

Behind the Scenes of The Structural Reforms

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Eleven reforms of the Constitution in the first 20 months of the administration: that is Enrique Peña Nieto's record just before the second anniversary of his inauguration as president. The reforms, in the areas of energy, telecommunications, taxes, labor, education, and politics, among others, had all been part of the public debate for 15 years without reaching any concrete results, and yet they now passed practically without a murmur. What's the secret? Was it a matter of strategy or the confluence of circumstances? Has Mexican democracy entered into a new era of consensus, or does perhaps the political skill of the governing party explain it all?

While a good part of national public opinion and almost all international observers are optimistic and even celebrate the cascade of legislative changes, some sectors are skeptical about the scope of the reforms, particularly about their implementation in the long term. It is known that many of them should have been implemented two decades ago and that their delay has made Mexico's economic development more difficult. What is significant, in any case, is to ask ourselves the reasons why they passed this time, and whether, behind those agreements, favorable conditions exist for a permanent stage of collaboration between our country's executive and legislative branches, at odds for 15 years.

It should be pointed out that all these constitutional changes had been postponed since 1997, when the Institutional

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Revolutionary Party (PRI) lost the majority in the Chamber of Deputies. Even after alternation in office came to the presidency with Vicente Fox (2000-2006) and Felipe Calderón (2006-2012) from the National Action Party (PAN), the reasons, excuses, and arguments were the same: the party in office did not have the majority in either of the two chambers of Congress (deputies and senators) and the presidents, instead of consensuses, were always faced with obstructionist legislative oppositions.

The Mexican press has said that, in contrast with previous first executives, Enrique Peña Nieto has a weak, collaborative opposition, that the PRI has more deputies and senators in this Congress, allowing it to advance the president's agenda, and that it has greater parliamentary expertise than its legislative adversaries. All this is true, but it still does not sufficiently explain the reasons for the current administration's political success compared to previous presidents.

IMPERATIVES OR PRIORITIES

Just like with failures, political successes are due to a series of circumstances. Some of them are well designed, planned, and executed, but external factors that are part of the political moment also favor the objectives proposed. That seems to be the case of the broad range of reforms recently approved in Mexico.

For Vicente Fox the most important thing in the first year of his administration was to differentiate himself from the PRI, picking persons "of note" for his cabinet instead of traditional politicians, changing the names of the ministries, creating new structures in the federal public administration, pointing out cases of corruption and abuses of the past, but, above all, innovating a formula of direct communication with the citizenry that would break the mold of the old authoritarianism.

Felipe Calderón, faced with the crisis of legitimacy he was burdened with because of achieving the presidency after a highly contested and questioned race, opted to position his administration around the issue of security and the fight against organized crime. This was the wrong agenda, as it would end by dragging his administration into a spiral of violence that the country still has not been able to extricate itself from. In both cases, policy design and politics took a back seat; the urgent replaced the necessary and priorities were confused with what looked good in the media.

By contrast, before the formal start to his term, Peña Nieto and his team of collaborators set their priorities. In the transition stage between September and November 2012, they set up a negotiating body with the opposition parties, the so-called "Pact for Mexico," based on an agenda to achieve equilibrium between what was desirable and what was possible. On the long list of issues were the seeds of what would become the structural reforms, and a message was sent to the public that, this time, government and opposition would work together.

None of this had happened with previous administrations. For different reasons in each case, for both Vicente Fox and Felipe Calderón, working with the opposition became taboo. In the case of the former, it was because his natural adversary was the PRI, and it seemed indispensable for him to stay away from anyone he had attacked in his race for Los Pinos. For Fox, negotiating with the PRI would have been like making a pact with the Devil, and the fear of ruining his image and letting down his voters who, in effect, had voted more to throw the PRI out of office than for a PAN government made it unthinkable.

For Felipe Calderón, things were different. The PRI had fallen behind to third place in the national vote count as well as its congressional caucus. But the most important thing was that the second political force, the Party of the Democratic Revolution (PRD), did not recognize Calderón's victory at the polls. He took office in conditions of frank political instability; some even doubted that the inaugural ceremony to transfer the office of the presidency could be held because of the protests headed by his former adversary Andrés Manuel López Obrador. It was impossible for the PAN and its president to find points of agreement with the PRD to advance a joint agenda and the PRI's political weight in Congress was limited.

The long post-electoral conflict and the polarization between the PAN and the PRD not only canceled a large part of Calderón's political options, but also strengthened the PRI among the voters as the only reasonable option. After its second setback in a presidential election, the PRI understood

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that if it wanted to regain office, it would have to play its hand in the field of a collaborative opposition without accruing irreparable political costs.

None of these factors were present at the start of Peña Nieto's administration. Once the presidential election had been officially decided, the PRD's most radical group, headed by Andrés Manuel López Obrador, left the negotiations and decided to become an independent political force. With López Obrador thus occupied, building his own political party (the National Regeneration Movement, or Morena), plus his having health problems that took him out of politics, the PRD currents more open to negotiations opted for collaborating with the government. Meanwhile, the magnitude of the PAN's defeat—it dropped down to third place nationally—produced a Balkanization among its leaders and legislative caucuses that sapped its strength considerably in the face of possibly thinking of making a common front against the government. Without rivals of any weight, since they were fragmented, the PRI and the government were facing the best scenario for the structural reforms to be able to move ahead in Congress.

THE NEGOTIATORS

Deciding to make the structural reforms the priority required not only their design, but also a strategy that would involve the key players. Peña Nieto, in contrast with his two predecessors, did not delegate to his minister of the interior, traditionally the head of negotiations with Congress, the forging of agreements with the caucuses and leaderships of the opposition parties.¹ He took the political operation into his own hands, through the chief of the President's Office, Aurelio Nuño. Having a direct interlocutor with the first executive gave the opposition a minimal basis for confidence about the commitments.

Parallel to this, two experienced politicians, Emilio Gamboa Patrón and Manlio Fabio Beltrones, took over as the heads

of the PRI caucuses in the Senate and the Chamber of Deputies, respectively. The Beltrones-Gamboa team had already proven its efficacy in the first part of the Felipe Calderón administration; in fact, it was their negotiating capability that averted the shipwreck of the inaugural ceremony and was the key factor in getting legislation and budgets passed in those years. But there was something more: the experience of previous legislatures showed that it was indispensable to involve the PRD in the negotiations about the reforms if they wanted to succeed, and that's where the operation of the PRI congressional leaders was vital.

With the more radical PRD legislators isolated and the PAN falling apart, the task of building a majority to get the reforms passed, while long and drawn out, never deviated from the path toward its goal. The election of new national leaderships in both the PAN and the PRD was an additional exogenous factor that kept both parties' political figures busy in internal confrontations during the months of the most intense negotiations. A united PRI and a divided opposition willing to collaborate was an impeccable equation. The economy might not grow satisfactorily, crime rates might not have dropped enough, but the presidential team had a clear flight plan and never wavered from its path.

IMPLEMENTATION

Getting a plane to take off and stay in the air heading toward its destination is only half the pilot's job. Making the landing and ensuring the passengers arrive safely is the main mission. In that endeavor, knowing whether the cooperation achieved between the executive and legislative branches is going to be long-term will count a great deal; and knowing whether the mid-term elections will force a change in course or if the 2018 presidential race, which will begin the day after the June 2015 balloting, will turn into an insurmountable obstacle.

Each of the reforms passed requires time and maturation to yield fruits. They require regulatory legislation and, in all cases, public and private resources in order to be implemented. What is more, they need the certainty that the new legal framework offers guarantees for investors. It is a two-fold task: political domestically, and promotion and dissemination abroad. It's not enough to tell the world that there will be new, very varied business opportunities in Mexico; investors have to be sure their capital will be secure and can grow in the country.

Many brilliant starts to administrations have ended painfully in debacle. Mexicans' memories, but particularly those of the money men, have them clearly registered: six-year terms that seemed very promising at the start that ended in bankruptcy. Exorcising those demons requires more than a simple media strategy to erase the bad international press that Mexico has been dragging behind itself for the last three administrations. It's true that none of the last administrations began so forcefully *vis-à-vis* structural reforms. But it's also true that the simple changes in the law without actions are dead letters, above all in a country accustomed to finding a way of breaking its own laws.

The future of the reforms is in the hands of the same political actors who forged them; to make them a reality, they will have to maintain the same level of consensus that they have achieved up until now and will have to ensure that electoral issues do not polarize the political forces and radicalize so-

ciety. As in any legal process, with the reforms there will be winners and losers who are not yet visible; they will meet with resistance and obstacles when they are put into practice. For that reason, their success goes beyond the threshold of the legislative moment and is situated in the terrain of public policy.

The Mexican people urgently need to see their daily lives change: at work, in their pocketbooks, in their quality of life. That is the other great immediate task of the federal government. **MM**

NOTES

¹ It should be pointed out that at the start of the administration, the Ministry of the Interior transformed its structure and broadened its faculties, absorbing all the public security and crime prevention tasks, among others. A powerful ministry was born at that moment, a kind of strong ministry of the interior. This overhaul thrust the most delicate political operation directly onto the shoulders of Los Pinos.

NOVEDADES





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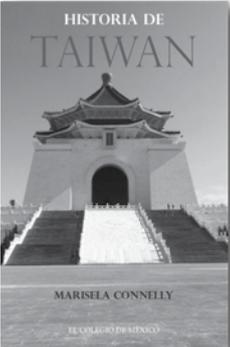
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