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FEATURED Q&A

What Would AMLO's Election Reforms Mean for Mexico?



Mexican President Andrés Manuel López Obrador last month proposed a package of election reforms. One of the changes would eliminate the body that oversees elections and replace it with a new agency. // File Photo: Mexican Government.

Q Mexican President Andrés Manuel López Obrador on April 28 proposed a series of wide-ranging reforms for Mexico's electoral system. The reform would dissolve the National Electoral Institute (INE), which oversees elections, and replace it with a directly elected body with less funding than the INE. What do the proposed electoral system reforms entail, and how would they affect the legitimacy of elections in Mexico? How likely is it that the Mexican Congress will approve the reforms? How do the Mexican people feel about the proposed changes, and how would the reforms affect the 2024 presidential election?

A Gerónimo Gutiérrez Fernández, senior advisor at Covington & Burling and former Mexican ambassador to the United States: "As anticipated last year, President López Obrador just proposed a reform of Mexico's electoral system. Among the changes, three of them stand out: the creation of a new national electoral authority whose members would be directly voted in by 'the people' and also manage state and local elections, cuts to public funding and media time for political parties, and a reconfiguring of Congress. This last point deserves close attention. The reform would not only eliminate 200 (out of 500) proportional representation seats in the lower house, but also the remaining 300 would be elected by statewide lists from parties rather than districts. This gives parties—especially the president's—not citizens more influence on who gets elected. It is safe to say the proposal was dead on arrival. López Obrador lacks the supermajority in Congress for constitutional reforms. Moreover, the opposition remains adamantly

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TODAY'S NEWS

POLITICAL

U.S. Authorities Join Manhunt in Paraguayan Official's Killing

U.S. authorities have joined the manhunt for the gunmen who attacked a top Paraguayan anti-drug prosecutor. The prosecutor was killed on a Colombian beach while honeymooning with his wife.

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ECONOMIC

Privacy Advocates Slam Mexican High Court Ruling on Bank Data

Privacy advocates criticized a Mexican Supreme Court ruling that allows tax and finance authorities sweeping access to citizens' bank information.

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ECONOMIC

Duque Seeks to Become Exporter of Green Hydrogen

President Iván Duque said Colombia aims to become a major producer of green hydrogen by 2030 and also begin exporting the commodity.

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Duque // File Photo: Colombian Government.

POLITICAL NEWS

U.S. Joins Manhunt After Paraguay Prosecutor's Killing

Agents of the U.S. Federal Bureau of Investigation and Drug Enforcement Administration have joined the manhunt, along with authorities from Colombia and Paraguay, following this week's murder of a top Paraguayan anti-drug prosecutor, BBC News reported Thursday. The prosecutor, Marcelo Pecci, 45, was shot and killed on a Colombian beach on Tuesday, the sixth and final day of his honeymoon with his new wife. Pecci investigated high-profile cases of corruption and organized crime in Paraguay, and his killing was most likely related to his work, police have said. "Pecci's work fighting organized crime stands as an example to us all—especially his efforts to bring to justice those who engaged in money laundering, drug trafficking, and corruption," the U.S. Bureau of International Narcotics and Law Enforcement Affairs said in a statement. The attack happened on a stretch of private beach belonging to the Decameron Hotel on the island of Barú, south of Cartagena. "Two men attacked Marcelo. They came in a small boat, or on a jet ski, the truth is I did not see well," said Pecci's wife, journalist Claudia Aguilera, *El Tiempo* reported. Aguilera had announced just hours before the killing that she and Pecci were expecting a baby. Police in Colombia have released a blurry photo and a sketch of a suspect in the attack and are offering a reward of \$500,000 for information leading to an arrest in the case, BBC News reported. Pecci had bodyguards in Paraguay, but he did not have any protection while on his honeymoon in Colombia, and Colombian police said they had been unaware of his presence in the country, BBC News reported. Pecci was among the officials taking part in "A Ultranza Py," the largest-ever operation in Paraguay against drug trafficking and money laundering. The operation dismantled a drug ring that smuggled narcotics from cocaine-producing areas in Colombia and Bolivia through Paraguay and Europe. Pecci and international

authorities working alongside him earlier this year seized hundreds of millions of dollars' worth of assets in an operation that led to dozens of arrests, BBC News reported.

ECONOMIC NEWS

Privacy Advocates Slam Mexican Court Ruling on Bank Data

Privacy advocates on Thursday criticized a Mexican Supreme Court ruling that allows tax and finance authorities sweeping access to citizens' bank information, eliminating the need for a warrant, Reuters reported. The high court's ruling stemmed from a case in which a businessman accused Mexico's Finance Ministry of violating his constitutional right to privacy for seeking bank documents over suspicions of tax fraud, the wire service reported. Jesús Zambrano, a prominent politician and president of the leftist Party of the Democratic Revolution, said in a tweet that the party was concerned that the ruling was a "possible violation and transgression of millions of Mexicans." The decision amounts to "fiscal terrorism" and an attempt to "squeeze taxpayers," he added. Mexican billionaire Ricardo Salinas labeled the ruling "madness" and said the court should reconsider it, Reuters reported. In the decision, which four of the court's five magistrates supported, the court said anti-money laundering efforts and attempts to fight tax fraud outweighed individuals' rights to privacy in financial matters. In the past, tax authorities have needed a warrant to investigate people suspected of crimes. The decision amounts to a victory for President Andrés Manuel López Obrador, who has said he wants tax authorities to be more aggressive in pursuing large companies, the wire service reported. Margarita Rios-Farjat, Mexico's minister for the Supreme Court, told a local radio station on Wednesday that authorities would exercise care in acting under the new powers and that the ruling would encourage people to be more diligent in compiling their tax returns.

NEWS BRIEFS

Mexican Central Bank Raises Key Interest Rate

Mexico's central bank on Thursday raised its key interest rate by half a percentage point to 7 percent and signaled that it could raise the rate by larger increments in the future if inflation continues climbing, *The Wall Street Journal* reported. The central bank's board raised the overnight interest rate in a 4-1 decision, its eighth consecutive increase since last June. Analysts had expected the increase.

Puerto Rico Governor Rejects Control Board's \$12.4 Billion Budget

Puerto Rico Governor Pedro Pierluisi on Thursday rejected the \$12.4 billion budget filed by the federal control board that oversees the U.S. territory's finances, adding that he would submit his own budget, the Associated Press reported. Pierluisi has criticized the board for pushing nearly \$100 million in government cost reductions. "We're not going to give up in our fight," he said, adding that future revenues are sufficient to offset the government's costs. Pierluisi said he would submit his budget today.

Some 72% of Companies Have Felt Effects of Brazil Customs Strike: Survey

The production of 72 percent of Brazilian companies involved in foreign trade has been affected by the country's customs workers' strike, according to a survey released Thursday by Brazil's National Confederation of Industry, or CNI. Delays in the clearance of goods has been the main problem that companies have identified, though they also have complained about delays in deliveries to customers as a result of the strike, which began last December, *FolhaPress* reported. The survey polled 163 companies. [Editor's note: See related [Q&A](#) in Thursday's Advisor.]

Colombia Seeks to Become Hydrogen Exporter: Duque

Colombia aims to become a major producer of green hydrogen by 2030, President Iván Duque told Barron's magazine in an interview published Thursday. Currently, the country is benefiting from the spike in the price of oil and coal, which combined make up more than half of the country's exports, but Duque said that could change in eight years. "One of our goals is to make Colombia the number-one green hydrogen exporter," Duque told Barron's. The South American country is new to the green hydrogen market, having made investments in the equipment needed to produce green hydrogen. Colombian state-owned oil firm Ecopetrol launched its first green hydrogen pilot project at its refinery in Cartagena in March, according to Reuters. Duque said Colombia could become a net exporter of the commodity. "For many, many years, nonconventional renewables were perceived as very costly," Duque told Barron's. Wind and solar are available today "at a pretty substantial lower price than what they were three, five, or 10 years ago," he added.

BUSINESS NEWS

Brazil's Embraer Seeks to Hire 1,000

Brazil's Embraer is seeking to hire 1,000 new employees as it seeks to boost production, grow its services and support, and also develop new products and areas of its business, the aircraft manufacturer said Thursday in a statement. Embraer said it expects the volume of its aircraft deliveries to increase between 15 percent and 25 percent this year. "The growing flow to recover the company's full potential is expected to continue for the coming years," the company said. The hiring will consider "a more diverse outlook" including diversity and "ESG commitments," the company said.

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against it. Yet, he will seek support from 'the people' and polarize society with his proposal. It is still worrisome. The president has publicly expressed his distrust and opinion of today's National Electoral Institute (INE), the authority under which he was elected. It seems that he would like to have a new one that bends to his will. Traditionally, in Mexico, electoral reforms have come from the opposition, not the sitting government. The president argues that the changes would save money and strengthen democracy. Independent experts disagree with this view. The reform looks more like something out of the autocratic populism trick bag than a democrat's way of saving money."

A Pamela K. Starr, senior advisor at Monarch Global Strategies and professor at the University of Southern California: "AMLO's

proposed electoral reform would gut the institutions that have guaranteed democratic practices for a generation and change the way federal legislators are elected in order to lock in Morena's legislative majorities for a long time. It would mark the end of Mexican democracy as we have known it. The reform would replace the INE and the Federal Electoral Tribunal (TEPJF) with new entities whose members are elected from a list of 60 names proposed by the president, the Supreme Court and Congress. With so many candidates and with no requirement for expertise in organizing and monitoring elections, the winners would likely be selected exclusively on political criteria. The resulting electoral institute would thus be highly politicized. New election districts would parallel Mexico's 32 states, creating very large, proportional representation districts naturally favoring the majority party. At the same time, eliminating state funding for political parties' operational expenses is apt to increase the amount of dirty money financing campaigns. Since the political opposition is highly unlikely to vote for a reform that directly undermines its interests,

this constitutional reform has little chance of being approved. But that does not mean it will not benefit the Fourth Transformation. Opposition legislators voting against this reform will be tarred as elitist politicians more

“ [The reform] would mark the end of Mexican democracy as we have known it.”

— Pamela K. Starr

concerned with their personal interests than the national interest. And even without the reform, deep expected cuts to the INE's budget will hinder its capacity to oversee future election rules, which Morena demonstrated a willingness to break during the recent recall referendum."

A Lila Abed, deputy director of the Mexico Institute at the Wilson Center: "President Andrés Manuel López Obrador's electoral

reform, which aims to reduce the size of Congress by eliminating proportional representation and selecting Mexico's electoral regulators and justices by direct vote rather than through the legislature, is almost guaranteed to fail. The president's party lacks the necessary supermajority to approve the bill, and the opposition seems unified in voting against it. Reactions so far have been negative, with the exception of AMLO's fervent supporters. AMLO's objective is to ramp up his electoral base—blaming the 'neoliberals' for trying to preserve a political system that caters to the elite—and to bend yet another democratic institution in favor of the governing party, Morena. AMLO's so-called transformation of the National Electoral Institute (INE) is consistent with his distaste for independent bodies that limit executive power. If the bill passes, it would politicize what is currently an apolitical body (despite Morena's views to the contrary).

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This, combined with budget cuts, would lead to less access to democracy, not more. It is a political stunt to win the 2024 presidential election, promoted as a necessary measure to strengthen direct democracy. If successful, political parties would have reduced resources in 2024, surviving purely on contributions and quotas from their members. The new electoral authorities, chosen by Morena sympathizers given their majority in Congress, would oversee the electoral process backstopped by a judiciary that has shown a tendency to favor AMLO's policies. The approval of the electoral reform would be a win for AMLO at the detriment of Mexican democracy."

A **Nicolás Mariscal, member of the Advisor board and chairman of Grupo Marhnos:** "Mexican President Andrés Manuel López Obrador's electoral reform entails the end of the National Electoral Institute's (INE) independence and the demise of the electoral public service. It would severely affect the legitimacy of elections, as only an autonomous body with professional and apolitical public servants can deliver reliable results. Let's not forget that a stepping stone in Mexico's transition to democracy was,

precisely, the birth of a specialized and independent body, enshrined in the Constitution. However, it is highly unlikely that Congress will approve this reform. Opposition political parties have clearly stated so and, as the president's party and its allies do not have enough votes for constitutional reform, the bill will be short-lived. Both the president and the INE have a good image among the population. A recent survey by Reforma newspaper found that the president has a 66 percent approval rating, and the INE has 64 percent approval. Still, a majority supports the president's reform: 61 percent said they favored it, whereas 30 percent opposed it. The good news is that a slight majority is against a dominant party in Congress, and there is a broad consensus that the electoral authorities should be experts in their field. As the saying goes: 'if it's not broken, don't fix it.' And the Mexican electoral system works very well."

[Editor's note: Mexico's Embassy in Washington declined a request from the Advisor for a commentary for this issue.]

The Advisor welcomes comments on its Q&A section. Readers can write editor Gene Kuleta at gkuleta@thedialogue.org.

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