

Mexico's Presidential Election

Mexicans will cast their ballots next year to elect a new president. The election is expected to be one of the most contested in the country's history. Campaigns are underway by the as yet unofficial candidates of Mexico's three major political parties in pursuit of the presidency. Currently media coverage and policy analysis are focusing on both the development of party platforms around the country's prevailing social and economic issues, and on the election process itself. The election, which is scheduled to take place on July 2, 2000 will be the latest (and potentially the biggest) step forward on the road to greater political pluralism and democratic consolidation in Mexico.

SIGNIFICANCE OF THE ELECTION TO CANADA

Canada has a broader and more substantial relationship with Mexico than with any other country in Latin America and the Caribbean. As the electoral year approaches in Mexico, the following questions are surfacing:

- Will the election change Mexico's government after 70 years of the same party rule?
- How radically will domestic and foreign policy shift under the new administration and what impact will that have on Mexico's relationship with Canada?
- Given the 1994 peso crisis, can a similar free fall in confidence in Mexico's economy and political system be avoided?
- Will the new government maintain the Zedillo administration's commitment to NAFTA?

ANALYSIS

The Candidates

Candidates representing the PRI (Partido Revolucionario Institucional, also referred to as the Ruling Party), and the two major opposition parties the PAN (Partido de Acción Nacional), and the PRD (Partido de la Revolución Democrática), are well known and seasoned politicians.

PRI —

The ruling PRI will choose its presidential candidate in an open primary in November 1999. The presidential hopefuls include: Manuel Bartlett who ended his term as Governor of Puebla in February 1999; Humberto Roque, a former party president; and the two frontrunners for the candidacy: Francisco Labastida, and Roberto Madrazo.

- As former Minister of the Interior in the Zedillo administration, Francisco Labastida is said to be the President's favourite, though he has not been formally endorsed. Trained as an economist, Labastida served as Minister of Energy, Mines, and Public Enterprises; Minister of Agriculture, Livestock and Rural Development; and as the



FOCAL

Canadian Foundation for the Americas
Fondation canadienne pour les Amériques
Fundación Canadiense para las Américas
Fundação Canadense para as Américas

Governor of Sinaloa.

- Roberto Madrazo is a lawyer and the Governor of Tabasco. He served in the Chamber of Deputies and as a senator for Tabasco. Madrazo is a party “traditionalist”, as opposed to “technocrat” or “reformer” like President Zedillo and Francisco Labastida. He is very popular in his state and with other PRI traditionalists. So far, public opinion polls suggest that Madrazo is the preferred candidate amongst PRI supporters.

PAN —

- Vicente Fox was the only party member to register his candidacy for next year’s election. His candidacy will be proclaimed at the PAN’s national convention on September 12, 1999. Governor of Guanajuato and former Coca-Cola executive, Vicente Fox is a very popular politician. Although the PAN is known as a centre-right party with roots in clerical catholicism, Fox is from the party’s younger, pragmatic wing.

PRD —

- Cuauhtémoc Cárdenas is the likely presidential candidate for the centre-left party. Cárdenas is presently serving as the first elected mayor of Mexico City. Prior to breaking off from the PRI to start his own centre-left social political movement and later a political party, Cárdenas was the Governor of Michoacán. He ran for the presidency in 1994, and in 1988 he was not only a presidential candidate, but is perceived by many to have been the legitimate winner. Cárdenas is, perhaps the best known political figure in Mexico. He is the son of General Lázaro Cárdenas, president of Mexico from 1934-1940 during a period of nationalization and anti-clericalism. Cárdenas has, however, fallen steadily in the polls in the past year due to his perceived failure to resolve the problems of crime and pollution that afflict Mexico City.

An Alliance For Mexico ?—

Despite ideological differences and the personal ambitions of Vicente Fox and Cuauhtémoc Cárdenas, the possibility of the PAN and the PRD forming a coalition to field a single candidate in a bid to end 70 years PRI rule is highly probable. In a surprise move, on August 3, 1999 eight opposition parties (including the PAN and the PRD) agreed to start negotiations to form a coalition to be known as the “Alliance for Mexico.” Most polls indicate a coalition candidate could defeat a PRI candidate in the 2000 presidential election, but that opposition candidates running alone would likely lose.

The parties must however, work out crucial issues such as how they will choose a candidate and a common platform. If such an alliance were to succeed in putting an end to PRI rule, Mexico could face serious institutional and political uncertainty. The results of recent polls reveal, however, that the majority of Mexicans are willing to take this risk to allow a new party to govern after the 2000 election. The announcement of a possible alliance has created a political cliffhanger in Mexico. If such an arrangement becomes a reality, then Vicente Fox and Cuauhtémoc Cárdenas will each campaign for the single candidacy.

The Economy

In the past, financial markets have not reacted positively to political transitions in Mexico. Since 1976, economic crises have coincided with the end of presidential terms. This has led to concerns that the same will happen when President Zedillo steps down. However, there is reason to be optimistic. The Mexican economy bounced back quickly following the December 1994 peso devaluation with the support of massive U.S., Canadian, and IMF interventions. The economy managed to weather the 1998 Brazilian economic crisis as well. Good economic policy under the Zedillo administration means that no matter which party, or coalition wins the election, the chances are good that Mexico’s fiscal and monetary policies will continue to be basically sound. It is likely that the new administration will continue to seek economic growth and lower inflation, and that it will work toward a further freeing up of Mexican markets. The country is developing a sophisticated capitalist economy and now has a strong currency and floating exchange rate system, healthy reserves, and buoyant trade under NAFTA. The present inflation rate is 17.04% with a tendency to go down. Fiscal

responsibility has become the norm and the Central Bank operates with more transparency. But these positive economic aspects notwithstanding, Mexico's banking system is still in need of a general overhaul.

Candidates' Views on the Current Economic Model—

PRI—

Francisco Labastida is presently regarded as the aspirant within the PRI who would provide the greatest security to foreign investors and the Mexican business community. His proposals include reducing inflation to 2%-3% levels in two years, and to continue with current economic policies so as to attain sustainable GDP growth of at least 5% per year.

Labastida's opponent Roberto Madrazo offers a rhetorical adjustment of the neo-liberal economic model, opening the way for an "economy with a human face." Madrazo's campaign slogan is "Who says it can't be done?" He has successfully portrayed himself as a PRI "outsider" regularly criticizing the government and confronting President Zedillo, and he has shown populist tendencies on the campaign trail, attacking the government's record on structural adjustment.

PAN—

Ironically, it is neither Labastida nor Madrazo, but the PAN's Vicente Fox with his pro-business outlook who is more in accord with President Zedillo's economic objectives. Fox's aim is to see President Zedillo's fiscal and monetary policies and privatization fully implemented. He is the only candidate who agrees with the President's controversial proposal to privatize Mexico's oil and utility industries, and he is the only candidate who would not change any section of the NAFTA agreement.

PRD—

Cuauhtémoc Cárdenas appears to have diverged from the party's past leftist rhetoric since he has not spoken out against the country's prevailing neo-liberal economic model as of late. He appears to have accepted that economic growth and foreign direct investment are necessary for development.

None of the candidates are proposing to abandon the NAFTA agreement. Nevertheless, Labastida, Madrazo, and Cárdenas do argue that NAFTA should be flexible enough to deal with Mexico's development problems.

The Pre-emptive Strike—

In June 1999 the Mexican Government announced that it would launch a pre-emptive strike against a possible end of presidential term economic crises by obtaining financing commitments through the end of 2001 from the IMF, the USA, and Canada. These measures are expected to eliminate most of the country's short-term foreign debt obligations for the first year of the administration that will take over in December 2000. The financial packages will provide "armour plating" against potential capital flight during the electoral year. This pre-emptive economic strike appears to have assured foreign (Canadian) investors.

The Campaigns' Social Issues

As the events of the 1994 electoral year in Mexico illustrated, unwelcome surprises can always lurk around the corner. Investors may yet be scared into staying away. A strong economy and good economic policies notwithstanding, there is still room for unease when focusing on such areas as social policy and human rights in Mexico. Many of the warning signs that were present in past electoral years such as spiralling crime and violence, corruption, powerful drug-traffickers, leftist rebels, and the spectre of political violence, have not gone away and should be taken very seriously.

Social Policy—

Free-market economic policies and NAFTA were supposed to lift Mexico out of under-development. There is no question that they have spurred foreign investment and economic growth, but they have not been able to

support good social programs or create sufficient jobs. Moreover, the current economic model has permitted a greater concentration of wealth in the country. While Forbes magazine announced in June 1999 that Mexico has the highest number of multi-millionaires in Latin America, poverty numbers have not improved. In 1984, 15% of 74 million Mexicans lived in extreme poverty, and in 1999, 28% of 94 million Mexicans still live in this precarious condition. The estimated number of poor people remains very high with an estimated 26 million poor Mexicans (a quarter of the population). Poverty is particularly concentrated in regions with large indigenous populations such as the states of Chiapas, Oaxaca, and Guerrero. It brings with it social discontent, public insecurity (including spiralling crime and insurgency movements), and general instability.

Under-development is a challenge that no government can quickly overcome. Thus, all of the candidates have similar party platforms:

- improving the living standards of the Mexican people;
- advocating the institution of a new generation of social policies, including poverty reduction, education, health care, employment creation, and social security and pension reform.

Human Rights—

As of yet, candidates have not promised to confront the problem of human rights violations in Mexico. Despite the signing of a bilateral agreement on human rights cooperation with Canada, Mexico's human rights record continues to be a Canadian concern. Recent massacres in Chiapas and Guerrero have heightened this concern, along with the harassment of Mexican and foreign human rights observers. Since 1994 there has been a significant increase in disappearances in Mexico. Extrajudicial killings are still committed by the Mexican military and police and although the country's Constitution prohibits torture, it continues to be a serious problem. Nigel Rodley, the United Nations Special Rapporteur on Torture, reported in January 1999 that torture continues to occur despite the fact that the country has in place an array of legal safeguards. Mr. Rodley was invited by the Mexican government to conduct his investigation. Mexicans will be seeking progress on human rights issues.

Public Security—

The Mexican public are also hoping that candidates will promise to confront threats to public security. There is debate as to whether the root cause of crime in Mexico is poverty and its consequent social disruption, or the weakness of the institutions and the corruption of the officials responsible for combatting it. Drug-traffickers constitute a major contributing factor. It has been estimated that 70% of the total quantity of cocaine which enters the United States comes through Mexico and the profits of the Mexican drug-traffickers are some 30 billion dollars annually. Equally 80% of the marijuana, and between 20% and 30% of heroin pass through Mexico. The country's war on drugs is resulting in more violence. An assassination attempt on Mexico's top anti-drug prosecutor Mariano Herran Salvatti on August 16, 1999, was the third gang-style shooting to take place in Mexico City in two months.

Drug-traffickers have helped to inundate the country with illegal arms, many of which have fallen into the hands of leftist rebels in Chiapas, and to a lesser extent, in Guerrero. Chiapas is still a thorn in the side of the Mexican government and the situation is being closely scrutinized by the rest of North America. While there are some 2,500 active militants in the Zapatista camp, the movement has more than 10,000 sympathizers.

Equally alarming is the fact that Mexico's cities are being overwhelmed by crime. People do not trust the police. The poorly paid police are believed to be extremely corrupt, and themselves the perpetrators of many serious crimes. The country has been hit with an alarming kidnapping epidemic. Finally, the possibility of political violence during the electoral year is very real given that the 2000 election will be a highly contested one due to the change in Mexico's political landscape and recent democratic reforms in the country.

A New Political Landscape

As the 2000 Presidential Election nears, the political landscape of Mexico has transformed. The opposition parties have made steady inroads against the long dominant PRI. The PAN and the PRD, along with a number of smaller parties, now hold a majority in Congress. The PAN and the PRD now govern a total of eleven states including the Federal District, and hold a majority of the country's municipalities. If the "Alliance for Mexico" coalition becomes a reality and wins the 2000 election, the country's political landscape will undergo another drastic change.

Democratic Reforms

According to nation-wide surveys in Mexico, the PRI candidates have garnered a significant amount of popular support. This result was to be expected, given the public's favourable opinion of PRI reforms. In past years, the process within the PRI of selecting the presidential successor was not democratic. At the end of the six-year presidential term known as the *sexenio*, the successor was chosen by the outgoing president in a process known as the *dedazo* - (pointing of the "Big Finger"). Until relatively recently, the PRI candidate automatically became the new president of Mexico because elections were neither genuine nor competitive. Once the new president began his term in office, he had the power to rule almost by "fiat" because his party controlled the executive, legislative, and judicial branches of government. The PRI particularly served the executive branch of government by providing the president with the machinery for running campaigns, winning elections, and maintaining popular support.

Historically the PRI political regime was neither a brutal dictatorship nor a democracy. The PRI monopolized political power at the national, state, and municipal levels since its creation in 1929. Until relatively recently, the PRI never lost, or was forced to surrender a nationally important public office. Until 1985, the party controlled 96% of the country's municipalities, the governorships of all 31 states plus the Federal District (Mexico City), 75% of all seats in Congress and all of the Senate seats. Historically, national elections were marred by fraud and won with 70-80% of the vote. Sixty years separate the founding of the PRI and its first electoral defeat, the Governorship of Baja California in 1989.

Abolishing the "Dedazo" System—

On the 70th Anniversary of the party's founding in March 1999, President Zedillo announced an end to the *dedazo* system of choosing the PRI presidential candidate. The PRI has shown remarkable resilience in the face of crisis and change. Until the Chiapas uprising in 1994, the PRI government controlled power despite the extremes of poverty and social inequalities that might have led to revolution elsewhere in Latin America. There is no question that manipulation of elections and selective repression of dissidence have played an integral part in the maintenance of stable single party rule since 1929, but clever political management has been even more crucial. The PRI has transformed itself from a post-revolutionary party with a strong nationalist identity to a moderate pro-capitalist party with a more liberal public face. The paradox of the 2000 election is that the PRI can best prove its democratic credibility by losing power after seven decades, yet, its main motive for adopting such credibility is precisely to avoid losing.

The End Of Electoral Fraud?—

The Mexican Government has put the worst days of electoral fraud behind it. Millions of dollars have been spent creating technologically advanced and credible electoral institutions, revamping voter ID cards and registration lists, and establishing the non-partisan Federal Electoral Institute. Voting is mandatory in Mexico making voter turnout reasonably high. Additionally, federal agencies, such as those responsible for housing and poverty relief, no longer visibly direct their efforts at electorally strategic spots. It is also expected that candidates of the three major political parties will receive a more equal amount of media coverage, and discussions are now underway to put stricter limits on campaign spending. The role of a free and critical press, civil society organizations, and international election observers in bringing about these political reforms has been significant.

It is important to note however, that old habits are hard to break. It is much more difficult now to stuff ballot boxes (as was evident when the PRD was suspected of having stuffed theirs in the election for a new party president this year), but manipulation is still possible. The results of a study conducted by a British firm following the recent gubernatorial elections in the state of Mexico, indicate that the PRI used intimidation tactics and offered gifts in exchange for votes. Such gifts included scholarships and free groceries. The PRI's ability to run a clean primary in November is being questioned.

Why Should Canadians Be Concerned About Mexico's Presidential Election?

Bilateral Mechanisms—

The economic link of NAFTA has developed increased cooperation between Canada and Mexico in trade and non-investment areas. In 1996 Prime Minister Chrétien and President Zedillo signed the Declaration of Objectives for the Canada-Mexico Relationship as well as an Action Plan, which provide a framework for the future of relationships in economic, but also political and social areas. The Prime Minister's visit to Mexico in April 1999 demonstrated Canada's commitment to the bilateral relationship. It was the eighth meeting to take place between the two current heads of government. The bilateral relationship is also handled through Joint Ministerial Commission Meetings in which senior officials from Canadian and Mexican government departments meet to discuss areas of common interest and to negotiate and sign bilateral agreements. The most recent of these meetings took place in Ottawa in February 1999. There are now over 50 such bilateral agreements in place.

Trilateral Mechanisms—

The greater degree of integration of the North American economy that has occurred in the past two decades is resulting in a trilateral focus on issues such as the environment, human resources, education, labour mobility, disaster relief, narcotics control, youth cooperation and indigenous issues. A North American community beyond trade relations is therefore, in the process of developing, giving Canada and the United States reason to be watchful of the presidential election in Mexico.

Economic Policy—

Canada should not fear that the economic policies that have strengthened its trade and political relations with Mexico in the past will be done away with in the upcoming political transition. The main elements of the current economic model appear to be supported by all the candidates and, any specific measures seeking to overturn economic reforms have very few chances of success. Many of the policies of the last decade - privatization, liberalization of the commercial and financial sectors, joining NAFTA- will be hard to reverse given their relatively successful consolidation by present and previous PRI administrations.

Social Policy, Human Rights, Public Security—

Canadians should be looking for a credible commitment from all levels of Mexican government to long term investment in education, basic health care, basic public services, social and economic infrastructure, environmental protection, and public administration. We should also be watching for an equally strong commitment to addressing social inequalities, especially with regard to indigenous issues, to improving Mexico's human rights record, and to confronting the country's spiralling crime rates.

The Democratic Process—

When Canada joined NAFTA in 1994, it was very difficult for the Mulroney government to justify to the Canadian public that it was signing a free-trade agreement with a country holding a less than pristine democratic record. This record has been improving. Many democratic reforms have been made in the last five years to reinforce the credibility of political authorities in Mexico. With the expectation that such reforms will continue, Canadians should be supporting, among other things, a clean election process in the year 2000 with legitimate results, and wider political participation (i.e. inclusion of civil society actors and points of view.)

CONCLUSION

The next presidential election in Mexico will be one of the most contested in the country's history. Given the complex economic and political ties Canada has with Mexico, Canadians should not take the presidential election for granted. Some reasons for watching with special interest are:

- As President Zedillo's sexenio comes to an end, confidence is building that the transition to a new administration will be smooth. However, there are no guarantees, especially when a party other than the PRI could win the election. There are possible but not probable worrisome scenarios:
 - a) If an opposition party or coalition wins the election, the PRI could refuse to "hand over the reins", or the Ruling Party could step down gracefully but behind the scenes make it virtually impossible for the new administration to govern;
 - b) A very weak Alliance for Mexico could win the election, but the hardliners within the opposition parties could fragment the coalition, making it incapable of governing;
 - c) Given the PRI's long history of clever political management, it may very well win the election. Again, the Ruling Party can best prove its democratic credibility by losing power after seven decades, yet, its main motive for adopting such credibility is precisely to avoid losing. However, if Roberto Madrazo, the PRI traditionalist, becomes the presidential candidate (as opposed to Francisco Labastida), longstanding tensions between the "technocratic" and "traditionalist" wings of the party could result in ungovernability and more political violence;
 - d) Continued political infighting within Mexico's three major political parties could cause such fragmentation that no party will be able to obtain a clear victory.
- Despite such political uncertainty, Canada should still be confident that the economic policies that have strengthened its trade and political relations with Mexico in the past, are sufficiently anchored and resilient to weather the transition to the next administration.
- The Mexican economy is becoming the envy of many Latin American countries. The Government appears to be closely following a list of "lessons learned" from past electoral years and it is hoped that past mistakes will not be repeated.
- Mexico will enter the electoral year as a more democratic country. The political system is no longer dominated by one party. Elections are genuine and competitive, and credible election systems are in place.
- Mexico is modernizing and maturing politically. For the first time in history, it appears that party platforms are fairly similar. Despite previously deep ideological differences, the country's three major political parties are moving toward the moderate "centre" of the political spectrum, a situation that is common in developed countries.
- Overall, any progress that the country has made in the last six years or more, should not change with a new president. Many of the warning signs that were present in past electoral years have not gone away and should still be taken very seriously. Canadians will be closely watching for those warning signs and for much more progress in the areas of social policy, human rights, and for improvement of public security.

August 20, 1999

ISBN No. 1-896301-30-4

Publication mail agreement # 1462083

The Canadian Foundation for the Americas (FOCAL) is an independent, non-governmental organization that fosters informed and timely policy debate and dialogue on issues of importance to decision-makers and opinion leaders in Canada and throughout the Western Hemisphere. Established in 1990, FOCAL's mission is to develop a greater understanding of important hemispheric issues and help to build a stronger community of the Americas.

This policy paper was made possible thanks to the Canadian International Development Agency. Additional copies of this report may be obtained from the FOCAL web site (www.focal.ca).



FOCAL

Canadian Foundation for the Americas
Fondation canadienne pour les Amériques
Fundación Canadiense para las Américas
Fundação Canadense para as Américas

1 Nicholas Street, Suite 720
Ottawa, Ontario
K1N 7B7 Canada
Telephone: (613) 562-0005
Fax: (613) 562-2525
E-mail: focal@focal.ca
Web Site: www.focal.ca
