

# **Mexico's 2012 Elections**

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## Summary

U.S. policy makers have closely followed the 2012 elections in Mexico, a key ally with whom the United States shares a nearly 2,000-mile border and some \$450 billion in annual bilateral trade. On July 1, 2012, Mexico held federal (presidential and legislative) elections and state elections in 14 states, including six gubernatorial elections and an election for the mayor of the Federal District. Turnout reached record levels as 63% of eligible voters cast their ballots. Mexico's Federal Electoral Institute (IFE) conducted the elections with the oversight of the Federal Electoral Tribunal, which must officially certify the results by September 6, 2012. While some domestic election observers assert that vote-buying and other irregularities marred the electoral process, the head of the electoral mission from the Organization of American States generally praised IFE's handling of the elections.

As predicted, the centrist Institutional Revolutionary Party (PRI) that governed Mexico from 1929 to 2000 retook the presidency after 12 years of rule by the conservative National Action Party (PAN) and won a plurality in the Senate and Chamber of Deputies. PRI/Green Ecological Party (PVEM) candidate Enrique Peña Nieto, a former governor of the state of Mexico, won the presidential election, albeit by a smaller margin than polls had forecast. Peña Nieto captured 38.2% of the vote, followed by Andrés Manuel López Obrador of the leftist coalition led by the Party of the Democratic Revolution (PRD) with 31.6%, Josefina Vázquez Mota of the PAN with 25.4%, and Gabriel Quadri of the National Alliance Party (PANAL) with 2.3%. The relatively narrow margin of Peña Nieto's victory, coupled with the fact that López Obrador has challenged the election results before the Electoral Tribunal, could complicate the transition period. And, while PAN President Felipe Calderón has pledged to work with the incoming administration, his party has joined the PRD in calling on judicial authorities to investigate whether the PRI used any illicit finances to fund Peña Nieto's campaign. Enrique Peña Nieto is expected to take office for a six-year term on December 1, 2012.

Polls predicted that the PRI might also capture a simple majority in one or both chambers of the Mexican Congress, a feat not accomplished since 1994. Since seat allocations are determined by a complex formula that involves proportional representation, the Electoral Tribunal has not confirmed the final composition of the congress. Nevertheless, the PRI and the allied PVEM party are projected to have fallen short of capturing a simple majority in either house. As a result, the PRI will have to form cross-party coalitions in order to pass key reforms, particularly those requiring constitutional amendments. The PRI will most likely find support from the PANAL or the PAN, which lost seats in the Chamber but retained a powerful bargaining position. The PRD-led coalition, which will now have more seats in the Chamber than the PAN and remains the third largest force in the Senate, could complicate some reform efforts, including those aimed at increasing private participation in the energy sector.

This report provides an overview of the parties and candidates who competed in the Mexican federal elections with a focus on the presidential contest, recaps the election results, and discusses some potential implications of the elections for U.S.-Mexican security cooperation, North American economic integration, and U.S. energy security.

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# Introduction

On July 1, 2012, a record number of Mexican voters headed to the polls to elect a president who will serve a six-year term beginning on December 1, 2012. All 128 seats in the Mexican Senate and 500 seats in the lower house of congress, known as the Chamber of Deputies, were also up for election.<sup>1</sup> Senators will serve six-year terms and deputies will serve three-year terms that begin on September 1, 2012. Elections for local and state offices took place in 14 states (including Mexico City's Federal District), six of which held gubernatorial elections (see the map in **Figure 1**). Voters in the Federal District selected a head of government (mayor). Mexico does not permit consecutive reelection for any political office. Thus, the results of these elections could lead to shifts in Mexico's domestic and foreign policy priorities and have implications for U.S.-Mexican relations.

Twelve years after losing the presidency for the first time in 71years, the Institutional Revolutionary Party (PRI) won the presidential election (see **Figure 2**), a plurality of seats in the Senate (see **Figure 3**) and Chamber of Deputies (see **Figure 4**), and gubernatorial elections in Chiapas, Jalisco, and Yucatán (see **Figure 5**). Despite these victories, PRI/Green Ecological Party (PVEM) candidate Enrique Peña Nieto won by a relatively narrow margin over Andrés Manuel López Obrador of the leftist coalition led by the Party of the Democratic Revolution (PRD) and the PRI/PVEM failed to capture a simple majority in either chamber of the congress. In addition to López Obrador's second place finish in the presidential contest, the PRD and its allies picked up enough seats to become the second largest force in the Chamber of Deputies, won the governorships of Morelos and Tabasco, and retained control of the mayoralty of the Federal District.<sup>2</sup> The conservative National Action Party (PAN) lost the presidency, two gubernatorial contests, and seats in the Chamber of Deputies, but is projected to have picked up a handful of Senate seats and retained the governorship of Guanajuato.

This report provides background information on the parties and presidential candidates that competed in Mexico's 2012 elections, analyzes the election results, and discusses some potential implications of those results for U.S.-Mexican relations in the areas of security cooperation, economic integration, and energy policy.

# Background

The July 1, 2012, elections occurred at a time when Mexico faced significant economic and security challenges and presidential power was increasingly constrained by a more active

<sup>&</sup>lt;sup>1</sup> For the Senate, 96 members are elected by a plurality vote from state-level party lists with the top vote-getting list obtaining two seats and the second placed list earning one seat per state, while 32 members are chosen through proportional representation from nationwide party lists. Senators serve for six-year terms and may be reelected, though not consecutively. For the Chamber of Deputies, 300 members are elected by a plurality vote in single-member districts, while 200 members are chosen through proportional representation from closed party lists in five 40-member districts. Deputies are elected for three-year terms and may be reelected, though not consecutively. Parties must receive at least two percent of the vote to capture a seat through proportional representation.

<sup>&</sup>lt;sup>2</sup> PRD candidate Miguel Ángel Macera won 64% of the vote in the contest for the head of government (mayoralty) of the Federal District encompassing Mexico City. His closest competitor, Beatriz Paredes of the PRI, obtained less than 20% of the vote.

congress and Supreme Court, powerful governors, and a vocal civil society.<sup>3</sup> Analysts maintain that Mexico has experienced modest economic growth punctuated by a severe economic crisis (in 2009) and a growing security crisis under two successive PAN administrations. Often, these crises have overshadowed the policy achievements of those governments.<sup>4</sup> As a result, economic and security issues figured as top concerns among the Mexican electorate. The major presidential candidates all stressed the importance of boosting job creation and improving public security in Mexico, with many arguing that an effective way to reduce the influence of criminal groups is by creating jobs. However, voters appeared to believe that the PRI may be best equipped to restore order and restart economic growth, despite uncertainty about how the party's return to power might impact Mexican democracy given its reputation for corruption and undemocratic practices.<sup>5</sup>

Since even before the campaign officially began on March 30, 2012, Enrique Peña Nieto of the PRI/PVEM had maintained a double-digit lead in most polls<sup>6</sup> over Josefina Vázquez Mota of the PAN, López Obrador of the coalition led by the PRD, and Gabriel Quadri of the National Alliance Party (PANAL). Polling for the legislative elections followed the same trajectory as the presidential race, with a plurality of voters favoring PRI candidates followed by the PRD-led coalition, the PAN, and then the PANAL.<sup>7</sup> While the polls correctly captured López Obrador overtaking Vázquez Mota as the second most popular candidate by late May 2012, they generally underestimated the level of popular support for his candidacy. López Obrador benefitted from the *YoSoy132* (I am 132) student protest movement that began in Mexico City in mid-May and organized itself through social media. Although the movement largely intended to have some of the youth voters' concerns—such as perceived media bias—heard by all of the candidates, many of its supporters also expressed antipathy for the PRI.<sup>8</sup>

### **Mexico's Political Parties**

Mexico has three major political parties—the PRI, the PAN, and the PRD—two of which formed coalitions with smaller parties for the 2012 federal elections.<sup>9</sup> Another small party formed in 2005 and loosely aligned with Mexico's powerful teacher's union, the PANAL, decided to field its own presidential candidate after the PRI broke its alliance with the party earlier this year. As seen

<sup>&</sup>lt;sup>3</sup> Shannon K. O'Neil, "The Old Guard in a New Mexico: How a Stronger Democracy Will Check the PRI," *ForeignAffairs.com*, June 6, 2012.

<sup>&</sup>lt;sup>4</sup> See, for example, Pamela K. Starr, "Mexico's Big, Inherited Challenges," *Current History*, February 2012.

<sup>&</sup>lt;sup>5</sup> Dave Graham, "Mexico's Old Rulers Bounce Back as New Start Beckons," *Reuters*, June 19, 2012.

<sup>&</sup>lt;sup>6</sup> One poll published by *Grupo Reforma* on May 31, 2012, showed López Obrador within four points of Peña Nieto, but that poll remained an outlier. A *Reforma* poll published on June 19, 2012, showed Peña Nieto 12 points ahead of López Obrador (after undecided voters and those who will annul their votes were factored out).

<sup>&</sup>lt;sup>7</sup> According to *Reforma*, 44% of Mexican voters effectively favor the PRI-PVEM for the Senate, 26% support the PRD coalition, 25% favor the PAN, and 5% support PANAL. For the Chamber of Deputes, 43% of voters favor the PRI-PVEM, 27% support the PRD coalition, 25% the PAN, and 5% the PANAL.

<sup>&</sup>lt;sup>8</sup> The protest movement formed after some of Peña Nieto's supporters alleged that it was paid outsiders, not students, who demonstrated against their candidate and forced his early exit from a May 11 event at the private Ibero-American University. The students rejected that assertion and protested the major TV networks' apparent backing of the PRI's claims. Using You Tube and other social media outlets, the students began bringing together youth from public and private universities and likeminded outsiders for protests against the perceived media bias in Mexico. Damien Cave, "In Protests and Online, a Youth Movement Seeks to Sway Mexico's Election," *New York Times*, June 11, 2012.

<sup>&</sup>lt;sup>9</sup> These characterizations are largely drawn from: Emily Edmonds-Poli and David A. Shirk, *Contemporary Mexican Politics* (Lanham, MD: Rowman & Littlefield Publishers, 2009), pp. 151-167.

below in **Figure 1**, three states—Sinaloa, Puebla, and Oaxaca—are currently governed by coalitions composed of the PAN, PRD, and other small left-leaning parties. These "stop the PRI" coalitions were successful in the 2010 state-level contests. However, they did not field candidates in the 2011 gubernatorial elections or in the 2012 elections.



Figure 1. Mexico's Electoral Map Prior to the 2012 Elections

Source: El Universal as adapted by CRS Graphics.

The **Institutional Revolutionary Party (PRI)** unified the country after the Mexican Revolution (1910-1920) by organizing the major groups in Mexican society (organized labor, peasants, professionals) into a corporatist party that governed Mexico from 1929 until 2000. The PRI became a centrist party that relied on a hierarchical party structure, strong patronage system, and periodic electoral fraud to maintain its dominance. Through the 1960s, the PRI presided over a period of strong, state-led economic growth. The PRI's popularity declined, however, after its violent repression of student protesters led to the 1968 Tlatelolco massacre, and its financial mismanagement in the 1970s contributed to an economic crisis in the early 1980s. Dissident PRI members split with the party in the mid-1980s, eventually creating a progressive party known as Party of the Democratic Revolution (PRD) after the PRI embraced neo-liberal (market-friendly) economic policies and proved unwilling to adopt more democratic internal procedures for

choosing candidates. PRI presidential candidates were often hand-selected by incumbents through a process known as the "tap of the finger" (*el dedazo*) rather than through party primaries or nominating conventions. The PRI was accused of electoral fraud in the 1988 presidential election and has been criticized for corruption and for previously allowing organized crime to operate relatively freely within certain parameters set by the state.<sup>10</sup> The PRI recently expelled Tomas Yarrington, a former governor of Tamaulipas, from the party after U.S. prosecutors alleged in a civil suit that he bought property in Texas to launder funds for Mexican drug traffickers.<sup>11</sup>

PRI power has waxed and waned over the course of the past 15 years. The PRI lost control of the Chamber of Deputies in 1997 and handed over the Mexican presidency to the PAN in 2000. Even as its power diminished in 2000, the PRI remained the largest party in the Mexican Congress and retained control over several key governorships. Prior to the 2012 elections, the PRI controlled 19 of 32 governorships, 25% of the seats in the Senate, and 48% of the seats in the Chamber of Deputies. With the allied PVEM, a small party focused exclusively on environmental protection, the PRI held a majority in the Chamber. The PRI is particularly dominant in the north/northeast and in the Yucatán. It competes with the PRD in southern Mexico.

The **National Action Party (PAN)** is a socially conservative, pro-business party that was formed in 1939 by Catholic activists,<sup>12</sup> professionals, and entrepreneurs who disagreed with the PRI's intervention in the economy and its hierarchical and secularist tendencies. From the 1940s through the mid-1980s, the PAN served as the official opposition to the PRI, but failed to capture any governorships or large numbers of congressional seats. By the late 1980s, however, the PAN had begun to build on the support it had developed in local and state elections to capture governorships in business-friendly northern states and in conservative central western states. Vicente Fox's come-from-behind presidential victory in 2000 marked the party's crowning achievement, but some have become disillusioned that corruption, impunity, and poverty are still pervasive in Mexico after 12 years of PAN rule.<sup>13</sup> Escalating organized crime-related violence, some of which has occurred in response to the Calderón Administration's tough anticrime policies, has also weakened support for the PAN.<sup>14</sup> Before the 2012 elections, the PAN governed six states alone and three in coalition with the PRD, and held 39% of the seats in the Senate and 28% of the seats in the Chamber of Deputies.

The **Party of the Democratic Revolution (PRD)** is a center-left party founded by dissident PRI members in the late 1980s that has formed a "Progressive Movement" coalition with the Workers' Party (PT) and Citizens' Movement (PMC), two smaller left-wing parties. The PRD grew out of a coalition of leftist groups that supported the 1988 presidential bid of Cuauhtémoc Cárdenas, son of famed President Lázaro Cárdenas. Its early transition from movement to political party was hindered by the PRI's opposition to its existence and its own internal divisions. The PRD has

<sup>13</sup> See, for example, Pamela K. Starr, "Mexico's Big Inherited Challenges," *Current History*, February 2012.

<sup>&</sup>lt;sup>10</sup> See, for example, Luis Astorga and David A. Shirk, "Drug Trafficking Organizations and Counter-Drug Strategies in the U.S.-Mexican Context," in *Shared Responsibility: U.S.-Mexico Policy Options for Confronting Organized Crime*, ed. Eric L. Olson, David A. Shirk, and Andrew Selee (Washington: Woodrow Wilson International Center for Scholars and the University of San Diego Trans-Border Institute, 2010), p. 34.

<sup>&</sup>lt;sup>11</sup> William Booth, "In Mexico, Case of Ex-Governor and Narcos Reads Like Crime Thriller," *Washington Post*, June 14, 2012.

<sup>&</sup>lt;sup>12</sup> Some of those Catholic activists had roots in the Cristero rebellion. Devout Catholics launched the rebellion in 1927 to protest restrictions placed on the Church in the 1917 Constitution and by Mexico's revolutionary leaders. By the time the conflict ended in 1929, some 70,000 rebels had died and as many as 500,000 Mexicans had been displaced.

<sup>&</sup>lt;sup>14</sup> Luis Prados, "Mexico's Presidential Race Kicks Off with Predictions of a PRI Comeback," *El Páis*, April 5, 2012.

traditionally been skeptical of neo-liberal economic policies, opposed opening state oil company *Petroleos Mexicanos* (PEMEX) to private investment, and called for greater attention to poverty and inequality. The PRD has built its strongest support bases in and around Mexico City, which it has governed since mayors were first elected in the city in 1997, and in the poor states of southern Mexico. The PRD came close to capturing the presidency in 2006 with Andrés Manuel López Obrador, a popular former mayor of Mexico City, as its standard bearer. The party lost popular support and became plagued by internal divisions, however, after López Obrador refused to accept his defeat. Analysts expressed some surprise that the Mexican left coalesced behind López Obrador's 2012 presidential candidacy. Prior to the July 1, elections, the PRD governed the Federal District along with six other states, three alone and three in coalition with the PAN. It held 18% of the seats in the Senate and 13% of the seats in the Chamber of Deputies.

## **Profiles of the Presidential Candidates**

#### Andrés Manuel López Obrador (PRD/PT/PMC)

PRD presidential candidate Andrés Manuel López Obrador, a native of the southern state of Tabasco, studied political science and public administration at National Autonomous University of Mexico (*Universidad Nacional Autónoma de México*) before returning to Tabasco to work with the Chontal indigenous community. In the late 1980s, he aligned himself with Cuahtémoc Cárdenas, founder of the PRD. López Obrador became the PRD party president for Tabasco in 1989, served as national party president (1996-1999), and succeeded Cárdenas as the second elected mayor of the Federal District encompassing Mexico City (2000-2005), an area with a population of approximately 8.7 million. Extremely popular as mayor, he was expected to win the presidency in 2006. He led in the polls until late April 2006, when he lost support due to comments deemed disrespectful of President Fox and his refusal to take part in presidential debates. López Obrador and his supporters rejected the Electoral Tribunal's September 5, 2006 finding that, despite some irregularities, Felipe Calderón won the 2006 presidential elections.

In 2012, Andrés Manuel López Obrador sought to moderate his image and his campaign platform to appeal to a broader cross-section of voters than in 2006, but some analysts predicted that his move to the center might be too little, too late.<sup>15</sup> In 2006, López Obrador's campaign slogan was "for the good of all, the poor first" and focused on poverty reduction, job creation, indigenous rights, and infrastructure investment. Some of his proposals, such as re-opening North American Free Trade Agreement (NAFTA) negotiations to better protect Mexican farmers, alarmed investors. This year, rather than emphasizing the needs of one group over another, López Obrador pledged to help rebuild Mexico into a "republic of love" that is built upon the values honesty and justice and oriented toward creating jobs and well-being for all. Some of his proposals included combating corruption and wasteful government spending; creating jobs and educational opportunities so that youth would not become involved in crime out of economic necessity; and involving the government, private sector, and social groups in development efforts.<sup>16</sup> While López Obrador still disputes the 2006 election results, he has apologized for launching disruptive

<sup>&</sup>lt;sup>15</sup> Mark Stevenson, "Mexico's Left in Disarray Ahead of Election," Associated Press, April 4, 2012.

<sup>&</sup>lt;sup>16</sup> Andrés Manuel López Obrador campaign website, "Fundamentos para una República Amorosa," press release, December 6, 2011, available at http://www.amlo.org.mx/noticias/comunicados.html?id=88655. Andrés Manuel López Obrador, "Carta a Joseph Biden," March 3, 2011, http://www.lopezobrador.org.mx/documentos/carta\_joseph.pdf.

protests against them and, prior to the election, pledged to accept the 2012 election results even if he did not win.<sup>17</sup> Some analysts, though acknowledging his evolution as a candidate, maintained that López Obrador's continued emphasis on state-led economic growth and revolutionary ideals might not appeal to Mexican voters, an increasingly middle-class and urbane electorate.<sup>18</sup>

#### Enrique Peña Nieto (PRI/PVEM)

Enrique Peña Nieto has been active in the PRI in his native state of Mexico since 1984, most recently serving as governor from 2005-2011. Peña Nieto obtained a law degree from the Panamerican University (*Universidad Panamericana*) and an MBA from the Monterrey Institute of Technology and Higher Education (*Instituto Tecnológico y de Estudios Superiores de Monterrey*). An attorney, Peña Nieto began working for the government of the state of Mexico in 1993. Prior to his election as governor, he served as the Secretary of Administration for the state of Mexico from 2000-2002 and as a state congressman from 2003-2004. Peña Nieto became the majority leader of his party in the state legislature and speaker of that body.

From 2005-2011, Enrique Peña Nieto served as governor of the state of Mexico, which is home to roughly 15 million people (13.4% of Mexico's population) and constitutes 9.4% of Mexico's Gross Domestic Product (GDP).<sup>19</sup> Peña Nieto's slogan as governor was a "government that delivers" and his programs and activities were frequently covered by *Televisa* as a result of a lucrative deal to buy air time that his supporters reportedly signed with the national network in 2005.<sup>20</sup> In his final state of the state report, Peña Nieto maintained that his government had created 224,000 jobs, increased investments in infrastructure without taking on additional debt, and doubled tax revenues in the state.<sup>21</sup> The report presented a more mixed record in the area of public security, revealing that kidnappings had increased while homicides had declined. After analysts identified inconsistent data in the report, Peña Nieto revised the report's assertion that the state's overall homicide rate had declined by half during his administration, noting that the rate had remained fairly stable through 2010.<sup>22</sup> In July 2011, Peña Nieto's chosen successor was elected governor with more than 60% of the vote.

Enrique Peña Nieto represented the "Committed to Mexico" coalition composed of the PRI and the PVEM. Peña Nieto's campaign pointed to his achievements as governor of the state of Mexico as evidence that he is an effective leader and administrator, while his opponents questioned whether he indeed completed all of the projects that he promised to deliver. The five national commitments he outlined in his presidential platform included restoring peace and liberty (by reducing homicides and kidnappings by 50%), tripling growth in order to create more and better jobs, reducing poverty and making Mexico more inclusive, providing access to quality

<sup>&</sup>lt;sup>17</sup> "Mexico Presidential Candidates Pledge to Respect Election Results," *EFE*, June 29, 2012.

<sup>&</sup>lt;sup>18</sup> Stevenson op. cit.

<sup>&</sup>lt;sup>19</sup> Mexican government data as cited in: JP Morgan, *Mexico Economic Comment: What to Expect From the Upcoming General Elections*, March 30, 2012.

<sup>&</sup>lt;sup>20</sup> For more information, see Duncan Wood, *The Rise of Enrique Peña Nieto and Return of the PRI*, Center for Strategic & International Studies, October 2011.

<sup>&</sup>lt;sup>21</sup> For a summary and analysis of the report, see Laura Islas, "6to Informe: Peña Nieto, los 10 Datos Claves de su Sexenio," *El Universal Estado de México*, September 5, 2011.

<sup>&</sup>lt;sup>22</sup> "Crime in Mexico, the Governor's Miraculous Achievement," *The Economist*, September 22, 2011; Enrique Peña Nieto, "Homicidios Dolosos en el Estado de México," *La Razón*, September 27, 2012, available at http://www.razon.com.mx/spip.php?article93100.

education for all, and restoring Mexico's leadership position in the world.<sup>23</sup> Peña Nieto has outlined a ten point economic plan for Mexico that includes opening up PEMEX to private investment and a four-pillar security strategy that emphasizes reducing violence and focusing enforcement and prevention efforts in the most violent areas.<sup>24</sup> As when he was governor, Peña Nieto's team ran a media-savvy campaign that was bolstered by its ties with Mexico's leading television networks. Supporters maintain that the Peña Nieto represents a "new PRI" that is free from the corruption that characterized the party in the past, but critics have questioned how truly independent he is from old-time PRI power brokers.<sup>25</sup> In response to critics and protesters who have argued that a PRI government would govern undemocratically, Peña Nieto released a "democracy manifesto" pledging his commitment to govern in a way that protects freedom of speech and expression, human rights, transparency, and accountability.<sup>26</sup>

#### Gabriel Quadri de la Torre (PANAL)

The least well known of the candidates, Gabriel Quadri, a native of Mexico City, is an environmentalist and researcher who was reportedly surprised when he was approached by PANAL leaders in February 2012 to serve as their presidential candidate after the PRI ended its electoral alliance with the party. Despite the unconventional and apparently undemocratic way he was selected to run for president, some analysts predicted that Quadri's candidacy might help the PANAL broaden its appeal beyond supporters of Elba Esther Gordillo<sup>27</sup> and the national teacher's union.<sup>28</sup> Quadri obtained a degree in civil engineering from the Iberoamerican University (*Universidad Iberoamericana*) and an M.A. in economics from the University of Texas at Austin. He has served as director of environmental planning for Mexico City (1989-1993), president of the National Institute for Ecology (1994-1997), and director general of the Business Council for Sustainable Development in Mexico (1998-2003). Since 2003, he has been associate director of an environmental consulting firm and of a think tank devoted to sustainable development.

Quadri ran on a detailed platform that included 17 priority areas of action. His primary proposals focused on reforming education, promoting sustainable economic growth, opening up PEMEX to private investment and reducing the government's dependence on PEMEX revenues, and

<sup>&</sup>lt;sup>23</sup> CRS translation of information from Enrique Peña Nieto's campaign website: http://enriquepenanieto.com/ compromisos-nacionales. These broad pillars are fleshed out in a book published by the candidate in 2011 that can be accessed via the campaign website. Enrique Peña Nieto, *México, la Gran Esperanza: un Estado Eficaz para una Democracia de Resultados*, (Mexico City: Grijalbo, 2011). Hereinafter Peña Nieto, 2011.

<sup>&</sup>lt;sup>24</sup> "Mexican Presidential Frontrunner's 10-Point Plan," *Reuters*, October 10, 2011; Enrique Peña Nieto, "11 for 2011: How Should Mexico Deal with Violence," *Financial Times*, January 6, 2011.

<sup>&</sup>lt;sup>25</sup> E. Eduardo Castillo, "Mexico's Vanquished Ruling Party, Once the 'Perfect Dictatorship,' Poised for Comeback," *Associated Press*, March 30, 2012; "Mexico's Presidential Front-Runner Builds Huge Lead as Fresh Face for old Ruling Party," *Associated Press*, May 2, 2012.

<sup>&</sup>lt;sup>26</sup> For criticism of Peña Nieto and the PRI, see John M. Ackerman, "The PRI Peril in Mexico," *Los Angeles Times*, May 22, 2012. Peña Nieto's manifesto is available here: http://www.enriquepenanieto.com/dia-a-dia/entrada/por-una-presidencia-democratica-manifiesto.

<sup>&</sup>lt;sup>27</sup> Elba Esther Gordillo is a powerful politician who heads the PANAL party and the 1.5 million member Mexican teacher's union. Gordillo, a former Secretary General of the PRI, was expelled from the party in 2006 after supporting the candidacy of Felipe Calderón. She has been widely criticized for thwarting efforts at education reform in Mexico and for corruption, but her ability to mobilize union voters has made her a key power broker in Mexican politics. María de las Heras, "La Incómoda Alianza Entre Calderón y Gordillo," *El País*, July 4, 2011.

<sup>&</sup>lt;sup>28</sup> Arturo Gallardo, "Candidate Lands Presidential Nomination Over Dinner," San Antonio Express-News, February 26, 2012.

improving citizen security by expanding the federal police and privatizing some prisons.<sup>29</sup> Despite the detailed proposals he put forth and his solid performance in the two presidential debates convened by IFE, few observers predicted that Quadri de la Torre's long-shot candidacy would garner significant popular support.

#### Josefina Vázquez Mota (PAN)

Josefina Vázquez Mota embraced her status as the first female presidential candidate to represent a major political party in Mexico. Her slogan, "Josefina: Different," stressed the uniqueness of her candidacy, and also sought to subtly distinguish herself from the current Calderón government. Born in Mexico City, Vázquez Mota obtained an economics degree from the Iberoamerican University and completed a program in Executive Business Administration at the Panamerican Institute for Executive Business Administration (Instituto Panamericano de Alta Dirección de Empresas). She has worked as a columnist on economic issues for several Mexican newspapers (Novedades, El Economista, and El Financiero) and served as an advisor to business associations such as Coparmex (la Confederación Patronal de la República Mexicana). A longtime PAN party activist, Vázquez Mota was first elected to Congress in 2000 where she served as the deputy chair of the economic policy committee. Vázquez Mota left Congress in December 2000 to serve as Minister of Social Development for the Fox Administration, becoming the first woman to occupy that position. She then served as Mexico's first female Minister of Education during the first half of the Calderón Administration (2006-2009) before being reelected to Congress in July 2009. Prior to her presidential bid, Vázquez Mota had been serving as the leader of the PAN delegation in the Chamber of Deputies.

Vázquez Mota's campaign started on a high note as she decisively defeated the other candidates running for the PAN nomination in February 2012, but she then struggled to gather momentum due to internal disputes within her party and problems within her own team. The PAN's decision not to hold internal elections to select its candidate until February put Vázquez Mota at a disadvantage compared to the two other major party candidates who had been selected by their parties in November 2011. Despite that, excitement over her historic candidacy and her apparent ability to relate to Mexican voters led observers to predict that the race would become much more competitive as the campaign got underway. Vázquez Mota proposed to build an inclusive government capable of forming cross-party coalitions within the Mexican Congress to help the country complete its transformation into a just, competitive, and vibrant multi-party democracy. She warned voters not to support candidates who might represent a return to the authoritarianism or populism of the past because Mexico's transition has been incomplete, but she struggled to hone her own message and to disseminate it to voters.

Distinguishing Vázquez Mota's proposals from those of the current Calderón government, particularly in the security realm, proved to be difficult. Vázquez Mota's platform included 400 concrete actions under four pillars. They included: security (including violence reduction and combating street crimes); well-being (improving the quality of education and healthcare and expanding access to credit); productivity (boosting growth and competitiveness, supporting small

<sup>&</sup>lt;sup>29</sup> Gabriel Quadri de la Torre's platform is available here on his campaign website: http://www.nuevaalianza.mx/ plataforma.php.

businesses, diversifying export partners); and taking advantage of Mexico's natural assets to build a "better Mexico" that is a regional leader and global player.<sup>30</sup>

### **Election Results**

On July 1, 2012, Mexico held federal (presidential and congressional) and state elections in 14 states. Mexico's Federal Electoral Institute (IFE) conducted the elections with the oversight of the Federal Electoral Tribunal, which must officially certify the election results by September 6, 2012. Despite prior fears, no significant violence occurred during an election day characterized by a record voter turnout. Domestic observers and an international electoral mission from the Organization of American States (OAS) monitored vote tabulation and polling station behavior. While some independent domestic observation groups—including a group affiliated with *YoSoy132*—found that vote-buying, intimidation, and other irregularities marred the electoral process, observers accredited by IFE concluded that the isolated incidents they observed did not merit an annulment of the election.<sup>31</sup> Although the OAS electoral mission is unlikely to release its final report for a few more weeks, the head of the OAS mission praised the "calmness, respect, and order" present on election day and IFE's handling of the elections.<sup>32</sup> As discussed below, the PRD-led coalition has presented evidence to the Electoral Tribunal that the presidential election was inequitable and fraudulent and should therefore be annulled. It has not challenged the legitimacy of the legislative elections.

#### **Presidential Election Results**

As predicted, Enrique Peña Nieto won the presidential election, albeit by a narrower margin than the polls had predicted. According to preliminary results published by IFE on election day, Peña Nieto captured 38.2% of the vote, followed by López Obrador with 31.6%, Vázquez Mota with 25.4%, and Quadri with 2.3%. López Obrador appears to have benefitted from the *YoSoy132* student protest movement; he also received support from voters who disapprove of the current PAN Administration of Felipe Calderón. However, as shown in **Figure 2** below, Peña Nieto performed well throughout the country, winning in 21 of 32 states, while support for López Obrador and Vázquez Mota was concentrated in certain regions. Interestingly, the two states Vázquez Mota captured outside the PAN stronghold of Guanajuato were in the troubled northeast region of the country, where significant numbers of federal troops and police have been deployed.

Based on preliminary election results, President Calderón and world leaders, including U.S. President Barack Obama, began calling to congratulate Peña Nieto on his apparent victory throughout the evening of July 1. PAN presidential candidate Josefina Váquez Mota, who won just a quarter of the votes and placed third in the election, conceded. In contrast to PAN leaders' quick acknowledgement of Peña Nieto's victory, the second place candidate, López Obrador, refused to concede the election, arguing that vote tabulation methods throughout the country were

<sup>&</sup>lt;sup>30</sup> Josefina Vázquez Mota's platform is available at http://josefina.mx/mexico\_diferente.php.

<sup>&</sup>lt;sup>31</sup> For a summary of the concerns raised by independent domestic election observers, see: Kent Patterson, "Special Report: Mexico's Hot Political Summer," *Frontera NorteSur: on-line*, July 10, 2012. Angélica Mercado, "Observadores Reportan que no hay Condiciones para Anular Elección," *Milenio*, July 12, 2012.

<sup>&</sup>lt;sup>32</sup> Organization of American States, "Statement by the Chief of the OAS Electoral Observation Mission to Mexico, César Gaviria Trujillo," July 2, 2012, available at: http://www.oas.org/en/media\_center/press\_release.asp?sCodigo=E-241/12.

rife with inconsistencies. Partially in response to those concerns, IFE conducted a recount of more than 50% of polling stations and delayed publishing the official election results (which proved to be nearly identical to the preliminary results) until July 7, 2012.

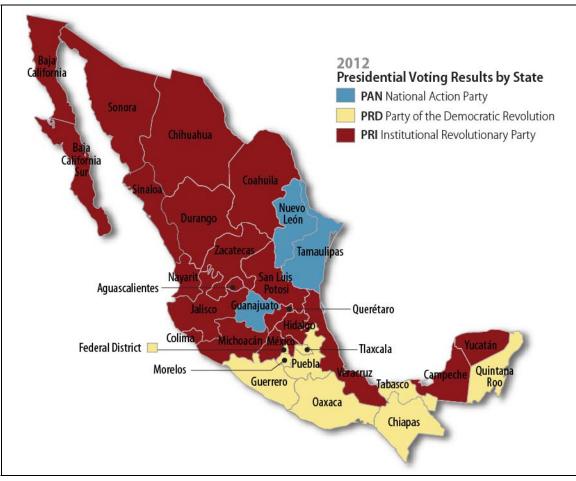


Figure 2. Mexico's 2012 Presidential Election Results: Party Preferences by State

Source: Mexico's Federal Electoral Institute (IFE). Prepared by CRS Graphics.

In his first speech as the presumptive winner of the presidential elections (given the evening of July 1), Peña Nieto asserted: "the Mexican people have given our party a second chance...We are going to honor that with results."<sup>33</sup> The virtual President-elect is generally regarded as a savvy politician who hopes to bring a modern face to a PRI party with a past reputation for corruption and undemocratic practices. Peña Nieto used his address to try to reassure those political groups who remain concerned about his party's corrupt ties, claiming there was no going back to the PRI of the past. He also reaffirmed his commitment to fighting organized crime, a pledge that many observers have questioned in recent months. While the fight against organized crime remains of crucial importance to U.S. interests in Mexico, the average Mexican voter in the July elections seemed largely concerned over economic matters. Many voters felt the PRI were better equipped to encourage economic growth in the country than the PAN, a party whose tenure has been

<sup>&</sup>lt;sup>33</sup> Enrique Peña Nieto, "Mensaje íntegro de Enrique Peña Nieto," *El Universal*, July 2, 2012.

characterized until recently by lackluster growth rates. Peña Nieto hopes to accelerate the country's growth and competitiveness via key reforms, such as opening up PEMEX to private investment. He is scheduled to take office for a six-year term on December 1, 2012.

Since the election, the PRD and the PAN have expressed concern that the PRI engaged in fraudulent electoral practices, such as vote-buying, campaign spending violations, and receiving extra radio and television beyond what was allotted by IFE. Both parties have also recently alleged that the PRI may have used illicit financing to support Peña Nieto's campaign and urged judicial authorities to investigate and punish anyone who has committed election-related crimes.<sup>34</sup> While the PRD asserts that these practices should negate the election results, the PAN does not. López Obrador and his PRD coalition have submitted evidence to the Electoral Tribunal that he says support his argument that the election should be annulled.<sup>35</sup> In contrast, the PAN has recognized the official election results despite concerns expressed by Vázquez Mota and party leaders that there had been inequality in campaign spending, media bias, and serious faults in the elections. President Calderón has urged electoral authorities to investigate and punish any party or individuals found guilty of buying votes.<sup>36</sup> Enrique Peña Nieto has rejected accusations of vote buying and defended his victory as legitimate, but also reportedly pledged to punish any members of his party found guilty of vote buying once he takes office.<sup>37</sup>

López Obrador's challenge of the most recent election results is reminiscent of similar challenges he made after the 2006 presidential election, which he lost to President Calderón by less than 1% of the vote. However, he has not called on his supporters to launch large-scale protests as he did six years previously; in 2006, López Obrador staged massive protests in Mexico City as he refused to concede defeat. Despite the close vote and a recount, the Electoral Tribunal refused to overturn the 2006 results. López Obrador trails by a greater margin this year than in the last election, and it appears that the Electoral Tribunal will likely rule against his challenges. Nevertheless, his concerns, some of which have been shared by Vázquez Mota and others, may precipitate further reforms to the electoral process.

#### **Congressional Election Results**

In addition to the presidential contest, all 128 seats in the Mexican Senate and 500 seats in the lower house of congress, known as the Chamber of Deputies, were up for election this year. Senators will serve six-year terms and deputies will serve three-year terms that begin on September 1, 2012. There is no consecutive reelection for seats in either chamber.

In Mexico, passing regular legislation requires a simple majority and passing constitutional reforms requires a two-thirds majority. Polls had been predicting that PRI might capture a simple majority in one or both chambers. Somewhat surprisingly, the PRI and the allied PVEM party appear to have fallen short of capturing a simple majority in either house (see **Figure 3** and **Figure 4** below for projections of how the 2012 Senate and Chamber of Deputies will be comprised in 2012 as compared to in 2009). Even if the PRI-PVEM coalition were to restart their alliance with the PANAL, they would have an estimated 250 of 500 seats in the Chamber and 62

<sup>&</sup>lt;sup>34</sup> Mark Stevenson, "Mexico Parties Join to Demand Campaign Probe," Associated Press, July 19, 2012.

<sup>&</sup>lt;sup>35</sup> "López Obrador Seeks to Void Mexico Election," *EFE*, July 13, 2012.

<sup>&</sup>lt;sup>36</sup> "PAN Distances Itself From PRD," *LatinNews Daily Report*, July 10, 2012.

<sup>&</sup>lt;sup>37</sup> Andres Oppenheimer, "Mexico's President-elect Vows to Imprison Vote Buyers," *Miami Herald*, July 15, 2012.

of 128 seats in the Senate (short of a simple majority). Since the party allocations are determined by a complex formula that involves proportional representation, the Electoral Tribunal may take several more weeks to confirm the final composition of the Congress. Nevertheless, it seems

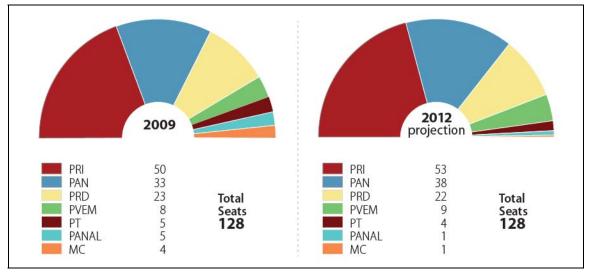


Figure 3. Senate Composition by Party

**Source:** For 2009, figures are from the Mexican Senate. Final results are still being calculated for 2012, but these projections were obtained from http://www.eluniversal.com.mx/graficos/pdf12/nuevo\_equilibrio\_congreso.pdf.

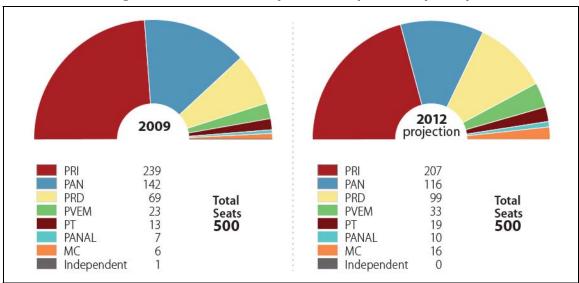


Figure 4. Chamber of Deputies Composition by Party

**Source:** For 2009, figures are from the Mexican Chamber of Deputies. Final results are still being calculated for 2012, but these projections were obtained from

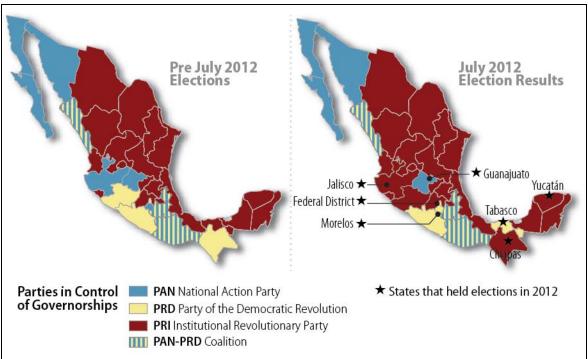
http://www.eluniversal.com.mx/graficos/pdf12/nuevo\_equilibrio\_congreso.pdf.

apparent that the PRI will have to form cross-party coalitions in order to pass key reforms, particularly those that will require constitutional amendments. The PRI will most likely find

support from the PAN, which lost seats in the Chamber but picked up a few Senate seats. Although still a minority party, the PRD picked up seats in the Chamber of Deputies. They remain the third largest singular party in the Senate and the Chamber. Once the allied Workers Party (PT) and Citizens' Movement (MC) are added to the PRD total, the left is projected to have more seats in the Chamber (134) than the PAN (116).

#### **Gubernatorial Election Results**

In addition to the presidential and legislative elections, state and local elections were held in 14 states, including six gubernatorial elections and an election for the mayor of the Federal District that includes Mexico City. Prior to the 2012 elections, the PRI controlled 19 of 32 governorships in Mexico. The PRI retained control over Yucatán and picked up two additional governorships in the recent elections: Jalisco, formerly governed by the PAN, and Chiapas, formerly governed by the PRD. In addition to winning the mayoral office of the Federal District for another term, the PRD also won two additional gubernatorial seats. PRD candidates in Morelos and Tabasco defeated the PAN and PRI, respectively. Although the PAN successfully maintained control of Guanajuato, defeats in Morelos and Jalisco represented significant losses for the party.





Source: Mexico's Federal Electoral Institute (IFE). Prepared by CRS Graphics.

## **Implications for U.S.-Mexican Relations**

Some Members of Congress may be concerned that the leadership changes resulting from the July 1, 2012, Mexican elections will significantly impact U.S.-Mexican relations, particularly now that

the party controlling the presidency has changed. However, few analysts are predicting that the transition from PAN to PRI rule will result in any seismic shifts in bilateral relations. After meeting with the three leading presidential candidates in early March 2012, Vice President Joseph Biden predicted that U.S. cooperation with Mexico would not be significantly altered by the election of any of the three.<sup>38</sup> Throughout the campaign, Enrique Peña Nieto sought to reassure U.S. policy makers that a PRI administration would continue to combat organized crime, while also successfully implementing structural reforms that have stalled under the PAN. He also expressed support for increased bilateral and trilateral (with Canada) economic cooperation.<sup>39</sup> Since the elections, Peña Nieto has said that he is committed to "having an intense, close relationship of effective [security] collaboration measured by results"<sup>40</sup> with the United States. President Obama has congratulated Peña Nieto on his victory and Assistant Secretary of State for Western Hemisphere Affairs Roberta Jacobson has said that U.S. officials "look forward to working with him"<sup>41</sup> after he takes office.

As a candidate, Peña Nieto said that maintaining some form of military involvement in antidrug operations would be a part of his security strategy, but also vowed to focus more on reducing violent crime in Mexico than on seizing drugs or arresting kingpins.<sup>42</sup> Peña Nieto pledged to increase the size of Mexico's Federal Police, create a national gendarmerie comprised of some military forces currently engaged in fighting organized crime that would be under civilian control, and establish 32 unified state police forces. He also announced that Oscar Naranjo, former head of the Colombian National Police, would serve as one of his security advisors. At the same time, Peña Nieto pledged to develop a National Strategy to Reduce Violence that containing binding commitments for all levels of government, along with civil society. He expressed a desire to hasten implementation of the judicial reforms passed in 2008, emphasizing that the state of Mexico (where he served as governor) is one of only three states fully operating under the new adversarial, oral criminal justice system. He also proposed focusing anticrime efforts and socioeconomic programs in the most violent areas of the country.

While U.S. officials have acknowledged that aspects of U.S.-Mexican security cooperation may change in accordance with the next government's security strategy, they also expect the high level of collaboration developed during the Calderón government to continue. The current bilateral security strategy organized under the Mérida Initiative<sup>43</sup> was designed in response to the Calderón

<sup>&</sup>lt;sup>38</sup> Olga R. Rodriguez and Michael Weissenstein, "Biden Meets with Mexican Presidential Candidates," *Associated Press*, March 5, 2012.

<sup>&</sup>lt;sup>39</sup> Lally Weymouth, "Interview with Mexican Presidential Candidate Enrique Peña Nieto," *Washington Post*, May 18, 2012.

<sup>&</sup>lt;sup>40</sup> William Booth and Nick Miroff, "Closer Ties to U.S. on Horizon," Washington Post, July 9, 2012.

<sup>&</sup>lt;sup>41</sup> U.S. Department of State, 'Foreign Press Center Briefing with Roberta S. Jacobson, Assistant Secretary of State for Western Hemisphere Affairs," press release, July 11, 2012. Hereinafter, Jacobson briefing, June 12, 2012.

<sup>&</sup>lt;sup>42</sup> See, for example: Enrique Peña Nieto, "11 for 2011: How Should Mexico Deal with Violence," *Financial Times*, January 6, 2011; Anahi Rami and Dave Graham, "Mexico's Peña Nieto Plans New Police to Fight Drug Gangs," *Reuters*, April 9, 2012; and "Mexico's New Leader Could Focus Law-Enforcement on Small Local Gangs That Rob, Extort, and Kidnap," *Associated Press*, July 5, 2012.

<sup>&</sup>lt;sup>43</sup> From FY2008-FY2012, Congress appropriated \$1.9 billion in Mérida assistance for Mexico, roughly \$1.1 billion of which had been delivered as of the end of June 2012. Whereas U.S. assistance initially focused on training and equipping Mexican counterdrug forces, it now places more emphasis on addressing the weak institutions and underlying societal problems—including corruption and impunity—that have allowed the drug trade to flourish in Mexico. The updated Mérida strategy, announced in March 2010, focuses on (1) disrupting organized criminal groups, (2) institutionalizing the rule of law, (3) building a 21st century border, and (4) building strong and resilient communities. For background, see: CRS Report R41349, *U.S.-Mexican Security Cooperation: The Mérida Initiative* (continued...)

Administration's request for specific forms of U.S. equipment, training, and technical assistance. Increased U.S. operational support for Mexico's struggle against organized crime has advanced to include, among other things, the deployment of U.S. unmanned aerial vehicles to gather intelligence on DTO activities. This support, however, has only occurred in accordance with requests by the Mexican government. As such, while the broad architecture of bilateral security efforts may remain in place, the specific type of assistance and the depth of U.S. involvement requested by Mexico may change once Enrique Peña Nieto takes office.

While some Members of Congress expressed concerns regarding Peña Nieto's victory and its impact on U.S.-Mexican security cooperation, especially his prioritization of reducing crime and violence, a recent Senate Foreign Relations Committee report maintains that expanding support for police and judicial reform is key to reducing violence in the country.<sup>44</sup> During the campaign, Peña Nieto appeared to give higher priority to more intelligence-sharing than larger amounts of U.S. security assistance, but the four pillar strategy he outlined resembles the Mérida Initiative's four pillars, albeit with an explicit emphasis on violence prevention and reduction. While Peña Nieto opposes allowing armed U.S. military or law enforcement agents to carry out operations in Mexico, he recently expressed an openness to allowing U.S. military trainers in Mexico.<sup>45</sup> His advisors have also mentioned the importance of Mexico and the United States working more closely together to assist Central American governments, a proposal that Assistant Secretary of State Jacobson has said is "incredibly encouraging."<sup>46</sup>

Enrique Peña Nieto and his advisers have stressed the importance of passing structural reforms to make the Mexican economy more competitive and deepen economic integration with the United States, but have also said that they aim to diversify Mexico's trade relationships. Peña Nieto acknowledges that the PAN has maintained macroeconomic stability, but criticized the past two administrations for failure to spur economic growth rates in Mexico similar to those of other developing countries in Asia and Latin America. He has identified several reasons why Mexico's economic growth has lagged: low productivity, insufficient access to credit, deficient investment in infrastructure, monopolies, a large and expanding informal sector, and a continued overreliance on the U.S. market. To counter these deficiencies, Peña Nieto advocates a 10-point economic plan that includes, among other measures: implementing recently passed legislation to counter monopolistic practices, passing fiscal reform, opening up the oil sector to private investment, making farmers more productive, and doubling infrastructure investments. Peña Nieto also endorses an active international trade policy aimed at increasing Mexico's trade with Asia, South America, and other markets. His government is likely to take an active role in the negotiations for a Trans-Pacific Partnership (TPP).<sup>47</sup> The proposed TPP would likely enhance the

<sup>(...</sup>continued)

and Beyond, by Clare Ribando Seelke and Kristin M. Finklea.

<sup>&</sup>lt;sup>44</sup> U.S. Congress, Senate Committee on Foreign Relations, *Judicial and Police Reforms in Mexico: Essential Building Blocks for a Lawful Society*, Majority Staff Report, 112th Cong., 2nd sess., July 9, 2012, S. Prt. 112-36.

<sup>&</sup>lt;sup>45</sup> Booth and Miroff, op. cit.

<sup>&</sup>lt;sup>46</sup> Jacobson briefing, June 12, 2012.

<sup>&</sup>lt;sup>47</sup> On June 18, 2012, President Obama announced that the nine countries involved in the negotiations of the proposed Trans-Pacific Partnership (TPP) had extended an invitation to Mexico to join negotiations for the proposed regional free trade agreement. The announcement for the invitation for Canada to join negotiations came on June 19, 2012. Current countries involved in the negotiations include the United States, Australia, Brunei, Chile, Malaysia, New Zealand, Peru, Singapore, and Vietnam. For background, see: CRS Report R40502, *The Trans-Pacific Partnership Agreement*, by Ian F. Fergusson and Bruce Vaughn

links Mexico already has with the United States and Canada under NAFTA, while also helping boost the country's trade ties with other fast-growing economies.<sup>48</sup>

Many U.S. observers are interested in whether the next Mexican administration will push for further reforms to increase private involvement in PEMEX. Enrique Peña Nieto has endorsed such action, and has suggested that PEMEX might follow the example of Petrobras in Brazil. In the 1990s, Petrobras increased private involvement in exploration, production, and refining; implemented reforms to boost its competitiveness; and then gradually opened itself up to private minority ownership. Enacting further reforms to Article 27 of the Mexican Constitution will likely be required in order to allow private companies to partner with PEMEX, a task which Peña Nieto's campaign manager has said would be an immediate priority for the new administration.<sup>49</sup> The PRI/PVEM coalition's failure to capture a majority in either chamber of the congress may mean that Peña Nieto will encounter the same type of opposition to his reformist agenda that Calderón has reportedly pledged to encourage Mexican lawmakers to approve energy reforms before he leaves office, a move that Peña Nieto would welcome, but the PRD-led coalition and even some PRI legislators could block that effort.

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<sup>&</sup>lt;sup>48</sup> Aaron Lorenzo, Daniel Pruzin, Amy Tsui, and Peter Menyasz, "Mexico Invited to Join TPP Negotiations; Rhodes Says Discussions with Canada 'Close'," *Bloomberg BNA International Trade Daily*, June 16, 2012.

<sup>&</sup>lt;sup>49</sup> "Excerpts: Luis Videgaray; 'We Will Maintain the Fight Against Organized Crime,'" *Wall Street Journal*, April 27, 2012.

<sup>&</sup>lt;sup>50</sup> "Mexico's Calderón Pledges to Back Peña Nieto Reforms—Report," *Reuters*, July 15, 2012; "Peña Nieto Faces Challenging Mexican Transition," *Oxford Analytica*, July 10, 2012.