

Did We Really Win? A Balance Sheet of Fox's First Two Years

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Courtesy of the President's Press Office

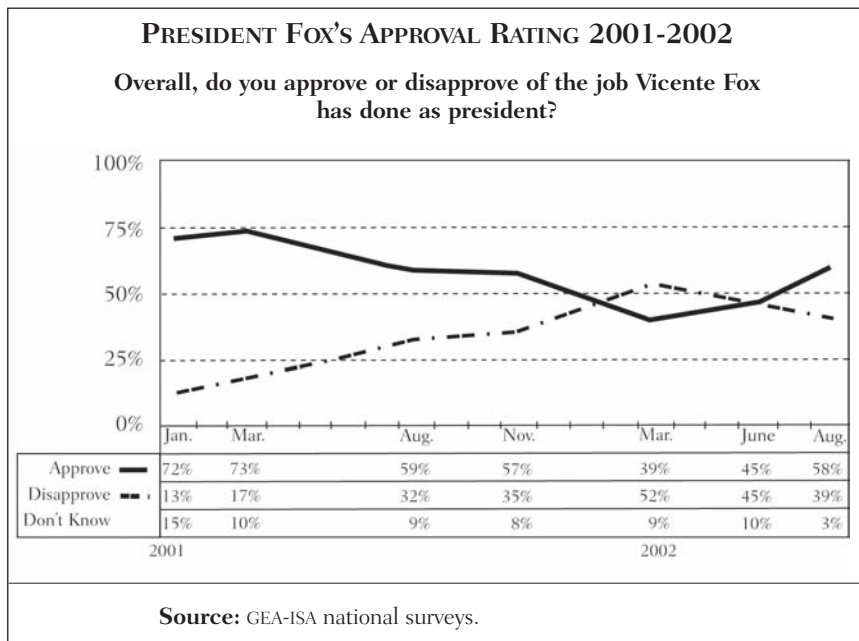
President Fox delivering his second annual report to the nation, September 1, 2002.

You might not remember, but around August 2000, in those heady days of the transition period, Vicente Fox made a speech that contained the ominous warning, “If I fail, I will be the most detested of Mexican presidents.” Unfortunately for Fox, his followers and Mexican society, this stylistic bon mot, inserted on the fly by one of the numerous speech writers of the then-president-elect, has become a telling comment on the present.

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Vicente Fox does not yet incite hatred, but disillusionment is the order of the day. The extraordinary approval ratings of the first months of his administration are no longer anything but memory, a cruel memento of how much has been lost (see graph). And, although the president’s popularity has recovered somewhat (GEA-ISA’s last national poll reported a 13-point recovery in Fox’s approval ratings since June),¹ undeniable public disenchantment can be seen in a thousand ways: everyday conversations, press diatribes, the complaints and recriminations to be found in solidly “Foxista” milieus, etc.

The scathing national mood is not the Fox administration’s only sign of failure. Even more significant is the lack of transformations. Without underestimating substantial advances, like the Transparency Law or the financial reform, the absence of great achievements or even anything remarkable by the self-styled “government of change” are notable. Undeniably, the obstructionism of the legislative opposition and budget restrictions have hindered many of Fox’s major projects, but even on the issues that fall exclusively within the sphere of executive decision and do not require congressional approval



or immense financial resources (the fight against corruption, for instance), the results are slim.

Given this panorama, most analysts ask a politically relevant —though intellectually, frankly boring— question: How can Fox change the current situation? The answer is always the same, though in differing degrees: cabinet changes, agreements with the opposition, winning the mid-term elections, social pacts, etc. I do not underestimate the importance of this debate about the future, but neither do I have the vocation of an oracle, nor do I wish to have to rectify my “visionary” analysis in just a few months time.

Therefore, this article, more than a list of prescriptions, is a rather disordered collection of intuitions about the question that keeps me up at night: What happened to Fox? Why did he waste a historic opportunity for changing the country? I warn the reader from the outset that he or she will not find here a compact, rigorous argument, but rather only a few hypotheses, constructed in the light of chats,

reading and leisure time over a period of 18 months. As my hypothetical readers will soon see, they are preliminary thoughts about a very complex, very recent issue that may not resist the test of time and the emergence of additional information, but may serve to provoke additional thinking about our immediate past.

FIRST HYPOTHESIS:
FOX GOT THE AGENDA WRONG

When he took office, Vicente Fox was in the perfect position to be able to push forward an agenda for change: his legitimacy was unquestionable; his popularity was sky high; the opposition was demoralized and divided. And yet, after fewer than six months of government, he had lost the political initiative and found himself under siege, on the defensive. At the time, this catastrophic start-up was put down to inexperience or the lack of political savvy. Although these explanations contain a grain of truth, they are insuffi-

cient for understanding the deterioration of those first few months: the Institutional Revolutionary Party (PRI) administrations were overflowing with experience and, despite that, they could not control the political agenda after 1997 or avert a crushing electoral defeat in 2000.

The key is not so much in tactical decisions as in strategic definitions. Let me explain: the greatest restriction that the Fox administration faced was the institutional design inherited from the PRI regime. Mexico’s long transition, with its fast-forwards and reverses, left an explosive institutional cocktail: a presidentialist regime combined with a multi-partisan system, a high level of discipline inside the party organizations and a *sui generis* brand of federalism. In short, a system designed for paralysis, deprived of incentives for collaboration and instruments for breaking deadlocks.

Given this context, the very first, not-to-be-postponed task of the new administration was the political reform, an objective that not only had intellectual back-up, but could have found allies in the Party of the Democratic Revolution (PRD) and some sectors of the PRI. However, instead of pursuing an attainable, high-yield transformation, the indispensable prologue to other structural reforms, President Fox and his political operators picked a rockier road, that would of necessity lead to massive resistance: fiscal reform.

This terrible decision was based on a fallacy: the idea taken on board and spread by the government itself that President Fox’s success or failure should be measured by his ability to foster a series of economic reforms that were highly polemical and would create multi-faceted resistance. When he

launched the most unpopular of all these reforms as the first big project of his administration, Fox fell into an airtight trap: the fiscal reform would not only allow the PRI and the PRD to maintain their opposition status with low political costs, but it would also make the executive a hostage of Congress and of the internal equilibria of the opposition parties.

Lacking the instruments that would facilitate opposition collaboration and with its prestige at stake, the administration launched an unsuccessful negotiation that lasted eight months and bled the president of political capital. Everyone knows the outcome: a fiscal reform, irrelevant in terms of revenues, that put a large part of the private sector on guard in addition to seriously bruising the presidential image and tensing relations between the administration and the opposition.

After this debacle, the Fox government found itself without an agenda or allies, the rest of the structural reforms under fire and betting its future on gaining a legislative majority in the 2003 elections, an aim that at this point it seems very doubtful will be achieved. And, of course, all this without a political reform or any indication of an agreement for moving toward one.

SECOND HYPOTHESIS: FOX OVERESTIMATED THE POLITICAL EFFECTS OF HIS POPULARITY

As the graph shows, Vicente Fox touched the clouds in the first months of his mandate: in March 2001, three out of every four Mexicans approved of his performance as president. This produced the government's fantasy of the Fox groundswell: all obstacles would

be swept aside by presidential popularity. For this reason, time and again, Fox used direct communication with the population—shunting the parties and Congress to one side—to promote his agenda and, in particular, the fiscal reform. However, he missed the mark: the president's televised messages not only did not crush the resistance of the opposition parties; they strengthened it.

Vicente Fox paid a high price for learning a fundamental axiom of Mexican politics: during non-electoral periods, the president's popularity is politically

irrelevant. In our unfinished democracy, there are no mechanisms for translating approval or disapproval of the chief executive's performance into concrete political results. Without immediate legislative re-election, the political future of a deputy or senator depends on party bureaucracies, not on state or district constituencies. Without the possibility of a plebiscite or referendum, a popular president does not carry the big stick of direct recourse to the population to facilitate the collaboration of opposition parties. Without the possibility of dissolving Congress and calling new elections (like in parliamentary or semi-presidential systems), obstructionism has few costs for legislators.

Presidential popularity only has an impact on politicians' behavior as federal elections approach: the president's

approval rating will have a powerful (although not automatic or mechanical) impact on electoral preferences for his political party. This correlation, however, reduces legislative activity as election day approaches. The president's popularity may, therefore, determine an electoral outcome, but turns into wet gunpowder as soon as the elections are over. This inevitable truth of our political life turns the presidency into a weak institution, despite its image of omnipotence and the paraphernalia of the head of state. Given this contradiction, it was almost inevitable that

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Fox's popularity would suffer the damage it did: nothing disillusioned and disconcerted as much as the image of impotent power.

THIRD HYPOTHESIS: FOX UNDERESTIMATED THE MEXICAN STATE'S LACK OF LEGITIMACY

During the debate on the fiscal reform, GEA measured public opinion time and again on issues of revenues and taxes. Rejection of the government's proposal was systematic: more than 90 percent of the population (as was to be expected) opposed levying value added tax on food and medicine. But this was not the most interesting piece of polling data. I think it was much more revealing to see that two-thirds of all

Mexicans considered that the government spent too much and that more than 30 percent thought that government would function worse if it had more resources. We should underline that these results were constant over an entire year; they were not statistical anomalies.

These figures are a graphic, brutal sample of the lack of structural legitimacy of public action in Mexico. In other words, they indicate that the population only barely puts up with the Mexican state, no matter who heads it up. Unlike developed nations,

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there are no generally accepted public programs: not a peso is spent that is not questioned nor is any public office widely respected. Vicente Fox is without a doubt a legitimate officeholder given that he is there by the grace of majority consent. However, in the eyes of most Mexicans, the structure he presides over is something like an occupation army. Under these conditions, asking the population to make a bigger tax effort was the equivalent of running his head against a brick wall.

The root of this phenomenon can probably be found in the tradition of the Mexican state whereby office-holders consider public resources under their aegis to be their own personal property to be dealt with as they see fit. This is too broad a debate to deal with here, but it is undeniable that this lack of legitima-

cy severely limits the manoeuvring room for any government and must be faced by any project for change.

This aim implies two simultaneous tasks: first, it is indispensable to not only reduce corruption levels in state institutions, but also—and this is much more difficult—to convince the population that corrupt individuals will not go unpunished. In the second place, state legitimation requires its institutions to become more effective. This means, undoubtedly, assuring that public spending effect concrete, perceptible benefits for the population, but

also that the institutions respond to the population's preferences. In other words, it demands a broad political and administrative reform of the state.

Until now, Fox has not undertaken this task, perhaps because he underestimates the unpopular nature of the machinery he is heading up. Regardless of his reasons, the fight against corruption has been drowned in the unfruitful search for big fish, and political-administrative reforms (or the reform of the state, or whatever you want to call it) have been postponed for a better moment. There may be valid reasons for this postponement, but the country will not stand for any more delays. It is not by chance that people have made machetes a political tool, kidnapping public officials to show their discontentment.²

CONCLUSION

Speaking of the Fox “failure” may be excessive and premature. After all, the president's popularity seems to be experiencing a recovery. What is more, it is not completely improbable that he will achieve a majority in the Chamber of Deputies next year. However, the last two years' experience cannot help but leave a bitter taste in our mouths. In my opinion Vicente Fox missed a historic, one-of-a-kind opportunity for changing the country, for healing some of its ancestral sores, for making it a little more just and a little less unhappy. It was not necessary, as many supposed, to keep each and every one of his campaign promises. No politician in any country in the world is able to perform such a feat. But it was necessary to put his priorities in order and correct above all the country's political fetters. In this administration's remaining years, regardless of the mid-term election results, it will be much more difficult to carry out this task successfully because Fox has lost a precious asset in these erratic months: the feeling of possibilities that came with his taking office. ■■■

NOTES

¹ GEA-ISA is one of Mexico's most prestigious consulting groups. [Editor's Note.]

² The author is referring to events in July and August 2002, when there was an incipient rebellion of peasants and inhabitants of San Mateo Atenco, a town in the State of Mexico, against the expropriation of their land to build the new Mexico City airport. This rebellion caused the project to be cancelled, a step backward by the president and the administration, who had supported it against all opposition. [Editor's Note.]