

GLOBAL AMERICANS

Angry Mexico

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“Screw everybody.” That sentiment is propelling Andrés Manuel López Obrador (known as AMLO) to the top of the polls by a wide margin in Mexico’s July 1st presidential election. Mexicans are fed up with the grotesque corruption of the governing Institutional Revolutionary Party (PRI), the nightmarish levels of violence related to organized crime, and a mediocre growth rate that is among the lowest in Latin America. But instead of voting for a candidate with concrete policy proposals to improve things, many Mexican voters seem to ready to throw caution to the wind and say, “screw the system—and everything else along with it.”

Mexico is not doing well, but it could end up much worse with AMLO.

How much damage an AMLO presidency could bring is anybody’s guess. Nobody knows exactly what to expect from an AMLO administration. His proposals are a collection of notions with few details and plenty of contradictions. Among them is the goal of reaching national self-sufficiency in the energy sector. This would imply a reversal of the reform that recently opened the oil and gas industry to foreign investment, as well as expanding the failed state-owned oil company in a country that imports 70% of the gasoline it consumes. He also promises to pursue agricultural self-sufficiency, without explaining how to achieve such a goal without increasing the cost of living for Mexicans or conflicting with Mexico’s trade agreements. As for the epidemic of drug violence, he plans to invite Pope Francis to chair a committee to look for solutions.

Although AMLO’s platform is nebulous, his personality is well known: he is nationalist, revanchist, and messianic. There are reasons to fear that an AMLO administration would be authoritarian in nature. “I think López Obrador doesn’t value liberty,” states historian Enrique Krauze. He observes how AMLO “mocks, insults, offends, and discredits the members of the media, the journalists, or the intellectuals who criticize him.” To paraphrase the celebrated Mexican writer, Octavio Paz, Mexico under AMLO would be ruled “according to the prince’s mood and the whims of the hour;” one day he behaves like Brazil’s moderate former president Lula da Silva, and the next he acts like Venezuela’s radical socialist leader Hugo Chávez. AMLO insists he is a moderate, but he has also made it clear that he wants to transform his country, not just keep the presidential seat warm. President Donald Trump’s anti-Mexican rhetoric has only exacerbated AMLO’s nationalist agenda.

The worldview of this “tropical Messiah”—to use Krauze’s term—is quite simple. All of Mexico’s problems are the result of corruption, which is represented by the “power mafia” and “the influence peddlers.” Anyone who criticizes him almost certainly fits into either one of these

categories. Only he can liberate Mexico from this scourge. Once he is in power, his virtue and honesty will permeate the entire political system, and all the problems facing the country—the economy, national security, infrastructure, the fight against poverty—will be fixed.

When asked how he would finance his expensive campaign promises, AMLO pointed to a study by the World Bank that found that corruption costs Mexico “more than one billion pesos annually”—equivalent to 9% of the country’s GDP. Since he would eradicate corruption completely, he would therefore fund his social programs with the ensuing public savings. It was later revealed that such a study doesn’t even exist.

Mexico’s precious macroeconomic stability would be at risk with AMLO’s budget-busting agenda. The country doesn’t suffer from large fiscal deficits; the independence of the Central Bank has guaranteed a single-digit inflation rate for nearly 20 years; and the country has not suffered an economic crisis since 1995. While not enough to spur high economic growth, responsible monetary policy and openness to trade and foreign investment have helped turn Mexico into a middle-class country. Those gains could easily be reversed if AMLO’s populism brings about big fiscal deficits, high inflation, financial instability and capital flight.

The frustration of Mexican voters is understandable. After six years of the PRI’s widespread corruption and impunity, as well as twelve years of a war on drugs that has now cost more than 120,000 lives, no-one can blame Mexicans for being under the impression that they have little to lose by voting for a firebrand populist. But this is a miscalculation that we have seen in other Latin American nations, and one that has terrible long-term consequences. If the most recent polls are any guide, Mexican voters are set to learn this lesson by themselves.

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