Artículos
CIENCIA POLÍTICA

Mexico 2019: Personalistic Politics and Neoliberalism from the Left*

México 2019: política personalista y neoliberalismo desde la izquierda

MARIANO SÁNCHEZ TALANQUER
Centro de Investigación y Docencia Económicas (CIDE), México

ABSTRACT

This article analyzes President Andrés Manuel López Obrador's (AMLO) first year in power. It argues that his government is hostage to deep-seated fragilities in the Mexican state apparatus, which are structurally constraining its ability to deliver results. Yet rather than addressing institutional deficiencies, decisions made by the new government have further compromised the state's weak capabilities. Under the premise of extirpating the old neoliberal order, AMLO has centralized decision-making in the national executive, cultivated personalistic linkages, discarded inherited institutions, and implemented an aggressive fiscal austerity program. These measures have impaired the functioning of the bureaucracy and limited the prospects for greater social inclusion. Fiscal austerity, a quasi-religious moralizing discourse, and an increased reliance on the military for policy implementation mark a conservative turn. Attempts to weaken independent centers of power and AMLO's propensity to demonize opponents may not escalate into a full authoritarian reversal, but they have eroded the conditions for pluralistic politics and rational public deliberation. Overall, the "Fourth Transformation" has missed opportunities to democratically strengthen the state and lay the groundwork for progressive social change.

Keywords: democracy, state capacity, state weakness, neoliberalism, the left, Mexico.

RESUMEN

Este artículo analiza el primer año del presidente Andrés Manuel López Obrador (AMLO) en el poder. Sostiene que su gobierno es rehén de profundas fragilidades en el aparato estatal, que están limitando estructuralmente su capacidad de dar resultados. Sin embargo, en vez de abordar las deficiencias institucionales, las decisiones tomadas por el nuevo gobierno han comprometido aún más las débiles capacidades del Estado. Bajo la premisa de extirpar el viejo orden neoliberal, AMLO ha centralizado la toma de decisiones en el ejecutivo nacional, cultivado formas de vinculación personalista, descartado instituciones heredadas e implementado un agresivo programa de austeridad fiscal. Estas medidas han perjudicado el funcionamiento de la burocracia y limitado las perspectivas de una mayor inclusión social. La austeridad fiscal, un discurso moralizador cuasirreligioso y una mayor dependencia de los militares para la implementación de políticas configuran un giro conservador. Los intentos de debilitar centros independientes de poder y la propensión de AMLO a demonizar a sus opositores pueden no llegar a una reversión autoritaria completa, pero han erosionado las condiciones para la política pluralista y la deliberación pública racional. En suma, la "Cuarta Transformación" ha perdido oportunidades para fortalecer democráticamente al Estado y sentar las bases para un cambio social progresista.

Palabras clave: *democracia, capacidad estatal, debilidad estatal, neoliberalismo, izquierda, México.*

* I thank Luis de la Calle, Mariana Flores Abdo, and three anonymous reviewers for comments. I also thank Ricardo Becerra and Carlos Flores for helpful conversations. Mariana Flores Abdo provided excellent research assistance.

DOI: 10.4067/S0718-090X2020005000113

I. INTRODUCTION

No other figure in Mexico's recent past has excited as great expectations as Andrés Manuel López Obrador (AMLO), the seasoned politician from the southern oil-producing state of Tabasco who reached the presidency in 2018, under the banner of the National Regeneration Movement (MORENA).[2] His landslide victory has put Mexico under the first democratic leftist government in its history, a government that is also the first to command a legislative majority since democratization. On both accounts, the political scenario is unprecedented.

With a comfortable majority and the opposition in disarray, AMLO dominates the political game like no other president in the democratic period could have thought of. His third attempt at the presidency came at the right time. An unrelentless opponent to past administrations from the center-right National Action Party (PAN) and the Institutional Revolutionary Party (PRI), in 2018 the now president could deny blame for the various ills afflicting Mexico ahead of the elections.

The public was primed for change. Two decades after democratization and amid serious governance problems, discontent permeated the Mexican electorate. Denied the presidency twice before, AMLO had nevertheless earned an image as a man of "the people," with his persistent denunciations of social exclusion and calls to "put the poor first." This time, his antiestablishment rhetoric hit the right note. The desire for change has clung tightly to his figure, providing the president with a genuine popular appeal that has eluded most in the top echelons of the state since at least the 1980s. Against the backdrop of a grave public security and human rights crisis, decades of economic stagnation, and persistent poverty and inequality, his ascent to power has inflamed the public's hopes.

The president himself has cultivated such great expectations. A champion of modesty and humble lifestyles, López Obrador is nevertheless not shy about his titanic public ambitions. The very slogan of the new administration situates the president and his movement in the great arch of Mexican History. The official tale has him standing well above the rest of the political class, only on par with national heroes. Grandiosely, AMLO claims his election has spawned "The Fourth Transformation" of the country's public life, in a sequence of historic events that connects Independence, the 19th-century Liberal victory over Conservatism, and the Mexican Revolution with the current juncture.

[2] The new government was sworn into office on December 1, 2018. AMLO's coalition also includes the smaller Worker's Party (PT) and the evangelical Social Encounter Party (PES). Following the elections, MORENA also stroke a deal with legislators from the opportunistic Green Party (PVEM), who crossed the floor to give the governing coalition a supermajority in the Chamber of Deputies. MORENA alone reached 50.2% of the seats after these floor crossings. Considering that the party received 41.3% of valid votes, the Constitution's proportionality clause setting the maximum difference between votes and seats at 8 percentage points was turned into dead letter.

Erased from this recount of landmark moments in Mexican history is the transition to democracy at the end of the twentieth century –which has delivered democratic governments since 2000, as per the academic consensus–, but the omission is not accidental. In official rhetoric, the Fourth Transformation marks a complete rupture with the "neoliberal" age that precedes it, a period inaugurated by market reforms in the eighties and including oligarchic governments by both the PRI and the PAN (in AMLO's terms, the "PRIAN"). The transition to democracy took place in that period.

Evoking classical republican tropes, AMLO presents such time as one of widespread corruption, moral decline, and elite domination disguised in democratic trappings. Purportedly barred from the presidency by outright vote fraud in 2006 and vote-buying in 2012, he elevates his victory to a moment of genuine regime change. This time, the story goes, popular awakening (not corrupt elite pact-making) and AMLO's own leadership made possible a transition from oligarchy to a "true" democracy.

How is the new administration attempting to carry out a "peaceful and orderly, but at the same time deep and radical" social transformation? What does this experience tell us about the state of Mexican democracy, and about democratic representation in contexts of high inequality and state weakness more generally? I address these questions through the lens of state capacity —the ability of public institutions to carry out basic governance tasks— and its relationship with democratic politics. I argue that the AMLO administration is hostage to deep-seated fragilities in the Mexican state apparatus, which are structurally constraining its ability to deliver results.

Rather than addressing these state deficiencies, decisions made by the new government have aggravated them. In its first year in office, the "Fourth Transformation" has missed opportunities to democratically strengthen the state and to lay the groundwork for progressive social change. Confronted with multiple serious challenges, AMLO has centralized decisionmaking in the executive, strangled the state bureaucracy, weakened independent centers of power, and discarded inherited institutions as remnants of the old order without engaging in institution building. This process has returned power to the presidency to unprecedented levels in Mexican democracy. Certain practices reminiscent of the old *presidencialismo* of the PRI's heyday have reemerged. This time, however, the robust mediating institutions that stood between the executive and the masses under Mexico's dominant-party authoritarianism have no equivalent. The president rules with few buffers for his will.

Drawing on his charismatic appeal, pliant majorities in both houses, and MORENA's weakness beyond its founder, AMLO has consolidated his grip over Mexican politics—and polarized what Habermas called the "bourgeois

public sphere" (Habermas 1989).[3] Indeed, unlike other charismatic leftist leaders who came to power with the backing of major social movements or a mass party, as Evo Morales in Bolivia or Lula in Brazil, AMLO commands a largely personalistic movement supported by unorganized popular constituencies. Whatever genuine party structures and cadres underpin his government, they come from the PRD—which AMLO reduced to an empty shell.

MORENA absorbed most of the PRD, but the new party is more dependent on AMLO than the reverse. So far, other MORENA leaders have been unwilling to counterbalance a popular president who founds his authority on claims of personal proximity to the people, an exemplary character, and exceptional traits. For many, the erosion of partisan and institutional checks on arbitrary executive authority, coupled with AMLO's proclivity to demonize opposition to his movement, represent worrying signs for Mexican democracy.

Mexico's experience has relevant theoretical ramifications. My analysis suggests that the country's democratic system has been working effectively to produce alternation in power through free and fair elections, but satisfaction with political representation has eroded due to chronic governance failures that are rooted in the weakness of the state. As O'Donnell and others have argued, the absence of a minimally functioning state compromises the quality of liberal democracy, and possibly its very viability (O'Donnell 1993). Amid weak political institutions and widespread disenchantment, personalistic leaders have opportunities to consolidate delegative forms of authority, establish unmediated relationships with mass followings, and overcome checks on arbitrary executive power.

When left unaddressed, the poor capacities of the state can end up tainting all established political forces—including those that, like MORENA, first came to power promising to sweep away the malfunctioning establishment. Sustained crises of state performance are likely to further deepen social fragmentation and democratic disaffection. Protest voting may become endemic. Ultimately, yet more autocratic and unconventional alternatives may make their way to power.

The rest is organized as follows. I first examine the economic policies of AMLO's government during 2019. Second, I review reforms to the country's social policy regime and the extension of direct social assistance programs that are the staple of the AMLO administration. Third, I outline the government's strategy to address crime and violence, the creation of a new National Guard, and the expanding role of the military in everyday politics. The conclusion discusses the possible erosion of democracy in Mexico, especially of its liberal component. Throughout, I trace connections between the weaknesses of the state and the troubles of democracy.

[3] Political debate has become polarized –often acrimoniously so– among pundits and social media users, but access to the public sphere is of course conditioned by class, region, and other social boundaries. It is unclear whether the degree and terms of polarization at the mass level resemble those among the pundit class. Surveys indicate that AMLO's popularity, relatively homogenous across social groups after his election, has now disproportionately declined among the more educated (Moreno 2020).

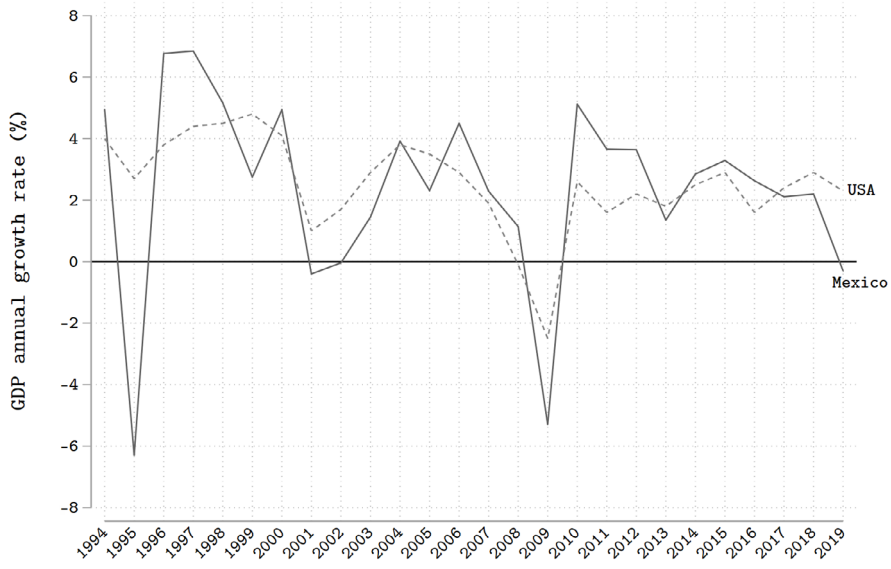
II. A NEOLIBERAL LEFT? ECONOMIC POLICY, BUSINESS, AND LABOR IN THE AMLO ADMINISTRATION

From an economic perspective, the AMLO administration got off to a poor start. For the first time since the 2009 global economic crisis, GDP growth figures ended in negative territory in 2019, with the economy contracting by 0.3% (INEGI 2020b). Unlike in other episodes, however, this time economic contraction was not a byproduct of a recession in the United States.

As Figure 1 shows, the Mexican economy has been tightly linked to the United States' since the signature of the North American Free Trade Agreement (NAFTA) in 1994. Periods of expansion and crisis have tended to coincide between both countries, with Mexico, the saying goes, ''getting pneumonia when the U.S. catches a cold." Yet in 2019, Mexico caught a cold despite robust economic growth in the United States.

The pattern in Figure 1 is a reflection of Mexico's heavy dependence on export manufactures as an engine for growth, ever since the outward reorganization of the economy in the 1980s and 1990s. The share of international trade in GDP went from about 30% before NAFTA, to 80% in 2018 (World Bank, n.d.). Yet trade is highly concentrated—-the United States accounts for 80% of the total value of exports, tying Mexico's economic fortunes to U.S. demand. In 2019,

Figure 1: Real GDP growth (annual %) in Mexico and the United States, 1994-2019



Source: INEGI and U.S. Department of Commerce, Bureau of Economic Analysis

manufacturing industries grew by 0.25% on average; yet decreased output in specific industries like steel, as well as in various sectors of the economy like construction, oil extraction, and mining, caused GDP to fall. What explains the unusual 2019 pattern of growth in the United States but contraction in Mexico?

External uncertainty: trade and the new USMCA

Part of the answer to the economy's lackluster performance in 2019 lies in the external sector, in particular in frictions in the relationship with the United States. Policies like the imposition of tariffs on Mexican steel until May 2019, as part of Donald Trump's "America First" stance, were a drag on specific activities. In late May, Trump also threatened to impose tariffs on all imports from Mexico to pressure the government to curb migration from Central America, raising business uncertainty.

Lingering uncertainty about the transformation of NAFTA into the new United States-Mexico-Canada Agreement (USMCA) also contributed to poor economic performance in 2019. Executives from the three countries signed a renegotiated version of the trade agreement at the end of 2018, immediately before AMLO was sworn into office. However, the new USMCA still required congressional approval in the three countries, which kept negotiations going throughout 2019. Crucially, the revised deal required bipartisan support in the United States, after Democrats won control of the House of Representatives in the November 2018 midterm elections.

The AMLO administration treaded carefully to ensure approval of the new agreement. As a member of the leftist Democratic Revolution Party (PRD), AMLO had been a sharp critic of NAFTA at the time of its adoption. More than two decades later, the reality of deep Mexico-U.S. integration and Mexico's dependence on the United States structurally imposed a different stance. In this, he acted pragmatically. AMLO avoided any criticism of President Trump—despite his well-known virulent anti-Mexican rhetoric—and had members of the cabinet work closely with Democrats and the Trump administration to make the deal pass through the United States Congress. By March of 2020, USMCA had been finally ratified in all three countries.

Although the new agreement modernized the trilateral trade agreement, it reflected the reorientation in U.S. politics toward greater economic nationalism and the power asymmetries underlying the bilateral relationship. Mexico made several concessions in order to secure approval of USMCA, obtaining little in return. The largest changes occurred in the auto industry, by far the most dynamic sector in bilateral trade and an important source of growth for Mexico. Faced with a hostile U.S. administration and the prospect of major economic disruption, Mexican policymakers appear to have approached the negotiations under the principle that securing a worse deal was better than risking a no-

deal. In this, there was continuity between the Peña Nieto and the AMLO administrations.

Moreover, unlike NAFTA, USMCA includes review and termination provisions that make periodic updates to the agreement possible, but also build greater uncertainty into the bilateral relationship. The treaty may now become subject to short-term calculations by whoever is in power in the three countries every time the agreement is up for revision. The very threat of scrapping NAFTA that dragged Mexico to the table is a clear sign that cooperation is now more contingent. In this sense, the USMCA is a step toward de-institutionalization (Flores-Macias and Sánchez-Talanquer 2019).

An important positive change in the new agreement is the introduction of stronger labor regulations. Despite producing average gains, the distribution of benefits under NAFTA was very uneven in all three countries. In Mexico, labor laws remained weakly enforced and wages were kept down to attract foreign investment. As a result of the treaty, however, Mexican workers have gained greater protection for their rights than governments in the past decades were willing to concede.

Labor unions and activists, especially in the United States, seized the opportunity opened by the NAFTA renegotiation to push for regulations that, in principle, will make it more difficult for Mexico to rely on weak labor rights to maintain international competitiveness. Complying with the demands raised by unions and Democrats as part of the USMCA negotiations, the AMLO administration signed a comprehensive labor reform into law in May of 2019. The reform is meant to protect rights to unionization and collective bargaining, guarantee democratic procedures in the election of union leaders, and replace old conciliation and arbitration boards with independent courts to resolve labor disputes (Villarreal and Cimino-Isaacs 2020).

U.S. panels and labor attaches will supervise implementation of the new labor law. Moreover, new provisions raise the burden of proof for companies accused of labor violations. Overall, these changes represent a victory for American unions and transnational labor activists, who managed to institutionalize a framework more protective of labor rights. Although the extent of enforcement remains to be seen, the reforms derived from USMCA possibly mark an important transformation in the political economy of business-labor relationships in Mexico, spurred from outside.

Labor and wages

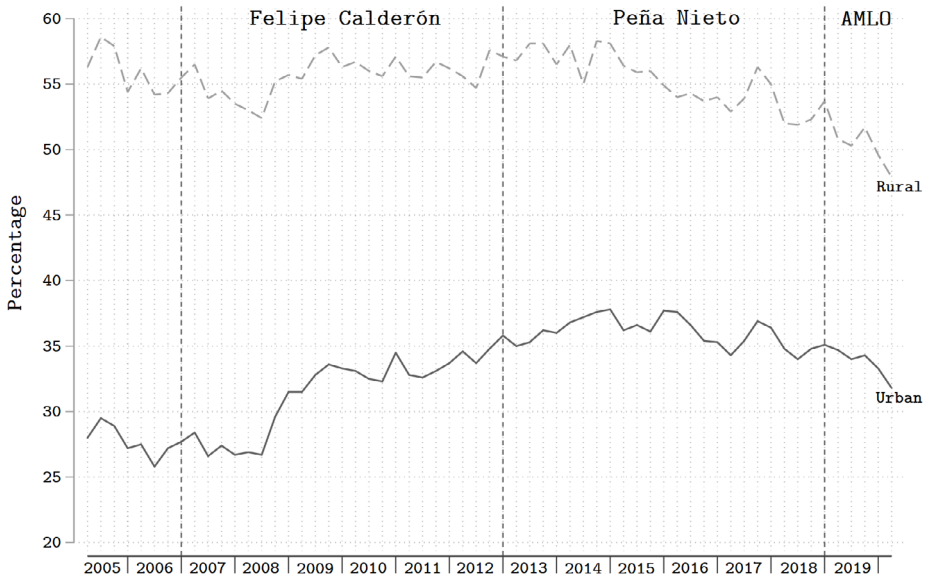
The external pressures on Mexico's labor policy came at a time of new domestic developments in the labor market. In what is perhaps its most genuinely progressive measure to date, the AMLO administration hiked the national minimum wage by around 13% in real terms for 2019, followed by a 20% nominal

increase for 2020. Mexico City's government had advanced a proposal to increase the minimum wage in the country since 2014, triggering robust public debate about the effectiveness of this long-forgotten policy instrument to lift the incomes of the poor (Chertorivski 2015).

However, inflationary fears had prevented meaningful change. Yet upon taking office, the new government picked up the agenda, to good end. Evidence suggests that the minimum wage increase had a healthy effect on the labor market, especially at the bottom of the wage distribution—without a negative impact on inflation. The share of the population whose labor income is below the extreme income poverty line decreased by three percentage points between the first trimester of 2019 and the first trimester of 2020, to 35.7%. Figure 2 shows the trajectory of this indicator since 2005, disaggregating urban and rural areas.

Moreover, the increase at the bottom of the wage distribution pushed other low incomes up, leading the average and median wages to increase by 3.1% and 5.7%, respectively (STPS- CONASAMI 2020: 11-13). Increases in municipalities along the US border, where a higher minimum wage was established, were yet more substantial. These victories for workers, in combination with a friendlier government stance toward labor activism and the exigencies of the USMCA

Figure 2: Share of population with labor income below the extreme poverty line, 2005-2019



Source: National Council for the Evaluation of Social Development Policy (CONEVAL).

renegotiation, appear to have sparked greater labor mobilization, as captured by work stoppages and strikes (Fernández 2019).

Amid a lackluster economic performance, these changes in the labor market perhaps constitute the most important accomplishments of the AMLO administration in its first year. Unfortunately, with the economy already in a poor shape entering 2020 and the likely devastating impact of the COVID-19 pandemic, these improvements might already be vanishing at the time of writing.

Domestic uncertainty: sham referendums and decreased investment

Policy uncertainty was a major factor behind economic contraction in 2019, but rising protectionism and partisan conflict in the United States were not the only or even the main source. Decisions made by the AMLO administration significantly eroded investor confidence.

AMLO's interpretation of the past decades as a period of white-collar corruption, influencepeddling, and squandering of public resources has structured his economic decisions. In his narrative, solving the country's problems required a strong, incorruptible figure exerting the tightest control over public monies and leading by example. The formula for good government, he has claimed, is "90% honesty, 10% experience" (Martinez and Urrutia 2019). This simple message, communicated in catchy slogans and numerous symbols, was at the core of AMLO's antiestablishment campaign in the run-up to the 2018 elections; during his first year in office, it dictated his policies and governing style.

The measures to purge the state of fraud and corruption may have paid off in terms of popularity—AMLO's approval rating, despite falling from the 81% registered in February of 2019, remained at 69% by the end of the year, according to a poll of polls (Oraculus, n.d.)—but had serious economic repercussions. At the beginning of the year, the government's crackdown on fuel theft from Pemex's (Mexico's state oil company) pipeline network caused fuel shortages that disrupted economic activity. While steps to combat theft and corruption within Pemex and its assets may have been warranted, implementation was less than adequate. Based on official data, some analysts argued that the shortages were at least partly caused by the new government's own decision to import less gasoline at the end of 2018, despite declining national gasoline production (Castañeda and Garrido 2019).

More economically consequential was the government's decision to cancel construction of Mexico City's new USD $13 billion airport—the flagship infrastructure project of the Peña Nieto administration—at about one third of completion. AMLO had strongly criticized the airport as a prototypical "pharaonic" project that would only benefit a minority of the population and enrich corrupt elites. In October of 2018, with AMLO still as president-elect, MORENA financed a national referendum subjecting the decision to continue construction to a pop-

ular vote. Alternatively, voters could opt for AMLO's declared preference to adapt a military airbase to complement operations of the current airport.

Although the purported objective of the referendum was to let "the people" decide, it is hard to argue the people spoke, in a democratic sense. Laws regulating the use of referendums went unobserved. No state institutions participated in the implementation. Instead, a private foundation tied to MORENA organized the voting process. Basic democratic norms of equal access were grossly violated due to procedural deficiencies, including a very low number of polling stations that were also concentrated in pro-MORENA states (Núñez and Toral 2018). Only about 1% of eligible voters participated; 70% supported the cancellation.

Yet once in office, AMLO acted upon the results as the will of the people. The decision carried heavy economic costs. Compensation for bondholders and companies for early termination of contracts reportedly exceeds the estimated costs of finishing the project (Navarro 2019), but costs did not stop there. For the private sector, the cancellation of the largest infrastructure project in the country based on a sham referendum raised concerns about arbitrary decision-making. Prone to symbolic displays of power, AMLO appears to have subordinated economic concerns to the impulse of asserting his personal authority over powerful economic interests.

The airport's referendum was only the first of several irregular exercises of direct democracy to disguise executive policy choices as popularly authorized decisions. Days before taking office, the incoming government consulted voters about its top ten policy proposals, including building a new oil refinery and a "Mayan Train" in the Yucatan Peninsula—along with adaptation of the military airport, AMLO's two main infrastructure projects, both of them questioned by specialists on environmental grounds (Izquierdo and Barceinas 2019). The least supported of the ten proposals obtained 90% approval, but participation barely reached 1%.

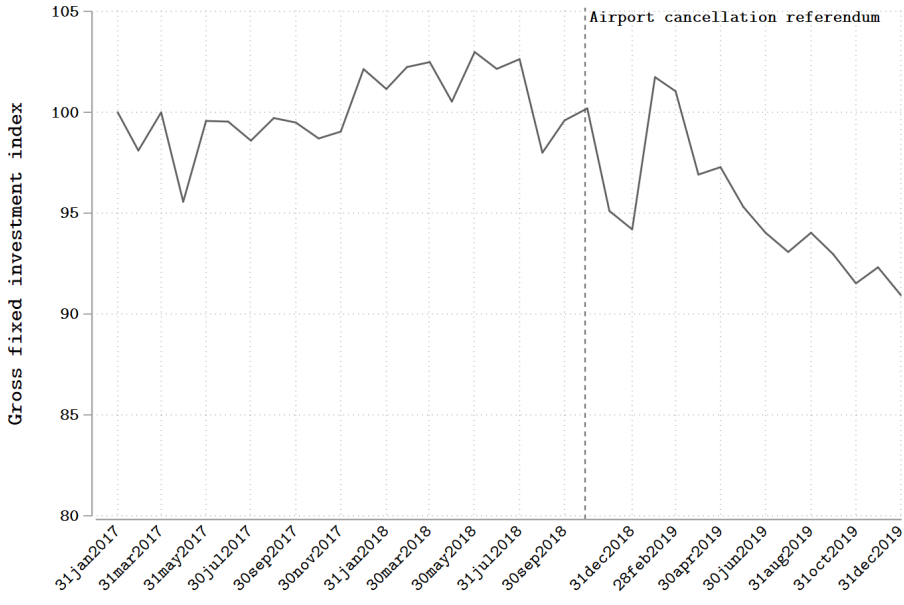
The Mayan Train was later subjected to another consultation process with indigenous populations in states along the train's route, to no change. According to the United Nations, participation procedures were unilaterally defined by the government and the process failed to comply with international human rights standards (ONU-DH 2019). In February of 2019, the government decided to continue construction of a thermoelectric plant in the state of Morelos through another extralegal referendum. Local organizations had opposed the project and an activist was assassinated three days before voting started. Less than 3% of eligible voters participated (Garrido 2019). In June, AMLO canceled a plan to develop a confined-lane bus transit system in the northern metropolitan area of La Laguna after taking a hand vote with supporters in a public square.

Independent of the merits of each decision, the ways in which they were reached fueled depictions of AMLO as a capricious populist leader. Conflicting signals came out of the government, as more moderate members of the cabinet waged subterraneous battles with a more radical wing, led mostly by those in the energy sector. Yet from the onset, the president has made it clear to all inside or outside the corridors of power that he has the first and last word.

His message to business was decidedly ambiguous. Much as he had done during the campaign trail, he slid from defiant denunciations of the old "mafia in power" to efforts to assuage markets. Time and again, he emphasized his commitment to macroeconomic orthodoxy—in fact proving to be a staunch fiscal hawk, as discussed below. When nominating two members to the Central Bank's governing board, he opted for unorthodox but first-rate profiles. The Bank's independence remained unquestioned.

AMLO also kept business magnates close. An allied businessman was appointed chief of staff and liaison with the business sector. Moreover, he appointed eight top businessmen—including the CEOs of the country's two main television networks (Forbes 2018)—to an economic advisory council, raising questions about renewed cronyism and AMLO's capacity and willingness to tackle wealth concentration at the very top. All business moguls had to do to secure good treatment, it seemed, was yield to the power of the new government.

Figure 3: Gross Fixed Investment Index, 2017-2019 (January 2017 = 100)



Source: National Institute of Statistics and Geography (INEGI). Seasonally adjusted monthly series.

Yet such actions were insufficient to create a favorable climate for investment. For critics and segments of the business community not allied with the government, AMLO's little concern for legal procedures and dubious invocations of "the people's will" put to rest any expectation that a moderate, pragmatic leader lay behind the fiery rhetoric.

Figure 3 suggests that the cancellation of Mexico City's new airport damaged investor confidence. The figure reports the evolution of gross fixed investment during the last two years of the Peña Nieto administration and AMLO's first. The vertical dotted line marks the date of the referendum on the airport, held in the period between the elections and inauguration. As is clear from the graph, investment declined throughout 2019. Private investment specifically, at 19.5% of GDP by the time of the 2018 elections, bottomed at 17.4% by the end of 2019. Compounded with anemic public investment—barely 2.7% of GDP in 2019 (Animal Político 2020)—, government-induced uncertainty contributed to the observed contraction in economic output in 2019.

Energy Policy: Nationalism and Nostalgia

If continuity defined the new government's policy toward trade and the USMCA, an important break occurred in the politically sensitive energy sector. Ever since President Lázaro Cárdenas expropriated the oil industry in 1938, the latter has been wrapped in debates about national sovereignty. Even the aggressive liberalization program of the 1990s kept the energy sector off-limits for private investors.

However, under the modernizing drive of the early years of the Peña Nieto administration, the PRI and PAN managed to reform the Constitution in 2013 to allow private and foreign investment in oil, gas, and electricity. Low oil and gas prices contributed to lower immediate investment than promised, but the entry of private and foreign firms nevertheless reconfigured the energy sector. The new government changed course.

Shortly after taking office, AMLO announced the suspension of all new auctions in the oil and gas sectors-—the hallmark of the new energy model—for at least three years (The Economist Intelligence Unit 2018). Tenders for joint-venture agreements between private companies and Pemex were also brought to a halt. Throughout 2019, the government also replaced energy regulators with loyalists, de facto tightening its grip over the sector (Stillman 2020).

Instead of private investment in energy markets, AMLO's administration bet on reinforcing the role of state-owned companies. Of special importance is AMLO's vision for Pemex. For decades, the company served as the Mexican state's cash cow; the roles have now inverted. Mired in massive debt, Pemex is currently on life support, absorbing government resources in high volumes and putting pressure on sovereign debt.

As part of its plan to rescue the company, the government pledged to increase investment spending to increase oil production and production of refined products, most importantly gasoline. In AMLO's nationalistic outlook, it makes little sense for the country to export cheap crude oil only to import refined products at higher prices. Such view explains the decision to build a new USD $8 billion refinery in Tabasco, AMLO's home state.

The project has drawn sharp criticism. Environmental groups claim that the refinery will severely damage the environment and that the official evaluation of its impact was hasty and incomplete (Rivera 2019). In electricity, the government has also privileged the state- owned company's control over generation, even with fossil-fuel, over the participation of private companies in renewable energy.

AMLO's energy policy appears to romanticize a bygone period of oil abundance, at a time when leftist movements elsewhere call for the decarbonization of the world economy, bold action against climate change, and a global "Green New Deal." The administration's disregard for environmental issues has had clear expression in the budget. In 2019, environmental spending was cut by more than 20%, for an accumulated real loss of 61.4% since 2015 (Provencio and Carabias 2019).

Specialists have also questioned the government's energy policy on economic grounds (Gross 2019). Although Pemex's traditional strength has been in exploration and production in shallow waters, AMLO has focused the bulk of investment on the company's loss-making refining sector to reduce dependence on imported gasoline (over 70% of total consumption). Critics argue that cheaper and cleaner gasoline is available from American refineries than Pemex can produce. Moreover, existing Pemex refineries are operating at a third of their capacity given the decline in oil production, which despite the liberalizing reform, stands at half the amount of the early 2000s (Malkin 2019). Therefore, for critics, efforts should instead focus on reversing the collapse in production, with the participation of the private sector.

Overall, the current government inherited an ailing Pemex, and its revival plan has failed to convince markets. In 2019, Pemex reported a steep USD $18.4 billion net loss and a 7.4% fall in oil production (Garcia and Martinez 2020), further increasing the risk of default. Market concerns about deterioration in corporate governance and the administration's turn toward refining are prevalent. Given these financial pressures, rating agencies downgraded Pemex's debt to junk status in 2019. Because of the company's deep imbrication with the government, its troubles are spilling over to the country's sovereign rating. Despite AMLO's longstanding vision of turning oil into the "lever of national development," today Pemex is less of an asset than a challenge to the country's fiscal stability.

The repeal of education reform

Another area where AMLO's administration broke with the past was education policy. The poor quality of public education, as reflected in Mexico's poor performance in international test scores, had led parties to pass a comprehensive reform during Peña Nieto's term. The overhaul was one of the much-touted "structural reforms" of the "Pact for Mexico," signed by the then- largest three national parties—with AMLO in the opposition. The reform addressed teacher's recruitment, evaluation, and promotion processes, in an attempt to replace old corporatist-clientelistic practices with a more meritocratic system. Its content was politically explosive, considering the power, reach, and mobilization capacity of Mexico's teachers unions.

Ever since the reform's approval in 2013, the CNTE, a radical dissident breakaway group from the SNTE with strongholds in the states of Oaxaca, Michoacán, and Guerrero engaged in recurrent protests and blockades that sometimes escalated into violence. During the campaign, López Obrador pledged to scrap the education reform, which he saw as a technocratic imposition over teachers that made them scapegoats for the failures of the education system and was unsensitive to local realities.

In May of 2019, the MORENA-dominated Congress passed a new bill repealing the 2013 reform and the mechanisms of teacher evaluation, in favor of a new system of continual teacher education. The National Institute for Educational Assessment and Evaluation, a body granted autonomy by the 2013 reform and tasked with overseeing the new professional teaching service, has been dismantled. The new legislation returns influence to the unions over appointments (Romero 2019).

Fiscal conservatism, centralization of power, and the weakness of the tax state

AMLO's fiery rhetoric against "neoliberalism" may signal a dramatic break with the past, but words can be deceiving. In one decisive arena, he has wholly embraced the spirit of the Washington Consensus: fiscal policy. Indeed, when it comes to taxation and government spending, AMLO has vehemently defended the most hawkish positions. This conservatism, more than the break with some of the "structural reforms" of the past, has defined the economic character of his administration. It also poses an insurmountable obstacle to good governance and progressive social change.

On the campaign trail, AMLO made not raising taxes a centerpiece of his program. In a meeting with the business sector ahead of the elections, he restated the promise he made time and again in public squares throughout the country: "I inform you, there will be no tax increases throughout the sexenio, we will not raise the VAT rate, there will be no new taxes, there will be no increase to

the income tax, there will be no increase in gasoline prices (*gasolinazo*)... if we end corruption and the government is austere, we will be able to finance development" (López 2018). Neither would there be increases in the public debt—at 45.5% of GDP at the end of Peña Nieto's administration, eight points more than at the beginning of his term but below other big Latin American economies like Argentina (80%), Brazil (78%), or Colombia (48.1%) (BBC 2018; Villegas 2018). To the contrary, AMLO pledged to cut debt and deliver yearly fiscal surpluses.

Once in office, AMLO has adhered to his promises without hesitation. How are we to understand this staunch fiscal conservatism, which calls into question the very leftist credentials of his government? More than a strategic move, the refusal to raise taxes is a centerpiece of what AMLO calls "republican austerity," a guiding principle that derives from his interpretation of Mexico's political and economic development. At the root is a reading of the period since the 1982 debt crisis and the transition to market liberalism as one of unabashed corruption.

Yet AMLO's definition of corruption has less to do with street-level bribes than with white- collar rent-seeking and what he sees as a betrayal of the national and public interest on the part of the ruling class. Such is the vision of the state that defines AMLO's project and understanding of his own personal mission. That MORENA stands for "National Regeneration" is not accidental.

Numerous high-level embezzlement scandals during the Peña Nieto administration reinvigorated the rhetoric about generalized fraud, waste, and abuse. Among the public, they also lent credibility to AMLO's claim that poor public goods provision was not rooted in resource scarcity or low spending, but in the moral bankruptcy of the ruling class. Based on this simple diagnosis, AMLO offered an also simple solution. A relentless "guardian of the budget," with the strength of will to end profligacy, would be enough to restore the republic's health.

Government austerity was thus elevated to a moral dictum. When critics pointed to the negative effects of draconian austerity measures on the basic operation of government, AMLO dismissed them as representatives of "conservatism" fighting for their privileges. He even pledged to steer government into "Franciscan poverty," described as a "superior stage" of "republican austerity" in which bureaucracy and spending are cut even further to allocate more funds to new direct cash transfers to the poor (López Obrador 2019). The commitment to, in his words, "poor government" found expression in two main types of decisions in 2019.

First, the administration delivered aggressive budget cuts throughout the state apparatus—save for the military—, canceled several existing programs, and slashed benefits and salaries for middle- and top-level public officials. Already in 2018, the new MORENA-dominated Congress passed a new Law of Public Servant Salaries that capped government wages and eliminated benefits for the

bureaucracy. The law caused clashes with courts and debates about its constitutionality, as it sought to extend to the judicial branch and other institutions with constitutional autonomy. For some, it represented an outright attack on potential checks to the executive (Gómez 2019). A "republican austerity law" was then passed in November of 2019. The law mandated cost-saving measures and banned work in private companies within 10 years of serving as a public official with regulatory responsibilities.

Moreover, mass layoffs of temporary and non-unionized federal workers took place shortly after the new administration was sworn into office, and throughout 2019. Layoffs took place even in the most sensitive areas of state activity like the health system. In March of 2019, the Secretary of Health boasted that at least 30% of personnel had been laid off (Secretaría de Salud 2019). Although publicized as achievements in the new era of "republican austerity," such measures undermined Mexico's already insufficient public health system—and left it on yet a weaker footing as the country confronts the COVID-19 pandemic at the time of writing.

Beyond the cuts and layoffs, the second type of measures to counter the alleged descent into corruption during the "neoliberal" era involved establishing tight centralized control over resources. Budget execution powers were concentrated in the presidency and used as a disciplining tool. A prominent example is AMLO's appointment of loyal "super-delegates" to each of Mexico's 32 states, a new parallel structure directly responsive to the president meant to strengthen his control over the regions and counter the power of state governors. These delegates oversee delivery of the government's flagship social assistance programs to the population, sidestepping conventional bureaucratic channels—much as Carlos Salinas or Alberto Fujimori did during the golden area of "neoliberalism" in the 1990s (Roberts 1995).

Other administrative measures followed the same centralizing spirit. Although presented as efforts at rationalization and to eradicate corruption, in practice they concentrated spending powers in the presidency. To secure timely access to resources, governors, cabinet members, and even representatives of autonomous institutions were expected to dance to the president's tune.

The deployment of "super-delegates" is representative of the broader centralizing thrust of the AMLO administration. Mexico's federal arrangement is a source of considerable political dysfunction. As the country democratized, state governments gained more control over public spending, but remained heavily dependent on transfers from the center. Distortions in the fiscal federal arrangement opened opportunities for corruption, leading to frequent scandals in the states. Overlapping jurisdictions in areas like public safety and health have also led to duplicity in bureaucratic structures and several coordination problems, many times aggravated by partisan rivalries. In addition, the activation of horizontal checks and balances at the national level and the increase in

autonomous regulatory agencies have reduced the decisionmaking power of the president.

The new administration's reaction to this system of fragmented authority has been unambiguous: to the extent possible, re-concentrate power in the national executive. In AMLO's view, only a strong leader firmly in control of state resources can curb self-dealing officials and restore the state's ability to act coherently, in order to achieve common goals. The Madisonian vertical and horizontal fragmentation of power is not considered the antidote against abuse, but the very condition that enables it.

For opponents, AMLO's centralization measures have less to do with ending corruption than with imposing a vertical and personalistic system of power. At least some data support this interpretation. As discussed above, AMLO has kept business moguls who have played along with the new government close. The response to bureaucratic pathologies has not been civil service reforms, but fiscal subordination. Civil society organizations have alerted of persistent cronyism, only with some change in the cronies. 78.5% of government procurement contracts in 2019 were directly awarded rather than allocated through public tenders or other competitive processes, up from a 73% average under Peña Nieto (Núñez, n.d.).

Beyond their power-distributional implications, "republican austerity" and administrative centralization are arguably compromising the state's already fragile capabilities. Paralysis in the government machinery is a concern. The 2019 budget was an exemplar of fiscal orthodoxy; it aimed for a primary surplus of 1% at the end of the year. Although tax revenues for 2019 were 3.3% lower than forecasted in the budget (SHCP 2019), in principle making it difficult to meet the surplus goal, under-execution was high enough (3.5%) to slightly exceed it and even deliver a small reduction in the overall sovereign debt (Notimex 2020).

Ample need and opportunity to combat corruption undeniably exist. Yet, indiscriminate budget cuts, layoffs, worsening job conditions for public officials, and halts on spending may impair government operation without delivering the expected results. Under the newly created conditions, attracting and retaining high-quality and experienced personnel throughout the bureaucracy has become more difficult.

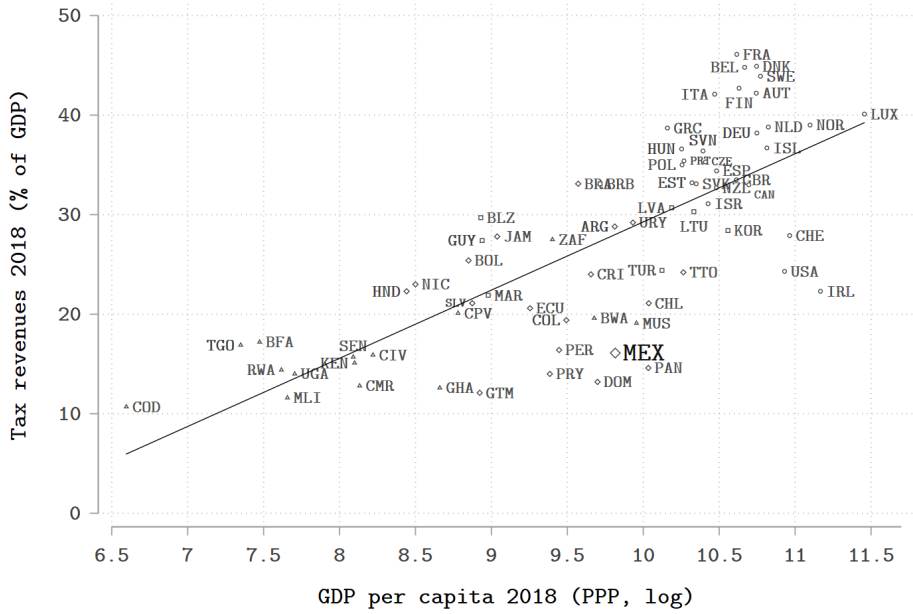
Even some cabinet members resigned their positions over disagreements with austerity measures. Just six months into the new administration, the head of the Social Security Institute (IMSS) that provides health services to formal private sector workers resigned, citing the impossibility of purchasing basic medical supplies under budgetary restrictions. A month later, the finance minister quit with a critique of extremism and the disregard for technical expertise.

Austerity and centralization have harmed the quality and availability of public services. As the administration reorganized the government procurement scheme to save costs and centralize spending, the public health system suffered

from medicine shortages, including cancer drugs for children (McDonnell and Sánchez 2020). Upon taking office, the government also cancelled a childcare centers program on the grounds that it was plagued by corruption, instead offering to give direct cash transfers to parents. The very goal of drastically reducing corruption does not appear to have been accomplished. According to a nationally representative survey, the number of acts of corruption in citizens' interactions with government increased from 25.5 per hundred citizens in 2017, to 30.4 in 2019, a 19.2% increase (INEGI 2020a).

From an economic standpoint, under-execution of the budget intensified the already contractionary effects of Mexico's low government spending. AMLO has staunchly defended austerity measures as means to finance his administration's social programs. Redirecting the state to favor the poor is more than warranted. Unlike in other OECD countries, in Mexico public spending has a negligible effect on market inequality. Yet cash transfers alone axe unlikely to benefit the majority in the long run if they come at the expense of economic growth and state investment in public goods, including infrastructure, health, and other services, as has been the case. Because the poor depend much more on public services than the rich, the weakening effects of the government's fiscal policies on the state apparatus are highly regressive.

Figure 4: Economic Development and Fiscal Capacity across the World, 2018



GDP per capita 2018 (PPP, log)
Source: International Monetary Fund, World Economic Database (October 2019) and OECD, Global Revenue Statistics Database.

The aversion to tax increases and public debt, in addition to being difficult to sustain given rising financial pressures, is a hard limit to the government's ability to reduce inequality and deliver results. To the extent that the AMLO administration produced redistribution to the poor in 2019, it did so not by tackling wealth concentration at the very top but at the expense of the bureaucracy and the middle class—and raising concerns about clientelism in social policy, as discussed below.

Arguably, the government missed an important opportunity to use the strong democratic legitimacy with which it came to power to renegotiate Mexico's unequal fiscal contract and strengthen the tax state. Figure 4 shows that Mexico has a much lower tax-to-GDP ratio than would be expected for its level of development. AMLO may be ideologically committed to "poor government," but Mexico's government is already quite poor by international standards. If good governance depends on a strong state and effective checks on arbitrary decision-making, AMLO's fiscal policies have so far further undermined governance from both ends.

III. THE PERSONALIZATION OF SOCIAL POLICY

The extension of new social programs lies at the center of AMLO's political project. The administration has bet on a multiplication of direct cash transfers to address poverty and inequality and build political support. In the process, programs that defined Mexico's social policy regime for the past two decades have been dismantled, to make way to others more directly identified with the new government—and with AMLO himself.

The main programs include cash transfers to high school and university students in public education institutions, people with disabilities, single mothers, the elderly, and peasants that participate in a tree-planting project to increase fruit production and wood harvesting, as well as soft credits for small businesses. In addition, a new large program provides a transfer to people between the ages of 18 and 29 years of age for up to a year, in exchange for job training at participating businesses. The program aims to increase employment opportunities for the youth and inhibit recruitment by organized crime. In the case of universal transfers to the elderly—a program that AMLO pioneered as mayor of Mexico City and was then adopted by the PAN and PRI at the federal level—the government doubled the transfer amount and extended it from those that did not receive a pension from social security institutions to all the elderly. To do so, however—and given unaddressed fiscal restrictions—it increased the eligibility age from 65 to 68.

Although the benefits are typically small, they can make a significant difference for the poor and the lower middle class, whose labor incomes are insufficient to afford the cost of living. Despite the modest improvements of 2019, half of the population have incomes below the poverty line. The programs are also

ambitious in their intended coverage. According to AMLO, 22 million people are to directly receive a cash transfer, so that one of every two households have at least one beneficiary of the government's social programs (Monroy 2019). According to the most recent official figures, 14.3 million people received benefits during 2019.

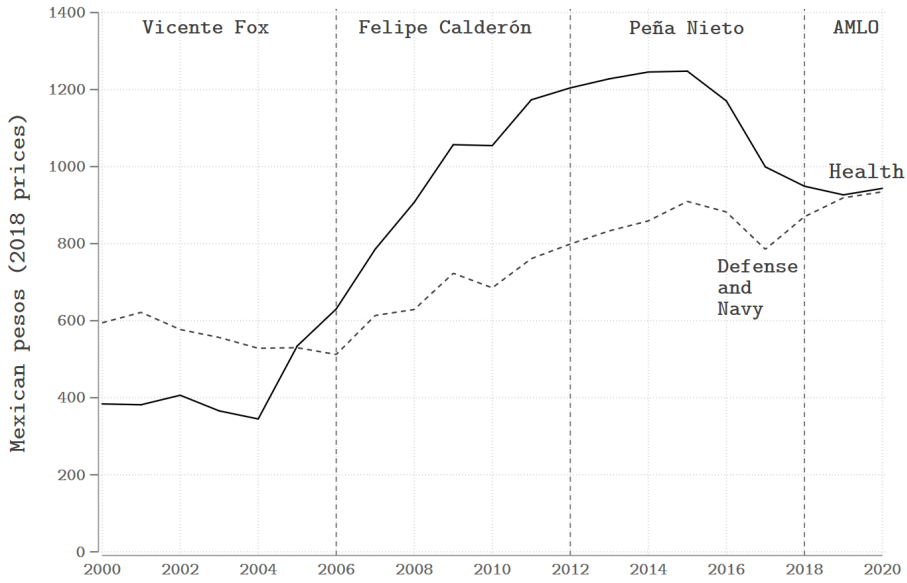
However, despite being the administration's priority, social programs were also subject to budget under-execution problems. Poorly planned and implemented, the youth employment program, the second largest after elderly pensions, had spent only 55% of its original budget by the end of 2019 (SHCP 2019). Moreover, an independent audit found multiple irregularities, including businesses that could not be located, others that denied having trainees registered in the program, atypical registration patterns, and a high rate of absenteeism (Mexicanos Contra la Corrupción y la Impunidad 2019).

AMLO's redefinition of social policy has come under fire from various fronts. A first concern is that existing administrative capabilities and institutional structures to reach the poor have been dismantled. Thoroughly evaluated and successful programs, most notably the conditional cash transfer program *Oportunidades-Prospera,* have now been scrapped. By the end of 2018, *Prospera* benefited some 25 million low-income citizens in 6 million households. The program was internationally considered a model of evidence-based, non-clientelistic antipoverty policy and had inspired the adoption of CCTs throughout the world. Although former beneficiaries may have been absorbed under AMLO's scholarship programs, benefits have been reduced, are limited to one child per family, and the requirement of periodic visits to health clinics that had yielded improvements in children's health has now been dropped.

The *Seguro Popular*, a public health insurance program for approximately 60 million people in the informal sector, has also been scrapped. Under the program, introduced in 2004, governments allocated by law a certain amount of resources for every person enrolled. Public health expenditures for the uninsured population rose consistently, as shown in Figure 5. A special fund that could not be used for other purposes administered the resources. Both states and the federal government then participated in service provision. Although still insufficient, the program financed health services for the informal poor and reduced catastrophic out-of-pocket health expenses (Knaul et al. 2012).

According to AMLO, however, the program was rife with corruption and followed a "neoliberal" model, as it put a price on health. Instead of the *Seguro Popular*, he has created a new Health Institute for Wellbeing (INSABI) that intends to provide universal healthcare at no cost. The *Seguro Popularas* catastrophic expenses protection fund has been dissolved, providing the federal government more discretion in the allocation of resources, hi line with the administration's general thrust, the new system marginalizes the states in favor of centralization.

Figure 5: Per capita annual budget of the Ministry of Health and the Ministries of Defense and Navy in real terms (MXN pesos of 2018)



Source: Annual budgets (Ramo 7, 12, and 13).

Beyond that, the INSABI seems to be one of several brand name changes simulating a radical transformation (an agency for the administration and transfer of seized assets has been rebranded as the "Institute for the Return of Stolen Goods to the People"). In fact, the material base to provide healthcare to the uninsured remains the same (and perhaps subject to greater discretion). As is clear from Figure 5, real per capita budget allocations to the Ministry of Health fell during the second half of Peña Nieto's administration, and have not recovered under AMLO. Instead, the military budget has increased, as discussed below.

A second major concern with the transformation of the social policy regime is the lack of transparency, as well as the replacement of non-discretionary programs like Prospera with clientelistic ones tied to AMLO's figure. Although purportedly universalistic, the new programs are allocated based on a "well-being census" conducted not by the autonomous statistics agency, but by party activists and volunteers dubbed "servants of the nation" during AMLO's time as president-elect. The "servants" were then incorporated into the new government.

To date, methodological details as well as results and registries from the census have yet to be released to the public. 60% of the resources that have been distributed as cash transfers belong to programs without public operational rules

(Mendoza 2019), increasing the potential for political considerations to drive allocative decisions. Some of the new government's programs may also be failing to target and reach the poorest. According to Oxfam, 60% of the population living in poverty are not eligible for three of the main social programs (Oxfam Mexico 2020).

Moreover, AMLO has explicitly stated his intention to bypass all intermediary institutions and bureaucratic structures in the distribution of cash transfers to citizens. In his words, "everything will be personalized... everyone will get a card to go to bank and withdraw their money, directly, with no intermediaries" (Presidencia de la República 2019). Although hailed as part of the anticorruption drive, this strategy has precedents in other countries in Latin America where deep governance crises and the weakening of party systems at the mass level ushered in highly personalistic and autocratic forms of political rule.

IV. MILITARIZATION BY SURPRISE

As with economic policy, in the domain of public safety AMLO adopted decisions more typically associated with the right. Economic austerity, however, had been advertised; renewed militarization came largely by surprise.

In 2017, when the military and the Peña Nieto administration advanced a bill to regularize the military's role in public safety tasks, AMLO publicly clashed with the Ministry of Defense. As candidate and president-elect, he pledged to end attempts at "putting down fire with fire," floated proposals to implement transitional justice mechanisms, and held meetings with victims of the drug war. The message was that his government would inaugurate a new strategy focused on the causes of crime and the protection of human rights. According to the latest figures, more than 60 thousand people have disappeared since 2006 (Diaz 2020).

Expectations for a new approach have gone largely unmet. In his first year in office, AMLO cemented an alliance with the military, severed links with human rights and crime victims' movements, and introduced important reforms to the country's security apparatus. At the core of these transformations lies the creation of the new National Guard, a federal force to be permanently deployed across the territory. To make way for this new body, AMLO dissolved the Federal Police, a civilian institution of some 37 thousand members that had grown in capacity and importance but remained under the military's shadow. Although members of the Federal Police had the possibility of being absorbed by the National Guard, many refused to do so, in disagreement with the terms and AMLO's hostile rhetoric.

As other government projects, the National Guard has come under criticism for dismantling existing institutional capacities, however precarious, in favor of new structures more tied to AMLO's figure. The Guard has also been

wrapped in controversy for its military character. Under pressure from civil society organizations and opposition parties, the government amended its original plan in ways that purportedly established civilian control over the Guard (Mattiace 2019).

In practice, however, the bulk of the force comes from the military and remains operationally and financially under the Ministry of Defense. An army general has assumed command. Beyond the rhetoric, the militarized approach to security is visible in the budget. As shown in Figure 5, per capita annual expenditures for the Ministry of Defense and the Navy rose sharply from 2006 to 2015; under AMLO, they have reached record-high levels.

Initially, the National Guard was formed by 18 thousand ex-Federal Police members, 8 thousand marines, and 35 thousand soldiers. In 2019, the government launched a campaign to recruit 50 thousand additional members by the end of 2021. 76 thousand comprised the force at the end of 2019 (Angel 2020). By design, the Guard represents and effort to strengthen the federal government's territorial control and may bring a stronger permanent presence in regions where state institutions are spread thin. In the meantime, however, AMLO has issued a decree explicitly authorizing the military to conduct public safety tasks until the end of his term. Such provision is in line with the legislation that created the National Guard and meets a longstanding demand from the military to legally validate the role they have been playing *de facto.* Moreover, the firm control of the military over the National Guard indicates that it represents old wine in new bottles, more than a break with the past.

A year is an admittedly short period to expect major improvements in a security and human rights crisis as deep as Mexico's. Yet to date, AMLO's strategy has not produced any hopeful signs. 2019 was the year with the highest homicide rate since this indicator exploded starting in 2008, with close to a 100 homicide victims per day. 10 journalists were assassinated in 2019, making Mexico the deadliest country for journalists with Syria (Reporteros sin Fronteras 2019).

AMLO's reversal of his campaign promises is a testament to the military's increased political clout, yet another worrisome development for Mexican democracy. It also betrays the heavy dependence of civilian governments of all stripes on one of the few national institutions that is firmly implanted throughout the territory. AMLO's turn to the military for public safety may have been inevitable given deep-seated state deficiencies, but his administration appears to have wholly surrendered critical state-building tasks to strengthen the rule of law. These include civilian police reform and the professionalization of highly inefficient criminal prosecution institutions.

Moreover, AMLO's alliance with the military appears to be taking militarization to the next level. Under his rule, the military have acquired additional economic and political roles, well beyond defense and security functions. The armed forces are building the new passenger airport and will help in the

construction of the Mayan Train. They are also set to build 13 thousand bank branches to distribute AMLO's social programs. The military and its extension, the National Guard, have also acquired a punitive role in migration policy. In 2019, they were deployed to Mexico's southern border to contain migrant caravans from Central America, at the request of Donald Trump.

V. CONCLUSION: THE EROSION OF DEMOCRACY?

The democratic implications of populism are hotly debated worldwide. Mexico has joined the controversy. As a popular leader who reached power railing against elites and claiming to speak for the forgotten "people," AMLO is seen as a democratizing figure by some, and a would-be autocrat by others. On the one hand, his "Fourth Transformation" has politicized rigid social hierarchies. Elitist tendencies within Mexico's young representative democracy are being challenged—rhetorically, if not in practice. Undeniably, AMLO has raised the hopes of large segments of the population that resented corruption, poor governance outcomes, and institutional capture since the transition. Antagonism was to be expected. Polarization may raise eyebrows, but consensus is hardly a sign of a robust democracy where inequality and social exclusion are as high as in Mexico.

On the other hand, AMLO's personalistic style of rule and authoritarian proclivities are reinforcing the very process of institutional erosion that fueled his ascent to power. Rather than addressing inequality through inclusive growth, state-building, and policies to tackle accumulation of wealth at the top, his movement is cultivating support in ways that damage the prospects for a strong, broad-based, and democratic state.

In a global context where authoritarian strongmen are attacking the basic norms and institutions of liberal democracy—starting in Mexico's northern neighbor, the United States—, AMLO has displayed many of the characteristics and strategies that are a cause of concern. The list includes his demonization of opponents as conservative enemies of "the people"; the constant vilification of critical media; repeated attempts to undermine autonomous sources of power; an inability to take criticism, recognize dissenting views as legitimate, and engage in reasoned debate; and a general disregard for written and unwritten rules of mutual toleration and limited use of power (Levitsky and Ziblatt 2018). These may seem secondary procedural niceties to a self-proclaimed historic movement, but they are the bedrock of pluralistic democratic politics.

In addition, the "Fourth Transformation" has made attempts to tilt the electoral playing field in its favor. Overshadowed by its charismatic founder, MORENA remains a weakly institutionalized force; yet, activists have been involved in enlisting social policy recipients to expand the party's base. As part of its antiestablishment appeals, MORENA has proposed cuts to political parties' public

financing scheme that would undermine the competitive capacities of opposition forces. State institutions have not been shy about disseminating party propaganda.

Grave attempts at institutional engineering to secure political dominance have taken place. The MORENA governor of northern state of Baja California passed an amendment to the state Constitution to extend his mandate, in what many saw as a local experiment to test social tolerance for overstaying executives. AMLO, who has repeatedly pledged not to seek re-election (which would involve reforming the Constitution and violating a strong informal norm to which he seems genuinely committed), failed to react. Ultimately, the Supreme Court invalidated the governor's attempt as evidently unconstitutional.

AMLO also proposed to hold a revocation-of-mandate referendum—a campaign promise—concurrently with the 2021 midterm legislative elections. Facing opposition in the Senate, where the governing coalition is a few votes short from the supermajority needed to amend the Constitution, MORENA agreed to desynchronize the referendum and the midterms. In addition, contrary to the government's proposal, 3% of citizens but not the executive can call for a revocatory referendum, once in the president's term.

AMLO's drive to concentrate power and undermine checks on his authority has found multiple expressions. Autonomous institutions, including the National Electoral Institute, have been subjected to debilitating budget cuts and scathing verbal attacks, on charges of fraud and complicity with the old regime. Like the bureaucracy, universities and cultural institutions have been weakened by economic austerity. Presented with opportunities to make appointments to key institutions like the Supreme Court or the Human Rights Commission, AMLO has opted for low-profile loyalists rather than potentially more autonomous figures. In daily early morning press conferences meant to set the agenda for the media, AMLO engages in public shaming of critics and opponents, leaving little space for legitimate dissent.

Autonomous social movements have been dismissed as minoritarian reactions to the government's elimination of corruption and privilege. When massive women protests emerged against femicide and gender violence, AMLO claimed that "the right," "conservative groups," and "opportunists" were stirring the feminist movement (Proceso 2020). Upon taking office, the government also canceled all state financial support for nongovernmental organizations, on the grounds that it was exploited for corruption.

Concerns exist that AMLO's anti-corruption campaign is being selectively deployed to cow elites and the political class into obedience. In October 2019, a Supreme Court justice with ties to past administrations was forced to resign in the context of corruption investigations. Punishing corruption is well-warranted, but the fact that this and other cases have been publicized in the media,

before judicial sentencing and with little concern for legal procedures, suggest that investigations are being leveraged as a political weapon.

Yet another concern is the introduction of religious discourse into public life, part with the constant recourse to the military of the administration's conservative turn. AMLO, traditionally a social conservative, has stroke an alliance with the growing evangelical movement. Religious tropes are pervasive in his discourse. In a fragmented society beset by multiple fears and insecurities, his calls for a revival of traditional family values, "mutual love," "regeneration," and "a purification of public life" are part of the effort to appeal to the vulnerable-and consolidate a loyal mass following from the top-down.

However, his morally-charged discourse is hard to reconcile with progressive ideals about a secular public sphere, and a testament to the growing social influence of the illiberal right. In any event, the resort to morality and the military to validate political authority and regulate social life evince the precarious state-institutional bases of democratic order in Mexico.

These developments may not escalate into a full authoritarian reversal—the conditions for free and fair electoral contestation remain generally in place. However, they have already eroded the conditions for pluralistic politics and rational deliberation in the public sphere. Amid chronic governance problems and widespread distrust in institutions, more personalistic and possibly autocratic patterns of political representation are emerging. Judging from comparative experience, this does not augur well for democracy.

Indeed, the development of unmediated, vertical linkages between a charismatic leader and passive, atomized masses has been a key component in the populist erosion of democracy elsewhere. Parties in Mexico appear to remain relatively stronger, and AMLO is unlikely to seek reelection. He is also, after all, an experienced establishment politician-not an outsider-who has managed to play the antiestablishment card. However, the personalistic linkage patterns he has cultivated not only feed upon underlying institutional weakness and social fragmentation, but can reinforce them. And considering the weakness of the state, deep governance problems will in all likelihood continue to challenge Mexico's representative system.

Perhaps surprisingly, AMLO is marrying direct social assistance programs, theatrical displays of proximity to "the people," and economic austerity like an earlier generation of "neoliberal" populists did in the 1990s (Roberts 1995), all while railing against neoliberalism. In the short term, the combination of direct economic benefits and inflammatory populist rhetoric may be effective in mobilizing support among the popular sectors from the top-down. However, strongman politics has seldom been compatible with robust and democratic institutionbuilding. Time will tell what route the "Fourth Transformation" will go down.

REFERENCES

Angel, Arturo. 2020, February 7. "Guardia Nacional se queda corta: no llegó a la cifra de elementos que tenía previstos para terminar 2019." *Animal Político*. Retrieved 20 May 2020 from https://www.animalpolitico.com/2020/02/ guardia-nacional-reclutamiento-elementos-2019/.

BBC. 2018, October 8. "Cuáles son los países más endeudados de América Latina (y qué están haciendo para salir adelante)." *BBC News Mundo: América Latina.* Retrieved 20 May 2020 from https://www.bbc.com/mundo/noticias-america-latina-45711981.

Castañeda, Jorge Andrés, and Sebastián Garrido. 2019, January 21. "¿Por Qué Hubo Desabasto de Gasolina En Diciembre?" *Nexos.* Retrieved 20 May 2020 from https://www.nexos.com.mx/?p=40876.

Chertorivski, Salomón. 2015, December 11. "¿Cómo se elaboró la propuesta de recuperación del salario mínimo?" *Nexos,* Retrieved 20 May 2020 from https://www.nexos.com.mx/?p=27089.

Díaz, Gloria. 2020, January 7. "México acumuló 61 mil 637 reportes de personas desaparecidas: Segob," Retrieved 20 May 2020 from https://www.proceso.com.mx/613174/mexico-acumulo-61-mil-637-reportes-de-personas-desaparecidas-segob.

Fernández, Alexia. 2019, March 28. "Thousands of Workers at US Factories in Mexico Are Striking for Higher Wages," Retrieved 28 March 2020 from https://www.vox.com/world/ 2019/3/28/18251583/mexico-matamoros-factory-worker-labor-strikes.

Flores-Macias, Gustavo A., and Mariano Sánchez-Talanquer. 2019. "The Political Economy of NAFTA/USMCA." In *Oxford Research Encyclopedia of Politics.* Oxford University Press, August 28, 2019. Retrieved 28 March 2020 from https://oxfordre.com/politics/view/10.1093/acrefore/9780190228637. 001.0001/acrefore-9780190228637-e-1662.

Forbes. 2018. November 16. "Los Asesores Multimillonarios de López Obrador." *Forbes México.* Retrieved 20 May 2020 from https://www.forbes.com.mx/los-asesores-multimillonarios-de-lopez-obrador/.

García, David, and Ana Isabel Martínez. 2020, Febraury 27. "Mexico's State-Run Pemex Posts Steep 2019 Loss in Blow to President's Revival Plan." *Reuters,* Retrieved 28 March 2020 from https://www.reuters.com/article/us-pemex-results-idUSKCN20L2OG.

Garrido, Sebastián. 2019, March 1. "Mandar Obedeciendo (al 1.7)." *Reforma.* Retrieved 20 May 2020 from https://www.reforma.com/libre/acceso/accesofb.htm?urlredirect=/aplicaciones/editoriales/editorial,aspx? id=151898.

Gómez, Luis. 2019, February 8. "López Obrador Clashes with Courts after Vowing 'poverty' for Mexican Government," *The Conversation.* Retrieved 18 May 2020 from http://theconversation.com/lopez-obrador-clashes-with-courts-after-vowing-poverty-for-mexican-government-109357.

Gross, Samantha. 2019, December 20. "AMLO Reverses Positive Trends in Mexico's Energy Industry," 24 April 2020 from https://www.brookings.edu/blog/order-from-chaos/2019/12/20/amlo-re verses-positive-trends-in-mexicos-energy-industry/.

Habermas, Jürgen. 1989. *The Structural Transformation of the Public Sphere: An Inquiry into a Category of Bourgeois Society*. Cambridge: MIT Press.

INEGI. 2020a. "Encuesta Nacional de Calidad e Impacto Gubernamental (ENCIG) 2019." Retrieved May 20, 2020 from https://www.inegi.org.mx/programas/encig/2019/.

INEGI. 2020b. "Producto Interno Bruto de México Durante El Primer Trimestre de 2020."
Comunicado de prensa 258/20. Retrieved May 26, 2020 from https://www.inegi.org.mx/contenidos/saladeprensa/boletines/2020/pib_pconst/pib_pconst2020_05.pdf.

Izquierdo, Santiago, and Alicia Barceinas. 2019, February 13. "De Falsas Rivalidades y Desarrollo Sustentable: El Tren Maya." *Nexos*. Retrieved 24 April 2020 from https://www.nexos.com.mx/?p=41151.

Knaul, Felicia Marie, Eduardo González-Pier, Octavio Gómez-Dantés, David García-Junco, Héctor Arreola-Ornelas, Mariana Barraza-Lloréns, Rosa Sandoval, et al. 2012. "The

Quest for Universal Health Coverage: Achieving Social Protection for All in Mexico." *The Lancet* 380 (9849): 1259-1279.

Levitsky, Steven, and Daniel Ziblatt. 2018. *How Democracies Die.* New York: Crown.

López, Mayolo. 2018, March 7. "Descarta AMLO Buscar Reelección." *Reforma.* Retrieved 24 April 2020 from https://www.reforma.com/aplicaciones/articulo/default.aspx?id=1340073.

López Obrador, Andrés Manuel. 2019, February 1. "Version Estenográfica de La Conferencia de Prensa Matutina Del Presidente Andrés Manuel López Obrador." Retrieved 24 April 2020 from https://lopezobrador.org.mx/2019/02/OI/version-estenográfica-de-la-conferencia-de-prensa- matutina-del-presidente-andres-manuel-lopez-obrador-36/.

Malkin, Elisabeth. 2019, April 11. "To Halt Energy Slide, Mexico Turns to a Trusted Provider: Mexico." *The New York Times: Business,* Retrieved 24 April 2020 from https://www.nytimes.com/2019/04/ll/business/energy-environment/mexico-oil-electricity-gasoline.html.

Martinez, Fabiola, and Alonso Urrutia. 2019, November 29. "En mi gestión, la honestidad vale 90% y la experiencia 10%: López Obrador." *La Jornada.* Retrieved 24 April 2020 from https://www.jornada.com.mx/ultimas/politica/2019/11/29/en-mi-gestión-la-honestidad-vale-90-y-la-experiencia-10- lopez-obrador-5538.html.

Mattiace, Shannan. 2019. "México 2018: La Hora de AMLO." *Revista de Ciencia Política* 39 (2): 285-311.

McDonnell, Patrick, and Cecilia Sanchez. 2020, February 1. "In Mexico, Parents Protest Lack of Cancer Drugs for Their Children." *Los Angeles Times: World & Nation*. Retrieved 24 April 2020 from https://www.latimes.com/world-nation/story/2020-02-01/in-mexico-parents-protest-lack-of-cancer-drugs-for-their-children.

Mendoza, Viridiana. 2019, October 29. "Los programas sociales de AMLO: opacos y sin control sobre quien los recibe" *Forbes.* Retrieved 24 April 2020 from https://www.forbes.com.mx/los-programas-sociales-de-amlo-opacos-y-sin-control-sobre-quien-los-recibe/.

Mexicanos Contra la Corrupción y la Impunidad. 2019. "Jóvenes Construyendo El Futuro: Un Programa Con Datos Improbables, Incompletos e Inverificables," August 27, 2019. Accessed May 14, 2020. https://contralacorrupcion.mx/jcf-datos/.

Monroy, Jorge. 2019, May 7. "AMLO Destaca Apoyos Directos a 14 Millones de Personas,". *El Economista* 2019. Retrieved 18 May 2020 from https://www.eleconomista.com.mx/politica/AMLO-destaca-apoyos-directos-a-14-millones-de-personas-20190507-0058.html.

Moreno, Alejandro. 2020, March 3. "El apoyo a AMLO." *El Financiero.* Retrieved 24 April 2020 from https://elfinanciero.com.mx/opinion/alejandro-moreno/el-apoyo-a-amlo.

Navarro, Andrea. 2019, November 11. "A Un Año de La Cancelación Del NAIM: Caos, Saturación, Litigios, Costos..." *El Financiero.* Retrieved 18 May 2020 from https://www.elfinanciero.com.mx/nacional/a-un-ano-de-la-cancelación-del-naim-caos-saturación- litigios-costos.

Notimex. 2020, January 30. "Secretaría de Hacienda Alcanzó Superávit Primario de 1.1% Del PIB En 2019." *El Economista,* Retrieved 18 May 2020 from https://www.eleconomista.com.mx/economia/ Secretaria-de-Hacienda-alcanzo-superávit-primario-de-1.1-del-PIB-en-2019-20200130-0130.html.

Núñez, Leonardo, n.d. "Adjudicaciones Directas: Costumbre de Ayer y Hoy." Accessed May 14, 2020. https://contralacorrupcion.mx/adjudicaciones-directas-de-ayer-y-hoy/.

Núñez, Leonardo, and Manuel Toral. 2018. "¿Qué México Decidió? Los Votantes de La Consulta Del NAIM." *Nexos,* January 1, 2018. https://anticorrupcion.nexos.com.mx/?p=634.

O'Donnell, Guillermo. 1993. "On the State, Democratization and Some Conceptual Problems: A Latin American View with Glances at Some Post-Communist Countries." *World Development* 21 (8): 1355-1369.

ONU-DH. 2019. "El Proceso de Consulta Indígena Sobre El Tren Maya No Ha Cumplido Con Todos Los Estándares Internacionales de Derechos Humanos En La Materia: ONU-DH." Comunicado Oficial. *Oficina en México del Alto Comisionado de las Naciones Unidas para los Derechos Humanos*, December 19, 2019. Retrieved from http://www.onu.org.mx/el-proceso-de-consulta-indigena-sobre-el-tren-maya-no-ha-cumplido-con-todos-los-estandares-internacionales-de-derechos-humanos-en-la-materia-onu-dh/.

Oraculus. n.d. "Aprobación Presidencial. Poll of Polls." Accessed April 14, 2020. https://oraculus.mx/aprobación-presidencial/.

Oxfam Mexico. 2020. *Nota Metodológica - La Política Social En Los Tiempos de La 4T.* https://www.oxfammexico.org/sites/default/files/Nota%20Metodolo%CC%81gica%20 0xfam% 20Me%CC%81xico%20COVID%2019.pdf.

Presidencia de la República. 2019. "Mensaje del Presidente Andrés Manuel López Obrador durante la entrega de Programas Bienestar en Puebla, Puebla," March 10, 2019. Accessed July 26, 2019. http://www.gob.mx/presidencia/articulos/mensaje-del-presidente-andres-manuel-lopez-obrador-durante-la-entrega-de-programas-bienestar-en-puebla-puebla?idiom=es.

Proceso. 2020. "AMLO afirma que hay grupos 'conservadores y oportunistas' en movimiento feminista," February 21, 2020. Accessed May 20, 2020. https://www.proceso.com.mx/618794/amlo-afirma-que-hay-grupos-conservadores-y-oportunistas-en-movimiento- feminista.

Provencio, Enrique, and Julia Carabias. 2019. "El Presupuesto Federal de Medio Ambiente: Un Trato Injustificado y Desproporcionado," April 3, 2019. Accessed April 23, 2020. https://estepais.com/ambiente/el-presupuesto-federal-de-medio-ambiente-un-trato-injustificado-y-desproporcionado/.

Reporteros sin Fronteras. 2019. *Balance 2019 de Periodistas Asesinados, Detenidos, Secuestrados y Desaparecidos En El Mundo.* Retrieved from https://rsf-nformeanual-2015.webnode.es/files/200000620-b483eb485/RSF%202019_ES.pdf.

Rivera, Astrid. 2019. "Evaluación de Dos Bocas Fue Opaca." *El Universal,* August 16, 2019. https://www.eluniversal.com.mx/nación/evaluación-de-dos-bocas-fue-opaca.

Roberts, Kenneth M. 1995. "Neoliberalism and the Transformation of Populism in Latin America: The Peruvian Case." *World Politics* 48 (1): 82-116.

Romero, Jorge Javier. 2019, September 19. "La contrarreforma consumada." *SinEmbargo MX.* Accessed May 20, 2020 https://www.sinembargo.mx/19-09-2019/3648083.

Secretaría de Salud. 2019. *Cumple Secretaría de Salud con el compromiso de trabajar en austeridad*. Comunicado de prensa 83, Secretaría de Salud, March 11, 2019. Accessed May 10, 2020 http://www.gob.mx/salud/prensa/083-cumple-secretaria-de-salud-con-el-compromiso-de-trabajaren-austeridad.

SHCP. 2019. *Informes Sobre La Situación Económica, Las Finanzas Públicas y La Deuda Pública.* Cuarto trimestre, Secretaría de Hacienda y Crédito Público. Accessed May 10, 2020 https://www.finanzaspublicas.hacienda.gob.mx/work/models/Finanzas-Publicas/does/congreso/infotrim/2019/ivt/01inf/itinfp_201904.pdf.

Stillman, Amy. 2020. "Investors Wary as AMLO Slowly Dismantles Mexican Energy Reforms." *World Oil,* January 23, 2020. Accessed May 10, 2020 https://www.worldoil.com/news/2020/1/23/investors-wary-as-amlo-slowly-dismantles- mexican-energy-reforms.

STPS-CONASAMI. 2020. *Informe Mensual Del Comportamiento de La Economía.* Secretaría del Trabajo y Previsión Social, Comisión Nacional de los Salarios Mínimos, January. Accessed May 10, 2020 https://www.gob.mx/cms/uploads/attachment/file/531973/Informe_Enero_2020_v4.pdf.

The Economist Intelligence Unit. 2018. "López Obrador Suspends New Oil Auctions." *The Economist*, December 10, 2018. Accessed May 6, 2020 https://www.eiu.com/industry/article/67439790/lopez-obrador-suspends-new-oil-auctions/2018-12-10.

Villarreal, M. Angeles, and Cathleen D. Cimino-Isaacs. 2020. *USMCA: Labor Provisions,* In Focus 11308. Washington, DC: Congressional Research Service, January 10, 2020. Accesible at https://fas.org/sgp/ers/row/IF11308.pdf.

Villegas, Daniel. 2018. "EPN deja una deuda de 180,000 pesos a cada mexicano," December 24, 2018. Accessed May 12, 2020. https://www.forbes.com.mx/sexto-informe-epn-deja-una-deuda-de-180000-pesos-a-cada-mexicano/.

World Bank. n.d. "National Accounts Data." Accessed April 18, 2020. https://data.worldbank.org/indicator/NE.TRD.GNFS.ZS.

Received: May 31, 2020
Accepted: July 17, 2020

Mariano Sánchez-Talanquer. Assistant Professor in the Department of Politics at the Centro de Investigación y Docencia Económicas (CIDE) in Mexico City and Academy Scholar at the Harvard Academy for International and Area Studies. E-mail: m.sancheztalanquer@cide.edu