug trafficking between the U.S., Mexico, and Central America. He also directs the Mexico Institute's 2012 election-related work including the Mexico Institute's Election Guide with Katie Putnam, and periodic analysis pieces. Prior to joining the Wilson Center he was a Senior Specialist in the Department for Promotion of Good Governance at the Organization of American States from 2006-2007. He served as Amnesty International USA's Advocacy Director for the Americas from 2002-2006, and he was the Senior Associate for Mexico, and Economic Policy at the Washington Office on Latin America for eight years. He worked at Augsburg College's Center for Global Education in Cuernavaca, Mexico from 1989-1993 where he was the program director. From 1986-1988, he worked in Honduras, Central America as a development specialist for several local non-governmental organizations. He has testified before the United States Congress on several occasions, appeared in numerous press stories as an expert commentator on human rights, drug policy and organized crime; and has written extensively on U.S.-Mexican relations, democratic and electoral reform in Mexico, U.S. counternarcotics policy, and Colombia.

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