



REPORT

Preelectoral Mexico
Federal elections
1st July, 2018

JULY
2018



INDEX

Preelectoral Mexico

Federal elections

1st July, 2018

Marked by a growing discontent with the ruling party (**PRI**), in particular, and traditional parties (**PRI**, **PAN**, and **PRD**), in general, Mexican citizens head to the polls on 1st June to vote in the country's federal elections.

In this context, people will vote to renew **the entire Congress** (500 seats in the Chamber of Deputies and 128 seats in Senate) as well as for **the President of the Republic**.

Given that there is no second round in Mexico, the candidate who obtains the highest number of votes on Sunday will be declared president.

In the following report you will find:

- 1) **General Considerations**
- 2) **Presidential candidates**
- 3) **Alliances and Parties**
- 4) **Latest polls**
- 5) **Ideology**
- 6) **Government platforms**
- 7) **Political context**
- 8) **Legislative election**
- 9) **Current composition of Congress**
- 10) **Projections**

1. General considerations

What is voted?

On Sunday July 1st, federal elections will be held to elect the President of the Republic, as well as the entire Chamber of Deputies and the entire Senate.

Electoral calendar

Political Constitution of the United Mexican States. Art. 41, Art. 51, Art. 83. Every 6 years the President and Senators are elected. Every 3 years, Deputies are elected.

This will be the only occasion where the President will serve for a period of five years and ten months. This is due to the fact that, thanks to the 2014 Political-Electoral Reform, presidential mandates will be advanced to 1st October of the year of the election as of 2024.

This election will be the last election in which Presidents take office on 1st December.

The Constitution does not stipulate dates for the organization of the elections, being this a faculty of the National Electoral Institute. This year the election will take place on **Sunday, 1st July**.

The presidential candidacy that obtains the highest percentage of the electorate will accede to the presidency. The law does not stipulate a second round.

How is it elected?

By universal, direct, free and secret suffrage

Who are the candidates?

The candidates that will compete for the presidency are 4: Ricardo Anaya Cortés (Por México al Frente); José Antonio Meade Kuribeña (Todos por México) Andrés Manuel López Obrador (Juntos Haremos Historia); and Jaime Rodríguez Calderón (Independiente).

When does the next administration take office?

Deputies and Senators will assume their duties scheduled for **1st September, 2018**.

The winning presidential candidate will take office on **Saturday 1st December, 2018**.

2. Presidential candidates

There are four official candidates for the presidential elections 1st July. You will find a profile of the candidates below.



Ricardo Anaya Cortés

Coalición Por México al Frente

Lawyer, 39 years old.

Born in Naucalpan de Juárez in 1979. His political commitment dates back to his youth, when he became part of the Partido Acción Nacional.

Since then, he has held numerous positions in public administration. First, as a Local Deputy in Querétaro State Congress, from 2009 to 2011. Then, as a Deputy in Congress of the Union from 2013 to 2015. He was also President of the Chamber of Deputies of Mexico from 2013 to 2014.

He was candidate for President of the Republic twice: in 2001 and in 2006.

He was PAN Secretary General in 2014, and President from 2014 to 2017.



Andrés Manuel López Obrador

Coalición Juntos Haremos Historia

Political scientist and writer, 64 years old.

Born in Macuspana in 1953. He holds a degree in Political Science and Public Administration from the National Autonomous University of Mexico.

He has extensive experience in politics. He joined the PRI and, later, the Partido de la Revolución Democrática party, becoming its president from 1996 to 1999.

He served as Head of Government of the Federal District from 2000 to 2005.

From 2015 to 2017 he was president of Movimiento Regeneración Nacional (MORENA), a party dedicated to boost his candidacy in the presidential elections.

2. Presidential candidates

There are four official candidates for the presidential elections 1st July. You will find a profile of the candidates below.



José Antonio Meade Kuribeña

Coalición Todos por México

Economist and lawyer, 49 years old.

Born in Mexico City in 1969. He studied Economics at the Autonomous Technological Institute of Mexico and Law at the National Autonomous University of Mexico. He holds a PhD in Economics from Yale University.

He has had a career in public office, being Secretary of Energy in 2011, Secretary of Foreign Affairs from 2012 to 2015, Secretary of Social Development from 2015 to 2016 and finally Secretary of Finance and Public Credit from 2016 to 2017.



Jaime Rodríguez Calderón (El Bronco)

Independent

Agronomist, 60 years old.

Born in Nuevo León in 1957. He has a degree in Agronomic Engineering from the Autonomous University of Nuevo León.

He has extensive experience in politics. He joined the PRI in 1980, and represented it as Federal Deputy from 1991 to 1994 and as Local Deputy of Nueva León Congress from 1997 to 2000. He also served as President of the local government of García from 2009 to 2012.

In 2014, he left the PRI and was elected Governor of Nuevo León as an independent candidate. He held this position from 2015 to 2017.

3. Alliances and parties

Three electoral alliances were made official for the federal elections 1st July: *Por México al Frente*, *Juntos Haremos Historia*, and *Todos Por México*. There is an independent candidate as well.



Por México al Frente: This alliance is made up of the center-right opposition party PAN, and the current center-left ally of the ruling party Partido de la Revolución Democrática (PRD). Anaya, as president of the PAN party, canceled the internal party elections and nominated himself through the gathering of more than 30,000 signatures of PAN activists; this has been criticized as a “disguised hand-picking procedure”. The PRD decided to join the PAN after the withdrawal of its leader Andrés Manuel López Obrador. The leftist opposition party **Movimiento Ciudadano** did not propose any candidates and supported this coalitional formula.



Todos por México: This alliance is made up of the ruling center party PRI, the rightist PVEM (ally to the ruling party) and the centrist ally PANAL. For this election, the PRI modified its statute to allow the nomination of a candidate without political activity. The party also established a "national convention of delegates". In this context, Meade was nominated as PRI's candidate for President. The PVEM tried to join Por México al Frente. When the negotiations failed, PVEM offered PRI to form an electoral alliance, which was confirmed in December 2017. Finally, PANAL also wanted to join Por México al Frente. However, due to a disagreement in the nomination of candidates, it chose to join Todos Por México in December 2017.

3. Alliances and parties (continuation)

Juntos haremos historia



Juntos Haremos Historia: This alliance is made up of *the leftist opposition parties MORENA and PT, and the right-wing PES (also opposition)*. **MORENA** quickly nominated Andrés Manuel López Obrador as its candidate. This party and the **PT** allied in July 2017. In December, between the possibility of participating on its own or joining the alliance, the **PES** decided to do the latter.



Independent candidates: For the first time in more than a century, there are independent candidates competing for the Presidency. Specifically, **Jaime Rodríguez Calderón** and **Margarita Zavala** decided to participate independently. "El Bronco" already has a career as an independent politician. For example, he has been Governor of the State of Nuevo León without the support of any party. Previously, the politician had been a PRI member.

Margarita Zavala decided to leave the PAN party to aspire to the Presidency independently, because she considers that the party lacks internal democracy. However, Zavala renounced her candidacy on 16th May. Since then she has not said which presidential candidate she will vote for. Her candidacy was estimated to hold a 6% of voting intention.

4. Latest polls



Andrés Manuel López
Obrador
**JUNTOS HAREMOS
HISTORIA**



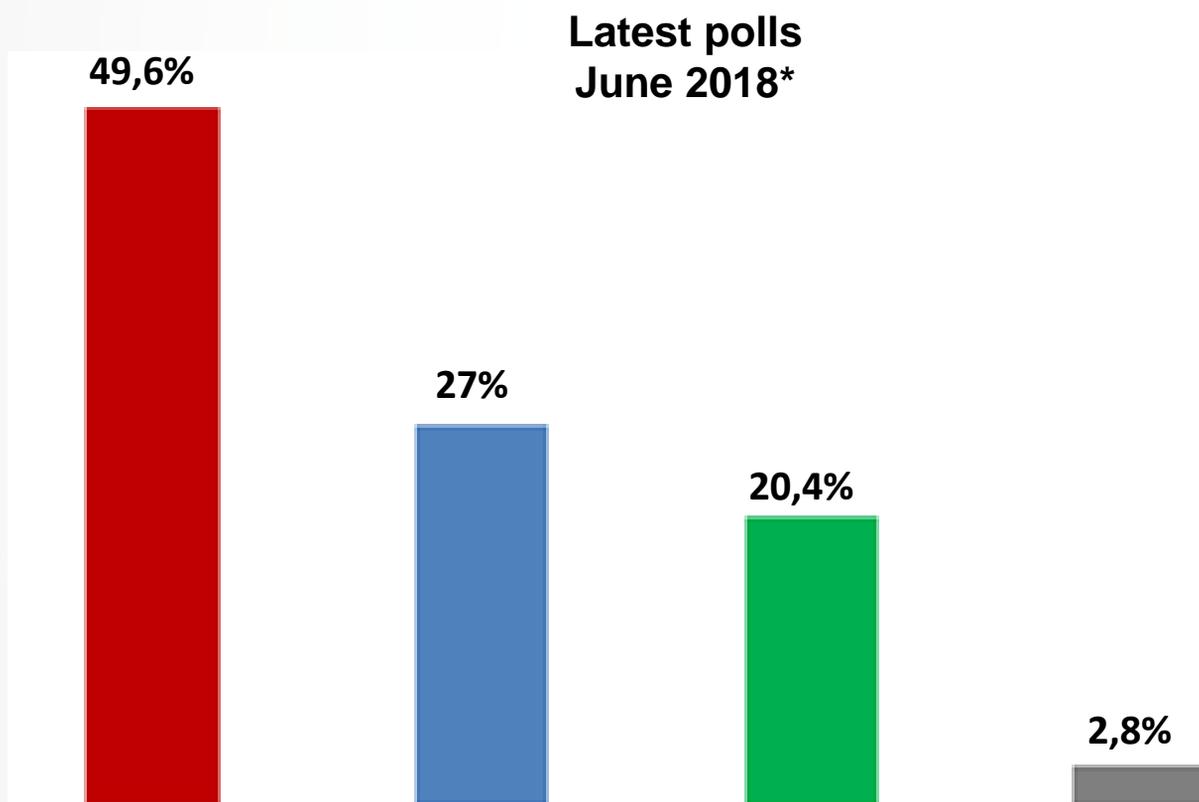
Ricardo Anaya
Cortés
**POR MÉXICO AL
FRENTE**



José Antonio
Meade Kuribeña
**TODOS POR
MÉXICO**



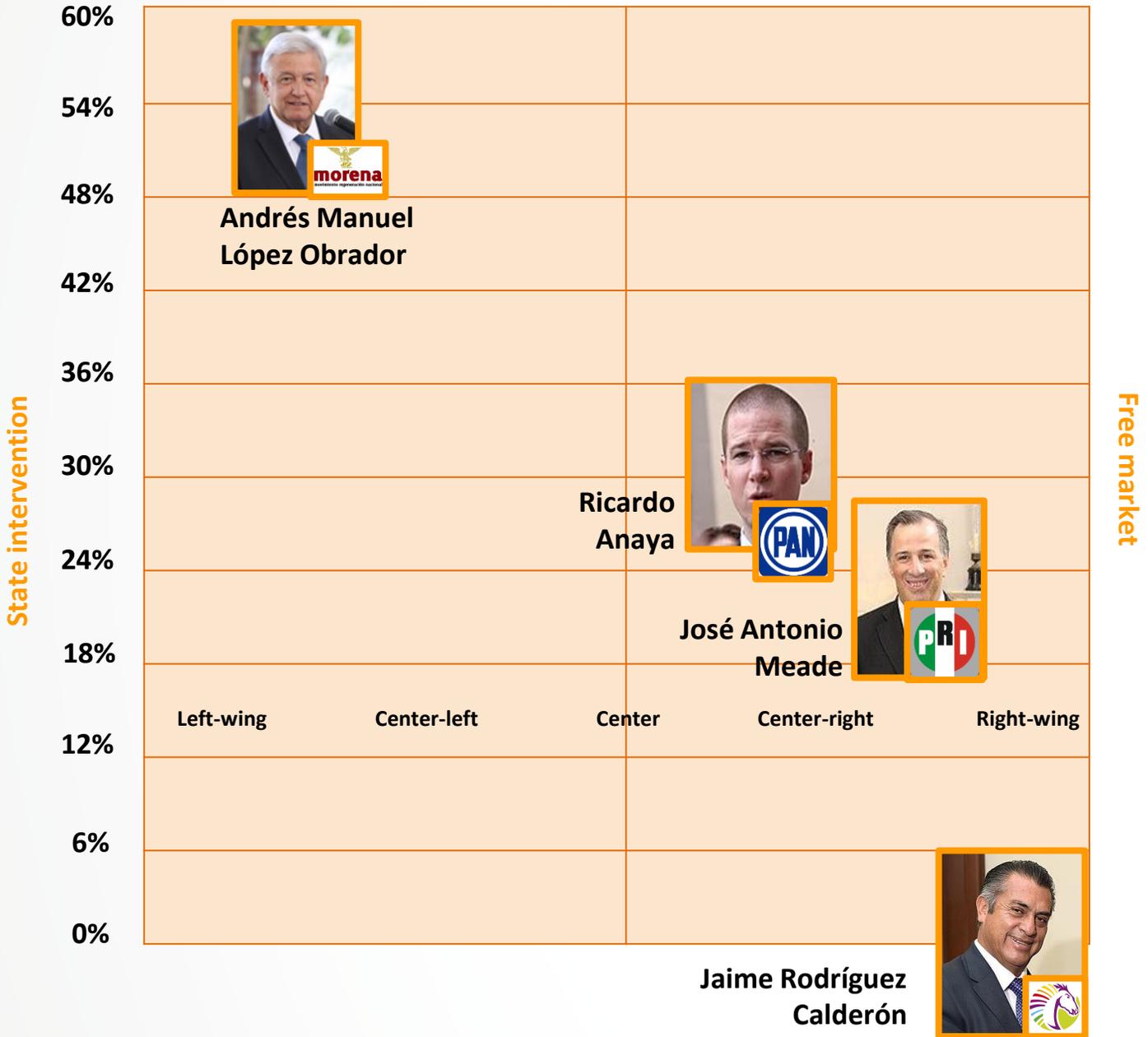
Jaime Rodríguez
Calderón
INDEPENDENT



*Source: self-made graphic based on polls carried out by local consulting agencies in June 2018.

5. Ideology

+ Voting intention



- Voting intention

6. Government platforms



Ricardo Anaya Cortés

- Increase public investment until it reaches 5% of GDP in 2021.
- Create a Specialized Unit in Public-Private Partnerships, which will structure projects that are liable to receive private financing at the national level.
- Immediately increase the minimum wage to \$ 100 per day. Take it gradually to the Well-being Line (currently \$ 190 per day) and to the Well-being basket level in 2022.
- Change the mechanism to set the minimum wage and create a representative, inclusive and plural Council, to monitor the rise in minimum wages, its repercussions and the measures to be taken towards the future, in order to consolidate a real salary policy.
- Create the investment Ombudsman.
- Diversify exports and create a Network of Small exporters, which will benefit from bureaucratic procedures and technical support.
- Promote the development of clean and environmentally sustainable companies, based on the rational use of resources, with strategic environmental assessments, pollution limits, waste management and healthy conditions for its workers.

To read the complete government platform, click [here](#)

6. Government platforms



Andrés Manuel López Obrador

- Promote an increase in the minimum wage to surpass the minimum welfare line indicated by the CONEVAL in six years.
- Not to increase taxes or create new ones. Most of the fiscal adjustment will come from the re-engineering of public spending and measures against corruption.
- Create a mixed public and private investment fund to promote infrastructure projects.
- Increase the number of players in the banking sector and create conditions for fair competition.
- Strictly monitor any private actor that performs government tasks or receives public resources.
- Promote collective bargaining by industry through the dialogue between workers and employers, facilitated by the State.

Continues...

To read the complete government platform, click [here](#)

6. Government platforms



Andrés Manuel López Obrador

- Recover the function of labor inspection to achieve compliance with regulations.
- Establish recognitions for companies that provide fair wages
- Create the Broadband Social Coverage Fund and encourage operators to expand coverage through a more efficient use of the radioelectric spectrum
- Activate a Free Economic Zone in the entire northern border of the country to rescue its potential, generating jobs for migrants and attracting border consumers from both countries.
- Strengthen the Public Health System, to achieve universal coverage.

To read the complete government platform, click [here](#)

6. Government platforms



José Antonio Meade Kuribeña

- Newly-designed autonomous and independent General Attorney, to guarantee independence in research and analysis.
- Defend the reforms set in place by Peña Nieto (such as the energetic and educational ones). As for telecommunications, he has also pledged to advance on the *Red Compartida* (Shared network) project.
- Wage equality between men and women as well as social security for domestic workers.
- Strengthen family economies to end with inequality and extreme poverty.
- Consolidate the new Special Economic Zones to develop production centers in the south and southeast sectors of the country. In addition, a credit policy to accompany entrepreneurs.

To read the complete government platform, click [here](#)

6. Government platforms



Jaime Rodríguez Calderón

- Reduce the VAT rate from 16% to 10% and the income tax (ISR) from 35% to 25%.
- Subsidies and tax reductions to non-polluting companies.
- Suppression of the minimum wage.
- Simplification and debureaucratization of tax paperwork for companies and entrepreneurs.
- Six-hour work days for working mothers.
- Expropriate CitiBanamex as a condition to renegotiate NAFTA.
- Implement a cybernetic policy to stop cyber-insecurity.

To read the complete government platform, click [here](#)

7. Political context

Relationship with the United States. The continuous negative statements of US President Donald Trump about Mexico have been controversial in the country. All the presidential candidates have rejected the American's comments and promised a less subordinated foreign policy, a point which Andrés Manuel López Obrador in particular has been keen on. Meade has been criticized for this, being the ruling party candidate; many Mexicans have reacted negatively to President Enrique Peña Nieto's handling of the Trump presidency.

The United States government stated its negative opinion regarding the possibility of a left-wing candidate leading Mexico.

Corruption. The four candidates have promised to implement anti-corruption measures during their governments, and they have constantly accused each other of being corrupt throughout the campaign. In order to reduce violence in the country, Andrés Manuel López Obrador has proposed an amnesty for cartel leaders as well as important political figures, including the current president.

NAFTA negotiations. During this political contest, free trade agreements have been on the agenda. In particular, negotiations to update NAFTA - the free trade agreement that unites Mexico with Canada and the United States - have been widely debated by the candidates. Besides minor differences, all candidates agree on the need to maintain and update the agreement, although Andrés Manuel López Obrador's nationalist and protectionist positions reflect a fewer intention to negotiate. The winner of the election is to incorporate a representative to the negotiations.

Young vote. It is estimated that one in three votes will be issued by young people between 18 and 29 years of age. In addition, there will be 25 million youths who will vote for the first time. Considering that young people mostly favor Andrés Manuel López Obrador, this will be a key electorate in this contest.

7. Political context (continuation)

Violence problems: These elections have been marked by a general climate of violence. More than 120 politicians (mostly mayors, former mayors, aldermen, militants, leaders and deputies) have been murdered, and more than 100 have received death threats. The three main candidates stated their opposition to political violence and their willingness to guarantee a peaceful electoral process.

Discontent with the ruling party. These elections are marked by the citizens' dissatisfaction with government. President Enrique Peña Nieto (PRI) has a popularity rate that hovers between 12% and 18%, compared to a peak of 62% registered in June 2013. His presidential administration was affected by numerous corruption scandals as well as by the increase in gasoline prices and the implementation of structural reforms that implied cuts in public services.

... and traditional parties. The favorite to win the presidency, Andrés Manuel López Obrador, has capitalized on the citizens' generalized discontent with the political establishment of the country. A considerable part of the population believes there are no differences between the main political parties. An example thereof is the so-called *Pacto por México* (Pact for Mexico), whereby the traditional PRI, PAN, and PRD signed a legislative alliance to pass structural reforms at the beginning of Enrique Peña Nieto's term.

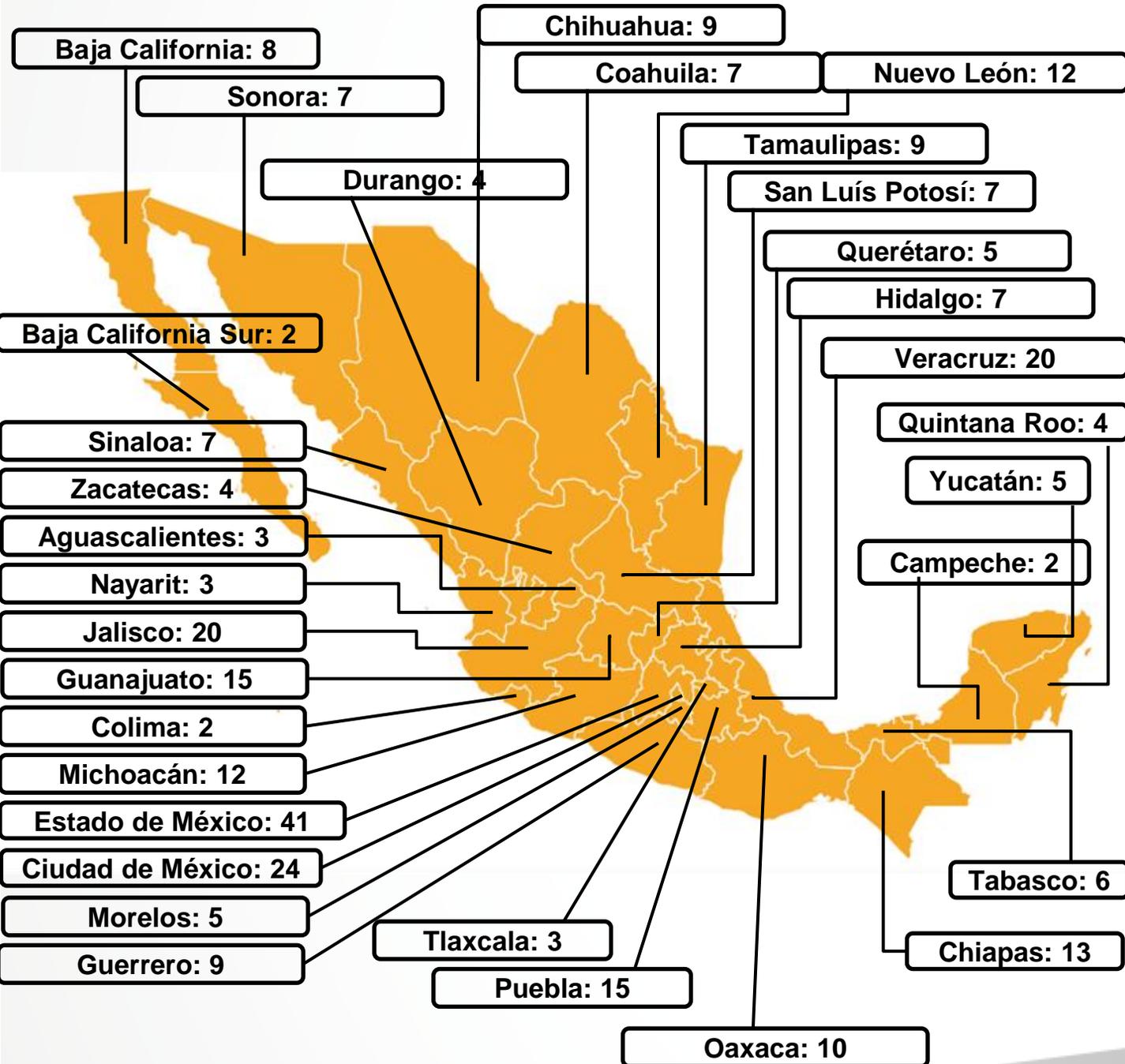
Migration: Despite the hardening of the American immigration policy and a 1000% increase in asylum applications to Mexico from Central American countries in the last three years (according to the numbers of Plan Frontera Sur), no candidate has made any clear proposals on the issue and only Anaya has committed himself to give Mexicans living in the US political representation in Congress. The absence of proposals has been source of numerous complaints, given that migration is one of the most important topic for Mexican citizens.

LEGISLATIVE ELECTION

8. Legislative elections 1/3

In the **Chamber of Deputies**, 300 seats are disputed as follows: each State receives a number of seats proportional to its population. The States are then divided in an equal quantity of constituencies; in each of these, the most voted candidate is elected Deputy. The remaining 200 seats are distributed via proportional representation, the country being divided in 5 electoral regions (40 seats each).

Total: 300 seats + 200 seats: 500 Deputies



8. Legislative elections 2/3

In the **Chamber of Deputies**, 300 seats are disputed as follows: each State receives a number of seats proportional to its population. The States are then divided in an equal quantity of constituencies; in each of these, the most voted candidate is elected Deputy. The remaining 200 seats are distributed via proportional representation, the country being divided in 5 electoral regions (40 seats each).

Total: 300 seats + 200 seats: 500 Deputies

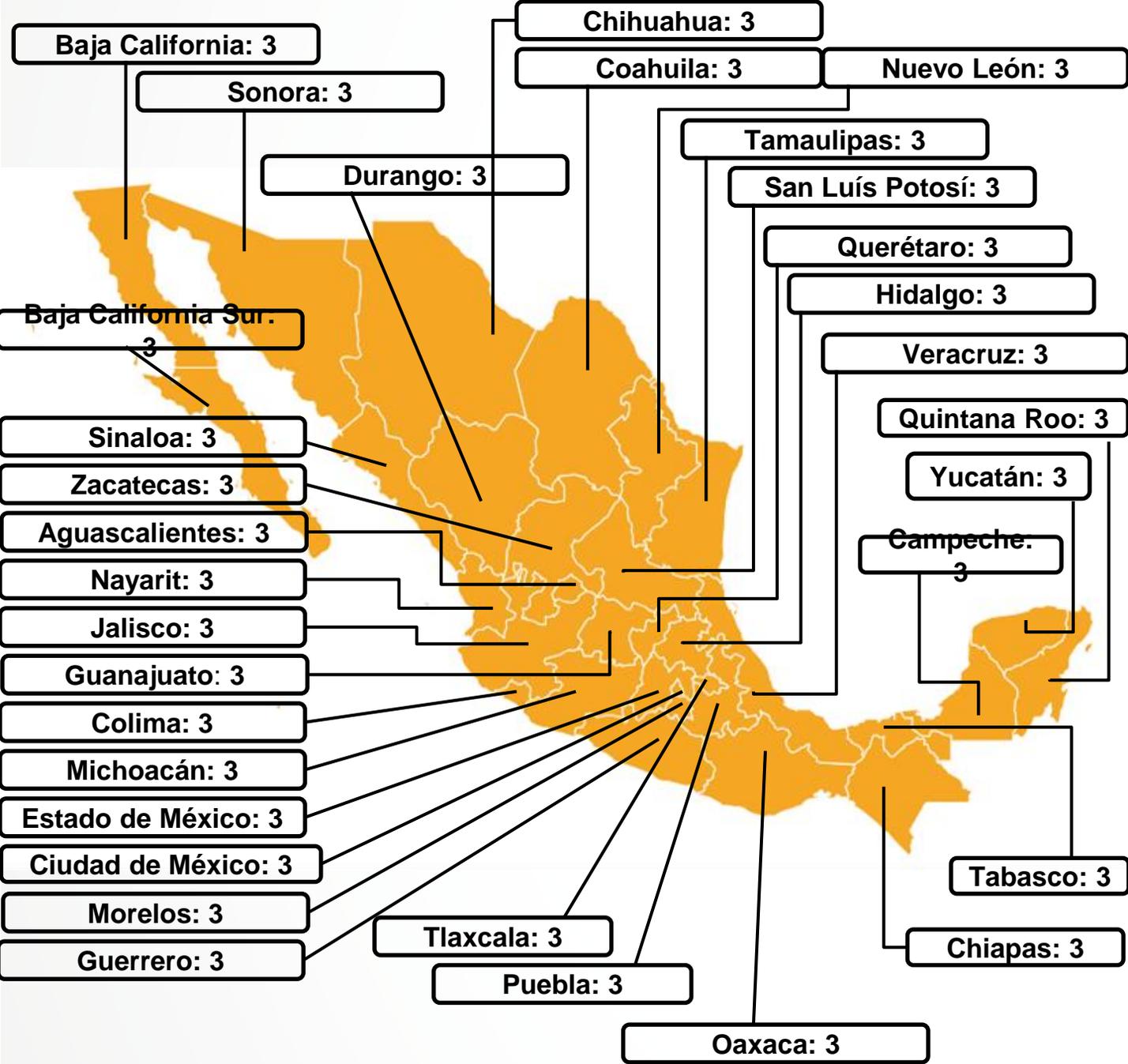


- **First electoral region: 40 seats**
- **Second electoral region: 40 seats**
- **Third electoral region: 40 seats**
- **Fourth electoral region: 40 seats**
- **Fifth electoral region: 40 seats**

8. Legislative elections 3/3

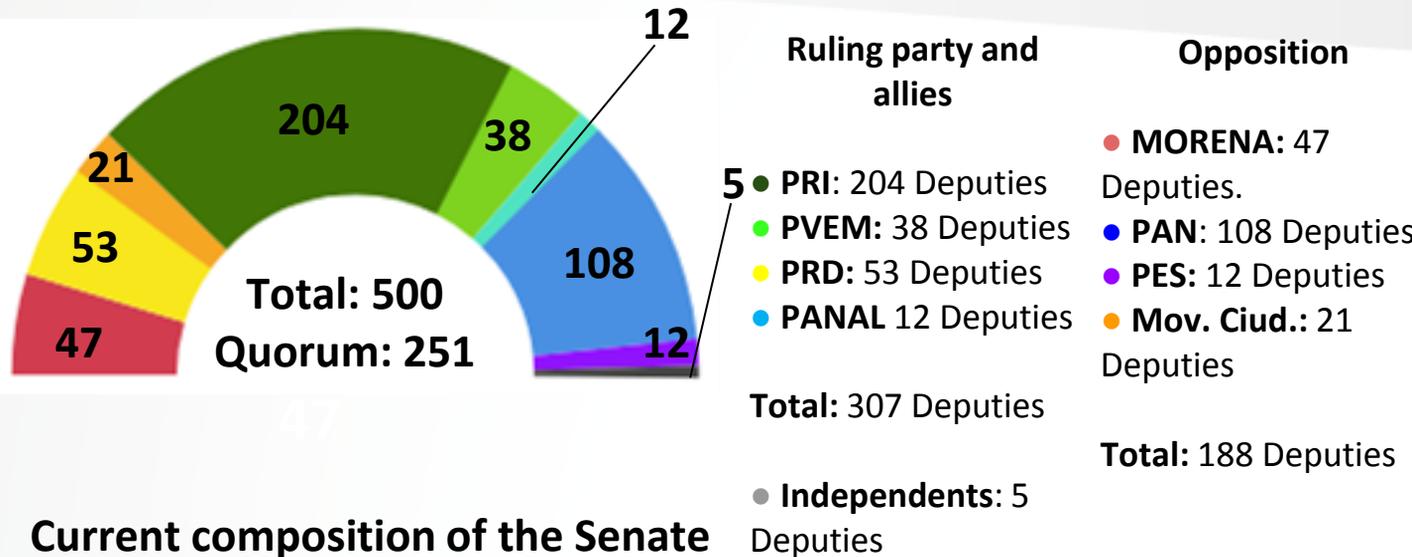
In the **Senate**, each State and the Federal District are represented by two senators of the largest party overall and one senator of the largest minority party, i.e., 3 seats per State and a total of 96 seats. In addition, 32 senators are voted via proportional representation, the country serving as a single district.

Total: 96 seats + 32 seats: 128 Senators

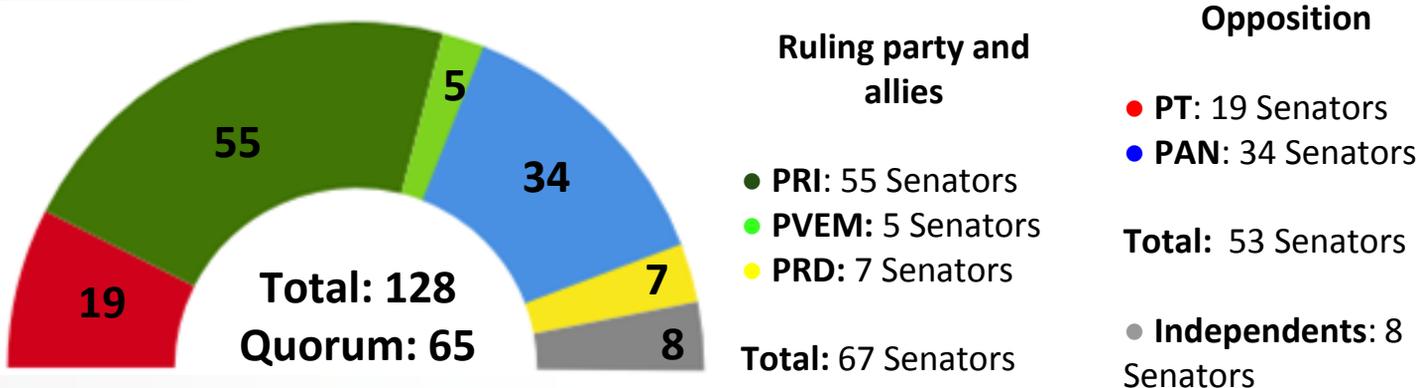


9. Current composition of Congress

Current composition of the Chamber of Deputies



Current composition of the Senate



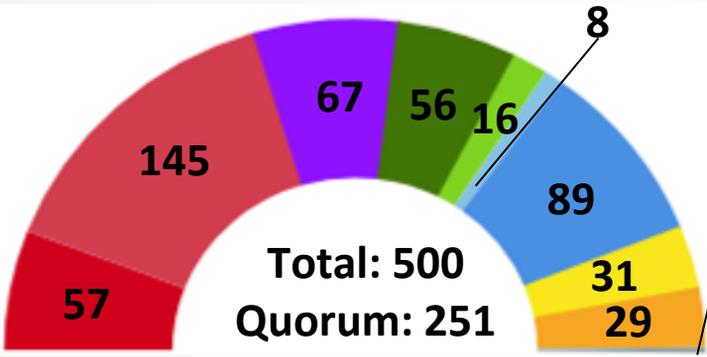
Currently, the Congress is **dominated by the ruling party PRI** (204 deputies and 55 senators) since federal elections of 2012, despite a slight drop in its number of seats in the 2015 elections, where all the Deputies' seats were renewed. **In a legislative alliance with the also ruling PVEM** (38 deputies and 5 senators) and, later, **also with the PRD** (allied to the ruling party, 53 deputies and 7 senators), the PRI held the majority of seats in both Chambers. This allowed President Peña Nieto to govern, even if the alliance with the **PRD** was **only circumstantial**. Therefore, it was not free from negotiations.

Two other elements stand out in this Congress: firstly, the near absence of center-left party MORENA (only 47 deputies). It has less than 10% of the seats in the Chamber of Deputies and no representatives in the Senate. This is because the party was founded in 2014.

Secondly, the **prevalence of the traditional PAN** (108 Deputies and 34 Senators), **PRI**, and **PRD parties** in the composition of this Congress. Together they make up 73% and 75% of the lower and upper chambers respectively.

10. Projections

Projection of the Chamber of Deputies*



• Independents: 2 Deputies

Juntos Haremos Historia

● **PT:** 57 Deputies
 ● **MORENA:** 145 Deputies
 ● **PES:** 67 Deputies

Total: 268 Deputies

Todos por México

● **PRI:** 56 Deputies
 ● **PVEM:** 16 Deputies
 ● **PANAL:** 8 Deputies

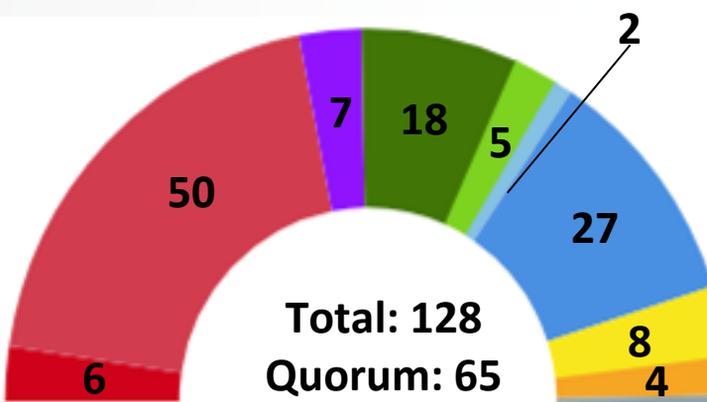
Total: 80 Deputies

Por México al Frente

● **PAN:** 89 Deputies
 ● **PRD:** 31 Deputies
 ● **Mov. Ciud.:** 29 Deputies

Total: 149 Deputies

Projection of the Senate*



• Independents: 1 Senators

Juntos Haremos Historia

● **PT:** 6 Senators
 ● **MORENA:** 50 Senators
 ● **PES:** 7 Senators

Total: 63 Senators

Todos por México

● **PRI:** 18 Senators
 ● **PVEM:** 5 Senators
 ● **PANAL:** 2 Senators

Total: 25 Senators

Por México al Frente

● **PAN:** 27 Senators
 ● **PRD:** 8 Senators
 ● **Mov. Ciud.:** 4 Senators

Total: 39 Senators

Given that this is an election where all the seats in Congress will be renewed, polls forecast a **radical change in the legislative scenario** of the country. **Ruling party PRI** is expected to **lose its parliamentary majority** (204 Deputies and 55 Senators), in line with its forecasted bad performance in the presidential contest and citizens' dissatisfaction with the government.

Both the party and the coalition supporting left-wing oppositionist Andrés Manuel López Obrador **MORENA** and **Juntos Haremos Historia** respectively, **are the favorite to obtain a majority both in the Senate and in the Chamber of Deputies**. This chimes with the polls which predict that the **center left-wing politician will become the president of Mexico**. In such case, a good relationship between the executive and legislative branches is to be expected. A congress in line with **Andrés Manuel López Obrador's** policies is thus the most likely forecast. This will grant him **the capacity to impose his own agenda**.

*Source: self-made graphic based on polls carried out by local consulting agencies in June 2018.

10. Projections

- **Andrés Manuel López Obrador positions himself as clear favorite.** With a voting intention that virtually doubles his closest rival's, an election where AMLO comfortable wins is to be expected. Should he also reach majorities in both chambers of Congress, as is forecasted, the left-wing candidate will enjoy a high degree of consensus that will allow him to implement his policies with ease. Here are the most probable ones:
 - **A minimum wage increase** is a priority both for AMLO and for the potentially second political force of the country, Frente por México.
 - **Reforming public spending.** Both AMLO and Anaya have proposed to reduce public spending through a more efficient and transparent administration.
- **¿What will happen to NAFTA?** Although all candidates are in favor of renewing NAFTA, the possibilities of reaching an agreement diminish in case of an AMLO's victory, in view of his favorable stance on state intervention. A more open confrontation between Mexico and the United States is thus to be expected.
- **An all-or-nothing scenario.** Given that the Mexican electoral system does not contemplate a second round, it is likely that the candidate who wins the presidency hasn't received a high percentage of the popular vote. Taking into account the opposition between pro- and anti-establishment candidates in this election, this could cause an increase in the political polarization of the country.
- **A new legislative scenario.** Given that in this election the whole Congress will be renewed (500 deputies and 128 senators), the surveys predict that the coalition that wins the presidential contest will also become the majority party in both legislative chambers. This will allow the winning candidate to easily impose his agenda.

ARGENTINA

BUENOS AIRES

Avenida Entre Ríos 258 3E,
Buenos Aires (1079), Argentina.
Tel. + (5411) 5218-4647

EE.UU.

MIAMI

1101 Brickell Avenue, South
Tower, 8th Floor, Miami, Florida
(33131). Tel. +1 (786) 828-0675