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FEATURED Q&A

How Will Proposed Reforms Shape Mexico's Politics?



Mexican President Andrés Manuel López Obrador last week proposed major constitutional reforms that could shape debate in the country's election. // File Photo: Mexican Government.

Q Mexican President Andrés Manuel López Obrador on Feb. 5 proposed broad constitutional reforms, including overhauls of pensions, the judiciary, electoral law and environmental regulations, despite lacking the necessary majority in Congress to pass these changes into law. How will these proposed reforms shape the conversation around this year's election and affect the upcoming vote? What are the most significant parts of the reforms? How likely is Mexico's next president to push for these changes?

A Andrés Rozental, member of the Advisor board, president of Rozental & Asociados and former deputy minister of foreign affairs of Mexico: "López Obrador's main proposed constitutional reforms, coming only three months before Mexico's presidential election, and seven months before the end of his six-year term in office, have very little chance of being adopted by the required two-thirds majority in both houses of Congress. Some had already been mooted earlier in AMLO's presidency, while others are unlikely to overcome rejection by the opposition PRI, PAN and PRD political parties. The more polemical reforms, including giving social security retirees 100 percent of their last salary (something that doesn't exist anywhere in the world), having all judges in the country elected by popular vote (only Bolivia experimented with this), abolishing all autonomous regulatory and governmental oversight bodies, and reducing the size of both houses of Congress, are almost sure to fail. Other, less controversial, changes such as making fentanyl illegal, protecting animal welfare (no more bullfights) and allowing passenger trains to use the country's rail network, don't re-

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Venezuelan Rights Groups Demand Attorney's Release

Venezuelan human rights groups on Wednesday demanded that authorities release prominent attorney and activist Rocío San Miguel. She and several family members were arrested last week.

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ECONOMIC

Argentina's Rate of Inflation Soars Above 250 Percent

Argentina's annual inflation rate hit 250 percent in January, the country's statistics agency said Wednesday.

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POLITICAL

Ecuador to Hold April Vote on Security Policies

Ecuador's electoral court announced Wednesday that it would hold a referendum, proposed by President Daniel Noboa, on implementing tougher security policies. The country has seen spiraling levels of gang violence in recent months.

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Noboa // File Photo: Ecuadorean Government.

POLITICAL NEWS

Venezuelan Rights Groups Demand Release of Attorney

Venezuelan human rights groups demanded on Wednesday that the government release prominent attorney and activist Rocío San Miguel who was arrested last Friday, the Associated Press reported. The whereabouts of San Miguel, a government critic, were unclear for four days until her lawyers said she had surfaced late Tuesday at a detention center that has a reputation for being notoriously brutal, The New York Times reported. Several of San Miguel's family members—her daughter, a former husband, two brothers and a former partner—were also arrested, the AP reported. "The prolonged isolation and lack of communication to which the defender Rocío San Miguel and her family have been subjected represent forms of cruel and inhuman treatment, harmful to the psychological and moral freedom of the person," Claudia Carrillo of Venezuelan human rights group Cofavic said Wednesday at a press conference in Caracas, the wire service reported. Carrillo added that San Miguel's arrest has an "intimidating effect" and is a government effort to "generate polarization" among Venezuelans. Attorney General Tarek William Saab on Wednesday reiterated accusations against San Miguel, accusing her of being part of an alleged plot to assassinate President Nicolás Maduro among other officials and also launch attacks against military units, the AP reported. While Saab claimed to have evidence, he did not present any. San Miguel specializes in researching Venezuela's military and heads nongovernmental organization Control Ciudadano. More than 200 local nongovernmental organizations have demanded that authorities release San Miguel and her family members and urged international actors to condemn the arrests. The U.S. and Canadian governments have expressed condemnation, as has the United Nations. "We urge her immediate release & respect for her right to legal defense," the U.N. Human Rights office said in a tweet.

Ecuador to Hold April 21 Referendum on Security Policies

Ecuador's electoral court announced Wednesday that it would schedule an April 21 on the country's security policies, as it seeks solutions to combat its spiraling crisis of gang violence, Reuters reported. The referendum was proposed by President Daniel Noboa who called a state of emergency last month following prison riots and brazen gang attacks. Noboa is now seeking to reform laws that would expand the powers of the police and military to pursue criminal organizations. Authorities have arrested more than 6,000 people since Noboa mobilized the military to combat gangs with his state of emergency decree, the Financial Times reported. "Noboa's martial law decree and militarization of security and justice will not work. The 'eliminate the enemy' command of the military and police will make matters worse," Maria Velez de Berliner, chief strategy officer at RTG-Red Team Group, told the Advisor in a [Q&A](#) published Jan. 17.

ECONOMIC NEWS

Argentina's Inflation Rate Soars Above 250% in January

Argentina's annual inflation rate hit 254 percent last month, the country's statistics agency, Indec, reported Wednesday, Agence France-Presse reported. President Javier Milei, who took office in December, launched a 50 percent devaluation of the peso, eliminated price controls and also cut subsidies for fuel and transportation. "If one takes the number alone, isolated, it is horrifying. And indeed it is, but you have to look at where we were and what the trend was," Milei said in an interview with television station La Nación Más. While Argentina's annual rate of inflation rose in January, the monthly rate stood at 20.6 percent,

NEWS BRIEFS

Brazil's Lula Meets With Egyptian President

Brazilian President Luiz Inácio Lula da Silva met today in Cairo with Egyptian President Abdel Fattah al-Sisi, and a central focus of their discussion was the Israel-Hamas war in Gaza, Agence France-Presse reported. Lula is touring Egypt this week for the first time since his most recent election and is expected to deliver a speech at an upcoming meeting of the Arab League where the war and the humanitarian situation in the Gaza strip will be a key subject. Lula also plans to visit Ethiopia during his week-long trip to Africa

Former U.S. Ambassador Charged With Spying for Cuba Pleads Not Guilty

Victor Manuel Rocha, a former U.S. ambassador to Bolivia who was indicted in December by a U.S. federal court on charges of spying for Cuba, pleaded not guilty on Wednesday, CBS News reported. Rocha is accused of having been an asset of Cuban intelligence for four decades. In December, Attorney General Merrick Garland called the case "one of the highest-reaching and longest-lasting infiltrations of the U.S. government by a foreign agent."

Colombian Fintech Bold Raises \$50 Million in Series C Funding

Colombian financial technology company Bold has raised \$50 million in Series C funding, with current investor General Atlantic leading the round, Tech Crunch reported Wednesday. The World Bank's International Finance Corporation, as well as existing investors InQLab and Amador, also contributed funding in the round. So far, Bold, which provides payment terminals to small and medium-sized businesses, has raised \$130 million in total, said the company's co-founder and chief executive officer, José Vélez, the news site reported.

down from 25.5 percent in December, AFP reported. The inflation figures were released just days after Milei's sweeping economic reforms bill was dealt a setback in the lower house of Congress. Milei said he withdrew the measure because he would prefer to have no reform at all rather than a bad reform, Bloomberg News reported. [Editor's note: See related [Q&A](#) in Wednesday's Advisor.]

BUSINESS NEWS

Mexico Warns Amazon, Mercado Libre on Competition

Mexico's economic competition regulator on Wednesday ordered online retailers Amazon and Mercado Libre to reveal their algorithms to the agency and take other actions in order to avoid restricting competition, the Associated Press reported. In a preliminary finding released late Tuesday, the Federal Commission on Economic Competition, or Cofece, said the two companies control 85 percent of Mexico's online sales. Market dominance created "an absence of real competitive conditions in the online retail market" the regulator said. Amazon said that the company was working closely with the regulator and does not stifle competition, Reuters reported. "Our pro-competitive practices in Mexico spur competition and innovation across the retail industry, and have produced greater selection, lower prices, and faster delivery speeds for customers and greater opportunities for sellers across the country," Fernanda Ramo, the legal director of Amazon Mexico said in a statement emailed to Reuters. Mercado Libre said in a statement that it was analyzing the decision. "At Mercado Libre we have promoted, since our origin 25 years ago, free competition and we will make available what is necessary to expedite the necessary understanding during the process that derives from this ruling, always prioritizing the experience of our users," it said, El Universal reported.

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quire constitutional reforms at all. Mexico's president is therefore clearly pushing this reform agenda mainly to set the agenda for the electoral campaigns that begin March 1, as well as to force the opposition candidates to assume responsibility for failure to pass legislation and thus to enhance his own party contender's chances of election. There is, however, one chance that AMLO could achieve his goal of approving the reforms: if after election in early June his Morena movement and its allied parties obtain qualified majorities in Congress, then the president could use September, while he is still in office and the newly elected Congress is controlled by his movement, to ram through the constitutional changes he has proposed. Hopefully, enough Mexicans will go to the polls in June and vote to make this impossible."

A **Arantza Alonso, senior analyst for the Americas at Verisk Maplecroft:** "By presenting a package of 20 reform initiatives just four months before Mexico's presidential election and thereby dictating the priority issues in the run-up to the polls, President Andrés Manuel López Obrador (AMLO) has shown—once more—that he has a tight grip over the national political narrative. The timing of the reforms has turned them into a powerful electoral strategy, as the conversations around them will likely influence the upcoming vote. Indeed, AMLO's initiatives put the opposition on the spot. On the one hand, if the opposition blocks all of the initiatives—including those that have broad popular support, such as the reforms related to pensions, welfare programs and the minimum wage—citizens could perceive it as resisting positive changes and thus turn to AMLO's Morena movement in June. Conversely, any initiatives that are approved will provide ammunition to Morena, which could argue the need for continuity as the only path toward social progress. Moreover, given that the only ideological glue of the Fuerza y

Corazón por México coalition (formed by the right-wing PAN, the catch-all PRI and the left-wing PRD) seems to be its rejection of AMLO and his government, providing a clear position on popular initiatives while maintaining internal unity could prove challenging. The most significant parts of the reforms include overhauling the judicial and electoral systems, eliminating autonomous institutions and regulators and bringing the National Guard under military rule. We expect these initiatives to face more resistance from both the opposition and the public."

A **María Elisa Vera Madrigal, professor of criminal law at Escuela Libre de Derecho:** "AMLO's proposed constitutional reform comes with an unusual and politically advantageous time element. Five and a half years into his term, there is no doubt of his political genius: he is a brilliant politician who knows how to take control of the conversation, and every brilliant politician knows that every second of conversation should not be taken for granted during the pre-election months. So why move focus to an idyllic and unlikely set of reforms right before the election (especially when those amendments could have been passed many months in advance)? There are two possible answers: one, because, although, the presidency isn't at risk, the composition of Congress still is; second, because levels of insecurity and social unrest in several regions of the country—particularly in the state of Guerrero—have been rising speedily, becoming a time bomb that must be addressed soon. While the president doesn't want to bear the political cost of addressing the issue, he does want to keep the topic off the table (at least until the election). With Sheinbaum expected to triumph, the question, then, is not who wins the election, but whether she will rule with a majority in Congress and how much control the opposition will have of Congress. Losing congressional control might come as an additional complication to her presidency,

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which is not expected to run as smoothly as that of her predecessor. Indeed, the reforms are not meant to pass at this moment; they are meant to win as many votes as possible from the unhappy and undefined middle class, votes that could very much give Morena the counterweight in Congress they are hoping for."

A **Earl Anthony Wayne, former U.S. ambassador to Mexico and public policy fellow at the Woodrow Wilson International Center for Scholars and co-chair of its Mexico Institute Advisory Board:** "President López Obrador's 20 proposed reforms appear aimed at boosting his chosen successor, Claudia Sheinbaum, and his Morena party in Mexico's June 2 election. They would protect and advance AMLO initiatives, concentrating more power in Mexico's president, reducing checks and balances in its democracy, introducing elections for judges and bolstering the military's public security role. AMLO's presidential candidate, Claudia Sheinbaum, is 15-20 percent ahead in the polls, but AMLO wants his allies to win the two-thirds legislative majority to approve his recommended constitutional amendments. AMLO's proposals seem aimed at keeping him in the limelight during the campaign season; they appear designed to knock the opposition off balance with proposals appealing to poorer Mexicans, including new salary and retirement benefits. Several propositions could well weaken Mexico's electoral, legislative and administrative institutions, give the government more concentrated economic power regarding energy and regulation, and impose costly programs on his successors. From a U.S. perspective, some proposals threaten commitments made in the USMCA trade agreement and could harm U.S. businesses working in Mexico. Mexico is the United States' largest trading partner and depends heavily on the American market, but AMLO's proposed reforms would weaken regulatory institutions

important for good USMCA implementation. AMLO also proposes to constitutionally ban genetically modified corn, despite major U.S. GMO corn exports to Mexico and a pending U.S. trade complaint. Strategically, the United States seeks a strong democratic Mexico to partner in building a more competitive and prosperous North America, but several of AMLO's proposed changes send flashing red warnings."

A **Lillian Briseño Senosiain, researcher at the National School of Education and Humanities at Tecnológico de Monterrey:** "President López Obrador recently announced a series of constitutional reform initiatives that propose an important change toward the pension system and even the prevention of the sale of vapes and fentanyl. Like with everything that the president plans, the initiatives caused a stir on the national political scene. While for some, these represent important changes that favor the people, for others they are demagogic and unviable realistically. The pension reforms, for example, are considered impossible to realize because of the state of the economy and the cost of implementing the modifications. But further from whether these proposals are right for the country, many believe it's useless to dedicate so much time to the discussion, considering that the president does not have the sufficient congressional votes to approve them, which transform them into sterile ideas that will not pass. In this sense, the initiatives that AMLO announced will be mere distractions in an election season that, by suggesting the impossible, are designed to animate his followers and have a great impact on votes favoring Morena. Regardless of whether these pieces of legislation pass or are considered good or bad, there should always be space to debate, in a rational and respectful way, the viability and convenience of any proposal."

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