

Mexico: Calderón's First 100 Days and the Future of Political Opposition

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“Prudent”, “programmatic”, “measured”, “with political acumen”, architect of a “good start”. These are the words frequently used to describe Felipe Calderón and his first months in office. They're accurate insofar as they account for the unequivocal achievement of actually assuming office, when – given the country's post-electoral conflict – many thought he wouldn't be able to do so. In five months, Calderón has been able to build a modicum of presidential authority, but not enough to assure the country he's promised to his supporters. The image of personal force that he has attempted to project by resorting to the military in order to guarantee public security, obscured what is still an entrapped presidency. A presidency that is tied to the ground by a hundred ropes that limit its room to maneuver. Like Gulliver ensnared by the Lilliputians.

Calderón, a Mexican Gulliver, tossed upon the beach after a shipwreck, who wakes to discover that he is a prisoner of small men with a lot of power. No matter how hard he tries, he is unable to move his hands or feet. Calderón, a survivor of tempests and cyclones and mutinies produced by the 2006 election. Captain of an embattled ship but unable to control his crew, because the power that the Mexican presidency has lost, other actors – including drug-traffickers, governors, opposition parties, union leaders, monopolists and sundry “veto players” – have been quick to accumulate. Leader of a dysfunctional democracy in which a divided Congress has few incentives to collaborate with the president, and many reasons to sabotage him. At the helm of a fiscally weak state incapable of attending social demands that grow in scope and intensity.

Calderón, tied down by a system that can no longer process, negotiate, coopt, convince, assimilate or repress as it did for so long. After arriving under the contested conditions in which he did, the new president has at least realized that he doesn't have the luxury of napping on the beach as his predecessor Vicente Fox did for most of his six-year term. Calderón understands, at the very least, that he needs to liberate himself and taking on organized crime has become his way of way of restoring the state in order to promote its transformation. He had no choice: a *sexenio* of half-hearted and ineffectual government action had left behind a slew of infiltrated institutions, decapitated policemen, corrupt judges, widespread violence.

This imperative explains Calderón's metamorphosis from mild-mannered party bureaucrat to Commander-in-Chief, courting and promoting the army at every turn. He views action as a way of generating a perception of authority that will, in turn, allow him to govern. So he launches an ambitious security operative and liberates his right hand; he announces some social programs and frees his left one; he negotiates a back-room deal with king-maker Elba Esther Gordillo to reform the pension system and regains some movement in his arm. Little by little, he cuts a couple of ropes and shows that what was a paralyzed presidency under Fox can regain some movement.

The key question, however, is whether the Mexican Gulliver will be able to liberate himself enough to actually get up and walk in a direction that addresses unsolved dilemmas revealed by the 2006 election. Or if Calderón will even want to do so. Because part of what he has promoted is more rhetoric than reality, more smoke-and-mirrors than substance, particularly where drug-trafficking is concerned. Some measures seem designed to generate applause and not necessarily solve problems. Some decisions – such as the return of highway concessions to private hands – suggest bad responses to old issues. Several of the measures adopted – such as the deal-

brokering with Elba Esther Gordillo – suggest that the Mexican president prefers to live with some of the ties that bind instead of cutting them. His approach may be pragmatic minimalism instead of transformative reform.

Calderón’s low-risk approach belies the magnitude of what Mexico needs to do if it wants to become, as Finance Minister Agustín Carstens has suggested in an interview with the Financial Times, “a developed country like Ireland or Spain in twenty years.” But that will not occur if Calderón spends his time cutting some of the flimsy ropes that encircle him, and ignores the strongest. The election underscored a country that is not changing quickly or deeply enough for the majority of its people, where democratic institutions frequently don’t fulfill their roles. And while Calderón won sowing fear of his main adversary – Andrés Manuel López Obrador – he now needs to recognize the causes that explain the existence of a populist, anti-institutional actor who garnered a third of the vote. That is probably Calderón’s greatest challenge: understanding the unviability of the status quo, both politically and economically.

As Jorge Zepeda Patterson argues in his new book, El Presidente Electo, “Mexico’s problem is social, the solution is economic, and the route is political”. Something is not right with Mexico’s fledgling electoral democracy and its political economy. Something isn’t working. It has to do with the country’s institutional design and the legislative paralysis it has produced. It has to do with an electoral system that wasn’t able to guarantee a fair election last summer. It has to do with a party system increasingly known as a “partidocracia”, that allows for what I call “extraction without representation”: a machinery that lives on public financing and taxpayer money, avowedly used to shore up the credibility of Mexico’s electoral process while distorting it. Characterized by parties that are well-financed but not particularly representative; by rules that assure “alternancia” but not accountability because legislative re-election is not allowed. An ever more expensive system for power-sharing –

and for distribution of the spoils -- that benefits Mexico's political class much more than its citizens.

The rules of the economic game also reflect this gap between the country of the few and the country of the many. As Joseph Stiglitz and others have argued, Mexico is held back by its crony capitalism; the intricate web of privileges and kick-backs and union vetoes and "dominant positions" in the market that inhibit a more level playing field for economic transactions. A dense network that operates on the basis of favors, concessions, regulatory protection and collusion that the government offers and the private sector – or union leaders -- demands in order to invest or assure political acquiescence.

Mexico's economy is saddled with rent-seekers and entrenched vested interests in key sectors such as telecommunications, financial services, transportation, energy, education. Those bottlenecks preclude Mexico's development in a globalized, competitive world. Those "veto centers" – as Moisés Naim calls them -- concentrate economic and political power at the tip of the socio-economic and political pyramid, while blocking competition and milking consumers. And they perpetuate a system that isn't based on market reforms but rather on their avoidance. A system that explains to a large degree why Mexico doesn't grow enough, why its business elite doesn't compete enough, why the country doesn't create wealth as quickly as it should or distribute it more fairly.

The privileges that López Obrador alluded to throughout the presidential campaign are real. They exist. Evidenced by every bottleneck that impedes effective democratic representation and level-playing field capitalism. Evidenced by the 572 million dollars in public financing political parties received last year. Evidenced by the new media law that benefits the dominant duopoly in the sector. Evidenced by the tax evasion that Mexico's top companies routinely engage in. Evidenced by the privatizations carried out in the 1980s and 1990s that simply transferred public monopolies into private

hands, without ensuring effective regulation that would dismantle them. Irrefutable signs of a low quality democracy that must be rehailed, and of an oligopolistic economic structure left largely intact by neoliberal reform.

If Calderón wants to govern more effectively than his predecessor did, he will have to acknowledge these problems and confront them eventually. He will have to recuperate the state's monopoly of violence and its inaugurate its capacity to regulate and reform in the public interest. He will need to – at some point in his administration – establish his distance from the powers that be and domesticate them. He will need to send unequivocal signals of how he will deal with the “veto centers” that are blocking Mexico's democratic consolidation and economic growth. Rapacious monopolists and protected union leaders and inefficient parastatal entities and privileged businessmen and black-mailing television networks, and party leaders who resist accountability.

Because these people and practices – as well as the institutions they have put at their disposal -- are at the root of the problems that the 2006 election brought to the surface. They explain why 14 million people voted for an “alternative” economic strategy, however unviable it might have been. For all of those who have breathed a sigh of relief in face of the self-destruction of AMLO and the Mexican left, it's important to not shy away from the sound of the wake-up call he and his movement embodied and were symptomatic of. And it's crucial to recall, as well, that Calderón's offer of economic continuity only won by less than 240,000 votes. So while the new president has offered and shown a firm hand, in the future he will have to do much more than that if he truly wants to create the “country of winners” he promised.

Calderón's tied-down administration will only free itself when the president understands that he will have to have to strengthen the state and level the market; promote competition with one hand and

equity with the other; establish conditions for wealth creation and wealth redistribution; consolidate electoral democracy and enhance its representativeness. In other words, liberate his government enough to regulate the existence of Lilliputians with more power than the government, more weight than the electorate, more interests than the public interest. Because if he doesn't do so, if these necessary political and economic reforms don't occur, at the end of the Calderón term, Mexico will continue to be a political system saddled by political institutions it hasn't been able to remodel, by public and private monopolies it hasn't been able to dismantle, by corporatist structures it hasn't been able to democratize.

It will be a “país ganador donde ganan los mismos de siempre”. A country with too many losers; too many people who barely survive on two dollars a day, too many Mexicans forced to dilute their hopes, live with their hand outstretched, march angrily down the streets, yell because they think no one in the government is listening, cross the border in search of opportunities they can't find at home, or vote for a populist because Mexico doesn't change as fast as it should or as its people deserve.

Now this challenge is not Calderón's alone and the political opposition has great responsibility to bear. Because it will run against Calderón's interests to take on the powers that helped him get into office. And he will only do so if pressured, cajoled, and convinced that he has no other choice. But the PRI isn't going to push him there. Transformed by the post-electoral dynamics in the “loyal” opposition, the PRI has become an uncomfortable ally that the PAN needs to invite, seduce and negotiate with in order to push forward a reformist agenda in Congress. Calderón may be able to obtain what he wants by pacting with the PRI through its corporatist leaders – as he did with the reform of ISSSTE pensions -- but this collaboration will come at a cost both for Calderón and Mexican democracy: the maintenance of political privileges and political immunity for some of Mexico's most dinosaurial political groups,

including those led by Manlio Fabio Beltrones and Emilio Gamboa in Congress.

This is where the Mexican left can and should play a role it has largely refused since the July 2nd election; that of a constructive opposition. In recent months, however, both AMLO and the PRD have ended up assuming positions that are morally unimpeachable but electorally damaging. They have adopted testimonial stances that “the people” applaud but voters reject. They have promoted the tactic of seizing the Congress instead of representing citizens, and the strategy of blocking streets instead of thinking how to win elections. As a result, the left’s support has declined dramatically; a party that doubled its vote in 2006 now faces the prospect of its support declining by half in 2009.

This is the price both AMLO and the PRD are paying for presenting themselves as a political force that isn’t thinking how to legislate but rather how to block. A left that seems incapable of surmounting the intransigence that strengthens the right instead of reining it in. A left that apparently doesn’t want to be a protagonist of Mexico’s politics but their predictable victim. A left that hasn’t decided whether or not it wants to be a loyal opposition because it hasn’t decided what to do with Andrés Manuel López Obrador.

AMLO who undoubtedly faced all the irregularities present in the 2006 election that ended up turning Mexico into a house divided. An interventionist president and the playing field he distorted. Polarizing candidates and the hardball campaigns they resorted to. Unleashed businessmen and the electoral rules they bent. Incompetent institutions and the doubts they planted. But this chronicle of legitimate grievances doesn’t take into account the mistakes that AMLO made and the opportunities he squandered. The real issue for the left at this point shouldn’t be whether or not fraud occurred but what to do now and in the future.

The quandary for the left as an electoral force today is that López Obrador has spent the past 10 months calling for the destruction of a political system in which the PRD just achieved its largest gains ever. He has shunned the very institutions that his party helped build and are an integral part of. López Obrador's maximalist, scorched-earth stance runs counter to the kind of modern, tolerant, institutionalized left that Mexican democracy needs and voters want. This is a painful reality revealed in poll after poll, survey after survey. Electoral support for the PAN grows as electoral support for the PRD declines. What AMLO loses, Calderón is quick to pick up. What a radicalized and belligerent left reaps, a triumphalist and complacent right sows. The post-electoral behavior of López Obrador hasn't foreclosed spaces for the PAN; quite the contrary.

The paradox is that all the reasons that explain the Mexican left's reasons for being are still there: poverty, inequality, corruption, discretionary justice, concentration of wealth and the postponement of solutions to redistribute it better. But parts of the PRD – with the exception of Marcelo Ebrard's government in Mexico City -- and AMLO seem too occupied denouncing the system instead of focusing on how to remodel it. If the left continues to act in this fashion, it will end up making Mexico not more just but more *panista*. It won't empower the dispossessed but rather help the party that appeals to a firm hand to deal with them. If the left is incapable of translating social demands into reasonable public policy options, it will further undermine Mexico's dysfunctional democracy instead of contributing to fix it. If the PRD isn't capable of attending the concrete demands of its natural constituencies, it will end up further away from them.

Mexican democracy requires a functional left that can act as an effective counterweight to the excesses and myopia of the right. A left that can temper the PAN instead of providing justifications for Calderon to govern alone, or forming an unholy alliance with the PRI. A left that can be the catalyst for progressive change and not

just a pretext for conservative gradualism. A left that seeks more than to block, sabotage, and thwart the government instead of working to make it increasingly accountable. A left willing to renounce the easy immediacy of confrontation for the difficult, long-term commitment of changing Mexico law by law, institution by institution, Lilliputian by Lilliputian. A left willing to fight for a better cause than Felipe Calderón's political destruction. Because the kind of deep transformations that will benefit the poor and strengthen Mexican democracy will not occur by merely fueling legitimate grievances instead of addressing them. And Mexico will not end up in a better place if the PRD's hatred of a flawed political system precludes the possibility of reforming it.