

THE LEGACY OF LOPEZ OBRADOR

November 2024

SIGNOS VITALES
EL PULSO DE MÉXICO

<https://www.nytimes.com/es/2021/05/13/espanol/opinion/evelyn-salgado-Lopez Obrador.html/> Foto: Hector Vivas/Getty Images





Is a non-profit, non governmental organization that is structured by a Council built up of people with an outstanding track record, with high ethical and professional level, which have national and international recognition and with a firm commitment to democratic and freedom principles.

The Council is structured with an Executive Committee, and Advisory Committee of Specialists and a Communication Advisory Committee, and a Executive Director coordinates the operation of these three Committees.

One of the main objectives is the collection of reliable and independent information on the key variables of our economic, political and sociocultural context in order to diagnose, with a good degree of certainty, the state where the country is located.

Vital Signs intends to serve as a light to show the direction that Mexico is taking through the dissemination of quarterly reports, with a national and international scope, to alert society and the policy makers of the wide variety of problems that require special attention.



Weak or absent pulse can have many causes and represents a medical emergency.

The more frequent causes are the heart attack and the shock condition. Heart attack occurs when the heart stops beating. The shock condition occurs when the organism suffers a considerable deterioration, which causes a weak pulse, fast heartbeat, shallow, breathing and loss of consciousness. It can be caused by different factors.

Vital signs weaken and you have to be constantly taking the pulse.

Executive COMMITTEE

Maria Amparo Casar

Enrique Cardenas*

Julio Frenk

Maria Elena Morera

Alejandra Palacios

Federico Reyes Heróles

Jorge Suarez Velez

Duncan Wood

Carlos Lascurain

Executive Director & Prosecretary

*President 2024–2026



Advisory Committee SPECIALISTS

Ruben Aguilar Valenzuela
Eduardo Backoff
Mariana Barraza Llorens
Rosanety Barrios
Juan Carlos Belausteguigoitia
Carlos Bravo Regidor
Jose Antonio Caballero
Mariana Campos
Victor Carrion Rodriguez
Jose Ramon Cossio
Salomon Chertorivsky
Katia D'Artigues
Luis De la Calle
Gabriela Dutrenit Bielous
Carlos Elizondo Mayer-Serra
Marco Antonio Fernandez

Luis Foncerrada Pascal
Ricardo Fuentes Nieva
Rogelio Gomez Hermosillo
Luis Raul Gonzalez Perez
Eduardo Gonzalez Pier
Eduardo Guerrero
Tonatiuh Guillen
Carlos Heredia
Gonzalo Hernandez Licona
Alejandro Hopet
Carlos Hurtado
Maria Eugenia Ibarraran
Edna Jaime
Sandra Ley
Sergio Lopez Ayllon
Carlos Mancera

Regina Martinez Casas
Lorenza Martinez Trigueros
Ivonne Melgar
Lourdes Melgar Palacios
Alfonso Mendoza
Manuel Molano
Lourdes Morales
Adela Navarro Bello
Veronica Ortiz Ortega
Tony Payan
Jacqueline Peschard
Jose Antonio Polo Oteyza
Alejandro Poire
Casiopea Ramirez
Dario Ramirez
Francisco Rivas

Raul Rojas Gonzalez
Jose Roldan Xopa
Hernan Sabau
Pedro Salazar Ugarte
Jose Sarukhan Kermez
Sylvia Schmelkes
Jaime Sepulveda
Carlos Serrano H.
Eduardo Sojo
Francisco Suarez Davila
Miguel Szekely
Brenda Valderrama Blanco
Gustavo Vega Canovas
Lilia Velez Iglesias
Hector Villarreal Ordoñez
Luis Carlos Ugalde
Pablo Zarate



Table of contents

THE GOVERNMENT OF ANDRES MANUEL LOPEZ OBRADOR 2018 – 2024 P. 13

CHAPTER 1. FROM A LAWLESS GOVERNMENT TO A CHANGE OF CONSTITUTIONAL REGIME P. 25

1.1 Centralization of power in the Executive 26

- » Analysis of the consolidation of power in the executive 26
- » Impact on democratic institutions and mechanisms of checks and balances 30

1.2 Erosion of the rule of law: decisions that marked the six-year term of office 33

- » Analysis of the interference of the Executive in the Judiciary 33

1.3. Judicial reform at the end of the six-year term: constitutional regime change 42

- » Implications of judicial reforms for the future of the constitutional system 43

1.4. The cost of republican austerity and the discretionary use of the budget 49

- » Analysis of austerity policies 49
- » Discretionary budget management and lack of transparency 54

1.5. Human rights without institutional protection 62

- » State of human rights in Mexico 62
- » Human Rights in Mexico: between misinformation, lies and lack of institutional protection 90

CHAPTER 2. THE NEW POLITICAL REGIME: POWER ACCUMULATION WITHOUT CHECKS AND BALANCES P. 95

2.1. Constitutionally Autonomous Bodies and the control of institutions that counterweight it 96

- » Power accumulation without checks and balances 99
- » The colonization of institutions 102

2.2 Disappearances of checks and balances: constitutional reforms 107

- » Analysis of reforms and their impact on constitutional checks and balances 107

- » What is the reality of the CABs at the end of Lopez Obrador's term? 113

2.3 The National Anticorruption System and the SFP's inaction 133

- » Effectiveness of the Anticorruption System in doubt 133
- » What is the Public Function Secretariat for? 138
- » Conclusion: a new political regime –the legacy of Lopez Obrador 139

CHAPTER 3. MILITARIZATION OF PUBLIC LIFE P. 142

3.1 Creation and expansion of the National Guard under military command 143

- » Identity crisis? The National Guard as a civilian or military institution? 144
- » The role of the National Guard in public security 152

3.2 Civilian activities in military hands and increased budgets for the armed forces 160

- » Increase in tasks justifies budget boosts 160
- » Military elements in civilian positions 166
- » And are the results worth it? – Insecurity, Lopez Obrador's legacy 168

3.3 Lack of transparency and legal protection of the military 173

- » Military control in strategic areas –control over customs, ports and airports 173
- » Who watches the watchman? Excesses in the use of power, corruption, and impunity 179

3.4 Military forces and organized crime 183

- » Perverse relationship to fill gaps 183
- » ...And Mexican society where is it? 187

Conclusion: militarization, a virus difficult to reverse 189

CHAPTER 4. ECONOMICS: PERFORMANCE, FINANCES AND EXTERNAL SECTOR P. 192

4.1.Economic performance in perspective 193

- » Introduction: late growth and dependence on the public sector 193
- » GDP and GDP per capita 194
- » Regional and state gap 201
- » The legacy: sustained investment (public works and oil refinement) and growth in services and manufacturing linked to foreign trade and domestic imbalances 206

4.2 Consumption and investment, and growth prospects 209

- » Introduction: lack of investment and increased dependence on foreign markets 209
- » Private consumption, domestic and imported 210
- » Public and private investment performance 214
- » Foreign investment and it is really *reshoring* 219
- » The legacy: distortions in the composition of aggregate demand and alienation of foreign capital 223

4.3 External imbalances and value added in export manufactures 225

- » Introduction: Mexico, transit country 225
- » Made in China, exported by Mexico 226
- » Value added of manufacturing exports 235
- » The legacy: a low value-added assembly economy, generate new trade routes with Asia 238

4.4 Labor market and labor displacements 241

- » Introduction: insufficient economic growth and labor displacement 241
- » Long-term labor gap and unemployment 242
- » Welfare programs. Population with unearned income 245
- » Labor productivity and wage policy 249

- » The legacy: downward pressures on corporate profits and on labor productivity 250

4.5 Anatomy of Public Finances 253

- » Introduction: depetrolyzing and polluting public finances, and militarization of public works 253
- » Revenues, expenditures and debts 254
- » Pemex, CFE and their relevance for public finances 260
- » Armed Forces and flagship investment projects 262
- » Development banks, Infonavit and Fonacot 264
- » The legacy: internalizing in public finances the cost of the carbonization of the Mexican economy and greater intervention of the military in the economy 267

4.6 Penetration of organized crime in economic activity and society 269

- » Huachicol and clandestine fuel taps 270
- » Clandestine laboratories and synthetic drug trafficking 277
- » Armament, equipment and other facilities 280
- » Military presence and clashes 282
- » Remittances, current account and money laundering 283

- » Increased demand for money (dirty money) 285
- » The legacy: increased penetration of organized crime in economic activity and the daily lives of Mexicans 288

4.7 Economic legacy: blood dollars, supports for silence and rubber bullets 290

CHAPTER 5. POVERTY AND INEQUALITY: FOR A MEXICO WITH SOCIAL RIGHTS P. 296

5.1 Fighting poverty: the balance of the six-year term 297

- » Who is and who is not poor in Mexico? 297
- » Poverty and extreme poverty trajectories: and enduring legacy 300

5.2 People's income 306

- » Labor income and payments to capital 306
- » Minimum wage increase and working poverty 310
- » Social programs 317
- » Universal pension 322
- » Remittances 332
- » Household expenditures 338
- » Alternative poverty data 339

5.3 Economic inequality 342

- » Fragile role of the state as monopoly regulator 346
- » Weak taxation to sustain commitments 348

5.4 Inequality of opportunities: from cradle to working life 353

- » The importance of the financial system for social mobility 358

5.5 Perspectives on poverty and inequality 362

- » Formation of a level ground 362
- » Assessment of current and required policies to eradicate poverty 363
- » Conclusion 366

CHAPTER 6. EDUCATION: A CHALLENGE THAT THREATENS THE FUTURE P. 370

6.1 Education policy and its term results 371

- » Early childhood and preschool education 372
- » Coverage and permanence: Basic Education, Secondary and Higher Education 376
- » Higher Education and Welfare Universities 379
- » Learning 385

6.2 The New Mexican School: Free text books 391

- » Educational programs and scholarships 394

- » Teacher training 396
- » Education and infrastructure budget 400

6.3 The Education System in 2024: the legacy 408

- » No support for science and technology 410
- » A minimum urgent agenda 415
- » Conclusion 417

CHAPTER 7. HEALTH: THE GRAVEST SOCIAL DEBT

P. 419

- » Introduction 420

7.1 Context: access to health care and quality of service 422

- » Essential health data system 422

7.2 Health system architecture 429

- » The effects on access and coverage 438

7.3 Legacy: Insabi and IMSS-Bienestar 443

7.4 Public and private finances: health spending 450

- » Opacity of resources 458

7.5 Closing windows 464

- » Minimum health agenda 467
- » Conclusions 470

CHAPTER 8. THE ENERGY PANORAMA OF MEXICO

P. 474

8.1 Mexico faces de challenge of energy transition 475

- » Introduccton 475
- » The energy transition in Mexico, United States and the rest of the world 477
- » Relevance of the energy sector in the Mexican economy and the transition cost 481
- » The legacy: anchoring development from the energy sector to the refining industry 486

8.2 Oil and hidrocarbons: shortages of private envestment and refining capacity 488

- » Introduction: Mexico and its eagerness to produce hidrocarbons 488
- » Production platform and depletion of mature fields 489
- » Dos Bocas, Deer Park, the SNR and imbalances to come 497
- » The legacy: moving from a net oil exporter to a net oil importer based on public finance capacity 506

8.3 Electricity, the big bottleneck 508

- » Introduction: the electricity system limits and constraints to economic progress 508
- » The veins of the economy: power transmission and distribution 509

- » Distributed generation and the only redoubt of the energy transitions 515
- » Political and financial weight of the unions in CFE's performance 519
- » The legacy: llevar el Sistema al limite 523

8.4 Natural gas, an essential commodity 526

- » Introduction: natural gas is no longer a transitional energy source 526
- » Rising dependence on natural gas and energy transition setbacks 527
- » Storage, a pending issue 535
- » The legacy: increased dependence on natural gas and incapability to mitigate excessive risks 536
- » Conclusions: politics, ideology and the dismantling of the energy market 537

CHAPTER 9. ABANDONMENT OF THE ENVIRONMENT P. 543

9.1. The environmental threat and its lethal legacy 544

- » Introduction 544
- » If the world did what Mexico does 545
- » The legacy: failure to comply with international commitments on environmental issues 548
- » Dismantling of the Mexican state capabilities 549

- » Budget for energy transition and combating climate change 550
- » Institutional dismantling 552
- » Impunity and consequences of environmental crimes 554
- » The legacy: dismantling of environmental policy and loss of capacity of the government 557

9.2 Large-scale deforestation: megaprojects (public and private), social programs and forest fires 559

- » Introduction 559
- » The Maya train and economic activity 560
- » Sowing life 563
- » Forest fires 565
- » The legacy: the largest deforestation campaign in Mexico's modern history 569

9.3 Energy policy and the economy's new carbonization 571

- » Natural gas flaring and venting 575
- » Air pollution, measurement and its impact on health 579
- » The legacy: increasing dependency on fossil fuels without any counterbalance 583

9.4 Water scarcity, social and economic implications 585

- » Drop in investment and neglect of the sector 585
- » Water shortages and social and economic (in)stability 589
- » The legacy: disincentives for future investments in manufacturing other than fossil fuels in the north 593
- » Conclusions 594

10. THE LEGACY IN FOREIGN POLICY P. 597

10.1 The legacy of Lopez Obrador in Foreign Policy 598

- » Mexico and the U.S. –a relationship with lights and shadows 601
- » Mexico Latina American governments –ideological frienships 604
- » European Union –the forgotten relationship 605
- » International organizations and forums –absence and futher isolation 607
- » Conclusion 608

REFERENCES 610



Article 87. The President, upon taking office, shall make before the Congress of the Union [...] the following oath:

I do solemnly swear to uphold and enforce the Political Constitution of the United Mexican States and the laws enacted under its authority, and to faithfully and patriotically execute the office of President of the Republic that the people have conferred upon me, pursuing in all actions the welfare and prosperity of the Union; and if I do not do so, may the Nation demand it from me.

Political Constitution of the United Mexican States

THE GOVERNMENT OF ANDRES MANUEL LOPEZ OBRADOR 2018 – 2024



Image: <https://revistamira.com.mx/2016/04/08/la-vida-en-el-paso-de-cebra-mas-saturado-de-la-ciudad-de-mexico/>

The government of Andres Manuel Lopez Obrador

2018 – 2024



The mandate of Andres Manuel Lopez Obrador, President of Mexico from 2018 until 2024, has been a turning point in Mexican politics, marked by a series of decisions that have had a profound impact on the political, social, economic and environmental life of the country. Since taking office, Lopez Obrador promised a "Fourth Transformation" that would focus on a radical change in the political and economic model to end corruption, reduce poverty and return control of the country to its people. However, the actions and decisions during his six-year term left a deep and negative legacy that will be difficult for the new administration and future generations of Mexicans to overcome. This

report addresses the most relevant and critical issues that have defined this period, based on comparative statistical data throughout his term of office, in order to analyze the aftermath of Lopez Obrador's government in various key aspects of the country.

At Vital Signs, we have followed closely the decisions, actions and results of the past federal administration that have had an impact on the most important and decisive sectors of the country. One of the main objectives of this report is to review the legacy left by the administration of president Lopez Obrador, beyond the timely analysis that Vital Signs has carried out during the nearly six years his administration lasted. We

Since coming to power, Lopez Obrador promised a "Fourth Transformation" that would focus on a radical change in the political and economic model to end corruption, reduce poverty and return control of the country to the people.

seek to accurately document the legacy that Lopez Obrador's left in the main sectors of the country.

The way in which this report is presented coincides with the structure we have been presenting in previous reports. It begins with the area of governance, which is the focus of the first three chapters. In the first, we talk about a lawless government which aims a constitutional regime change, in the second about the accumulation of power without counterweights, and in the third about the militarization of public life. In the fourth chapter we analyze the performance of the Mexican economy, employment, public finances, and the external sector. In the fifth chapter we discuss poverty and inequality, and the need for a Mexico with social rights. The two most important social areas are obviously studied: in the sixth chapter, education, a challenge that threatens the future; in the seventh chapter, health, Mexico's most serious social debt. Finally, the energy sector is addressed in the eighth chapter, and in the ninth, the threat of environmental care, climate change, and its lethal legacy. We present a final chapter on foreign policy and the international situation faced by Mexico.

Confronted with Mexico's past, and his own, one of the most emblematic legacies of the former president

of Mexico was the tangible polarization of Mexican society. For six years (or the 18 years during which he competed for the presidency), Lopez Obrador promoted a narrative that divided and fractured the population into categorized groups, which contributed to the construction of a climate of confrontation and permanent social antagonism. Terms such as "rich" and "poor", "fifis" and "chairs" emerged in this ideological context. This classification exacerbated divisions in society, creating an atmosphere of confrontation in which ideological and socioeconomic differences became even more marked. The polarization carried out during the six-year term was expressed in a political and media discourse where criticisms of the government were disqualified with the argument that they came from "neoliberal or conservative" groups, while voices supporting Lopez Obrador's policies were exulted as authentic, valid and representative of the people. This led to further fragmentation in society, where empathy and understanding between different sectors is now compromised.

During his administration, marked by rupture and destruction, Mexico experienced a change of course that profoundly impacted democratic institutions and checks and balances. From the beginning of his six-year term, the Executive concentrated power in a

One of his most emblematic legacies was the tangible polarization of Mexican society. For six years Lopez Obrador promoted a narrative that divided and fractured the population, which contributed to the construction of a climate of confrontation and permanent social antagonism.

unique way, eroded the rule of law and weakened the institutions that should function as counterweights to his authority. The morning conferences, known as "mañaneras" became the pillar of his government, not only as a communication tool, but also as a space from which he attacked the opposition and delegitimized autonomous bodies. With the increasing centralization of power, a change in Mexico's constitutional regime was also consolidated, weakening the independence of the Legislative and Judicial branches. Organizations such as Mexicans Against Corruption and Impunity (MCCI, for its acronym in Spanish) documented at least 182 dubious legal actions by the Executive between 2018 and 2022, underscoring the lack of respect for the legal framework.

The cost of these decisions was remarkable, especially in terms of transparency and accountability. The morning conferences reached an audience of nearly 10 million people per day, facilitating the consolidation of an official narrative even when it was based on inaccurate assertions.

According to data from Article 19, in 58.8% of the cases reviewed, no evidence was presented to support the presidential statements, and in 26.5% the statements were proven to be false. Throughout his six-year term,

Lopez Obrador used this morning conferences to influence the public agenda, omit direct accountabilities and avoid interviews in critical media. This dynamic weakened the interaction between powers and transparency, whilst fostering a public perception aligned with the Executive's interests and affecting the development of a strengthened democratic rule of law.

The political regime headed by Lopez Obrador was characterized by a clear accumulation of power and elimination of institutional counterweights, affecting the functionality of the Autonomous Constitutional Bodies (OCAs, for its acronym in Spanish) in Mexico. Institutions such as the National Electoral Institute (INE, for its acronym in Spanish) and the National Transparency Institute (INAI, for its acronym in Spanish), designed to act independently from the Executive, in addition to constant attacks from the presidential pulpit, suffered significant budget cuts that limited their operations. During this period, INE and INAI saw reductions in their budget requests of 5.8% and 6%, respectively, weakening their capacity to supervise democratic processes and protect access to public information.

These measures not only took away the autonomy of these entities, but also affected their essential tasks

From the beginning of his six-year term, the Executive concentrated power in a unique way, eroded the rule of law and weakened the institutions that should function as counterweights to his authority.

and compromised their role as defenders of transparency and democracy in Mexico.

The consolidation of power in the Executive was evident in multiple reforms aimed at reducing the checks and balances in the government's structure. These reforms included the centralization of the public administration and the placement of military personnel in key civilian functions, while the policy of austerity was used as a justification to reduce funding for the OCAs. This institutional weakening profoundly affected the democratic structure of the country by stripping the entities of the ability to supervise and control the use of presidential power. At the end of the six-year term, the impact of this concentration of power on Mexico's political left autonomous institutions in a state of vulnerability, leaving a worrisome legacy for the future of democracy in the country.

In the area of public security, Lopez Obrador continued and deepened the militarization of public life, a strategy already initiated by previous administrations.

Despite his campaign promises to return the Armed Forces to their barracks, the National Guard was created in 2019 and its integration was mostly military, with 87% of its members coming from the Armed Forces by 2023. This militarization of public security

tasks was accompanied by an increase in the budget allocated to the military, which came to include civilian functions such as the administration of ports, customs and airports. This increase in military functions and personnel in civilian security marked a step backward in the strengthening of civilian security institutions, limiting oversight capacity and promoting a dependence on the military that will be difficult to reverse in the future.

In recent years, Mexico's Armed Forces have experienced an unprecedented increase in their budget, earmarked for civil infrastructure works, such as the Felipe Angeles International Airport and the Mayan Train. This growth has been remarkable, with a 121% increase in the budget of the Ministry of National Defense (Sedena, for its acronym in Spanish) for 2024, reaching 247,551 million pesos, and 64% for the Ministry of the Navy (Semar, for its acronym in Spanish), with 68,596 million pesos. However, this economic empowerment of the Armed Forces has been criticized due to the lack of transparency in the allocation and use of these monies. Organizations such as Mexico Unido Contra la Delincuencia (MUCD, for its acronym in Spanish) have pointed out that, following legislative allocation, the Armed Forces have discretionally reallocated up to 40% of their budget for activities

The morning lectures, known as "mañaneras," became the mainstay of the Lopez Obrador government, not only as a communication tool, but as a space from which he attacked the opposition and delegitimized the autonomous bodies. He also consolidated a change in the Mexican constitutional regime that weakened independence of the legislative and judicial branches.

outside of military activities without adequate oversight. This situation creates concerns about accountability and the impact on Mexican democracy.

The expansion of the National Guard under military command and the lack of transparency in its management increased the military presence in strategic areas of the government which had detrimental effects on Mexican society. The assignment of public security tasks to a military institution compromised civil rights and contributed to a growing perception of insecurity in the country. Throughout the six-year term, the National Guard lacked official records regarding its composition, and its annual work report was not presented in 2024, underscoring the lack of transparency and accountability in one of the most critical institutions of the current administration. Militarization left a legacy of insecurity and opacity that will affect the functioning of the country's justice system and will mark a significant setback in terms of civil rights and liberties.

In economic terms, the Lopez Obrador administration had a marginal impact on Gross Domestic Product (GDP) growth, which barely achieved a cumulative increase of 5% between 2018 and 2024, equivalent to less than 1% per annum and a reduction in per ca-

pita terms. This limited growth occurred in a context of recovery following the Covid-19 pandemic, and although tertiary activities achieved a partial recovery, investment in key sectors such as trade and industry was insufficient to foster sustainable growth. Instead of diversifying the economy, the government focused its efforts on infrastructure projects such as the Maya Train and the Dos Bocas refinery, which have not demonstrated a profitability that justifies the public investment allocated.

Low economic growth was exacerbated by the lack of investment in electricity and water infrastructure, which limited the development of industry and Mexico's export capacity. Restrictive policies in the energy sector, particularly in the supply of electricity, led to a 26.3% decline in its generation, transmission and distribution.

This setback affected the country's competitiveness and made it less likely to attract foreign investment and position Mexico as an attractive destination in manufacturing and foreign trade. Instead, the economy became dependent on a growth model that is unlikely to be sustainable in the long term.

The package of reforms promoted by President Andres Manuel Lopez Obrador before leaving office

Lopez Obrador continued and deepened militarization of public life, accompanied by an increase in the budget for military forces, which came to undertake civilian functions such as the administration of ports, customs and airports.

included several constitutional and legal modifications that were quickly approved by the Legislative without an exhaustive analysis. Among them is the reform to the Federal Judiciary (PJF, for its acronym in Spanish), which increases the influence of the Executive over the election and appointment of judges and magistrates, centralizes power even more in the President and weakens judicial independence. This type of reform jeopardizes the balance between the three branches of government and alters the principle of separation of powers.

The Lopez Obrador administration promoted a welfare policy aimed at reducing poverty and inequality in the country by implementing social programs that included direct transfers to vulnerable sectors. However, this policy did not succeed in attacking the structural causes of poverty in Mexico and the data shows that 36.3% of the population still lives in poverty. Although a slight decrease in poverty levels was reported between 2018 and 2022, from 51.9% to 46.8%, these advances were limited and in many cases ineffective due to methodological changes and lack of follow-up in social programs.

Moreover, social programs, such as universal pensions, were implemented without a solid system to

measure their impact, which limited their effectiveness in reducing economic inequality. Despite the increase in real terms of the minimum wage, which was an important achievement, the lack of well-paid jobs and precarious social security affected the quality of life of Mexican workers. As was to be expected, as a result of the policies implemented, inequalities in Mexico were perpetuated during the past six years. Key sectors, such as access to health and education services, continued to be unaffordable for millions of people, weakening social cohesion and limiting opportunities for progress for a large part of the population.

Contradictory to the slogan "first the poor", during Lopez Obrador's administration, the poorest and most vulnerable groups (deciles I and II) did not receive adequate attention, as social policies did not achieve effective coverage or substantial improvements in their conditions. In fact, extreme poverty increased, reflecting a lack of effective solutions to eradicate the deepest deprivations of the population. Public policies, although well-intentioned, did not translate into significant progress for those most in need, and their financial sustainability is questionable.

Lopez Obrador promoted a reform to the Judicial Branch (PJF) that increases the influence of the Executive over the election and appointment of judges and magistrates, centralizes even more more power in the President and weakens judicial independence. This reform jeopardizes the balance between the three branches of government and alters the principle of separation of powers.

Mexico's education system also underwent significant changes during the Lopez Obrador administration, with changes that diminished the quality of education and deepened inequalities in learning. The elimination of programs such as "Full-Time Schools" and changes in curricula affected coverage and retention at all levels of education. In higher education, despite programs such as the Benito Juarez scholarships, only 52% of students who enrol complete their studies, which reflects the lack of a comprehensive and effective educational policy. This situation reduced the quality of education and development opportunities for new generations by producing an educational system incapable of preparing young people for the challenges of the future.

The ideologization of curricula and lack of investment in science and technology limited academic development in critical areas, leaving Mexico lagging behind other countries in innovation and competitiveness. Moreover, the lack of resources allocated to the maintenance and improvement of educational infrastructure affected schools at all levels, exacerbating inequalities in education quality. The Lopez Obrador administration left a legacy of neglect and lack of vision in the education sector and put the fu-

ture of the country at risk by limiting opportunities for future generations.

In the area of health, the change from Seguro Popular to Insabi and its subsequent integration into IMSS-Bienestar left more than 30.3 million people without access to health services in 2022. The lack of infrastructure and poor management in the health sector were evident during the Covid-19, when millions of Mexicans exposed without adequate medical care. This fragmented system increased out-of-pocket spending by families and especially affected lower-income people, compromising the well-being of the population.

The failure to implement a universal and free health care system left a deep social debt in a country where access to health services is fundamental to improve quality of life. Internationally, Mexico hovers in the lowest levels in terms of public spending on health, allocating only 3% of GDP to the sector, compared to an average of 6.3% in Latin America. This lack of investment has not only left a large part of the population unprotected but has also deteriorated the quality of health services and left a long-term problem that future administrations will have to cope with.

Social support programs, such as universal pensions, were implemented without a solid measurement system of their impact, limiting their effectiveness in reducing economic inequality in the country.

The education system has also suffered significant setbacks during Lopez Obrador's administration, with changes that limited the quality of education and deepened inequalities in learning.

The Mexican energy sector was characterized by a policy that prioritized self-sufficiency and investment in hydrocarbon refining, side-lining the transition to clean energies. During the last six-year term, Mexico increased its dependence on fossil fuels. Electricity generation from renewable energies barely reached 21% of the total in 2024. This approach limited the development of the renewable energy market and left Mexico vulnerable to fluctuations in international energy prices, as well as contributing to climate change and its adverse effects.

The concentration of resources in Pemex and the Dos Bocas refinery weakened Mexico's capacity to diversify its energy matrix, leaving the electricity system critically vulnerable. Unlike other countries, such as the United States and European Union members, which are making progress in their energy transition goals, Mexico was left behind in an obsolete and polluting model that compromises the country's long-term sustainability and growth. Lopez Obrador's energy legacy represents a great challenge, as the country will now have to face the economic and environmental costs of relying on an inefficient and unsustainable system.

The chapter on the importance of the threat of environmental care: a lethal legacy addresses Mexico's

setback in the implementation of environmental policies and its international commitments, highlighting the negative impact of the decisions of the Lopez Obrador administration. Mexico, despite being signatory to international climate agreements, has been rated as a country with insufficient and inappropriate climate policies by projects such as the Climate Action Tracker (CAT). The past government prioritized the use of fossil fuels and dismantled key institutions that supported the move towards renewable energies, contributing to the increase in greenhouse gas emissions. Added to this are actions such as the cancellation of clean energy projects and the expansion of refineries, which has increased CO₂ emissions. It is estimated that the Dos Bocas refinery will emit 2.1 million tons of CO₂ annually. The energy policies implemented reflect an increased dependency on fossil fuels which threatens national and international objectives to mitigate climate change.

In addition, the chapter highlights the consequences of institutional weakening and opacity in the management of resources earmarked for climate change. Between 2017 and 2023, the budget to tackle climate change did not experience a significant improvement, despite a greater amount of resources being allocated in recent years. The lack of transparency

The change from Seguro Popular to Insabi and its subsequent integration into IMSS-Bienestar left more than 30.3 million people in the country with no access to healthcare services in 2022.

and politicization of bodies such as the Energy Regulatory Commission (CRE, for its acronym in Spanish) hindered the transition to clean energy, while key institutions in environmental protection were dismantled, reducing their capacity to monitor and evaluate the impacts of megaprojects such as the Maya Train and the Sowing Life program. The environmental impact of these projects, including the deforestation and biodiversity loss, has increased due to a lack of regulation and control.

Taken together, these decisions have put long term environmental health and sustainability at risk, with devastating effects on both the environment and public health.

The foreign policy legacy was characterized by a remarkable international isolation. Throughout the six-year term, foreign policy was relegated and Lopez Obrador prioritized domestic policy under the Estrada Doctrine of non-intervention in the affairs of other nations. With only seven international trips during his government, a significantly lower number than his predecessors, Mexico's presence in the global arena was considerably reduced. The president focused his efforts on strengthening ties with leftist governments in Latin America, such as Cuba and Venezuela, as well

as maintaining the relationship with the United States, despite ups and downs on issues such as migration and security. However, the constant diplomatic "pauses", such as those imposed on Spain and the European Union, and the controversies over its stance towards anti-democratic governments, generated tensions that isolated Mexico from its traditional allies. Lopez Obrador's foreign policy, marked by impulsive decisions and an ideological approach, has left a legacy that could be negative for Mexico.

The lack of a coherent strategy and the alienation of key powers could hinder the country's international projection, affecting its ability to influence global policy and take advantage of economic and diplomatic opportunities.

The legacy of Andres Manuel Lopez Obrador's administration leaves Mexico facing a challenging panorama marked by lack of effective public policies that could have driven a real and sustainable recovery for the country. The absence of a pragmatic vision and coherent implementation of key reforms in fundamental sectors such as education, health, economy, and energy, had a negative impact on the living conditions of the population and deepened poverty and inequality gaps. Despite efforts to improve the situation of the

Mexico's energy sector was characterized by a policy that prioritized self-sufficiency and the investment in hydrocarbon refining, side-lining the transition to clean energies.

Mexico's implementation of environmental policies and its international commitments regressed significantly.

most vulnerable, the reality is that the ideology-based strategy has been insufficient to address the country's major structural challenges.

The country's governance was also weakened, as the concentration of power, political polarization, and the weakening of the institutions in charge of guaranteeing the well-being of the citizenry proved to be a major obstacle to the development of the State's ability to respond effectively to security, economic and environmental crises. Growing insecurity and the disasters in sectors such as energy and the environment are evidence of a lack of a long-term vision, which has resulted in a stagnation of the country's potential. The outlook for growth, given the renegotiation of the T-MEC and the arrival of Trump to the presidency of the United States, is meagre and full of uncertainty and potential volatility. The legacy of this administration highlights the urgent need for a public policy that is not driven by a particular ideology, but by a genuine conviction to promote the country's integral development, with viable and effective policies that promote stability and general wellbeing.

The absence of a pragmatic vision and coherent implementation of key reforms in fundamental sectors such as education, health, the economy, and energy had a negative impact on the living conditions of the population and deepened poverty and inequality gaps.



1 FROM A LAWLESS GOVERNMENT TO A CHANGE OF CONSTITUTIONAL REGIME



Image: Photo: Sergio Vazquez, La Prensa at <https://www.la-prensa.com.mx/metropoli/marchan-en-defensa-de-la-scjn-bajo-la-consigna-la-corte-no-se-toca-10133409.html>

« 1.1 Centralization of power in the Executive

ANALYSIS OF THE CONSOLIDATION OF POWER IN THE EXECUTIVE

During the administration of Andres Manuel Lopez Obrador, Mexico's presidency was characterized by the centralization of power in the head of the federal executive. It is worth noting that the president has been characterized by undemocratic political behaviour patterns. While it is true that all presidents have acted against the law and the Constitution, that Mexico has not been characterized as a country where the rule of law is strictly enforced, Lopez Obrador showed a personal style while governing:

recurrently distorting the truth, using the tool of morning conferences to make unilateral decisions, using the budget in a discretionary and opaque manner, and constantly threatening institutions that could counterbalance his power, such as constitutionally autonomous bodies, the judiciary, and the press.

In addition, as analyzed in previous Vital Signs reports, there has been an increasing concentration of resources and competencies in the presidential figure, which has led to the weakening of auditing bodies and a lack of balance between the branches of government.

The president was characterized by undemocratic political behaviour patterns.

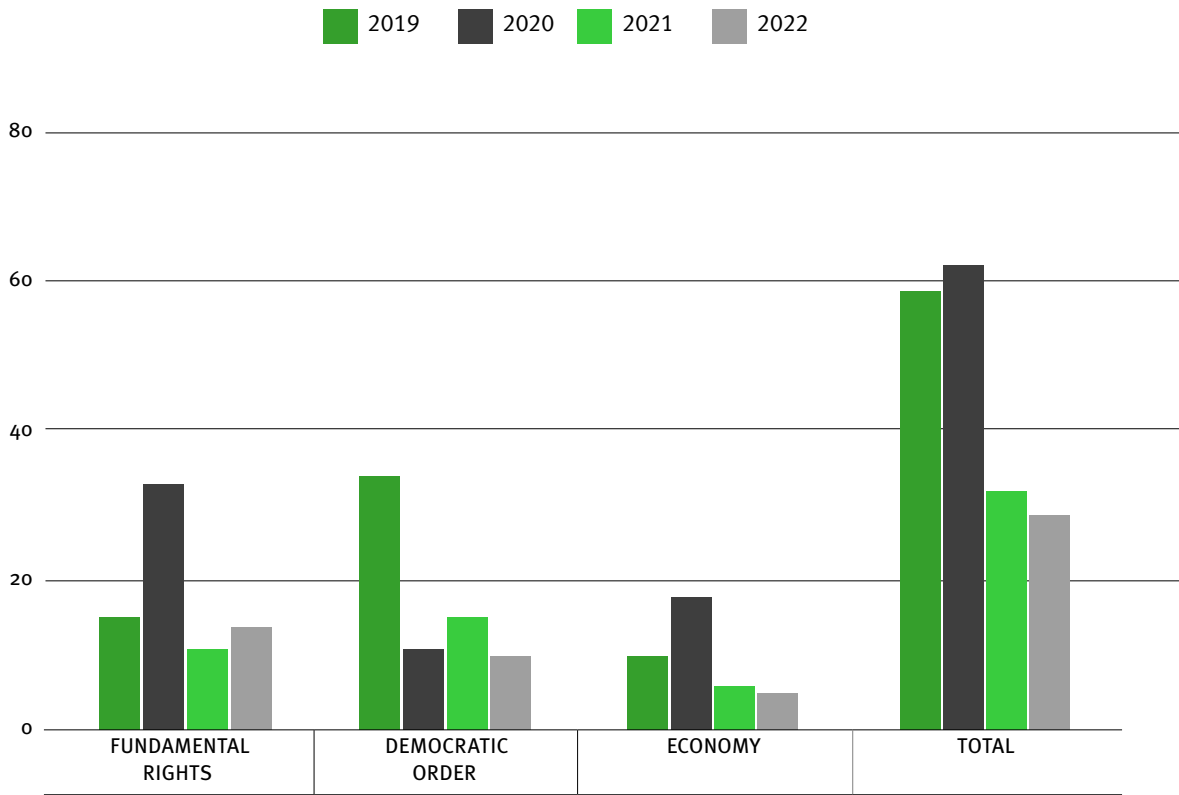
The president was characterized by undemocratic political behaviour patterns.

The violation of the Mexican regulatory framework by the federal executive branch, specifically by the president, has also been denounced, especially in matters related to respect for human rights, the separation of powers, the independence of the judiciary, and freedom of expression. In the same vein, there had been attempts to modify laws and the Constitution without respecting the established procedures. The organizations MCCI and Causa en Comun counted, between December 1, 2018 and the end of 2022 (latest available data), at least 182 allegedly illegal actions committed by the Executive Branch, either in complicity with another State body or unilaterally (Casar and Morera, 2023).

**MORNING CONFERENCES AS
A COMMUNICATIONAL TOOL FOR GOVERNANCE**

The morning press conferences (“mañaneras”) were the tool that marked Lopez Obrador's style of governing. The daily conferences, which started at 7 a.m., usually lasted 2 or even 4 hours, were broadcast live on YouTube and amplified by social networks and the media.

GRAPH 1.1 ILLEGALITIES COMMITTED BY THE EXECUTIVE BRANCH 2018–2022



Source: In-house elaboration with information from Casar & Morera (2023).

Although in principle Lopez Obrador's morning conferences might seem to be a great instrument to fulfill the purpose of informing about decisions of the Executive Branch and communicating events for the population, in fact functioned as a political instrument that enabled the president to attack his opponents as well as to influence the public debate, distract attention from uncomfortable topics for him and consolidate his narrative that was not necessarily aligned with reality.

It is interesting to note that this platform with national coverage acquired a dimension not seen before, which allowed the president to establish central elements of the public debate, strengthen his narrative, spread lies and attack his enemies. It is estimated that this morning show was watched by around 10 million people a day (Bravo, J. (2024b). This number becomes even more relevant when we look at the number of lies expressed during the conferences: according to investigations by the SPIN agency, Article 19 and Washington Post records, during Lopez Obrador's first 4 years alone, the president made 101 thousand false, misleading, or unverifiable statements. Other organizations have also denounced the lack of transparency in the Executive's statements

from his presidential platform. In 2022, Article 19 submitted requests for information and appeals for review related to 34 statements made by President Lopez Obrador, which resulted in the finding that in 58.8% of the cases no information was presented to prove the veracity or falsity of the statements, while in 26.5% it was proven that the statement was false (Article 19, 2023).¹

In addition, crucially the morning conferences replaced the president's direct interviews with the media. By using them to answer questions to previously selected journalists, he made it obsolete to speak face-to-face to critical media and thus avoided direct questioning. In the entire six-year term, the president gave a total of 5 interviews to national and international media. The last interviews he gave were with the Spanish channel Red, with a duration of two hours, while the interview in the program "60 Minutes" of the U.S. channel CBS only lasted 13 minutes. Likewise, the government turned down numerous requests for interviews with the argument that the

¹ All available information and figures on the lies committed in the mornings have been collected in the period 2018–2022. There is no recent study that takes into account the entire six-year period.

The morning conferences seemed like a great communication tool, but the president used them to attack his opponents, influence public debate, distract attention from uncomfortable issues and consolidate his narrative, one not necessarily aligned with reality.

issues were dealt with in the morning conferences or arguing that journalists might use the interviews to create a negative image of the president.

Interestingly, communication through morning conferences has been replicated in several states. In total, 13 governors and 13 mayors replicated the president's model of communication to render accounts. Practically all, 25, belong to the Morena party, the remaining one being Governor Samuel Garcia of the Movimiento Ciudadano party (Rodriguez, 2022). As in the president's conferences, those at state and municipal level are characterized by the rejection or relativization of information in addition to hostility towards the media.

Patently Lopez Obrador created with the morning conferences an unprecedented and powerful tribune from which he has set his agenda, making sure that the debate revolves around him. With this way of governing, the president left a legacy marked by a lack of dialogue, intolerance to criticism, creating a parallel reality and promoting an increasingly undemocratic governance. The effect he has had in other areas of Mexico's territory adds to the legacy of a country where there is less interaction and more authoritarianism.

The following sections of this chapter will analyze the other ways in which the president centralized power during his six-year term and what impact they had on the rule of law and Mexican democracy. As it has been evident, the slow but progressive construction and consolidation of democratic institutions and the professionalization of public administration in Mexico are threatened by a series of attacks by the federal government in six years of government. Through budget reductions, the colonization of autonomous bodies and the disappearance and subordination of institutions, the federal Executive undertook a decisive campaign to dismantle some of the democratic counterweights that could restrict presidential power and delay the consummation of the Fourth Transformation project. The legacy that Lopez Obrador left for the following governments is a state where laws have been changed without respecting the processes, where a discretionary budget is managed together with a lack of transparency in decisions and where human rights have been undermined.

The "mañaneras" (morning conferences) were replicated in 13 governorships and by 13 mayors.

IMPACT ON DEMOCRATIC INSTITUTIONS AND MECHANISMS OF CHECKS AND BALANCES

In line with the above, it is worth commenting that it is clear that democracy implies conversation between powers and negotiation between parties, in addition to empowering certain actors to modify both legal and constitutional norms. But all of this must be processed through strictly democratic means. On the contrary, Mexico serves as an example in which the conversation became subordination of one power to another, negotiation between parties becomes a threat to those who oppose the most powerful, and legal reforms do not comply with procedural requirements or violate the rights of individuals.

Thus, all important decisions promoted and defended by the president during his six-year term were made without seeking dialogue or agreement with other actors in the political system –governors, mayors, legislators, political parties, autonomous institutions, specialists and civil society– (Becerra, 2024). The unipersonal power promoted by Lopez Obrador has had substantial effects in democratic institutions as well as in checks and balances.

In the following sections we will discuss in more detail how the concentration of executive power manifested itself and how it impacted the constitutionally autonomous bodies, the Judiciary and specific areas such as human rights. However, when talking about control mechanisms and analyzing the president's legacy, the role of the Legislative Branch cannot be discarded. As evidenced in previous Vital Signs reports, Lopez Obrador distinguished himself by not giving considerable relevance to Congress and was not willing to negotiate with the opposition (Vital Signs, 2023). His positioning was always unidirectional and with the sole motivation of achieving his objective.

Many times, he succeeded in passing his reforms in Congress. When he faced obstacles, he chose to use his absolute majority to reform laws, even when they contravened the Constitution. During his first three years in office, Lopez Obrador did not encounter major complications in implementing his reforms, but since the formation of a new Chamber of Deputies in 2021, it was noted that the approval of their initiatives presented in the Lower House, as chamber of origin, decreased drastically from 96.2% to 47.8% (Vital Signs, 2023).

Analyzing the entire six-year term, a study conducted by the Belisario Dominguez Institute details that the president from December 2018 to May 2024 sent a total of 101 initiatives to Congress, of which 64 were approved, an approval rate of 63.36%. In comparison, the approval rates of previous presidents were 79.84% for EPN, 79.55% for Calderon and 74.70% for Fox (Senado de la Republica, 2024).

Nevertheless, the president managed to pass several projects at record speed, due to the fact that he dispensed with the procedures of the legislative process and voting simultaneously in both chambers (Vital Signs, 2023). A notable example of this was the approval of nine reforms and 20 legal ordinances that modified 15 laws in 2023. Additionally, the initiatives sent by the president, with some exceptions (such as the reform that gave rise to the National Guard in 2019) did not undergo major modifications by legislators. In fact, the president publicly demanded that his initiatives were approved without any changes, such as, for example, the electricity reform, for which the necessary votes were not obtained. Hence the phrase, which transcended borders, that not a comma would be changed in the text sent by the president to Congress.

At the end of the six-year term it is clear that, although the opposition voted against the presidential proposals and managed to stop several, the majority bloc –subordinated to the orders of the Executive– stood out for its unwillingness to negotiate, applying undemocratic methods to obtain majorities, bypassing legislative processes and belittling the opposition.

With the June 2024 elections and the fact that Morena and its allies already had a qualified (two-thirds) majority in Congress at the end of the six-year term, the role of both legislative chambers in providing checks and balances is in danger of disappearing, leaving an undemocratic legacy in terms of legislative counter-balances, negotiation and cooperation to achieve a balance of power for the benefit of Mexico.



The president publicly demanded that his initiatives be approved without any change, "not even a comma", to the text sent to Congress.

LEGACY 1. CENTRALIZATION OF POWER IN THE EXECUTIVE BRANCH

RECURRENT TRUTH DISTORTION DURING MORNING PRESS CONFERENCES (2019–2022):

101,000 FALSE, MISLEADING OR UNVERIFIABLE CLAIMS.

10 MILLION PEOPLE WATCH “LA MAÑANERA” EVERY DAY

ILLEGALITIES COMMITTED BY THE EXECUTIVE BRANCH (2019–2022):

73 TO THE FUNDAMENTAL RIGHTS

70 TO THE DEMOCRATIC ORDER

39 TO ECONOMY

182 ALLEGEDLY ILLEGAL ACTIONS

UNILATERAL DECISION MAKING. APPROVAL OF INITIATIVES:

96.2% LEGISLATURE 2018–2021

47.8% LEGISLATURE 2021–2024

DE 101 INICIATIVES, 64 APPROVED IN LEGISLATURES FROM 2018–2024

DISCRETIONARY AND OPAQUE USE OF THE BUDGET. UNIPERSONAL POWER WITHOUT DIALOGUE.

CONSTANT THREAT TO CONSTITUTIONALLY AUTONOMOUS BODIES, THE JUDICIARY AND THE PRESS.



1.2 Erosion of the rule of law: decisions that marked the six-year term of office



ANALYSIS OF THE INTERFERENCE OF THE EXECUTIVE IN THE JUDICIARY

From the beginning of his six-year term, President Lopez Obrador has been criticized by some sectors of society and the political opposition for his interference in the Judicial Branch and his attempt to influence court decisions. These questionings have arisen from several episodes in which it has been perceived that the president tried to pressure judges and magistrates to make decisions favorable to his government and political interests.

As identified in previous Vital Signs reports, the ways of influencing the judiciary have been at least the following:

- » Appointment of Judges and Magistrates in line with his government and political project,
- » Public statements on specific cases that are in the trial process; and
- » Public pressures and disqualifications on the courts and judges.

APPOINTMENT OF JUDGES

One of the strategies used by the president to exert influence over the Judicial Branch was through the appointment of judges and magistrates who were aligned with his government and his political project. It should be noted that this is not an unprecedented practice, as it has been carried out by all governments without exception. However, since his rise to power in 2018, Lopez Obrador had the power to appoint members to the Council of the Federal Judiciary, the body responsible for the administration, oversight and discipline of federal judges and magistrates. This gave him greater control over the selection of magistrates and judges in federal courts, allowing him to influence decisions. In total, during the Lopez Obrador administration, the Court has seen the renewal of five Supreme Court justices².

The first minister appointed by Lopez Obrador was Juan Luis Gonzalez Alcantara Carranca. His relationship with the president prior to the investiture was very close, as he had already served as president of the Superior Court of Justice of the Federal District during Lopez Obrador's governorship and he was even mentioned as a possible

² Lenia Batres, Yasmin Esquivel, Loretta Ortiz, Margarita Rios Farjat, and Luis Alcantara Carranca

Attorney General. The appointment of Yasmin Esquivel Mossa was polemic as she was accused of plagiarism, of her B.A. in Law thesis, as well of conflict of interest due to her marriage to the owner of building company Rioboo S.A., participant in at least 15 infrastructure works during the Lopez Obrador and Marcelo Ebrard governments in Mexico City (Martinez, 2024). The third renewal at the Supreme Court was even more controversial. It came about due to the resignation of Minister Eduardo Medina Mora, who was under a questionable investigation by the Financial Intelligence Unit of the Ministry of Finance and Public Credit for alleged money laundering. Medina Mora was pressured by the government to resign, with Ana Margarita Rios Farjat taking his place in December 2019. Loretta Ortiz Ahlf had been proposed by President Lopez Obrador twice as Minister (the Senate chooses among three candidates), but it was not until, ironically, she publicly resigned her militancy in the Morena party to show her political impartiality, that she became minister.

These appointments show that Lopez Obrador chose ministers to curtail judicial independence and mold the SCJN to his ways and benefit. The last appointment during his six-year term represents another exemplary case of how the president applied the ap-

During the Lopez Obrador administration, the Court saw the renewal of five (of 11) justices: Juan Luis Gonzalez Alcantara Carranca, Yasmin Esquivel Mossa, Ana Margarita Rios Farjat, Loretta Ortiz Ahlf and Lenia Batres Guadarrama.



CHAIRWOMAN
OF THE SUPREME COURT
OF JUSTICE OF THE NATION
MINISTER NORMA LUCÍA
PIÑA HERNÁNDEZ



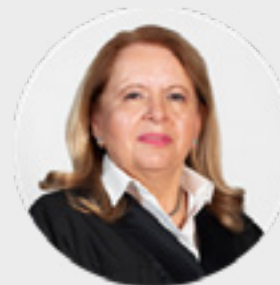
CHAIRMAN,
FIRST CHAMBER
MINISTRO JORGE MARIO
PARDO REBOLLEDO



MINISTER ANA MARGARITA
RIOS FARJAT



MINISTER JUAN LUIS
GONZÁLEZ ALCANTARA
CARRANCA



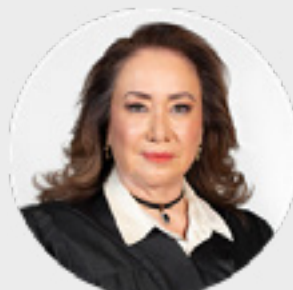
MINISTER LORETTA ORTIZ
AHLF



MINISTER ALFREDO
GUTIÉRREZ ORTIZ MENA



CHAIRMAN
SECOND CHAMBER
MINISTER ALBERTO PÉREZ
DAYÁN



MINISTER YASMIN ESQUIVEL
MOSSA



MINISTER LENIA BATRES
GUADARRAMA



MINISTER JAVIER LAYNEZ
POTISEK



MINISTER LUIS MARIA
AGUILAR MORALES

pointment of personnel to influence decisions in his favor. After the controversial resignation of Minister Alturo Zaldivar to join the campaign of then presidential candidate Claudia Sheinbaum, the president submitted to the Senate three candidates: Lenia Batres Guadarrama, Bertha Maria Alcalde Lujan and Maria Estela Rios Gonzalez.

It is worth noting that prior to this announcement, the President did not hide his regrets about two of his four previous appointments, which makes clear the President's understanding of the role the Court should play. In a morning press conference, he stated:

I thought, I will have the opportunity to propose ministers. I did my numbers, adding those who are decent and already there (in the Supreme Court), so maybe we can achieve a majority, not to support me in abuses, but to reform the Judiciary and really have justice in Mexico. Alas, I was wrong because I appointed them and after I made proposals, they (the appointed minister) changed their minds, they are no longer thinking about the transformation project and justice³.

³ Ramos, R. (2024): "Disputes between Lopez Obrador and ministers, a constant of his six-year term" Available at: <https://www.eleconomista.com.mx/politica/Disputas-entre-Lopez-Obrador-y-ministros-una-constante-de-su-sexenio-20240202-0028.html>.

Having openly stated that of the four Ministers proposed by him, "two came out as conservatives"⁴, Lopez Obrador emphasized on several occasions that the members of the Judiciary should serve him as employees instead of exercising their power independently from the Executive and Legislative (Vital Signs, 2023). In line with this narrative, the president openly stated that Zaldivar's successor should be a minister "loyal to his national project" (CNN Español, 2023). Previously, he acknowledged that had asked Zaldivar to influence judges in order to have 'tailor-made' resolutions (Jimenez, 2024), openly showing his objective of imposing his will on justice decisions.

However, the three options to succeed Zaldivar successors were rejected by the Senate, with the opposition arguing that the candidates were close to the Lopez Obrador. Although the president adapted his second round of proposals slightly, exchanging Maria Estela Rios Gonzalez for Erendira Cruz Villegas Fuentes, the necessary votes were not gathered. As a re-

⁴ The president himself acknowledged during the morning press conference of September 2, 2022 that had made a mistake in making the proposals, since the ministers he nominated had stopped supporting his project. Juan Luis Gonzalez Alcantara Carranca and Margarita Rios-Farjat are the ministers the president refers to, as they have voted against reforms important to him (CNN Español, 2023).

sult, for the first time since the 1995 judicial reform, the president had carte blanche to choose directly among the candidates, appointing Lenia Batres Guadarrama in December 2023 as the new SCJN Minister. Like Ministers Loretta Ortiz Ahlf and Yasmin Esquivel, Batres is a Morena militant, and also the sister of the then head of the Mexico City government, Marti Batres. Her appointment can be considered as the culmination of Lopez Obrador's strategy to ensure that there were no counterweights to his political project, the so-called Fourth Transformation, in the highest judicial power.

This sets a historical precedent, showing how the President was able to successfully influence the judicial branch, undermining the independence of the Supreme Court and thus feeding the growing erosion of the rule of law in Mexico. Unless the constitutional reforms that would allow for the popular election of the next SCJN justices, the timeline for the next six-year term foresees the renewal of Justices Luis Maria Aguilar Morales (ended in 2024), Jorge Mario Pardo Rebolledo (ending in 2026), Alberto Perez Dayan (ending in 2027), and Alfredo Gutierrez Ortiz Mena (ending in 2027).

PUBLIC STATEMENTS ON SPECIFIC CASES

Another way in which the president attempted to influence the judiciary was through public statements on specific cases in the courts or already tried. Of the most striking cases were the Court's decisions on:

- » The Electricity Industry Act
- » Political-electoral reform
- » Plan B for electoral reform
- » Transfer of the National Guard to the Defense Ministry

In these cases, the courts rejected the proposed laws or declared them unconstitutional. The president's reaction was to criticize judges and magistrates for not taking what he considered favorable to his government. With statements such as "Don't tell me that the law is the law"⁵ or accusing the judiciary of being "rotten"⁶, the president expressed his contempt for the work done by the courts.

5 Infobae (2022): "Lopez Obrador goes against the SCJN: "Don't tell me that the law is the law". Available at: <https://www.infobae.com/america/mexico/2022/04/06/Lopez-Obrador-ira-contra-la-scn-y-buscara-que-ex-funcionarios-n-puedan-ejercan-ejercer-en-el-sector-privado-is-a-contubernio/>

6 El Financiero (2023): "Lopez Obrador attacks on Norma Piña and the Court have 'clear' electoral intention: experts". Available at: <https://www.elfinanciero.com.mx/nacional/2023/05/25/ataques-de-Lopez-Obrador-a-la-corte-tienen-intencion-electoral-expertos/>

Other cases publicly discussed by the president included the various requests for the release of alleged criminals and drug traffickers, as well as cases of requests for the impeachment of politicians. Here it is interesting to note that the president publicly acknowledged that his government intervened in these cases during the presidency of Arturo Zaldívar. Those declarations generated controversy and have criticized by some sectors of society, legal experts and the political opposition, who believe that the President tried to pressure judges and magistrates to take decisions in his favor. Additionally, the president proceeded to evade decisions by creating new laws and adapting the reform proposals contained in the so-called Plan C.

PRESSURE AND DISQUALIFICATIONS

In the same vein, public pressures and disqualifications of the courts and judges were the rule rather than the exception. Previous Vital Signs reports have already documented several of these cases, with the disqualifications against Judge Juan Pablo Gómez Fierro and Justice Norma Piña being among the most prominent. In both cases, the president used morning conferences to repeatedly declare them corrupt, accusing them of collusion with political actors other

than his party. In the case of the presiding minister Norma Lucía Piña Hernández, only in the first quarter of 2023, 30 accusations were registered against her by the president (Badillo, 2023), denigrating and belittling her work in the SCJN.

As has been commented in this report as well as in previous Vital Signs reports, during the entire six-year term public aggressions from López Obrador against the judicial system occurred whenever the actions of the courts or judges did not fit with his political project. This is particularly striking with respect to the president's statements towards the SCJN and the justices who on several occasions did not vote the way the executive would have liked. Among the main arguments behind the attacks, the president employed the logic that he and the 4T project reflected the will of the people, and contrary to that, the Supreme Court could only guarantee greater transparency and accountability in the judicial system if they were also elected by popular vote. In his opinion, the Executive based its actions, even though on several occasions they were unconstitutional, on the idea that their legitimacy came from the citizens' vote. The president never hid his dissatisfaction with "the excessive autonomy" of the judiciary (Rojas, 2024).

In the case of the presiding minister Norma Lucía Piña Hernández, only in the first quarter 2023 there were 30 complaints against her by the president (Badillo, 2023).



Image: "Session of October 3, 2024". SCJN on justiciatv at <https://www.scjn.gob.mx/video>

A destructive consequence of this is that the main function of the SCJN, to control the compliance of the Legislative and Executive branches with the Constitution, giving rise to a system of weights and balances, is being attacked.

Therefore, the attacks represented a real threat that could lead to the breakdown of the constitutional

The president did not hide his dissatisfaction with the "excessive autonomy" of the judiciary (Rojas, 2024).

order. It is undoubtedly worth noting that the SCJN, in its history, has had tense relations with several previous presidents. However, reports from multiple experts confirm that there has never been such a frontal confrontation as in the six-year term of Lopez Obrador. In this same sense, it is important to note that the manner of communication from the presidential pulpit, as seen during Lopez Obrador's term of office, has resulted in a political persecution of judges and has unleashed fears that attacks could have implications outside of institutional life. Moreover, strictly speaking, also represented an apology of crime (Signos Vitales, 2023).

In this context, it is worthy to note that, according to a survey conducted by Mexico Elige, more than 50% of Mexicans continue to consider the Supreme Court as the government's greatest counterweight. Also according to this survey, 65.2% consider that the Supreme Court, headed by Norma Piña, is the greatest affront to the federal government. While another 22.1% considered that this body, composed of 11 ministers and –among them three close to the president, Lenia Batres, Yasmin Esquivel and Loretta Ortiz– is not the government's main counterweight (Jimenez, 2024b).

These data leave room to think that Lopez Obrador's strategy did not achieve the aim of discrediting and delegitimizing the Judicial branch of government. Nonetheless, the legacy for the judiciary is large and damaging. The appointments of judges and magistrates, the statements on cases, as well as the pressures and disqualifications on the courts and judges during the six-year term, make it evident that it was the target of Lopez Obrador's wrath and vengeance; his decisions have become a frontal attack on the division of powers. In this sense, the judicial reforms proposed in 2024 represent the last piece in the president's strategy to convert the law into an instrument of the Executive, concentrating power in the president and also undermining the rule of law in the country.

The main function of the SCJN is to monitor that the Legislative and Executive comply with the Constitution, giving rise to a system of checks and balances.



LEGACY 2. EROSION OF THE RULE OF LAW: DECISIONS THAT MARKED THE SIX-YEAR TERM OF OFFICE

APPOINTMENT OF RELATED JUDGES AND MAGISTRATES:

3 JUDGES APPOINTED BY THE EXECUTIVE, MEMBERS OF MORENA OR CLOSE TO THE PRESIDENT:

YASMIN ESQUIVEL MOSSO, LORETTA ORTIZ AHLF AND LENIA BATRES GUADARRAMA

PUBLIC STATEMENTS ON SPECIFIC CASES THAT WERE IN THE PROCESS OF BEING TRIED:

- ELECTRICITY INDUSTRY LAW
 - POLITICAL-ELECTORAL REFORM
 - PLAN B FOR ELECTORAL REFORM
 - TRANSFER OF THE NATIONAL GUARD TO SEDENA
-

PRESSURE AND PUBLIC DISQUALIFICATIONS ON THE COURT AND JUDGES:

SEVERAL MORNING ACCUSATIONS VS. JUDGES AND MAGISTRATES

30 DISQUALIFICATIONS AGAINST MINISTER NORMA PIÑA

IN 2024 JUDICIAL REFORM TO ELIMINATE ITS AUTONOMY AND CONCENTRATE POWER

More than 50% of Mexicans continue to consider the Supreme Court as the government's biggest counterweight (Mexico Elige)

1.3 Judicial reform at the end of the six-year term: «constitutional regime change

IMPLICATIONS OF JUDICIAL REFORMS FOR THE FUTURE OF THE CONSTITUTIONAL SYSTEM

In February 5, 2024, a few months before the end of his term, the president presented a new package of reforms, taking up several initiatives proposed in November 2022 with some additions, especially in terms of constitutional changes. The reforms covered a wide range of issues: changes to the pension system, increasing the minimum wage above annual inflation, the elimination of autonomous and regulatory bodies, and the reduction of members of Congress, among others.

Of the 18 proposed reforms, that of the judiciary received the most attention and reactions from analysts, the media and the judiciary itself. Although the president had previously pushed for constitutional and legal modifications that took away the independence of the judiciary (see Vital Signs Report: *Mexican State under Review*), these new proposals represented new threats to the rule of law in the country.

While Morena and its allies did not have the qualified majority in Congress needed to be able to modify the Constitution at the time of presenting new reforms, this issue regained relevance after the June 2 election results, as the Morena party with its allies managed

The president presented a new package of 18 reforms a few months before the end of his term.

to get close to the necessary two-thirds majority to modify the constitution. The process of approval of the judicial reform since then was characterized by political debates and questionable events. After the reform passed swiftly through the Chamber of Deputies, the ruling bloc in the Senate had 85 seats (given that two PRD senators had switched to the Morena party), lacking one vote to pass the reform. As has been reported and denounced by multiple media and legislators, the process of obtaining the missing vote was marked by pressures and threats from the ruling bloc towards several opposition legislators until the PAN senator Miguel Angel Yunes Marquez ended up giving the missing vote. With this, on September 10, 2024, in the midst of an unprecedented strike and multiple demonstrations by workers and judges of the Judicial branch, the reform was approved with 86 votes in favor and 41 against. Subsequently, the reform was approved by 17 state congresses, and gave way for the president to sign the decree for publication in the Official Gazette of the Federation on September 15. The constitutional change went into effect on September 16.

According to the official proposal of February⁷, the reform to the Judiciary then results in:

- » A new composition of the Supreme Court of Justice of the Nation, including, among others, the reduction of the number of Ministers from 11 to 9, the reduction of the term of office from 15 to 12 years and the adjustment of remuneration according to the decision of the Executive.
- » The popular election of Ministers, Magistrates and Judges.
- » Replacement of the Federal Judiciary Council and creation of a Court of Judicial Discipline.
- » New procedural rules.

WHAT WILL THE IMPLICATIONS OF THESE JUDICIAL REFORMS BE?

The initiative that generated the most noise was the proposal to elect members of the judiciary by popular vote. With the reform now officially approved, an extraordinary election will be held in 2025 to renew SCJN ministers, magistrates, judges and two pending

⁷ Government of Mexico (2024): Reform of the Judicial Power, February 2024 at https://www.gob.mx/cms/uploads/attachment/file/892010/REFORMA_AL_PODER_JUDICIAL__2_CS.pdf

magistrate positions for the Federal Electoral Tribunal of the Judicial Power (TEPJF, in Spanish).

In 2027, the first ordinary election of the Judiciary will be held, where all incumbent electoral magistrates will be replaced.

According to several experts, one result of such a system will be that appointments will depend on the popularity rather than the quality of the candidates. Although the eligibility requirements include training in law, the failure to use rigorous selection methods will lead to a situation in which people without indispensable technical preparation are elected to these positions, compromising the quality and impartiality of the administration of justice and opening the door to the politicization of the jurisdictional system.

Specifically, there is a risk that, by depending on the will of voters to gain or remain in office, the autonomy in making decisions may be affected by aims to please dominating political forces, or even power groups such as organized crime that influence the election. Contrary to the president's narrative, the election does not guarantee the legitimacy of the candidates, but rather a loss of judicial independence. It will negatively impact the capacity of judges, magistrates and ministers to guarantee compliance with

the Constitution; the loss of one of the most important checks and balances in a democracy.

Additionally, the reform defines that each branch of government (Executive, Legislative and Judicial) will nominate 10 candidates⁸ for election to the Supreme Court. This rule opens the possibility that the 20 candidates to be nominated by the Executive and Legislative branches will have some degree of partisan and/or political ties, which will undoubtedly affect not only the profile of the nominees, but also opens the risk that the SCJN will lose the autonomy and independence it requires to perform its work adequately.

Another part of the reform involves reducing the number of SCJN justices from eleven to nine and their term of office from 15 to 12 years. In addition, the lifetime pension of the ministers was eliminated, and their salaries were adjusted to the maximum ceiling established for the President of the Republic (Segob, 2024). The salary adjustment and the elimination of the life pension reflected the systematic attacks from the president to the Supreme Court, on the rise since Norma Piña assumed its presidency, as described in several Vital Signs reports.

⁸ 10 by the presidency, 5 by deputies and 5 by senators; and 10 by the Supreme Court of Justice of the Nation (SCJN).

The appointment of judges will depend on the popularity, rather than the candidates' competence to deliver justice.

By depending on the goodwill of voters to gain or remain in office, the autonomy in making decisions may be affected by the desire to please dominating political forces, or even power groups such as organized crime.

The new Court of Judicial Discipline to be created will be responsible for the discipline of the Judicial branch personnel and the right to sanction judges, having the authority to declare unresolved cases that have been pending for more than 6 months in the courts, tribunals, or the Supreme Court itself. The members of this new body will also be elected by popular vote starting next year. This section of the reform has been declared impossible by experts since it was proposed, since it does not indicate how the administration of justice will be expedited in concrete terms and how it should be carried out in a context of budgetary austerity. It is well known that Mexico has suffered a significant deterioration in the incidence of crime over the last fifteen years, an issue that has put the judiciary to the test and has diminished citizen confidence in the justice system. Previous Vital Signs reports have already identified the problems that have given rise to the challenges the judiciary faces, with the lack of judges and lack of transparency being among the most prominent. Clearly those problems cannot be solved rapidly.

Contrary to what was approved in the reform, an independent judicial performance evaluation system will be required as well as an increase in the number

of judges with adequate technical capabilities. Sanctioning judges by an interest group, as dictated by the president's reform, is not along these lines. On the contrary, it is clear that the new legal provisions carry with them a censure of the autonomy of judges; they do not seek to fix the problems of the judiciary.

The new laws can be interpreted as another attempt to control judges, discrediting them and thus, giving even more power to the Executive.

The initiative that generated the most noise was the proposal to elect members of judiciary by popular vote.



Image: "Judicial raffle in the Senate was a mockery for Mexico": magistrate Iliana Contreras at <https://lopezdoriga.com/nacional/tombola-judicial-senado-burla-mexico-magistrada-iliana-contreras-jufed/>

Internationally this reform has generated uncertainty among investors, as it also includes considerable changes in the way courts decide on trade disputes. This will have implications for the USMCA (to be reviewed in 2026) and other international agreements, leaving a legacy of uncertainty for the Sheinbaum administration.

Throughout his six-year term, Lopez Obrador managed to centralize power through different tactics, many of them outside or against the law. While this did not result in a change to Mexican democracy on paper, the so-called Plan C was the latest step of his administration to fade completely the separation of powers and constitutes a direct threat to judicial independence. Additionally, it violates international standards and will undoubtedly affect Mexico's already diminished democracy. The "Obradorization" of the Judiciary leaves a worrisome legacy for the future of the rule of law in Mexico.

With this, the judicial reform not only represents the most profound change in the judiciary in the last 30 years in the history of Mexico, but also affects the political regime in the long run, because it leaves no room for a democracy that requires a balance between powers and eventually will break with the sys-

The judicial reform affects the political regime in the long term: leaves no room for a democracy with a balance between powers and will eventually break the system of representation and protection of fundamental rights.



Image: "U.S. Ambassador warns that judicial reform puts democracy and T-MEC at risk" at <https://smmp.edomex.gob.mx/noticia/embajador-eu-advierte-que-reforma-judicial-pone-riesgo-democracia-el-t-mec>

tem of representation and protection of fundamental rights.

Finally, President Lopez Obrador's actions were characterized by anti-democratic patterns of political behavior. The constitutional and legal disregard that Mexico has experienced in the last six years is a snapshot of the low value placed on democracy, leaving enormous debits for the future. Likewise, the process of approval of the judicial reform reflects how the administration has applied undemocratic and illegal tactics to achieve its objectives. Acting against the law or adjusting the law to the convenience of the Executive is the most dangerous legacy left by Lopez Obrador and will have fundamental implications for future governments.

The constitutional and legal disregard that Mexico has experienced over the last six years is nothing more than a snapshot of the of the low value placed on democracy, which leaves huge balances and debits for the future.



LEGACY 3. EROSION OF THE RULE OF LAW: CONSTITUTIONAL REGIME CHANGE

THE REFORM CONSISTS OF:

- NEW COMPOSITION OF THE SUPREME COURT OF JUSTICE OF THE NATION:
 - » FROM 11 TO 9 MEMBER MINISTERS
 - » PERIOD FROM 15 TO 12 YEARS
 - » ADJUSTMENT OF REMUNERATION
- ELECTION OF MINISTERS, MAGISTRATES AND JUDGES BY POPULAR VOTES
- REPLACEMENT OF THE COUNCIL OF THE FEDERAL JUDICIARY BY A COURT OF JUDICIAL DISCIPLINARY SANCTIONS
- NEW PROCEDURAL RULES.

BACKGROUND:

- » Reform blurs the separation of powers
- » Loss of judicial independence (Disciplinary Tribunal).
- » Appointments of judges will depend on popularity, rather than competence of candidates
- » Election of members of the judiciary by popular vote
- » Violates international standards
- » It affects the already deteriorated democracy in Mexico.

SHAPE:

The reform passed quickly through the Chamber of Deputies; for the missing vote in the Senate, pressure and threats: Miguel Angel Yunes Marquez (PAN), who cast the defining vote.

86 votes in favor and 41 against.

The reform was approved by 17 state congresses, published in the Official Gazette of the Federation on September 15 and became effective on September 16.

1.4 The cost of republican austerity and the discretionary use of the budget



ANALYSIS OF AUSTERITY POLICIES

As one of several electoral promises, President Lopez Obrador highlighted in his narrative the objective of pursuing republican austerity upon coming to power. This narrative became a reality in 2019 with the "Federal Law of Republican Austerity". According to this law, Republican Austerity is understood as a conduct that all government powers and autonomous bodies were to abide by in order to "combat social inequality, corruption and waste of goods through an efficient and transparent use of public resources"⁹.

⁹ Federal Republican Austerity Act, 20.11.2019. www.gob.mx/indesol/documentos/77154

Another law that was enacted under the name of republican austerity was the Public Servants' Remuneration Law, which regulates the salaries of public officials.

While the discourse of austerity in public finances remained predominant throughout the six-year term, in practice, the laws were applied in a non-generalized, discretionary manner, where the public sector was the most affected. While federal government spending grew between 2019 and 2023 16% in real terms, 20.5% if 2024 is included, data from Mexican Institute of Competitiveness (IMCO, for its acronym in Spanish) indicates that resources allocated to sal-

Austerity in public finances remained predominant throughout the six-year term; in practice, laws were applied discretionally.

aries, payment of services and basic inputs for the operation of the public apparatus were cut by more than 80% (IMCO, 2023).

Additionally, CIEP reports that sectors such as National Defense, Welfare, as well as Labor and Social Welfare received 190% more resources, while entities such as the Federal Telecommunications Institute (IFT), the National Human Rights Commission (CNDH) and the National Hydrocarbons Commission (CNH) – all constitutionally autonomous bodies–, as well as the CFE, Health and Economy were the ones that had most cuts (44%) (CIEP, 2023). In terms of revenues, these increased by 14.4% during the six-year term, while public debt went from 43.6% of GDP in 2018 to 48.8% in 2024, an increase of 5.2 percentage points (SHCP, 2023).

These figures clearly show that republican austerity, contrary to the presidential narrative, was in fact a selective austerity that favored a few branches. Additionally, that this discrimination, which mainly affected the autonomous bodies, *de facto* meant a reallocation of public resources, resulting in greater institutional weaknesses and a deterioration in the quality and capacity of the goods and services provided by these institutions to society. Finally, the



Image: "Servants of the Nation". Photo: Juan Carlos Villegas Robles / [criteriohidalgo.com](https://www.criteriohidalgo.com) at <https://www.proceso.com.mx/reportajes/2021/2/13/servidores-de-la-nacion-un-desastre-administrativo-de-mil-millones-258226.html>

austerity discourse did not match with the constant increase in public spending, leaving not only an important financial gap for the next six years, but also a significant inconsistency between narrative and reality (Table 1.1).

TABLE 1.1 PUBLIC EXPENDITURE BY ADMINISTRATIVE CLASSIFICATION, 2018 VS 2024 MILLION PESOS AND PERCENTAGE (1 OF 3)			
SECTION	CHPF 2018	PEF 2024	REAL GROWTH %
AUTONOMOUS POWERS AND BODIES	121,739.6	1,699,255.0	4%
Legislative Power	15,185.9	16,760.6	-17.7
Judiciary	64,817.1	78,327.3	-9.8
INE	23,998.6	32,767.0	1.9
CNDH	1,904.1	1,722.1	-33.7
Cofece	604.6	687.9	-15.1
INEE	1,207.1	N.A.	N.A.
IFT	2,164.6	1,680.0	-42.1
INAI	1,041.6	1,097.4	-21.4
INEGI	7,853.7	14,245.3	35.3
TFJA	2,926.3	3,304.5	-15.8
FGR	N.A.	19,333.4	N.A.
ADMINISTRATIVE BRANCHES	1,187,448.3	2,203,613.9	38.4
Presidency	3,682.1	924.1	-81.3
Interior	85,080.3	10,868.8	-90.5
Foreign Affairs	14,303.2	9,994.5	-47.9

TABLE 1.1 PUBLIC EXPENDITURE BY ADMINISTRATIVE CLASSIFICATION, 2018 VS 2024
MILLION PESOS AND PERCENTAGE (2 OF 3)

SECTION	CHPF 2018	PEF 2024	REAL GROWTH %
Treasury and Public Credit	46,661.2	28,320.8	-54.7
National Defense	80,936.2	259,433.8	139.1
Sagarpa	72,056.3	74,109.6	-23.3
Secretariat of Innovation, Science and Technology	142,244.5	85,688.3	-55.1
Economy	10,249.4	3,960.4	-71.2
Public Education	315,466.6	439,017.9	3.8
Health	123,534.1	96,990.0	-41.4
Navy	35,581.6	71,888.2	50.7
Labor and Social Security	4,534.2	28,603.2	370.6
Secretariat of Agrarian, Territorial and Urban Development	21,296.1	12,880.3	-54.9
Environment and Natural Resources	43,582.3	70,245.5	20.2
PGR	16,838.2	N.A.	N.A.
Energy	5,695.0	167,736.2	2097.2
Welfare	100,704.5	543,933.0	302.9
Tourism	9,775.5	1,973.7	-84.9
Public Function	1,824.4	1,636.6	-33.1

TABLE 1.1 PUBLIC EXPENDITURE BY ADMINISTRATIVE CLASSIFICATION, 2018 VS 2024 MILLION PESOS AND PERCENTAGE (3 OF 3)			
SECTION	CHPF 2018	PEF 2024	REAL GROWTH %
Agrarian Courts	1,012.5	959.0	-29.3
Security and Citizen Protection	N.A.	105,838.8	N.A.
Legal Counsel of the Federal Executive	142.5	164.5	-13.9
National Council for Humanities, Science and Technology	27,426.7	33,170.7	-9.8
CRE	1,144.7	285.5	-81.4
CNH	966.8	247.6	-80.9
Non-Sectorized Entities	8,442.0	137,996.6	1,119.4
Culture	14,267.5	16,754.9	-12.4
DIRECTLY CONTROLLED ENTITIES	971,644.4	1,821,779.7	39.9
IMSS	682,140.4	1,345,950.7	47.2
ISSSTE	289,504.0	475,829.0	22.6
STATE-OWNED PRODUCTIVE ENTERPRISES	822,591.70	949,402.10	-13.9
Pemex	376,375.6	481,464.3	-4.6
CFE	446,216.1	493,380.7	-17.5

Source: Clavelina Miller, J.L. (2023) Center for Economic and Budgetary Research (CIEP).

DISCRETIONARY BUDGET MANAGEMENT AND LACK OF TRANSPARENCY

The discretionary management of the budget and lack of transparency are other characteristics that add to the legacy left by Lopez Obrador. While the president's promise was to have the "most transparent government in history", at the end of his six-year term, the prevailing strategy was one of opacity. This is not anecdotal; evidence and data show a systematic behavior.

First are the multiple decrees that resulted in the president's mega-works being declared a matter of national security. By law, all information generated or collected by the Mexican government is public. Only in truly exceptional cases can the authorities reserve information temporarily from citizens for reasons such as national security. The president made use of this measure for the first time in 2021 through an accord declaring it to be in the public interest and national security

The execution of projects and works by the Government of Mexico associated with infrastructure in the communications and telecommunications sectors, customs, border, hydraulic, water, environmental, tourism, health,

railroads, trains in all their modalities, energy, ports, airports and those that, due to their purpose, characteristics, nature, complexity and magnitude, are considered a priority and/or strategic for national development¹⁰.

Upon being declared unconstitutional by the Supreme Court for "transgressing the right of access to information as well as the powers of INAI to safeguard it" (Ramos, 2023), the president issued another decree in May 2023 that specified that the works of the Maya Train, the Interoceanic Corridor of the Tehuantepec Isthmus, and the airports of Palenque, Chetumal and Tulum be declared of public interest and national security. This resulted in the government not disclosing the level of progress, details of contracts or expenditures for those works. In addition, in the case of the Maya Train, there was also no transparency on the results of the alleged opinion polls conducted among the inhabitants where construction

On May 20, 2023, the President decreed that the construction of the Maya Train, the Interoceanic Corridor of the Isthmus of Tehuantepec, and the airports of Palenque, Chetumal and Tulum were declared of public interest and national security.

¹⁰ Segob (2021): Agreement by which the departments and entities of the Federal Public Administration are instructed to carry out the actions indicated, in relation to the projects and works of the Government of Mexico considered to be of public interest and national security, as well as priority and strategic for national development. Published in the Official Gazette of the Federation on 11/22/2021 at https://www.dof.gob.mx/nota_detalle.php?codigo=5635985&fecha=22/11/2021#gsc.tab=0

took place. In the case of the Dos Bocas Refinery, the Ministry of Energy refused to publish information on its actual budget (INAI, 2023).

Another case that shows the lack of transparency during the six-year term was the systematic weakening of INAI as well as the transparency units of federal offices. This weakening has manifested through budget cuts as well as the failure to appoint new transparency commissioners, resulting in the institute operating without its full Commission since 2023. Chapter 2 of this report will analyze INAI's situation in depth.

With respect to the budget, the Constitution establishes that the Chamber of Deputies has the exclusive power to approve it; as in other democracies, it has a key role in defining the way in which society's resources will be used, since it is the body in charge of discussing, analyzing and approving the draft budget submitted by the executive branch. During the approval process, the Chamber of Deputies may propose modifications and adjustments to the proposed budget in order to adapt it to the needs and priorities of the country. Once approved, the federal budget is a law that establishes the amounts and destinations of public resources for the corresponding fiscal year.

By law, all information generated or collected by the Mexican government is public.



Image: "Observatory of Constitutional Observatories joins the call to observe the Senate appointment of new INAI commissioners" Photo: Cuartoscuro at <https://www.elsoldemexico.com.mx/mexico/politica/observatorio-de-organismos-constitucionales-se-suma-al-llamado-para-que-senado-nombre-a-comisionados-del-inai-9952619.html>

However, in practice, the President of Mexico had the ability to exercise public spending in a discretionary manner, which allowed him to modify the budget approved by the Chamber of Deputies, depending on the needs and priorities that might arise during the fiscal year. In addition, as we have seen in this chapter, the federal Executive has used the austerity narrative to reduce public spending in certain areas.

In April 2022, the SCJN invalidated Article 61 of the Federal Budget and Accountability Law, which granted the President of Mexico the power to use the savings generated through the Republican Austerity Law without having to justify their use to the Ministry of Finance (Vital Signs, 2020). In this way, the president could exercise absolute discretion in the allocation of resources, without having to account their use. Previously, the Executive was to present solid arguments to support the redirection of resources so that they would be consistent with the National Development Plan.

The number of directly assigned contracts also reveals another practice of how the discretionary use of the budget was systematic in this six-year term.

As established in Article 26 of the Federal Law of Acquisitions, Leasing and Services of the Public Sector

(LAASSP, for its acronym in Spanish), federal government agencies and entities may enter into contracts through three mechanisms: 1) public bidding, 2) restricted invitations to at least three persons and 3) direct assignment. The latter, as a rule, must be used in very specific cases (MCCI, 2023). Article 41 of the LAASSP also establishes the situations in which agencies and entities may use direct allocations.

Eight out of ten contracts signed by Lopez Obrador's government were assigned directly (Vital Signs, 2023).



Image: "Lopez Obrador agrees to work with businessmen" EFE at <https://www.lostiempos.com/actualidad/mundo/20180705/lopez-obrador-acuerda-trabajar-empresarios>

The law also specifies in which cases the invitation to at least three persons or direct allocation may be used (Camara de Diputados del H. Congreso del H. Union, 2021a). In addition, it specifies in which cases the procedure of invitation to at least three persons or direct assignments may be used (Camara de Diputados del H. Congreso de la Union, 2021a).

Evidence shows a different reality. As reported in previous Vital Signs research, in 2022 eight out of every ten contracts entered into by the Lopez Obrador government were awarded directly, only one was tendered and one was awarded through a restricted invitation mechanism (Vital Signs, 2023). The year 2023 saw the highest percentage of direct allocations in 17 years, with 82% of contracts awarded under this modality.

Although this has been a common practice in previous governments –in fact, in the administration headed by Enrique Peña Nieto, the proportions were almost identical– in addition to not strictly adhering to the letter and spirit of the law, it contradicts the commitment Lopez Obrador made as a presidential candidate and as president-elect (Graph 1.2).

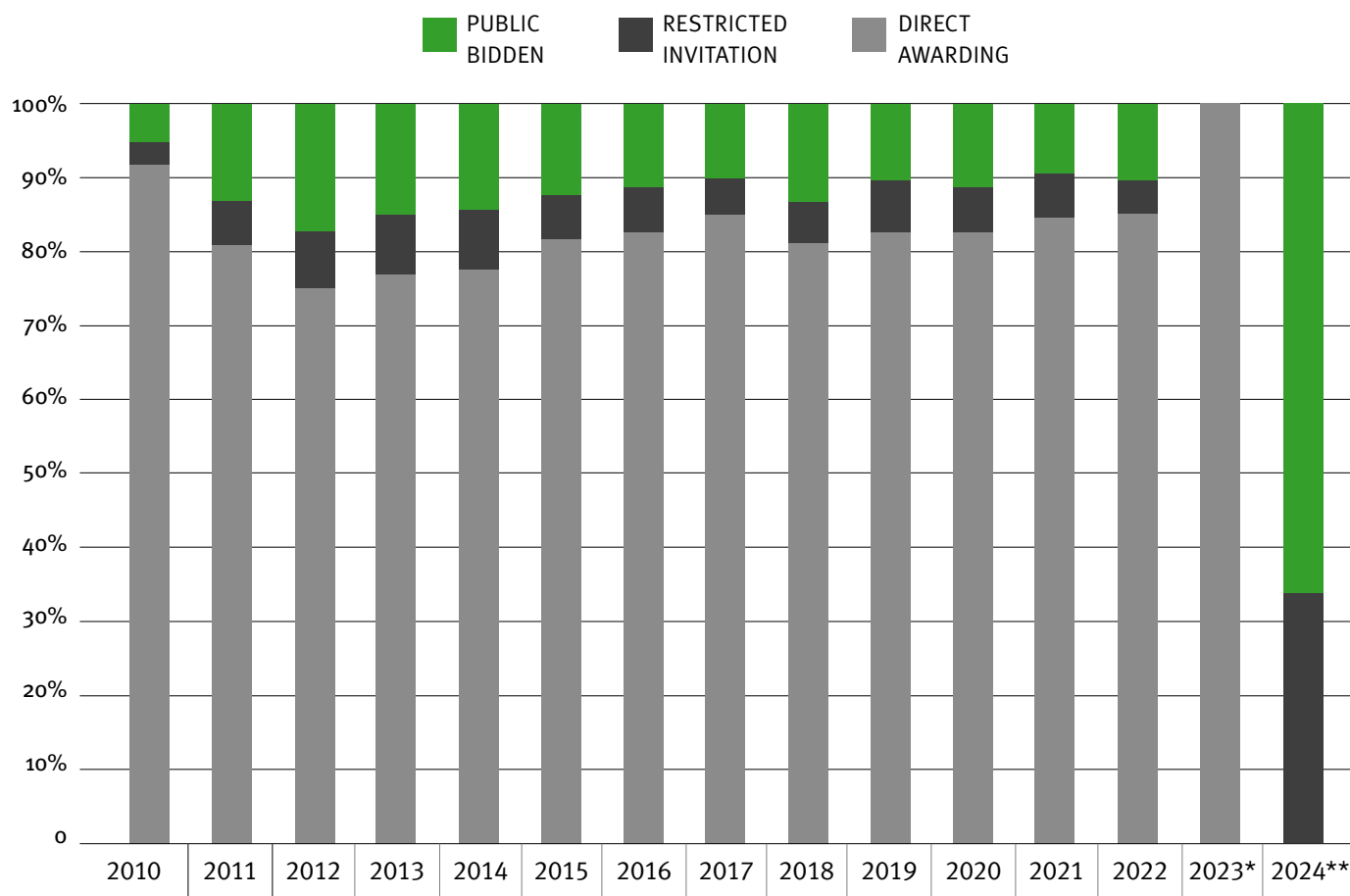
In addition, a large number of databases with government information are outdated, abandoned or show

Disappearance of all documents of the contracts awarded in 2012–2023 in the CompraNet platform; largest loss of information by a Mexican government: 1.9 million contracts for 4.7 billion pesos from the Enrique Peña Nieto and Andres Manuel Lopez Obrador administrations.

errors. Mexicans Against Corruption and Impunity (MCCI) identified that, by the end of 2022, 71% of the databases available on the datos.gob.mx platform (12,570 databases) were abandoned or outdated (MCCI, 2023). Similar to these findings, the transparency platforms of Pemex and CFE do not offer complete information or do not allow the download of information on tenders and contracts.

Moreover, in August 2024, it was reported that all the documents of the contracts awarded between 2012–2023 disappeared from the CompraNet platform, where all government purchases are made and published. Although this is not the first time that CompraNet has suspended the review of the review of the procurement documents in the Lopez Obrador administration, this disappearance has resulted in the largest loss of information by a Mexican govern-

GRAPH 1.2 APF CONTRACTS ON COMPRANET (2010–2024) % BY TYPE OF PROCEDURE



* Due to the fact that CompraNet data was lost, the number of contracts awarded by bidding or invitation during 2023 is not known.

** Data taken from the new Integral Platform CompraNet that includes 350 contracts from January to August 2024 without documentation.

Source: In-house elaboration with information from Dean & Esquerre (2023) and MCCI (2023).

ment and reflects the lack of seriousness of the administration's handling of transparency. According to MCCI, a total of 1.9 million contracts worth 4.7 billion pesos from the six-year terms of Enrique Peña Nieto and Andres Lopez Obrador were lost.

This amount is equivalent to 1.6 times all the resources that have been allocated during this government for priority social programs (MCCI, 2024). By disabling the public consultation option on these contracts for the aforementioned period, access to information on many cases of corruption in which the allocation of public contracts was used as a mechanism to divert resources has been lost. It is worth mentioning that the government installed a new site called CompraNet Integral Platform. However, the only information that can be consulted on this page corresponds to contracts that became effective as of 2024 and the page has no information or documents on any previous contracts. It is interesting to note that according to the information published on the new platform, from January to August 2024, 118 contracts have been made through restricted invitations to tender, 232 by public bidding with no contracts awarded through direct assignment¹¹.

¹¹ CompraNET Integral Platform <https://upcp-compranet.hacienda.gob.mx/sitiopublico/#/>

The Public Sector Procurement, Leasing and Services Law, as well as the Public Works and Related Services Law state that the CompraNet platform must be used by the Public Administration. The Ministry of Finance and Public Credit, which is in charge of maintaining the site has not provided explanations.



Source: Secretariat of Public Function website at <https://compranet.funcionpublica.gob.mx/web/login.html>. Captura tomada el 26 de agosto 2024.

Note: As of the cut-off date of this report at the end of September 2024, the CompraNet page is still down.

It is important to note that the LAASSP, as well as the Public Works and Related Services Law (LOPS-RM), establish that the Compranet platform use by the government is compulsory. Even so, the Ministry Finance and Public Credit, in charge of the site, has not given any explanation and the official statement that the page "is under constant maintenance". We hope that the inconveniences are minimal, the data and files of the contracting procedures are intact and safeguarded"¹².

The disappearance of information of such magnitude just weeks before the end of the six-year term and the lack of information from other platforms undoubtedly represents a serious problem of transparency and accountability that has been characteristic of the handling of information during Lopez Obrador's administration. In other words, it represents an unquantifiable legacy. Contrary to his promises and discourse on hard data, Lopez Obrador's government did not comply with the minimum standards of transparency, representing a setback in the availability of information. The constant obstruction of access to information and the lack of it leaves a worrisome legacy with fewer instruments to monitor the exercise

of public power. The discretionary use of the budget, which skyrocketed during this six-year term, is a worrisome pattern, leaving the executive branch's responsibility for accountability to its free will.

Contrary to its promises and discourse on hard data, the Lopez Obrador administration failed to comply with minimum standards of transparency, representing a setback in the availability of information.



¹² Message appears on the front page of: <https://compranet.hacienda.gob.mx/web/login.html>

LEGACY 4. THE COST OF REPUBLICAN AUSTERITY AND THE DISCRETIONARY USE OF THE BUDGET

LAWS AND DECREES:

- **FEDERAL REPUBLICAN AUSTERITY LAW:**
 - » SEDENA, BIENESTAR, LABOR AND SOCIAL WELFARE 190% INCREASE
 - » IFT, CNDH AND CNH, CFE, HEALTH AND ECONOMY, AND ALL CONSTITUCIONALLY AUTONOMOUS BODIES 44% REDUCTION
- **LAW OF REMUNERATION OF PUBLIC SERVANTS**
- **DECREES:**
MEGAPROJECTS, A MATTER OF NATIONAL SECURITY
 - » MAYA TRAIN, INTEROCEANIC CORRIDOR AND PALENQUE, CHETUMAL AND TULUM AIRPORTS.

ACTIONS:

- **WEAKENING OF THE INAI**
- **DISCRETIONARY SPENDING:**
 - » POWER TO USE THE SAVINGS GENERATED THROUGH THE REPUBLICAN AUSTERITY LAW WITHOUT HAVING TO JUSTIFY THEIR DESTINATION. WAS INVALIDATED BY THE SCJN
- **TRANSPARENCY:**
 - » 8 OUT OF 10 CONTRACTS ASSIGNED DIRECTLY
- **DISAPPEARANCE OF INFORMATION:**
 - » LOSS OF INFORMATION ON 1.9 MILLION CONTRACTS FOR 4.7 BILLION PESOS FROM THE TERMS OF ENRIQUE PEÑA NIETO AND ANDRES MANUEL LOPEZ OBRADOR
 - » COMPRANET NOT WORKING

« 1.5 Human rights without institutional protection

STATE OF HUMAN RIGHTS IN MEXICO

For years there has been a consensus on the state of human rights in Mexico. Various non-governmental organizations and international organizations have documented the humanitarian crisis in the country. Lopez Obrador himself, as an opponent politician and candidate, the actions of the Mexican State in the field of human rights and considered it to be the main party responsible for the various violations of rights and freedoms. Contradictorily, as president, Lopez Obrador promoted a series of reforms that, instead of protecting the rights of the Mexican people, he reduced them in an evident manner, reversing freedoms that had been taken for granted.

Some of the most relevant legal modifications are the reform of Article 22 of the Constitution, the issuance of the National Law on the Extinction of Ownership, as well as reforms to the National Law on the Use Force, the National Guard Law, the General Law of the National Public Security System, and the National Law on the Registration of Detentions. Similarly, the militarization of migration policy represented a significant setback in the humanitarian field (Libro Blanco, 2023).

Lopez Obrador pushed through a series of reforms that, instead of protecting the rights of the people, have reduced them in an evident manner, reversing freedoms that had been taken for granted.

Beyond the reforms that have limited citizens' rights since they came into effect during the first years of Lopez Obrador's six-year term, it is important to take a snapshot of the state of human rights, analyze the most important challenges faced by the country during the administration and what implications this will have for the future.

At the beginning of 2024 Mexico was one of the 14 countries evaluated in the Universal Periodic Review (UPR) of the UN Human Rights Council. The UPR is a mechanism that evaluates the human rights situation in all member states. As in the previous reviews of Mexico in 2009, 2013 and 2018, the documents on which the 2024 country review was based were the report provided by the State as well as information contained in reports by experts and independent human rights groups. Additionally, the review considered information provided by other stakeholders, such as national human rights institutions, regional organizations, and civil society groups.

At the end of the review, the UN issued more than 300 recommendations, highlighting 4 main issues in Mexico:

- » Disappearances
- » Attacks on journalists

- » Violence against women
- » Migration crisis

It is important to note that these same issues had been repeatedly observed in previous reports, indicating that the State's response has been insufficient so far.

despite the enactment of laws, the creation of institutions and the adoption of public policies, all of this in the context of impunity, lack of sufficient resources, lack of adequate implementation of regulatory frameworks, among other structural causes (Centro Prodh, 2024).

Moreover, this review is not alone in highlighting the obvious crisis in human rights. Three separate reports issued during the year 2024 by the U.S. State Department, Amnesty International and the Inter-American Commission on Human agree that severe human rights violations still persist in Mexico.

LOPEZ OBRADOR'S MISSING PERSONS: UNFULFILLED PROMISES

The count of missing persons in Mexico started in 1962. As of July 2024, there were 115,832 missing and unaccounted for persons in the country according to data from the National Registry of Missing and Unaccounted for Persons (RNPDO, for its acronym in Spanish). According to a 2023 MCCI report, during the last three governments, an average of 16 people disappeared daily, with the problem worsening in each administration. In the Lopez Obrador government, that average increased to 26 people, the faster rate ever (MCCI, 2023b).

It is important to clarify that the registry of missing individuals in Mexico is currently kept by the National Commission for the Search of Persons (CNBP, for its acronym in Spanish). However, due to the fact that not all are reported to the prosecutors' offices given an impunity of 95% (MCCI, 2023b), the existing information does not coincide with the real number of missing persons. Experts and search collectives estimate that the real figure could be higher. The UPR rightly highlights the mishandling of these figures: several parties involved in the assessment expressed their concerns regarding the government's methodology to update the RNPDO.



Image: "Former Search Commissioner insists on creating registries to locate missing persons in Mexico". Photo: EFE at <https://www.forbes.com.mx/excomisionada-de-busqueda-insiste-en-crear-registros-para-localizar-desaparecidos-en-mexico/>

Moreover, the CNBP faced cuts in the number of forensic specialists and officials, affecting the capacity to search for, identify and count missing persons. Additionally, funding for the Extraordinary Forensic Identification Mechanism (MEIF, for its acronym in Spanish), which was created at the insistence of families with the objective of identifying bodies through independent experts, was suspended. These facts add to the fragile situation in which the institutions find themselves.

The high numbers reported by the search agencies resulted in growing criticism of President Lopez Obrador's handling of the crisis. However, when questioned about the real number of missing persons by experts, journalists and organizations, the government's reaction was characterized by denying the data, changing the figures, and disqualifying and attacking those who questioned the government's actions.

In 2023, when faced with continued criticism of the growing number of missing persons, the President expressed his dissatisfaction with the count and decided to update the census and have it conducted by the Welfare Secretariat and its "Servants of the Nation".

Denying that the number of missing persons was higher than in previous governments, the president,

making use of his morning conferences, declared that "yes, there are thousands of missing persons, but not the number established by the census"¹³, stating that a census that included "house to house" visits was needed. The head of the Commission for Search of People (CNBP, for its acronym in Spanish), Karla Quintana, questioned the methodology of the proposal, stating that the objective of the new census was political seeking to reduce the count. As a result of her criticism of the president, she was forced to resign from the post.

According to the census conducted by the Servidores de la Nacion commissioned by the president, Lopez Obrador reported in December 2023 that 16,681 missing persons were located (Daen and Nochebuena, 2023), declaring an 80% reduction in kidnappings during his government compared to the previous administration. However, in the same morning conference, the president did not include a breakdown of the data, leaving open questions about the methodology and how the figure presented was reached. Meanwhile, the CNBP in the same month rectified that there were still 113,317 missing or unaccounted for persons.

¹³ Morning Conference of 31.07.2023

Since the beginning of the administration, the budget appropriation to address the disappearance of the people saw significant cuts. This reflected in the reduced number of forensic specialists and staff members, which affected the capacity to search for, identify and count missing persons.



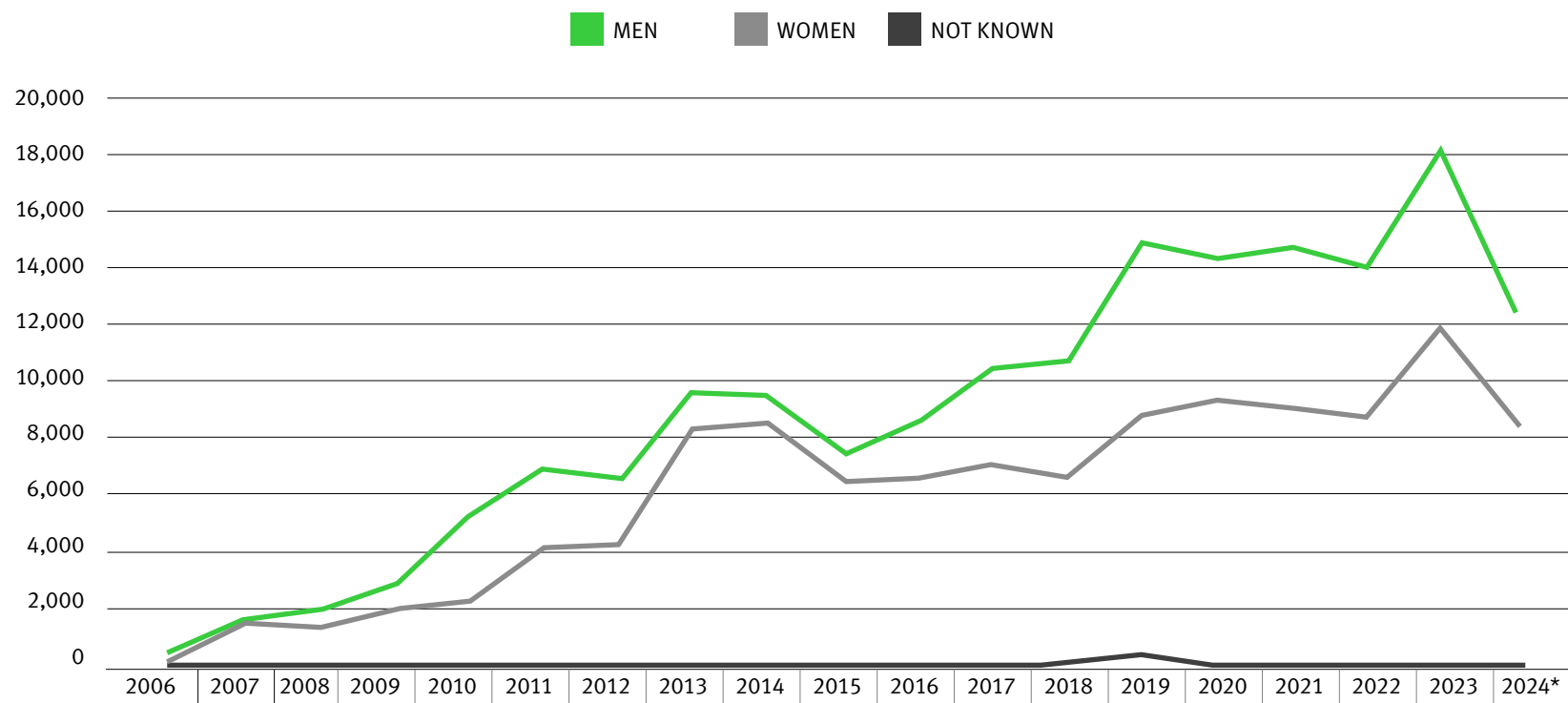
Image: "Ceci Flores was found alive" at <https://www.meganoticias.mx/cdmx/noticia/hallan-con-vida-a-ceci-flores-madre-busca-dora-de-sonora/527637>

Image: "Ceci Flores and the collective Searching Mothers of Sonora have become a symbol of the struggle against enforced disappearance in Mexico: SUN/ Archivo at: <https://www.informador.mx/mexico/Ceci-Flores-TODOS-los-detalles-de-su-localizacion-20240617-0177.html>

In a second report in March 2024, the administration reported that more people reported missing had been located, claiming that there were a total of 99,729 missing persons in the country (Aristegui Noticias, 2024) while RNPDO reported almost 115,000

at that time. The discrepancy continues between the numbers counted by RNPDO and the figures reported by the presidential census. This has resulted in questioning by organizations and search collectives without resolving the problem (Graph 1.3).

GRAPH 1.3 MISSING, UNACCOUNTED FOR AND LOCATED PERSONS BY YEAR



*2024 contemplates until 20/09/2024 a las 00:00 hrs.

Source: In-house elaboration with data from RNPDO (2006–2024).

THE HISTORICAL TRUTH: THE AYOTZINAPA CASE

An open wound and possibly one of the cases that will be most remembered from the Lopez Obrador term in office is the Ayotzinapa case. Despite the fact that the events took place during the government of President Enrique Peña Nieto, the Ayotzinapa case became a shield for that of Lopez Obrador. As one of his campaign promises, the president pledged to resolve the disappearance of the 43 students of Ayotzinapa. A promise that, like many others he made, was not fulfilled during his time in office.

After a long process of dispute and between the parents of the students and the president, in July 2024 the president finally delivered his first official report on the investigations that took place in his administration. In the report, which according to the president, he wrote himself, he highlighted the claim that the army provided all the requested information on the case and that its review concluded that there was no direct involvement on the part of the army and the government in what happened.

The document also reported on all the searches and analyses carried out. In the judicial area, it informed that, as of July 2024, 27 arrest warrants were in process and a total of 141 judicial processes had been

In the report, the president stated that the army provided all the requested information on the case and concluded that there was no direct participation on the part of the army and the government.



Image: "A decade of failure" sentenced by parents of the 43 fo Ayotzinapa. Photo: Jorge Angel Pablo Garcia at <https://www.jornada.com.mx/noticia/2024/08/26/politica/decada-de-fracaso-sentencian-padres-de-los-43-de-ayotzinapa-8637>

carried out (Aguilar, 2024). Leaving the case unresolved, the parents of the disappeared as well as several civil organizations criticized the diagnostic, stating that the government used the report to clear the army of its responsibility in the case and reiterating that the information provided by the president was not new. In addition, it was found that the analyses did not coincide with the data of some of the missing students. The president, in turn, again disqualified the reactions and stated that the criticisms sought to weaken the army and the project of the Fourth Transformation.

These cases, as well as the figures presented, clearly show how the president used the tactics of disqualification and manipulation of information in conjunction with budget cuts to create a favorable image of his government's performance on disappearances. By fabricating his own facts that benefited and exalted the work of his government, and without these being verifiable, the presidential lectern was used to discredit all those who opposed him, an action characteristic of the way in which he exercised power.

This undoubtedly leaves not only a fragile legacy with respect to the trust the population can have in information provided by the government, but also leaves

a huge gap in Mexico's modern history. In addition, the attacks and disqualifications initiated from the executive branch sidelined the fundamental responsibility of the State to help the population find the disappeared, ignoring the need to combat insecurity in the country. The lack of institutional protection has resulted in the end of the administration without the president having fulfilled his promises.

PRESS FREEDOM UNDER THREAT: BETWEEN THE PERSECUTION OF JOURNALISTS AND THE CREATION OF POST-TRUTH

The United Nations Universal Periodic Review (UPR) report, as well as multiple organizations and experts, have observed how during Lopez Obrador's term in office, press and media received constant and severe pressures which influenced their coverage and, even more seriously, affected their own safety. Among the problems identified in the UPR report is the government's constant discrediting and belittling of media workers as well as an increase in acts of violence, ranging from harassment and intimidation to physical and cyber-attacks by both government and criminal organizations.

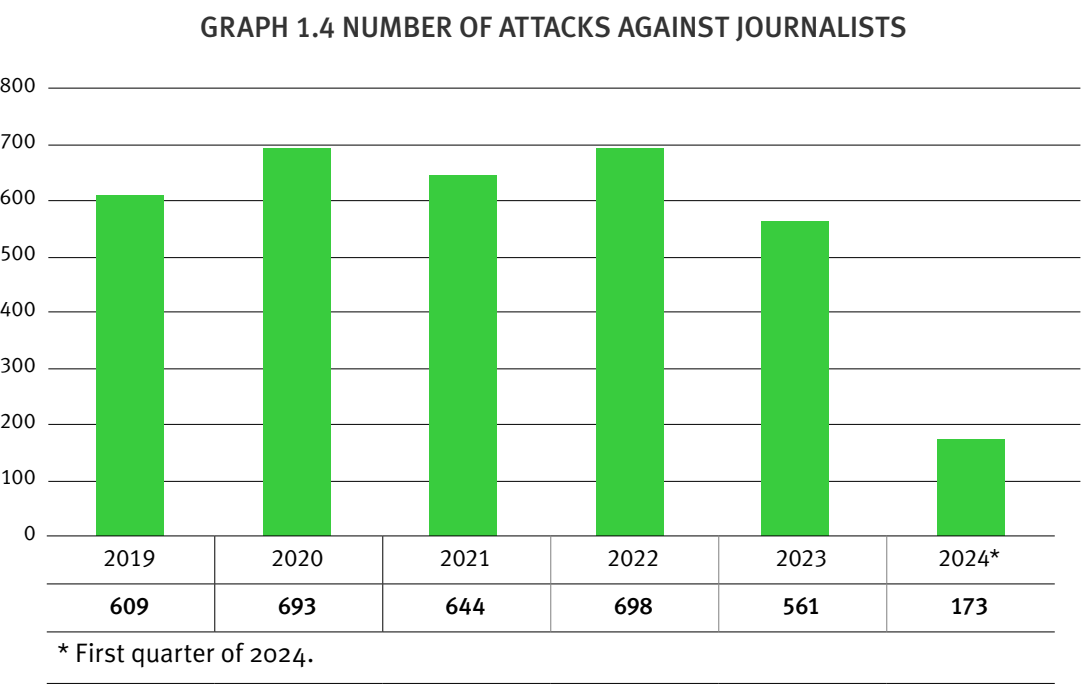
The restrictions and prosecution of the media in Mexico is a reality that has been criticized and con-

During Lopez Obrador's six-year term, there were constant and severe pressures on the press and the media (Universal Periodic Review, UN).

demned worldwide. Different reports and organizations independent from the UN have confirmed these unfortunate findings. According to Article 19, in 2023 alone a total of 561 aggressions against the press were registered, mostly in the form of intimidation, harassment and threats, as well as the illegitimate use of public power through stigmatization and judicial harassment. In 51% of these cases (287) the Mexican State was the main aggressor against the press, with state authorities being the ones that have exercised the most aggressions, followed by the federal government and municipal governments. That said, it should be noted that although most of the aggressions were documented at state level, the local perpetrators used the discourse repeated in the presidential morning conferences, which undoubtedly shows the influence of the president in those aggressions. This tendency continued in the last year of the administration: so far in 2024, 173 aggressions against the press have been recorded. And the legacy continues.

Observing the total balance of the six-year term, violence and attacks against the press increased by 62.13% with respect to the Peña Nieto government. In other words, an attack against the press was registered every 14 hours (Animal Politico, 2024b). The

most common aggressions were intimidation and harassment (880 cases, 25.82%), threats (682 cases, 20.01%) and illegitimate use of public power (432 cases, 12.68%). Additionally, it was found that 1,703 of the attacks (49.97%) were against those who covered politics and corruption, while 776 cases (22.77%) on those covering security issues. These two categories together represent more than 72% of total aggressions (Animal Politico, 2024b) (Graph 1.4).



Source: In-house elaboration with information from Article 19.

Additionally, 37 journalists were killed from December 2018 to April 2024 (RSF, 2024). Only between April 2024 and August 2024, in 4 months, this figure increased to 47 (Yañez, 2024). If we add the number of human rights defenders murdered, the figure rises to 151 during the six-year period (Graph 1.5).

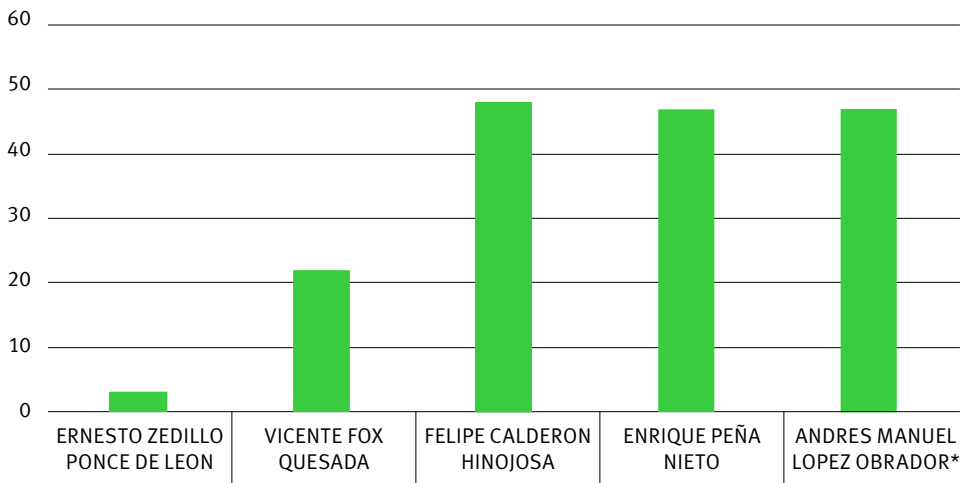
As part of the Law for the Protection of Human Rights Defenders and Journalists enacted by President Felipe Calderon in 2012, the federal Mechanism for the Protection of Human Rights Defenders and Journalists was created with the aim of protecting them from suffering aggressions¹⁴.

This Mechanism established a legal and institutional framework for the protection of journalists at federal level. Reported aggressions or threats are subject to a risk assessment and a protection plan by a Governing Board, formed by representatives from the Interior, Public Security and Foreign Affairs ministries, the Attorney General's Office, and the National Commission for Human Rights.

According to official information from the Interior Ministry (Segob), from 2019 to February 2024, the Mechanism received a total of 514 requests, of which

¹⁴ Law for the Projection of Human Rights Defenders and Journalists (PPDHP): [https:// www.cndh.org.mx/ sites/default/ files/documentos/2022-08/Ley_PPDDHP.pdf](https://www.cndh.org.mx/sites/default/files/documentos/2022-08/Ley_PPDDHP.pdf)

GRAPH 1.5 JOURNALISTS KILLED PER SIX-YEAR TERM OF OFFICE



* Cifra del sexenio de Lopez Obrador actualizada hasta el 15 de agosto.

Source: In-house elaboration with information from Article 19.

47 journalists were murdered during the administration. Adding the number of human rights defenders murdered, the figure rises to 151.

120 were rejected (Segob, 2024). Compared to the previous six-year term, in which 440 had been received and 65 rejected (2013–2018), the rejection rate during Lopez Obrador's administration represented an increase of more than 62%. Additionally, Segob revealed that since the founding of the Mechanism until the end of 2023, 8 journalists who were under protection were assassinated, of which 6 murders occurred during the Lopez Obrador Administration. Of these cases, Segob has not applied any sanction. Organizations such as Amnesty International and the Committee for the Protection of Journalists (CPJ) have denounced the deficiencies and errors of Segob.

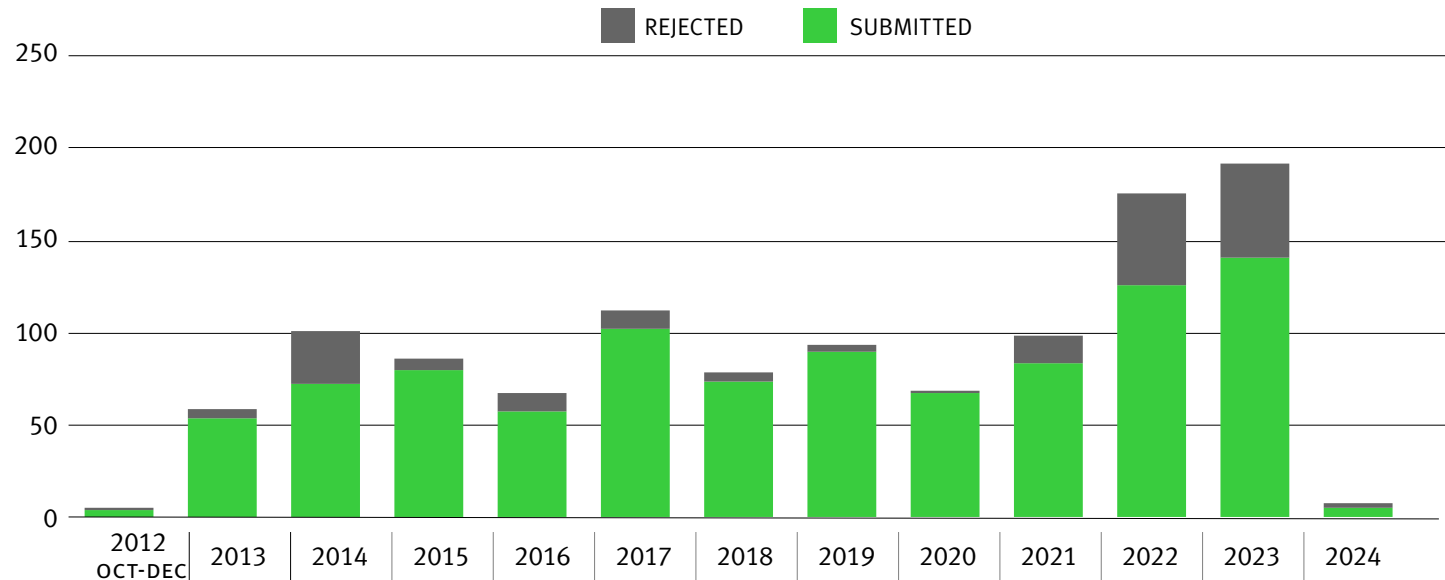
The report highlights the fact that journalists are without institutional protection and are highly vulnerable (Graph 1.6).

It is important to note that aggressions against the press have been a complex phenomenon that has occurred over several governments. However, a change can be observed in the way violence was exercised during Lopez Obrador's term of office. The disqualifications from his public tribune and the constant increase in legal proceedings against journalists were characteristic of the increase in the illegitimate use of public power.

The functioning of the Protection Mechanism for Human Rights Defenders and Journalists states that reported aggressions or threats are subject to a risk assessment and a protection plan by a Governing Board.

From 2019 to 2024, the Mechanism received a total of 514 applications, of which 120 were rejected (Segob, 2024).

GRAPH 1.6 REQUESTS FOR INCORPORATION INTO THE MECHANISM BY JOURNALISTS



* For 2024 the registration is until 31.01.2024.

Source: In-house elaboration with information from Segob (2024).

Continued stigmatization and a silencing strategy through violence and/or economic controls over critical media outlets affected the freedom of the press and reduced the quality of news coverage.

In line with this, there was also a series of firings of journalists during the six-year term. Although the president denied any involvement in this type of ordered censorship, all the journalists affected have in common having been critical of the Lopez Obrador government and were attacked, threatened or pressured during the morning conferences.

The continuous stigmatization and the strategy of silencing through violence –combined with economic

controls on the media and the dismissal of columnists critical of the regime due to alleged pressures from the government (*Libro Blanco, 2023*)– affected the freedom of the press and diminished the quality of news coverage. The lack of institutional protection added to the precarious state in which Lopez Obrador's administration left journalists at the end of his term, evidencing a lethal legacy for journalists to exercise their work in Mexico. Finally, the legacy left by

Lopez Obrador in journalism is a diminishing space of freedom of expression which jeopardizes the crucial role of the fourth estate in a democracy and threatens the population's fundamental right to access information (Table 1.2).

MORNING CONFERENCES AS A NEW MEDIUM UNDERMINE CRITICAL JOURNALISM

As previously mentioned, the morning lectures were the instrument most used by the president to verbally attack any person or institution that opposed his project. In the case of the morning attacks against the press, it resulted in an important affectation of the credibility and security of the media critical of Lopez Obrador's government and, therefore, a risk to freedom of expression.

According to data from Article 19, the president attacked the press from his presidential dais nearly 3,000 times during his six-year term (Espinosa 2023). Morning conferences were not merely informative sessions by the president but became a strategy to govern through stigmatization, polarization and the reproduction of lies.

Moreover, the president used the conferences to publish –illegally– private data of several journal-

ists, including identifications and places of residence, putting at risk those who dared to criticize the management and policies of Lopez Obrador's government. The creation of post-truth, propagated throughout Mexico, resulted in the fact that the criticisms expressed by the media had an increasingly difficult time having an effect on the population. Deception and denigration of adversaries are now part of the normality in which the country lives, forging a negative legacy in terms of freedom of expression and democratic advancement.

The attacks on the critical press of the Fourth Transformation project had repercussions on the image of journalism as a necessary profession to guarantee democratic counterweights. In 2020, there were 44,364 people working as journalists (INEGI, 2020). By 2023 their number had dropped to 38 thousand. According to IMCO in 2023 there were 268,677 journalism graduates, placing it as a career at 17th place nationally (IMCO, 2023).

However, university professors have commented that the number of students who opt to leave the career has been increasing. In addition, experts indicate that of those who do finish their degree, fewer opt to practice journalism because the profession has be-

The legacy Lopez Obrador leaves behind in terms of journalism is a decreasing space for freedom of expression for the media and the press. At risk democracy, and threatens the fundamental right to access information.

TABLE 1.2 JOURNALISTS DISMISSED / EXPELLED 2019–2024

JOURNALIST	INFORMATION MEDIUM	JOURNALIST	INFORMATION MEDIUM
Azucena Uresti	Milenio	Ricardo Gomez	El Universal
Ricardo Aleman	Televisa, TV Azteca, ADN40, Foro TV, La Mudanza; y Canal 11	Angel Verdugo	Grupo Imagen
Carlos Loret de Mola	Televisa y Radio Centro	Ricardo Rocha †	TV Azteca, ADN40 y Canal del Congreso
Victor Trujillo (Brozo)	Televisa	Fernanda de la Torre	Milenio
Carlos Alazraki	El Universal	Roberto Blancarte	Milenio
Leon Krauze	Televisa y Univision	Guillermo Valdes	Milenio
Carlos Gonzalez	Television Mexiquense	Federico Berrueto	Milenio
Enrique Muñoz	Grupo Formula	Javier Solorzano	Canal 11
Ana Paula Ordorica	Televisa	Irma Perez Lince	Canal 11
Ruben Cortes	Diario La Razon	Jesus Martin Mendoza	El Herald
Jorge Ramos Perez	El Universal	Laura Bruges	Grupo Formula
Carlos Ramos Padilla	ABC Radio	Denise Dresser	Televisa
Adela Micha	Radio Centro y El Herald	Hector Aguilar Camin	Televisa
		Carlos Bravo Regidor	Reforma

Source: Marsan (2024) and Flores (2024).



Image: "Morning press conference reporter do receives money from the government" at <https://vanguardia.com.mx/noticias/nacional/reportero-de-la-mañanera-si-recibe-dinero-del-gobierno-federal-GTVG3568394>

come a dangerous job. In this regard, the Civil Association "Alianza de Medios MX" points out that

the combination of judicial harassment with the murder of journalists results in a rarefied climate for the practice of journalism rarely seen in Mexico (Alianza de Medios, 2023).

Having fewer and fewer qualified personnel to practice critical and investigative journalism will undoubtedly also have implications with respect to journalistic truth.

Aggressive and unwarranted rhetoric against journalists during the morning conferences has had repercussions outside of Mexico's borders. Several international organizations such as the European Parliament, the Inter-American Human Rights Commission and the International Press Institute urged the president to moderate his rhetoric in the wake of the worrying number of journalists murdered and expressed their concern about the discrediting of critical media during his conferences, considering this space hostile to journalists (Bravo, 2024b).

Although journalism has been a high-risk profession for several years, the balance at the end of Lopez Obrador's term contrasts with his pledge when he took office that "there will be no more murdered journalists"¹⁵. However, he did not carry out any reform of the system for the protection of journalists. In view of the number of aggressions and deaths recorded, Mexico has become one of the countries with the highest risk for journalists. The morning conferences created an environment and a breeding ground for constant and systematic aggressions against the press, with fundamental consequences for critical journalism and the right to freedom of expression. The legacy left by the government is a stigmatization of the press that has permeated in society and that will weaken the essential role of the press in guaranteeing a democratic state in Mexico.

¹⁵ Inauguration Speech, 01.12.2018: <https://www.youtube.com/watch?v=PyvOfOp7mEI>

VIOLENCE AGAINST WOMEN: BETWEEN IMPUNITY AND NORMALIZATION

Like the disappearing of people and attacks against the press, violence against women –specifically femicides– represented a growing problem during the Lopez Obrador administration. While Mexican laws recognize femicide as a specific crime and during the Lopez Obrador period several initiatives were promoted to tackle the problem, public policies left much to be desired. Among the initiatives was the General Law on Women's Access to a Life Free of Violence (LGAMVLLV)¹⁶, the creation of a public prosecutor's office for the protection of women's rights¹⁷ and awareness campaigns.

¹⁶ The General Law on Women's Access to a Life Free of Violence (LGAMVLLV) aims to guarantee the , attention, punishment and eradication of all types of violence against women during their life cycle and to promote their integral development and full participation in all spheres of life. The LGAMVLLV defines violence women as: "Any action or omission, based on their gender, that causes them psychological, physical, patrimonial, economic, sexual harm or suffering, or death in both the private and public spheres. In: Chamber of Deputies H. Congress of the Union (CDHCU). (2021). Ley General de Acceso de las Mujeres a una Vida Libre de Violencia (General Law on Women's Access to a Life Free of Violence). Last Reform DOF 29-04-2022. [On line]: <https://www.diputados.gob.mx/LeyesBiblio/pdf/LGAMVLV.pdf>

The aggressive and unjustified rhetoric against journalists during the morning conferences has echoed beyond Mexico's borders.

Nevertheless, various reports point to the lack of resources, insufficient training and cultural normalization of violence against women which have prevented significant progress in this area.

In Mexico two institutions that offer statistical data on violence against women and femicides: INEGI and the Executive Secretariat of the National Public Security System (SESNSP, for its acronym in Spanish). According to data from the former, in 2021 alone 70.1% of all women aged 15 and over reported having experienced at least one incident of violence¹⁷, with psychological violence presenting the highest prevalence (51.6%), followed by sexual violence (49.7%) and physical violence (34.7%) (INEGI, 2021). With respect to femicides, according to official SESNSP data, 4,817 were registered in Mexico from December 2018 to January 31, 2024, with 2021 the year with most cases (981), while 2023 was the year with the fewest (832) (Sandoval, 2024). During the first quarter of 2024, 184 alleged femicides were registered, which indicates a downward trend compared to previous years (Garcia, 2024).

¹⁷ It can be psychological, economic, patrimonial, physical, sexual or discrimination in at least one area and exercised by any aggressor throughout his or her life.

In 2021 alone, 70.1% of all women aged 15 years and older reported having experienced at least one incident of violence: psychological violence was the most common (51.6%), sexual violence (49.7%) and physical violence (34.7%) (INEGI, 2021).



Image: "Mexico registers 426 cases of femicide in 2023; the State of Mexico, the most violent" Photo: Cesar Martinez Lopez at https://cimacnoticias.com.mx/wp-content/uploads/2023/07/49645072131_b6040ofec5_c.jpg

However, SESNP figures have been questioned by different organizations since state prosecutors' offices are classifying cases differently and, in some states, not accurately due to the lack of homologation in state penal codes. According to data from Causa en Comun, in 2023, 16 states reported decreases in femicides, 4 of them equal to or greater than 50%; in addition, there are cases whose official records do not match the reports found in local media. By 2024, other reports indicate that only 25% are investigated under the femicide protocol.

In addition, it is known that many cases of violence are not being reported by the victims. Even so, with such imprecise figures, Mexico ranks second in Latin America in number of victims of gender-based violence, behind only Brazil (Jimenez, 2024). The figures for feminicides are in permanent contrast to the administration's official narrative.

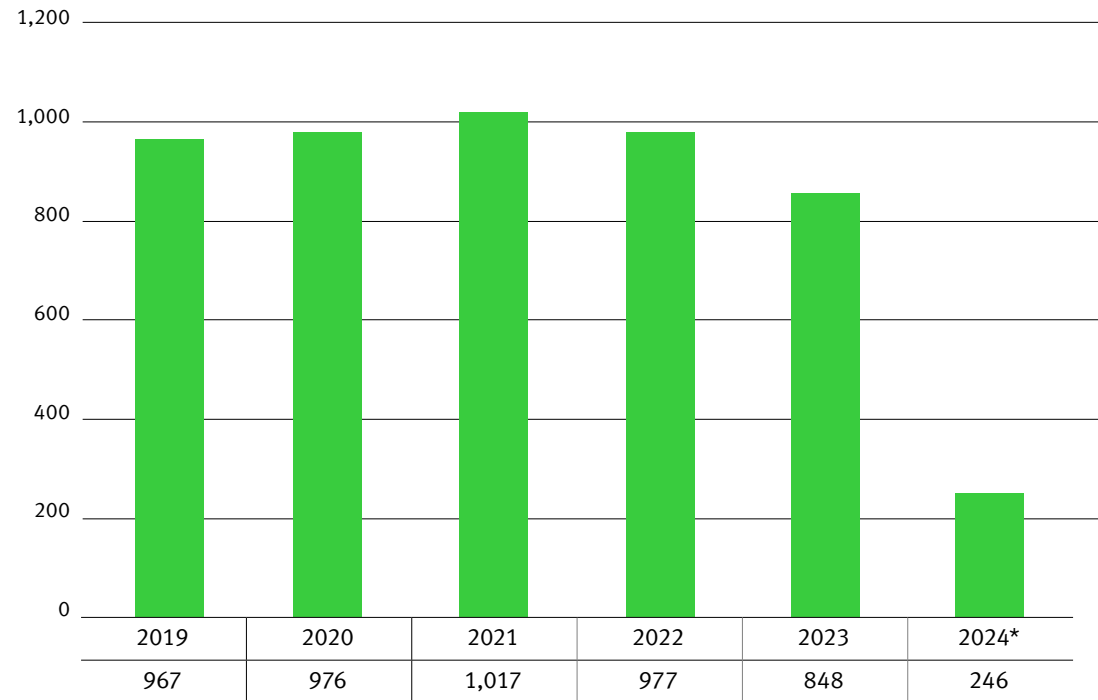
According to the Secretariat of Security and Citizen Protection, the monthly incidence of femicides fell by 35.6% during the presidency of Andres Manuel Lopez Obrador (Forbes, 2024). However, this is due, among other factors, to the decision in 2018 to classify femicides as intentional homicides.

The underreporting of cases, lack of truthful information and inconsistency in presidential communication were a constant during the six-year term and manifested in a cross-cutting manner throughout the human rights sphere. This has not only made it difficult to offer a true picture of the challenges facing the country, but the alarming figures that have been published by independent organizations have resulted in a growing perception of insecurity among the population. According to the National Urban Public Safety Survey of the last quarter of 2023, 59.1% of the population aged 18 and over considered it unsafe to live in their city. Regarding the perception of insecurity in specific physical spaces, in December 2023, 70.6% said they felt insecure at ATMs located on streets; 64.1% on public transportation; 55.0% at the bank; and 53.2% on the streets.

Just during December 2023, 64.8% of women considered it unsafe to live in their city (ENSU 2024). The president leaves as another legacy an increasingly insecure population with less access to reliable information (Graph 1.7).

The under reporting of cases, lack of accurate information and the inconsistency in the presidential communication were a constant feature of this government and were manifested in cross-cutting manner in the entire field of human rights.

GRAPH 1.7 FEMICIDES DURING LOPEZ OBRADOR'S SIX-YEAR TERM OF OFFICE



* 2024 January to April.

Source: In-house elaboration with information from Causa en Comun (2023) and the Ministry of Security and Public Protection (2024).

According to the Secretariat of Security and Citizen Protection, the monthly incidence of femicides fell by 35.6% during the presidency of Andres Manuel Lopez Obrador (Forbes, 2024). However, this figure is due, among other factors, to the decision in 2018 to categorize femicides as intentional homicides.

MIGRATION CRISIS: BETWEEN MILITARIZATION AND DENIAL

Migration management has historically been a major challenge for countries. Mexico, in particular, faces a tough task due to its geographic location, next to the world's main migration destination. The World Migration Report 2024, prepared by the International Organization for Migration (IOM), shows that the corridor between the United States and Mexico continues to be the largest in the world. Since the 1980s, the largest group of migrants crossing this border has been of Mexican origin; however, international migration from all countries in the Latin American and Caribbean region has the United States as its main destination.

As is well known, a large proportion of people migrating to the north of the continent do so irregularly and their passage through Mexico is practically obliged. This has made Mexican immigration policy a crucial matter for the U.S. government. While Mexico has been known for implementing measures to contain migration, the arrival of Andres Manuel Lopez Obrador to the presidency made more than one would think that this could change. Lopez Obrador promised to reduce migratory flows through region-

al cooperation for development and to respect, at all times, the human rights of migrants. At the end of his term, facts show a different reality and a legacy rarely seen in this area.

During Lopez Obrador's term, U.S. immigration policy was under two administrations: Donald Trump (2017–21) and Joe Biden (2021–25). While more periods of tension were experienced during Trump's term, resulting in agreements that caused an increase in deportations of migrants and encouraged criminalization, these agreements largely continued during Biden's administration.

In 2019, after being threatened with an imposition of tariffs on Mexican products, the government signed a new migration agreement with the United States, in which it committed to increase its immigration controls and expand the Migrant Protection Protocols (MPP). The latter implied that the Mexican government had to ensure access to employment, health care and opportunities for migrants. In this way, Mexico was unequivocally transformed into a "Safe Third Country"¹⁸.

¹⁸ "Safe third country" is a term based on the principles of the 1951 Convention Relating to the Status of Refugees. It implies that a country may refuse to grant asylum to a person and refer him or her to a third country that is conside-

More tense periods were experienced during Trump's term, resulting in agreements that caused an increase in deportations of migrants and encouraged criminalization.

These agreements largely continued under the Joe Biden administration.

By September 2019, three months after the signing of the agreement, the Mexican government had accepted 39,000 migrants from the United States who were awaiting the results of their asylum cases (4 times more than those received between January and June 2019) (Vital Signs, 2021). Until the interim suspension of the program in 2021, reports indicate that about 70,000 people were returned to Mexico under the MPP. President Biden resumed the program, resulting in 7,505 migrants being sent back to Mexico between December 2021 and August 2022 (American Immigration Council, 2024). The U.S. Supreme Court overturned the order to reinstate the MPP under the Biden administration, resulting in the program formally ending in October 2022.

From the beginning of the agreement until its termination, there was an increasing militarization of Mexican migration policy. In the initial months following the agreement, the government deployed 25,000 National Guard troops detaining approximately 81,000 migrants (35,000 more than in the same period of 2018); 10,000 National Guard elements patrolled Mexico's southern border with Guatemala and 15,000 guardsmen did the same on the northern border. By

red "safe". In this case, those migrating to the U.S. from the south would first have to seek asylum in Mexico.

September 2022, the number of soldiers, marines and National Guard elements rose to 46,916, with a total of 345,584 people detained, a 126% increase and historical record (Ureste, 2022).

Notably, despite the termination of the MPP program, apprehensions of irregular migrants at the borders did not change significantly, indicating that militarization is being internalized despite less pressure from the US. Mexico actually accelerated the pace of migrant detentions. According to data from the Ministry of the Interior, the number oscillated around 145,014 in the first four months of 2023, while 481,025 were counted in the same period of 2024 (Rojas, 2024b).

These figures are also attributed to the fact that the number of detentions on the southern border has been increasing: while detentions on the northern border grew 47.6% compared to 2023 (58,142 compared to 39,386), the increase on the southern one represents 477%, with Tabasco and Chiapas accounting for 223,978 and 155,978 detentions respectively. These detentions occurred in parallel to an increase in mobilizations of National Guard and Armed Forces elements on both borders.

It is important to mention that the government itself did not report on the exact number of elements de-

Mexico unequivocally became a "Safe Third Country".

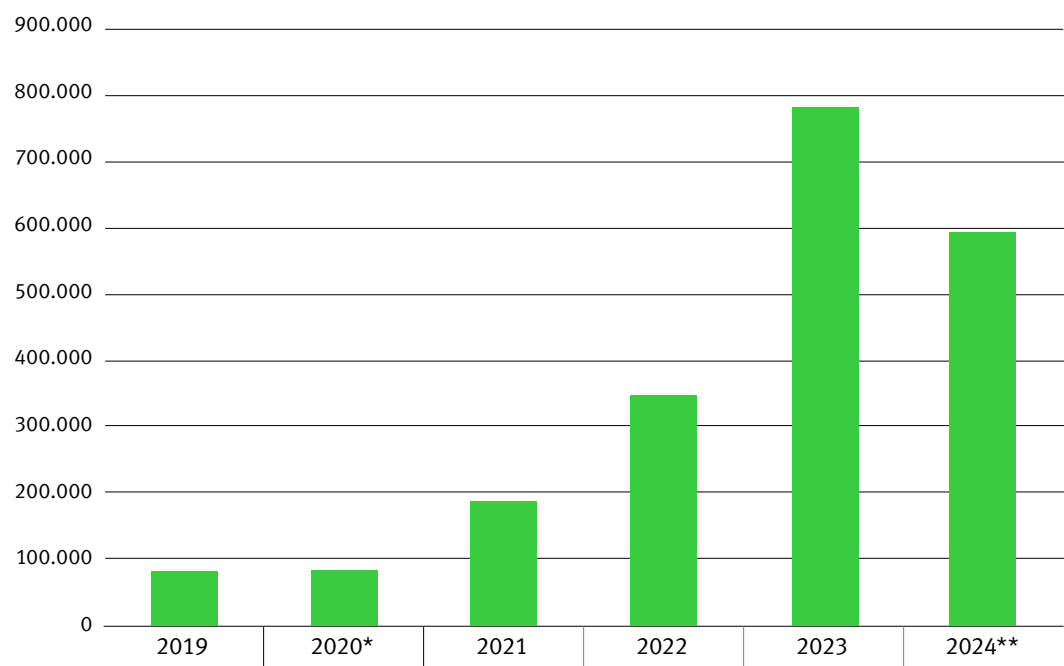
By September 2019, the Mexican administration had already accepted 39,000 migrants from the United States.

ployed, again showing that presenting unverifiable information, or the lack of it, was a constant during the term of Lopez Obrador. Newspaper reports indicate that between 25,000 and 80,000 elements carried control and detention tasks on both borders. What is clear from these developments is that the militarization of border control represented a drastic change in the Mexican government's management of migration (Graph 1.8).

Both the demand for asylum and refugee applications as a result of bilateral decisions with the United States, as well as the increase in detentions –both at the northern and southern borders– increased the demand for humanitarian protection within Mexico. Although the government of Lopez Obrador established "the implementation of a comprehensive migration policy respectful of human rights, recognizing the contribution of migrants to the development of countries"¹⁹, within the framework of the National Development Plan 2019–2024, significant weaknesses of Mexico's migration policy regarding human rights can be observed. One is the operation of migration stations.

¹⁹ Chamber of Deputies (2019), National Development Plan, Parliamentary Gazette, No. 5266, Vol. XVIII, Mexico.

GRAPH 1.8 MIGRANT APPREHENSIONS AT THE NORTHERN AND SOUTHERN BORDERS 2019–2024



* For 2020, discrepancies in the data were observed in different sources, so the information from Tenorio Colon (2022) was used.

** Up to July 2024.

Source: In-house elaboration with information from Ureste (2022,2023) and Rojas (2024b) and Segob.

According to the CNDH Special Report on the situation of migration stations in Mexico in 2019, the National Migration Institute (INM, for its acronym in Spanish) had 33 migration stations, of which 29 were open. The same report reported a first increase of 4.3% in occupancy, from 138,612 detainees in 2018 to 144,591 in January–August 2019 (Vital Signs, 2021). In March 2023, the country had 35 migrant stations and by March 2024, 53. However, according to official INM reports, only 21 were in operation.

While the stations were already overcrowded until the beginning of 2020, the significant increase in detention in the years 2021–2024 worsened the situation. People often live in overcrowded and inadequate living conditions. The CNDH, civil society organizations and activists have warned about the inhumane conditions prevailing in these centers. They reported that lack of space, food and hygienic conditions characterize these spaces that often became focal points of abuses by migration authorities.

Given these conditions, many experts have argued that migration stations are effectively prisons as migrants are deprived of their liberty and not given the opportunity to communicate with family members or receive counseling. Due to the cost of establishing a

permanent migratory station, the INM, given the exorbitant number of detentions, opened 348 temporary shelters, where people can stay for up to 36 hours. However, it has been reported that they do not have natural lighting or ventilation and, in many cases, do not have emergency exits. As a consequence of the precarious situation, many migrants became particularly vulnerable to smugglers and criminal groups due to the lack of government protection (MPI, 2020).

Despite numerous allegations of mistreatment and abuse, no change has been seen in migration management. On the contrary, human rights violations stand in stark contrast to the narrative of the president and his administration. Through his morning conferences, Lopez Obrador frequently described himself as a humanist and emphasized his government's respect for human rights in migration issues, attempting to create a positive image of migration policy in his administration. This narrative is in line with an incongruence between discourse, policy and processes.

An infamous example of this was the case of the Ciudad Juarez immigration station. In March 2023, in the midst of unprecedented migratory flows, a fire happened, resulting in the death of 40 migrant who were

Migration stations have become prisons as migrants are deprived of their freedom and are not given the opportunity to communicate with family members or receive counseling.

in awaiting deportation while 27 were injured. The incident caused an unprecedented media response and multiple organizations denounced the government failures in confining migrants without adequate measures to guarantee their safety.

In a report presented to the Senate one year after the incident, social organizations highlighted violations of the migrants' human rights, from their detention to their struggle for the right to truth, access to justice and full compensation for damages. In addition, the report notes that the fire was not an isolated case. Since 2019, at least 14 fires have been reported that point to a lack of adequate operational conditions including civil protection measures.

Despite the recurrent denunciation of what happens in the stations and the recognition that what happened in the Chihuahua immigration station was a tragedy, the Secretary of Security, Rosa Icela Rodriguez, stated that Mexico's immigration policy is respectful of rights and considers the free transit of people, and therefore "has nothing to do with what happened in Ciudad Juarez" (Arista, 2023). And although the government announced a humanist migration policy after the incident through the Inter-Secretariat Commission for Integral Attention in Migratory Matters,



Image: "A fire at INM station registered on 27 March, 2023 at night in Ciudad Juarez, Chihuahua. Photo: EFE/Luis Torres at <https://www.infobae.com/mexico/2024/08/20/liberan-al-excoordinador-del-grupo-beta-implicado-en-el-incendio-de-la-estacion-migratoria-en-ciudad-juarez/>

Francisco Garduño remained head of the INM until the end of Lopez Obrador term despite being linked to legal proceedings for the alleged offense of improper exercise of the public service along with ten other people since May 2023.

Garduño also received the support of the president, who refused to comment on the case when questioned in the morning conferences, arguing that he did not want to generate "sensationalism" (Torres, 2023). Juan Carlos Meza, who served as coordinator of the Beta Group of the INM, was identified as the alleged perpetrator and was indicted for the crimes of homicide, injuries and unlawful exercise of the service. However, on August 20, 2024 he was reportedly released. This was the only conviction in this case. Finally, to date only 29 of the 40 families affected have received compensation, highlighting the lack of concrete actions and inconsistent handling of the migration narrative.

With respect to the southern border, the government announced, within the framework of the new humanist strategy, that there were spaces available to provide physical and mental health services to migrants, as well as support to regularize the migratory status, access to social programs and employment opportu-

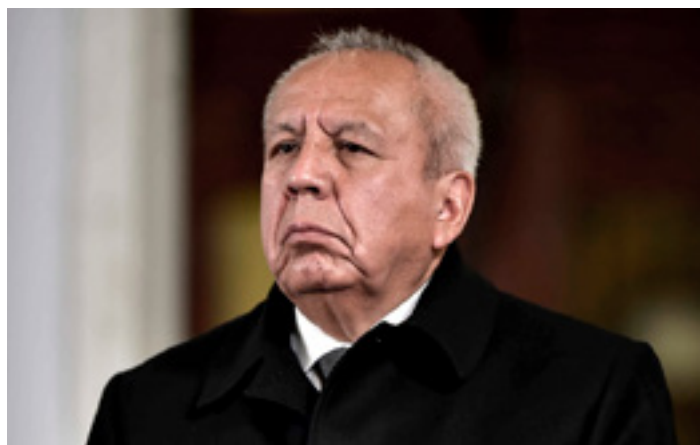


Image: Francisco Garduño, Commissioner of the National Institute of Migration at <https://www.theyucatanimes.com/2023/05/francisco-garduno-head-of-mexicos-immigration-agency-to-stand-trial-for-the-death-of-40-migrants/>

nities. However, several civil organizations have received complaints about human rights violations and the International Human Rights Commission of the State of Quintana Roo reports having received 7,000 complaints and 1,620 concrete denouncements in October and November 2023 alone (Forbes, 2023b).

The Southern Border Monitoring Collective, constituted by several civil associations defending human rights, also denounced the lack of response from the immigration authorities and the lack of adequate infrastructure in Chiapas in early 2024. These examples show yet again the inconsistency between the

Despite the tragedy at the Chihuahua immigration station, the Secretary of Security, Rosa Icela Rodríguez, considered that Mexico's migration policy is respectful of human rights.

official narrative and the lack of corrective policies that were constant features of the immigration policy during the term of Lopez Obrador.

At institutional level, the INM established in its Strategic Plan 2019–2024²⁰ several objectives related to the protection of migrants' human rights. Among them,

guaranteeing the full exercise of human rights by all persons residing, entering, transiting or returning to Mexico through the design, coordination and implementation of a comprehensive population and human mobility policy

and established as a priority strategy

to propose and coordinate a migration and human mobility policy with full respect of human rights" as well as "To promote inter-institutional actions and provide comprehensive assistance to people in the context of migration and human mobility to access their human rights."

However, the available data again shows a different reality. The INM has been one of the three institu-

²⁰ Strategic Plan of the National Institute of Migration 2019–2024 at <https://www.gob.mx/inm/acciones-y-programa/as/plan-estrategico-del-instituto-nacional-de-migracion-2019-2024-243361>

tions that has received most complaints before the National Human Rights Commission (CNDH, for its acronym in Spanish). The number of cases registered by the CNDH against the institute went from 714 in 2019, the first full year of Lopez Obrador, to 2,141 in 2022. In 2023, there were 2,422 complaints, and 1,015 from January to July 2024²¹ (Graph 1.9) the most reported being actions or omissions against the rights of migrants and their families, lack of ethics and honesty by INM officials, improper provision of public services and, to a lesser extent, failure to provide medical care, arbitrary detentions and illegal deportations.

Additionally, the CNDH has issued a total of 88 recommendations to the INM from January 2019 to July 2024. According to the CNDH itself, the recommendations made due to human rights violations by the institute have been steadily increasing with 2023 being the year with the most issued. These facts clearly show a reality different from the government's humanist narrative. The National Guard as a control and detention entity has also been denounced before the CNDH, with a total of 199 complaints between 2019 and 2024 for actions and omissions that transgress the rights of migrants and their families.

²¹ National System of Violation of Human Rights Alert, CNDH Mexico.

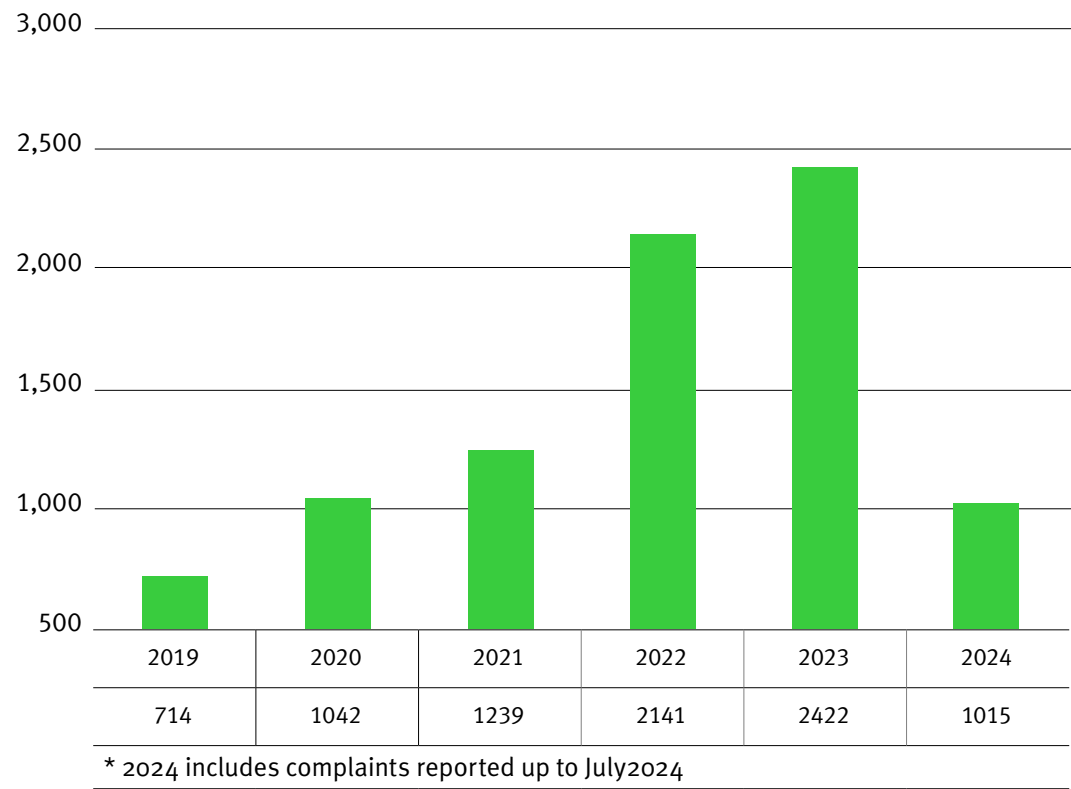
The CNDH has issued a total of 88 recommendations to the INM from January 2019 to July 2024.

The UN’s Universal Periodic Review (UPR) has issued several recommendations, stating that shortcomings persist and that there is a need to improve the human rights situation in the area of migration. Among these are the recommendation to:

- » *Review migration law, especially in terms of automatic detention of migrants and also to ensure compliance with law,*
- » *Respecting the global compact on migration,*
- » *Withdraw military forces from migration control activities,*
- » *Address complaints about racially discriminatory treatment at immigration checkpoints and,*
- » *Improve asylum system and implement migration governance.*

Despite repeated denials by Lopez Obrador of having made certain decisions under pressure from the US, the Mexican's immigration policy has been characterized by having aligned itself with the demands of the northern neighbor, showing a clear dependence on immigration issues. Given the geography that places Mexico on a common 3,180 km border with the country that receives the most immigrants in the world, this dependence is not new in the history of

GRAPH 1.9 COMPLAINTS TO THE CNDH ABOUT HUMAN RIGHTS VIOLATIONS COMMITTED BY THE NATIONAL MIGRATION INSTITUTE (INM) 2019–2024



Source: In-house elaboration with information from the National Human Rights Violation Alert System of CNDH.

the bilateral relationship. However, what sets the Lopez Obrador administration apart was the incoherent narrative, the human rights violations, and the militarization of immigration policy.

It is important to note that regardless of changes in U.S. immigration policy between the Trump and Biden administrations, militarization has become an internalized issue that forms a fundamental part of Mexican immigration control. As the National Guard has become the armed wing of the INM as the executor of an increasingly militarized migration policy, the legacy of the administration is a containment strategy with a strong component of militarization, which has resulted in multiple human rights violations. This undoubtedly represents a contrast with the government's narrative, leaving as legacy a constant absence of consistency in Mexican immigration policy. This, coupled with multiple discrepancies in data and information about the situation, add to the president's questionable legacy. Lopez Obrador's immigration policy will be difficult to repair or reverse in the coming years.



Image: "National Guard stops a migrant caravan at Chiapas" at <https://faroinforma.com.mx/2022/11/29/guardia-nacional-detiene-otra-caravana-migrante-chiapas/>

HUMAN RIGHTS IN MEXICO: BETWEEN MISINFORMATION, LIES AND LACK OF INSTITUTIONAL PROTECTION

Reports and research by experts on the state of human rights in Mexico show that at the end of the six-year term, there is still an unquestionable crisis in this area. However, the government's response was characterized by:

- » Denials and rejection of what has been found,
- » Changes or manipulations of figures, and
- » The attempt to introduce new laws in order to appear to improve the situation in the country.

Among the questionable governmental responses documented here, the aggressive rhetoric of the Executive against international organizations, both the UN itself and other entities, stands out. This rhetoric that was constantly heard from the presidential tribune could negatively affect Mexico's international obligations and the normalization of the situation. With respect to the most recent UN review, the government, having the obligation to respond to the more than 300 recommendations expressed by that organization, rejected 14 recommendations related to the militarization of the country, the number of disappearances and aggressions against journalists.



Image: Opposition in the Senate questioned Rosario Piedra's participation in Morena Party, as the new president of the CNDH (Photo: Cuartoscuro) at <https://www.infobae.com/america/mexico/2019/11/07/rosario-piedra-ibarra-presidenta-de-cndh/>

A national institution with a central role in the defense of human rights is the aforementioned National Human Rights Commission (CNDH). Equipped with the powers to investigate alleged human rights violations and to act as a review body for human rights bodies at state level, the CNDH's existence as an independent body has played an increasingly important role in the face of Mexico's grave human rights situation. However, its autonomy was affected during the six-year term of Lopez Obrador, adding to the lack of institutional protection already mentioned in this chapter. As in other autonomous bodies (discussed in more detail in Chapter 2), in 2019 the president implemented a reform in the CNDH that allowed him to nominate Rosario Ibarra Piedra as its head. This appointment generated controversy as Ibarra did not meet the legal requirements, since at the time of her election by the Senate she was an active member of Morena. This, despite the fact that Article 9 of the CNDH Law establishes that candidates to head the CNDH must not be or have been members of a political party's governing body at least one year prior to the date of appointment (Vital Signs, 2023).

In addition, the vote in the Senate was full of irregularities and there is no certainty that the votes necessary for such an appointment were correctly counted.



Image: "Rosario Ibarra Piedra, president of the CNDH" at <https://www.elsoldemexico.com.mx/mexico/senado-decide-este-miercoles-si-rosario-piedra-ibarra-avanza-en-la-terna-para-la-cndh-12827563.html>

Once in office, the head of the CNDH played a partisan role far removed from the impartiality with which her position should be exercised. As documented, the number of complaints registered before the CNDH for human rights violations has been increasing. However, Rosario Ibarra has denied documented human rights violations, among them cases such as the spying on activists and journalists and the worrisome situation of migrants. This apparent alignment with the government's official narrative has undoubtedly further weakened permanently the necessary institutional response to human rights issues.

As a result of the government's questionable handling of the fragile state of human rights, there has been an increase in the creation of civil society groups and collectives with the objective of bringing justice to victims of violations. Despite being confronted with forceful rejection and harassment from the Executive, these collectives and civil society have carried out an important task of searching for victims as well as political oversight through the study and analysis of government reforms and actions, as well as concrete public policy proposals on issues such as public security, militarization, social development, and scientific and educational development.

By demanding accountability, civil society organizations have become fundamental actors in Mexican democracy. However, their underfunding and the challenges in terms of transparency are pending issues to be resolved if CSOs are to consolidate as legitimate actors in the eyes of society, capable of overseeing and influencing people's lives (Vital Signs, 2023).

The legacy left by President Lopez Obrador in the area of human rights can be summarized as a set of disinformation, lies and lack of institutional protection. Contrary to the president's repetitive statement that

Due to the government's questionable handling of the fragile state of human rights, there has been an increase in the creation of civil society groups and collectives with the aim of bringing justice to victims of violations.

(...) in my government the people are not repressed, massacres are not ordered, there is no torture, no one is disappeared, human rights violations are not tolerated, and neither is there a narco-state²²

his administration left a record number of disappeared persons and homicides/femicides, as well as numerous human rights violations.

Although his performance has been documented by independent (international) facts and reports, the disqualification of this data and creation of his own

²² Stenographic version of the 5th government report
01.09.2023: [https://www.gob.mx/presidencia/Articulos/
version-estenografica-5-informe-de-gobierno](https://www.gob.mx/presidencia/Articulos/version-estenografica-5-informe-de-gobierno)

reality by the president and his government shows how Lopez Obrador's responses to the human rights crisis were questionable and unsubstantiated. The government did not take advantage of the opportunity or obligation to take action to improve the situation during the six-year term, leaving a big task to the next administration. Meanwhile, the international community will continue the monitoring and follow-up it has been doing for a long time. The role of civil society will continue to be crucial in reversing Lopez Obrador's catastrophic human rights legacy.

Collectives and civil society have conducted victim research as well as political oversight through the study and analysis of government reforms and actions.

By demanding government accountability, civil society organizations have become a fundamental actor in Mexican democracy.



LEGACY 5. HUMAN RIGHTS WITHOUT INSTITUTIONAL PROTECTION

LAWS AND PROMOTED REFORMS	» NATIONAL LAW ON FORFEITURE OF OWNERSHIP » REFORMS TO THE NATIONAL LAW ON USE OF FORCE » NATIONAL GUARD LAW » GENERAL LAW OF THE NATIONAL PUBLIC SECURITY SYSTEM » NATIONAL LAW ON THE REGISTRATION OF ARRESTS » MILITARIZATION OF MIGRATION POLICY
DISAPPEARANCES	INCREASE IN THE DAILY AVERAGE FROM 16 TO 26 DISAPPEARANCES OF PERSONS
DIAGNOSIS OF AYOTZINAPA	THE GOVERNMENT HAS ABSOLVED THE ARMY OF ITS RESPONSIBILITY
PRESS	» VIOLENCE AND ATTACKS INCREASED 62.13% » 47 JOURNALISTS KILLED UP TO AUGUST 2024 IN THE SIX-YEAR TERM
VIOLENCE AGAINST WOMEN	» GENERAL LAW ON WOMEN'S ACCESS TO A LIFE FREE OF VIOLENCE (LGAMVLV), CREATION OF SPECIALIZED PROSECUTOR'S OFFICES AND PROMOTION OF AWARENESS CAMPAIGNS » MEXICO HAS THE SECOND HIGHEST NUMBER OF VICTIMS OF GENDER-BASED VIOLENCE IN LATIN AMERICA
MIGRATION CRISIS	» MEXICO UNEQUIVOCALLY BECAME A "SAFE THIRD COUNTRY" » 477% INCREASE IN MIGRANT APPREHENSIONS AT BORDERS » BETWEEN 25,000 AND 80,000 MILITARY PERSONNEL EXERCISE CONTROL AND DETENTION AT THE BORDERS

2 THE NEW POLITICAL REGIME: POWER ACCUMULATION WITHOUT CHECKS AND BALANCES



2.1 Constitutionally Autonomous Bodies

«and the control of the institutions that counterweight it

Created progressively since the 1990s to be structurally independent and remove from the federal Executive a significant number of responsibilities, limiting its power and allowing for trans-sexennial policies, Constitutionally Autonomous Bodies (CABs) find their *raison d'être* in the Mexican Constitution. The Constitution does not expressly define the characteristics that CABs should fulfill. However, for an entity to be considered autonomous it must have budgetary autonomy and, in addition, among other elements, must not be subject to the instructions of the Executive, Judiciary or Congress.

Prior to a thorough purge by President Lopez Obrador, Mexico had the following CABs:

- » National Electoral Institute (INE, for its acronym in Spanish)
- » National Institute for Transparency, Access to Information and Protection of Personal Data (INAI, for its acronym in Spanish).
- » Bank of Mexico (Banxico, for its acronym in Spanish)
- » Federal Economic Competition Commission (Cofece, for its acronym in Spanish).
- » National Human Rights Commission (CNDH, for its acronym in Spanish)
- » National Council for the Evaluation of Social Development Policy (Coneval, for its acronym in Spanish)
- » Attorney General of the Republic (FGR, for its acronym in Spanish)
- » Federal Institute of Telecommunications (IFT, for its acronym in Spanish)

*Constitutionally Autonomous Bodies (CABs) find their *raison d'être* in the Mexican Constitution and should not be subject to the instructions of the Executive, Judicial or Legislative Branches.*

- » National Institute of Statistics and Geography (INEGI, for its acronym in Spanish)
- » National Hydrocarbons Commission (CNH, for its acronym in Spanish)
- » Energy Regulatory Commission (CRE, for its acronym in Spanish)
- » National System for the Continuous Improvement of Education (Mejoredu, for its acronym in Spanish)

In Vital Signs reports and alerts, we have comprehensively addressed the status and challenges of several CABs. Although they present relevant areas for improvement (Vital Signs, 2023), they are the result of a long democratization process crucial in Mexico's development and, by trying to isolate certain public policies from partisan politics, they have created areas of legality fundamental for democracy and the rule of law in the country. Despite the law's clarity regarding the functions of government branches and CABs, in recent years there have been systematic violations of the relevant legislation by the government and especially by President Lopez Obrador. Many of these events and violations have been described in detail in previous Vital Signs reports (2023). To examine Lopez Obrador's legacy, this chapter focuses on the analysis of the institutions targeted by his gov-

ernment for their transformation or disappearance. These institutions are a key example of how the government implemented strategies to accumulate power, weakening the CABs as essential counterweights, evidence of an enduring legacy with respect to the state of democracy in Mexico.

From the beginning of his term, Lopez Obrador did not hide his disagreement with the existence of CABs through constant public disqualifications, his slowness in appointing officials and commissioners, and with more drastic decisions such as the reduction of CABs' budgets. The systematic attack against them was even more evident by the attempts to subordinate them to the Executive Branch or disappear them altogether. These actions were accompanied by a corrosive campaign to dismantle important counterweights. The result was the weakening of institutions that had proven essential to restrain presidential power and guarantee citizens' rights. Those actions also call into question the democratic functioning of Mexico's political system.

The motive that explains why the Executive became obsessed with debilitating, belittling, and disappearing these bodies is likely to come from a long-standing vendetta against those CABs that limited the ac-

The CABs have led a long process of democratization, necessary for the country's development, and by trying to isolate certain public policies from partisan politics, they created areas of legality that are fundamental to democracy and the rule of law in Mexico.

tions of Lopez Obrador as Governor of Mexico City, as presidential candidate or as President. The reality is that there is no single fact that justifies the treatment of these bodies that had undoubtedly contributed to the construction and strengthening of Mexico's now increasingly precarious democracy.

In several Vital Signs reports published during the Lopez Obrador's term we analyzed extensively the strategies to control the institutions that counterbalance the Executive Branch. In order to make visible the legacy left by his government, this section aims to complement previous analyzes and show the undermined state of democracy that President Lopez Obrador handed over to the next administration.

Lopez Obrador's systematic attack against CABs was made even more evident through the attempt to subordinate them to the Executive Branch or disappear them altogether.

CONSTITUTIONAL AUTONOMOUS BODIES



POWER ACCUMULATION WITHOUT CHECKS AND BALANCES

During the Lopez Obrador administration some CABs suffered significant budget reductions in relation to the financial requests submitted to the Ministry of Finance and Public Credit (SHCP). To the reductions made by SHCP, further cuts were also common by the Chamber of Deputies when approving the federal budget. Therefore, several institutions had to adjust their spending, impairing their functions or even leaving them unable to carry out various actions that were part of their *raison d'être*. These cuts are the origin of much of the institutional destruction unilaterally carried out by the Executive Branch (Table 2.1).

A comparison of the budget proposal submitted by each CAB to SHCP for the year 2024 against what was finally approved by the Lower House of Congress, shows substantial reductions in comparison to what was requested in the Proposed Federal Expenditure Budget (PPEF). These reductions took place in all the years of the Lopez Obrador's government.

The most disadvantaged bodies in 2024 were Cofece, INE and INAI, with reductions of 11.1%, 13.2%, and 6.1% respectively.

When comparing 2023 and 2024, CABs's budgets are characterized by both tightfistedness and reductions: the total budget for those bodies in Lopez Obrador's last year was 2.7% below what was authorized in 2023 (Caballero, 2024). Observing the budget from the beginning to the end of Lopez Obrador's term, all CABs suffered cuts. Here, INE and IFT stand out as the biggest losers comparing the budget originally presented by SHCP and that approved by legislators between 2019 and 2024. The largest cut, 19.9%, was suffered by INE in 2022; in the case of IFT it happened in 2019 with a reduction of 15.7%. In 2024, Cofece had a 11.1% adjustment (Table 2.1).

In terms of approved budget during the six-year term, IFT and CNDH also experienced significant decreases, with the former having 3% less in 2024 than in 2019 and the latter 18% less.

As each institution has different legal mandates, it is possible that a specific CAB may require extraordinary resources in some years. Such are the cases of INEGI and INE, which modify their workload according to the data collection and electoral processes of each year.

*Budget reductions to CABs resulted in rendering them weakened or even inoperative. Law modifications also undermined the very existence of some of their functions by leaving them unable to carry out various actions that are part of their *raison d'être*.*

TABLE 2.1. PROPOSED BUDGET AND 2019 – 2024 BUDGET (MILLION PESOS)

INSTITUTION	INEGI	INE	INAI	CNDH	COFECE	IFT	FGR
Proposed 2019 Budget	14,560	18,806	1,080	2,273	672	2,052	17,671
Budget 2019	13,983	17,711	1,038	2,086	672	1,729	17,697
Adjustment %	−4%	−5.80%	−3.90%	−8.20%	0%	−15.70%	0.10%
Proposed Budget 2020	19,754	21,136	1,105	2,278	703	2,062	21,697
Budget 2020	19,754	19,859	1,046	2,234	693	1,837	1,909
Adjustment %	0%	−6%	−5.40%	−1.90%	−1.40%	−10.90%	−8.20%
Proposed Budget 2021	9,758	34,883	1,157	2,166	754	1,902	21,852
Budget 2021	9,758	33,787	1,141	2,166	754	1,902	21,763
Adjustment %	0%	−3.10%	−1.50%	0%	0%	0%	−0.40%
Proposed Budget 2022	15,109	33,505	1,336	2,341	837	2,120	24,421
Budget 2022	15,109	26,827	1,336	2,341	837	2,120	24,421
Adjustment %	0%	−19.90%	0%	0%	0%	0%	0%
Proposed Budget 2023	14,045	35,124	1,516	2,558	981	2,389	26,957
Budget 2023	14,045	28,759	1,489	2,558	934	2,364	26,957
Adjustment %	0.0%	−18.1%	−1.8%	0.0%	−4.9%	−1.1%	0.0%
Proposed Budget 2024	14,245	37,770	1,168	1,722	774	1,680	19,333
Budget 2024	14,245	32,767	1,097	1,722	688	1,680	19,333
Adjustment %	0.0%	−13.20%	−6.10%	0.0%	−11.10%	0.0%	0.0%

Source: In-house elaboration with data from SHCP 2019–2024 & MCCI 2024*

Representatives of CABs expressed on multiple occasions their concerns about the budget cuts. These contentions were met with disqualifications from the Executive Branch, declaring the institutions to be an extension of neoliberalism, understood by the president as a policy of plunder. By having less budget for an unchanged load of responsibilities, institutions had to prioritize tasks, which in the long run implies a deterioration in the quality of their work. This, in turn, helped the president to foster his narrative that these institutions are an unnecessary and costly parallel government that works inefficiently.

Although many institutions resisted the tactic of budget cuts during Lopez Obrador's presidency, their scope and strength were considerably diminished. This undoubtedly provoked a democratic setback, where the concept and value of institutions has been damaged and diminished. Consequently, at the end of his term President Lopez Obrador not only handed over weakened counterweights, but also undermined the functioning of Mexican democracy.



Imagen: Congress disappears CABs. Deputies from PAN exhibited corruption from the government. Photo: Cuartoscuro at <https://www.excelsior.com.mx/nacional/desaparecen-a-los-organos-autonomos-diputados-aprueban-reforma-en-lo-general/1685523>

Although many institutions resisted the tactics of budget cuts, their scope and strengths were considerably diminished. This undoubtedly provoked a democratic setback, where the concept and value of institutions has been damaged and diminished.

THE COLONIZATION OF INSTITUTIONS

WHAT POSITIONS HAVE BEEN RENEWED?

With the exception of the Legislative Branch, voted directly by the citizenry, the election of the Judicial Branch ministers and members of the executive bodies of CABs requires at least two branches: Executive and Legislative. During the Lopez Obrador six-year term, several of the principal members of the following were renewed (Vital Signs, 2020):

- » National Electoral Institute (INE)
- » National Institute for Transparency, Access to Information and Protection of Personal Data (INAI).
- » Bank of Mexico (Banxico)
- » Federal Economic Competition Commission (Cofece)
- » National Human Rights Commission (CNDH)
- » National Council for the Evaluation of Social Development Policy (Coneval)
- » Attorney General of the Republic (FGR)
- » Federal Institute of Telecommunications (IFT)
- » National Institute of Statistics and Geography (INEGI)

- » National Hydrocarbons Commission (CNH)
- » Energy Regulatory Commission (CRE)
- » National System for the Continuous Improvement of Education (Mejoredu)

Although renewals are customary in every government, the questionable legality of some processes to elect certain officials is alarming. In at least 7 of the 27 appointments made in these institutions, there were challenges and complaints from the political opposition regarding the procedures followed (Signos Vitales, 2020). In previous Vital Signs reports we analyzed several cases of striking appointments during the term of President Lopez Obrador, such as that of the head of the National Human Rights Commission (CNDH) in 2019 and that of the 4 commissioners of the Energy Regulatory Commission (CRE). More recently, in 2023, there was another specific case in the INE worth including in this analysis.

After failing to reach the support of a two-thirds majority in Congress required by law to elect three councilors and the president of the National Electoral Institute, all were selected for the first time in history by tombola.

Questionable legality of some election processes to occupy certain CAB positions sets off alarm bells. In at least 7 of the 27 appointments there were challenges and complaints from the political opposition, as there were disagreements with regard to the legal procedures (Signos Vitales, 2020).

The motive for the disagreement was that the Federal Electoral Tribunal of the Federation (TEPJF) challenged the electoral reform promoted by the president, causing a dispute between INE and Morena (Terreros, 2023). The tombola results appointed Guadalupe Taddei Zavala as the new INE president, as well as Jorge Montaña Ventura, Rita Bell Lopez Vences and Arturo Castillo Loza as councilors.

The appointments attracted attention not only because they were made by draw, but also as Taddei Zavala had already been questioned in the interview before the Technical Evaluation Committee, and by the opposition, due to her ties with the Morena party and the federal government. After the drawing of lots, the National Action Party challenged the appointment before the TEPJF, arguing that Taddei and her relatives maintained a close relationship with Morena and that this would prevent her from the impartial performance required by the position. It should be noted that several of her relatives hold government positions, such as Pablo Daniel Taddei (brother), who is director of the company LitioMX, created by the federal government, and her cousin Jorge Luis Taddei, delegate of the Welfare ministry in Sonora, among others (El Economista, 2023).

The appointments of INE's president and councilors attracted attention, not only because they were made by draw, but also because the new president had already been questioned in the interview before the Technical Evaluation Committee, and by the opposition, for her ties with the Morena party and the federal government.

These links and the possible lack of independence had been previously pointed out while Guadalupe Taddei held the position as president of the State Electoral Institute of Sonora (Soto, 2023).

Although the TEPJF ended up endorsing Taddei's appointment to the presidency of INE, arguing that the challenge only constituted assumptions of lack of autonomy, this selection by tombola before the 2024 elections –which were the largest ever in Mexico– shows an obvious unwillingness to dialogue with the opposition and laid a fragile foundation for the quality of the democratic system over the next few years.

In addition, while INE was the institution that suffered most attacks by Lopez Obrador (Signos Vitales, 2024), the new INE president received multiple endorsements from the president, a change of narrative which calls into question Taddei's alleged independence. From her appointment until the result of the 2024 elections, Lopez Obrador highlighted in the morning press conferences that he was satisfied with her performance (Flores, 2024).

AS IF THAT WERE NOT ENOUGH –PENDING VACANCIES

Apart from the exemplified cases, the colonization of such institutions took an additional tinge at the end of the last period of sessions of Congress. The Senate left open a worrying number of appointments to high public positions. Being the body with the constitutional obligation to decide who assumes those posts, during the six-year term it failed to decide on approximately 130 appointments (Checa Gutierrez, 2024). Of these vacancies, two at INAI, nine of the Selection Commission of the National Anticorruption System and two magistrates of the Superior Chamber of TEPJF, stand out.

At the same time, President Lopez Obrador refused to send the proposals for the three vacancies in the

The Senate left open a worrying number of appointments to high public positions. During the entire six-year term it failed to decide on approximately 130 appointments (Checa Gutierrez, 2024).

Federal Telecommunications Institute (IFT) and two in the Energy Regulatory Commission (CRE), among others.

In the case of INAI, the institute was incomplete from April 2022, lacking three commissioners to be able to operate fully as required by law. Although the Senate made an appointment, the president used his constitutional powers to veto it (Del Rio Venegas, 2023). In April 2024, weeks before the close of sessions, the Supreme Court sent an ultimatum to the Senate to report on the status of pending appointments (Ramos, 2024). In May, the Supreme Court indicated that the Senate was still in non-compliance (Eje Central, 2024).

This vacuum caused an overload of work for the institution and prevented it from "resolving the demands

and appeals filed by the population before the obligated subjects to obtain public information" (Del Rio Venegas, 2023). According to information from INAI itself, in 2022 alone the institute attended more than 24,000 controversies and challenges to uncover and make public government information. This omission of appointments undoubtedly represents another element of the strategy of institutional weakening and shows how the government has acted to hinder the work of INAI (among other CABS) and consequently limit democratic checks and balances. Apart from having repercussions on their functioning, these omissions also have an impact on the guarantee of human rights that should be protected by these institutions.



Image: "INAI will continue without commissioners; no consensus, says the Interior ministry" Photo: Cuartoscuro at <https://www.nmas.com.mx/nacional/inai-seguira-sin-comisionados-por-falta-de-consenso-dice-segob/>

In 2022 alone, INAI handled more than 24,000 controversies and challenges to uncover and make public government information.

The omission of appointments is a strategy of institutional weakening and, therefore, limiting democratic counterweights. It has repercussions on the functioning of institutions, and impacts on the guarantee of human rights.



LEGACY 1. CABS AND THE CONTROL OF INSTITUTIONS THAT COUNTERBALANCE THE EXECUTIVE BRANCH

LOPEZ OBRADOR'S STRATEGIES TO CENTRALIZE POWER AND WEAKEN CABS:

INTERVENTION IN POSITIONS AND APPOINTMENTS

NON-DESIGNATION OF POSTS AND/OR COLONIZATION
LEGALITY QUESTIONED IN THE DESIGNATION OF 7 OF THE 27
APPOINTMENTS DURING THE SIX-YEAR TERM OF OFFICE
VACANCY BOICOTT: 130 PENDING APPOINTMENTS.

EMBLEMATIC CASES
HEAD OF CNDH (2019)
CRE COMMISSIONERS (2019)
INE PRESIDENT (2023)

BUDGET REDUCTION. IN 2024 WAS 2.7% BELOW THE AUTHORIZED AMOUNT

COFECE -11.1%
INE -13.2%
INAI -6%
IFT AND CNDH ARE THE MOST AFFECTED
IFE RECEIVED 3% LESS BUDGET IN 2024 THAN IN 2019
CNDH RECEIVED 18% IN RELATION TO 2019

REFORM TO ELIMINATE 7 AUTONOMOUS CONSTITUTIONAL AGENCIES, NOVEMBER 2024



2.2 Disappearance of checks and balances: constitutional reforms



ANALYSIS OF REFORMS AND THEIR IMPACT ON CONSTITUTIONAL CHECKS AND BALANCES

While Lopez Obrador repeated on several occasions that CABs consumed too much budget and did not present good results, the systematic

attack on various institutions for being inconvenient for the government's project took an altogether different dimension in 2024. In February Lopez Obrador proposed a series of constitutional reforms that reiterated his arguments against the alleged wastefulness of public spending and in favor of fighting corruption through "republican austerity". Among the proposed reforms, he sought the disappearance of 7

public agencies: INAI, IFT, Cofece, as well as the elimination of two regulatory bodies (CRE and CNH) and two decentralized agencies, Mejoredu and Coneval (Gobierno de Mexico, 2024).

He also proposed to eliminate INE's operational autonomy and rename it the National Institute of Elections and Plebiscites (INEC), absorbing the functions of local agencies. Additionally, TEPJF would absorb all the local electoral courts, which would disappear. At the end of August 2024, this reform was approved by the Constitutional Points Commission of the Chamber of Deputies (Camara de Diputados, 2024), with the objective of passing it with the new legislature as of September 1. However, by the end of Lopez Obrador's term, the ruling was still pending approval.

In February 2024, Lopez Obrador proposed a series of constitutional reforms, among them: eliminating the operational autonomy of INE, and TEPJF would absorb the jurisdiction of the local electoral courts, which would disappear.

This reform package reflects the constant pressure and influence exerted by the president since the beginning of his term. In 2019 he managed to abolish the Institute for the Evaluation of Education (INEE) as a consequence of the approval of the new education reform. In addition, in 2020, he attached various administrative units and deconcentrated bodies to the Ministry of Health, including the Federal Commission for the Protection against Health Risks (Cofepris). Thus, the February 2024 initiatives are a logical follow up in the path of disappearing institutional counterweights, this time in a more radical way, by changing the constitution.

In a July morning press conference, following the adverse and constant narrative about the CABs, the President declared that by eliminating autonomous bodies, the country would save 100 billion pesos a year, highlighting once again the policy of austerity. However, when reviewing the budgets allocated to CABs for 2024, the seven agencies total was 4.534 billion (Esquerra, 2024), representing 4.5% of the figure. Moreover, the budget for all CABs represents only 0.05% of the total federal budget (Usla, 2024). Beyond the fact that these constitutional reforms confirm the disappearance of checks and balances as a Lopez Obrador legacy, the elimination of CABs

In a morning press conference in July, the President stated that, by eliminating CABs, the country would save 100 billion pesos per year. Reviewing the CABs budgets for 2024, the seven autonomous bodies added up to 4.534 billion pesos, 4.5% of the figure announced by the Executive (Esquerra, 2024). Moreover, the budget for all CABs is barely 0.05% of the total federal budget (Usla, 2024).

also carry implications that will affect the rule of law in the country.

The initiative on the elimination of CABs foresees the abolition of some of them under the pretext of reducing costs and seeks to assign several of their tasks to other agencies of the federal government, such as the Secretariat of Economy and the Secretariat of Public Administration, among others. This will jeopardize the character and technical capacity of the institutions as the proposed transfers simply assume that the functions can be performed by cabinet ministries without the experience and expertise of CABs' officials. It is precisely these experts who have served as a counterweight, ensuring certainty in public policies and related markets (such as the energy market). In other words, by eliminating CABs the aim is to cen-

tralize power in the Executive, ensuring that there will be no more interference from independent bodies.

Additionally, these actions will have an international impact: by being a signatory to the USMCA, Mexico is committed to maintaining impartial regulators and courts. By eliminating the IFT, for example, the government will be in breach of the trade agreement since the treaty establishes "the obligations of the telecommunications regulatory body, which must be guaranteed by each of the parties to the Treaty" (IMCO, 2024). Thus, the country runs the risk of breaking fundamental economic relations, or at least to provoke a strong revision of the USMCA in 2026, a difficult picture for the future (Table 2.2).

The electoral initiative foresees the restructuring of INE to become the aforementioned INEC and also, the reduction of regional entities (Local Public Bodies, OPLs) and INE structures. The new authority would be made up of 7 electoral councillors, elected for a six-year term by popular vote.

The consequences of this initiative can be summarized in several points: first, this electoral reform would imply substantial changes to the rules and structure that currently govern the electoral system in Mexico. In previous elections, OPLs conducted

local electoral processes in coordination with INE at the national level. By unifying the electoral authorities and transferring those functions to the new INEC, the number of personnel would be reduced and consequently the quality of election organization in the states would be affected. The new responsibility of organizing local elections would undoubtedly mean the denaturalization of INE and the end of electoral federalism. And lastly, both the popular election of councilors and the new burden –of carrying out popular consultations– could politicize the institution. Although attempts to weaken INE during the last six years did not prosper in their entirety, this initiative which aims to conclude the strategy of making INE less independent would have fundamental consequences for the country's electoral future.

It is also proposed to eliminate plurinominal representatives (elected under the principle of proportional representation) by reducing the number of legislators in the Chamber of Deputies from 500 to 300 and those in the Senate from 128 to 64. Plurinomial seats have been widely criticized but were created to prevent the country's political decisions being made without considering minorities. The elimination of plurinominal seats thus entails the end of minority representation in Congress, leaving small parties

The reforms will have an international impact as the USMCA requires Mexico to maintain impartial regulators and courts. Economic relations fundamental to Mexico's development are at risk and may trigger a major revision of the trade agreement in 2026.

TABLE 2.2 CABS TO BE ELIMINATED		
AUTONOMOUS BODY TO BE ELIMINATED	MAIN FUNCTION	INSTITUTION TO WHICH THE FACULTIES ARE TRANSFERRED
INAI	Guarantee rights of access to information and protection of personal data.	Secretariat of Public Administration (SFP), as well as several oversight bodies, INE and the Federal Court of Conciliation and Arbitration.
Cofece	To guarantee free economic competition.	Secretariat of Economy (SE).
IFT	To regulate the use and exploitation of communication networks.	Secretariat of Infrastructure, Communications and Transportation (SICT).
CRE	To regulate gas, electric power, petroleum and petrochemicals.	Secretariat of Energy (Sener).
CNH	To regulate and supervise the exploration and extraction of hydrocarbons.	Secretariat of Energy (Sener).
Coneval	Generate objective information on poverty and social policy.	National Institute of Statistics and Geography (INEGI).
Mejoredu	Promote the improvement of education (basic, higher, inclusive, and for adults).	Secretariat of Public Education (SEP).

Source: In-house elaboration with data from IMCO (IMCO, 2024).

without a significant voice whilst concentrating power in the majority party. Putting these changes in the current context, the over-representation that occurred as a result of the July 2 election would diminish political plurality considerably. In short, the basic functions of Congress to conduct pluralistic debates and include various voices in the legislative process will be substantially affected, putting at risk a fundamental element of a modern democracy.

The same initiative also proposes a change in the rules of party financing. Using his disqualifying narrative, the president presented this initiative under the argument of the low credibility amongst citizens of parties, planning to lower the percentage of the multiplication of the number of people registered in the electoral roll as a calculation for the amount of money for each party from 65% to 35% of the value of the unit of measurement and updating (UMA in Spanish). As with the elimination of plurinominal seats, this change consolidates the tendency to concentrate power and is another step backward for Mexican democracy.

In summary, the constitutional reforms presented in February 2024 were the latest step in the president's strategy to eliminate fundamental counterweights

The abolition of plurinominal seats entails the elimination of minority representation in Congress, leaving small parties without a significant voice whilst concentrating power in the majority party.



Image: "MC defines the list of plurinominal candidates" Photo: Marco Pelaez at <https://www.jornada.com.mx/noticia/2024/02/06/politica/define-mc-lista-de-candidatos-plurinominales-a-la-camara-de-diputados-8185>

and concentrate power in the government. During his term, Lopez Obrador carried out several changes to the constitutional and legal framework that blurred the separation of powers and took the legitimacy of procedures to extremes in order to carry out legal changes. Although the reform was not approved in the Lopez Obrador administration, the president laid the groundwork for it to move forward in the next government, leaving worrisome implications for the rule law and democracy, as well as for Mexico's trade and international relations.

The constitutional reforms presented in February 2024 represent the last piece of the president's strategy to eliminate fundamental counterweights and concentrate power in the government.

Lopez Obrador laid the groundwork for reforms to move forward in the next administration, leaving worrisome implications for the rule of law and democracy, as well as for Mexico's trade and international relations.



Image: Adan Augusto Lopez (president of the Senate) and Ricardo Monreal (president of the Deputies Chamber) discussing the reforms/ Photo: Cuartoscuro at <https://zetatijuana.com/2022/12/adan-augusto-acepta-correcciones-a-6-de-21-bloques-de-reforma-electoral-a-le-yes-secundarias/>

WHAT IS THE REALITY OF THE CABS AT THE END OF LOPEZ OBRADOR'S TERM?

With the pending demise of several CABS, it is worthwhile to analyze what was the status of each at the close of Lopez Obrador's term.

NATIONAL ELECTORAL INSTITUTE (INE)

Created in 2014 through a reform to replace the former Federal Electoral Institute (IFE), INE is the autonomous constitutional body in charge of federal elections (for President, Chamber of Deputies and Senate), as well as coordinating with state electoral bodies for local elections. Other responsibilities include the registration of political parties and candidates, oversight of campaign income and expenses, civic promotion and education, and conducting research studies on electoral and political issues.

Its autonomy has been guaranteed through budgetary independence and through the selection of the General Council, its central body. The members of the General Council are responsible for making INE's most important decisions and for guaranteeing transparency and impartiality throughout the electoral processes. Once the legal term of a member of the General Council concludes, a new one is selected to take the position. Appoint-

ments are made with the approval of the Legislative Branch after a rigorous process of evaluation of profiles by a Technical Evaluation Committee. In the event that a majority consensus is not reached to elect the new General Council members, a draw takes place, validated, if necessary, by the Supreme Court of Justice.

INE has stood out for its efficiency and impartiality, boasting an alternation rate in power between different parties of 65%, the highest since it assumed the organization of elections. Given Mexico's national history, where the existence of a single party in power characterized most the 20th century, this rate is a good indicator of its work. Additionally, its performance and the involvement of citizens in the elections has led to a high level of public awareness of INE. In 2020, 59.6% of citizens had some or a great deal of trust in INE, and only 13% expressed no trust in it (INEGI, 2020). In the year 2023, confidence in different local electoral institutes decreased to 54.7% (INEGI 2023). In a survey conducted by El Financiero newspaper ahead of the 2024 elections, 56 percent of the citizens surveyed said that they had a lot or some confidence in the institute. INE continues to be the third most trusted institution after the Armed Forces and the National Guard.

While INE's independence continues to be sustained by the need to be an institution of citizens that organizes electoral processes independently from the government, it has also managed to build a reputed electoral bureaucracy. However, INE faced several challenges throughout the administration of Lopez Obrador testing public trust in its impartiality.

As we have mentioned in this chapter and in previous Vital Signs reports, the four main routes followed by the administration to attack INE were:

1. Its budget
2. Warnings to eliminate its General Council or INE itself
3. Threats of impeachment of board members
4. Oblique threats to the integrity of INE board members.

Taking as a reference the year 2015, the year after IFE became INE, it received a budget of 12,592.52 million pesos; by 2024 it had grown to 32,767 million. During this period the largest allocation of budgetary resources occurred during the Lopez Obrador administration. Despite this positive trend, the institute itself has warned that the resources it has are considerably limited considering the additional tasks assigned to it.



Image: "INE General Council" at <https://centralelectoral.ine.mx/2023/09/07/>

This concern applied especially in 2024, as the largest and most competitive electoral process in Mexico's history took place on June 2. At the federal level, a President, 128 Senators and 500 Deputies were elected, while at state and local level, nine Governors and 19,634 positions were elected by voters to form local congresses, city councils, municipal boards, and mayoralties.

INE had never before faced a political-electoral scenario such as the one that occurred during this period. By far, this process demanded a strong effort of all democratic institutions, including INE itself. The workload was clearly multiplied, which represents a significant bud-

INE's independence continues to be sustained by the need to be an institution of citizens that organize electoral processes independently from the government.



Image: Guadalupe Taddei Zavala, INE's president from April 2023. Photo: Mario Jasso/Cuartoscuro at <https://oem.com.mx/elsoldemexico/elecciones-2024/organizacion-de-la-eleccion-lleva-un-avance-del-74-guadalupe-taddei-13058606>

getary cost. Although resources were increased, they were not proportional to the augmented workload.

On top of this major challenge to institutional capacity itself, INE has been the CAB that has received the most government attacks, mostly from the president. In numerous Vital Signs reports and alerts, we have detailed the strategy that the Executive used to attack, denigrate and belittle its adversaries, presenting a line of attack to follow by its allies in the morning press conferences, with the president generating a questionable image of INE through stigmatization, polarization and the reproduction of lies.

As a possible consequence of the constant attacks from the National Palace, INE is one of the institutions that

received the most cyber-aggressions during Lopez Obrador's term, at least 32 per minute. Another example of the attacks against INE were the various political-electoral reforms sent by the president to the Chamber of Deputies since 2022. In the last one, INE is among the institutions at risk of disappearing in its current form. In fact, in October 2024 Congress gave authority to the INE president to appoint the directors of various areas. The General Council previously made those decisions, demanding agreements among various political forces. Thus, the plurality and governance of the Institute was weakened¹.

INE is one of the institutions that received the most cyber-aggressions during Lopez Obrador's term. It faced at least 32 attacks per minute.

INE is among the institutions at the risk of disappearing in its current form.

¹ Since the arrival of Guadalupe Taddei to the presidency of INE, the councils had not achieved the minimum consensus of eight of 11 members to appoint at least half of the executive directorates and technical units, and therefore operated with interim appointees.

THE NATIONAL INSTITUTE OF TRANSPARENCY, ACCESS TO INFORMATION AND PROTECTION OF PERSONAL DATA (INAI)

INAI is the CAB in charge of promoting and guaranteeing the right of access to public information, as well as protecting personal data held by authorities and organizations. It was created in 2014 from the merger of two pre-existing agencies. It has specific attributions and powers to ensure transparency and accountability in the public and private sector.

To fulfill its responsibility to guarantee access to public information, INAI is responsible for receiving requests for information, reviewing the responses of authorities and individuals, imposing sanctions in the event of non-compliance, and promoting a culture of transparency and accountability. In order to protect the personal data of the population, the institute has the power to receive complaints and sanction those who violate the law with respect to privacy and confidentiality.

INAI also heads the National Transparency System and is part of the National Anticorruption System, two institutional blocks that seek to strengthen the rule of law.



Image: INAI's four commissioners at <https://aristeguinoticias.com/1306/mexico/inai-realiza-segunda-sesion-extraordinaria-por-orden-judicial/>

With this, it is clear that this institute is a key organization for the consolidation of democracy and the rule of law in Mexico, by ensuring the right to information and the protection of data of individuals, rights that are elementary in any modern democracy.

According to official information from INAI, from January to November 2023, 19,603 requests for reviews or complaints from individuals were filed against public institutions since they did not comply with their right

INAI is key for the consolidation of the democracy and the rule of law in Mexico, by ensuring the right to information and the protection of personal data.

to data protection or access to information. INAI managed to resolve on 16,775 cases, thus guaranteeing citizens' rights (INAI, 2024). These figures show that the authorities responsible for providing access to information many times do not provide it themselves, and citizens must resort to INAI to obtain it.

Therefore, INAI managed to stop attempts by authorities to paralyze the publication of government information, preventing opacity on the decision-making of public policies. In this way, INAI has been one of the main institutional actors that allowed numerous corruption scandals to come to light, which in turn has increased citizens' political oversight of governments. Some examples of political corruption scandals in Mexico that became known thanks to journalistic investigations that used information requested to INAI are "The white house", "The master scam" (both in the government of President Peña Nieto, 2012–2018) and the embezzlement in state company Segalmex (Lopez Obrador). Another example has been the challenge to the presidential decree that sought to declare the president's main infrastructure projects a matter of national security and thus prevent the publication of information on the Maya Train, the Felipe Angeles Airport and the Dos Bocas Refinery (INAI, 2023).

With these powers, INAI not only forms a fundamental part of a system of balances in the exercise of power, but also proved to be uncomfortable for the Lopez Obrador administration, which was characterized by a lack of transparency with public matters. As a result, the institute was the object of constant disqualifications by the president. These attacks ranged from a negative narrative from the presidential podium in the morning press conferences to the refusal to submit the appointment of new INAI members to the Senate, culminating with the proposal of eliminating INAI as part of the reform package sent to Congress in February 2024. The disappearance of INAI would eliminate the possibility of receiving information on the government's performance, a step backwards in the progress made in terms of transparency, taking away a fundamental right of the citizenry and at the same time leaving it to the government's discretion to provide information.

INAI managed to stop attempts by authorities to paralyze the publication of government information and thus prevent opacity in public policy decision-making.

ENERGY REGULATORY COMMISSION (CRE) AND NATIONAL HYDROCARBONS COMMISSION (CNH)

CRE and CNH have been Lopez Obrador's targets since his term began. Both were created as part of the 2013 energy reform that created markets after decades of state monopolies in oil and electricity. Their objective, therefore, was to regulate and supervise the emerging energy markets (gas and electricity as well as hydrocarbons) in Mexico, guaranteeing and fostering competition. Both agencies therefore played a key role in controlling inflation, given that electricity, gas, and gasoline are important in the basic basket of goods and services. With this, both CRE and CNH also became important players with respect to consumer protection.

However, the intention of Lopez Obrador's government was to eliminate the competitive energy market by annulling the 2013 energy reform, granting again prominence to the State. Given the historically predominant role of state-owned enterprises, the Federal Electricity Commission (CFE) and Mexican Petroleum (Pemex), and the open favoritism of Lopez Obrador for both, CRE and CNH faced multiple challenges from the president. The reform sent in February 2024 by Lopez Obrador was not the first time that



Image: "Energy Regulatory Commission" at <https://expansin.mx/empresas/2019/04/04/amlo-envia-nombramientos-para-la-cre-por-que-importa-su-eleccion>



Image: "Hidrocarbon National Commission" at https://www.linkedin.com/posts/cnh-mx_hidrocarburos-

the government tried to abolish the two bodies in order to disarticulate the competitive energy market. This was also attempted with the failed energy reform of 2022, which aimed at a more centralized energy control and to change public energy policies to favor CFE and Pemex. The rejection of both CRE and CNH was evident throughout Lopez Obrador's term through statements during the morning press conferences, where the president did not hide his position to favor Pemex and CFE, accusing the autonomous bodies of defending the interests of private companies: "Every time you defend Pemex and the Federal Electricity Commission, the competition institute (Cofece) comes out to defend private companies. The function of any government is to procure the welfare of the people, not private individuals. That is oligarchy, not democracy"².

The reform proposed in February 2024 sought to redirect control of the sector towards greater state intervention, weakening CNH's autonomy and limiting its capacity to effectively supervise exploration and extraction activities. This, in turn, would result in more opacity in terms of tenders and contracts, another Lopez Obrador legacy.

² Press Conference of 11.12.2023 <https://youtu.be/PV-TR-pa4yPAC>

The elimination of CRE will also result in a centralization of the energy sector, additionally with negative legal effects with respect to compliance with the USMCA. By not having the autonomous bodies that regulate and guarantee fair competition in the market, Mexico will run the risk of being subject to the USMCA's legal dispute resolution panel, affecting Mexican trade in the long term, and the in-depth review of the treaty in 2026. This highlights the important role that both bodies have played in safeguarding Mexico's economic and energy stability, a role that was completely ignored by Lopez Obrador.

The intention of the government was to eliminate the competitive energy market annulling the 2013 energy reform, granting again prominence to the State.

Given the historically predominant of state-owned enterprises, CFE and Pemex, and the open favoritism of Lopez Obrador for both, CRE and CNH faced multiple challenges from the president.

FEDERAL COMMISSION OF ECONOMIC COMPETITION (COFECE)

Another relevant agency for Mexico's economic performance has been Cofece. Since its reform in 2013, the Commission acquired more powers to promote economic efficiency and protect market competition. As such, it ensures that companies compete on a level playing field and that consumers have access to a greater variety of products and services at optimal prices. By guaranteeing free competition and preventing monopolistic practices, Cofece has been an important player in generating investor confidence.

In addition, Cofece is empowered to investigate and sanction anticompetitive behavior and review indicators that may affect market competition. It is headed by seven commissioners, proposed by the president and ratified by the Senate.

During the term of Lopez Obrador, Cofece faced significant challenges, especially in the energy sector. As mentioned, the government sought to strengthen companies Pemex and CFE through various actions, which hurt competition. Consequently, Cofece issued several resolutions against those decisions, arguing that they affected free competition and harmed con-



Image: <https://www.linkedin.com/posts/comisi%C3%B3n-federal-de-competencia>

sumers. During the six-year term Cofece issued 15 sanctions for monopolistic practices (Cofece, 2024). In 2022 alone, it imposed fines totalling 4,859 million pesos (Amador, 2024). According to its own information, since 2018 Cofece achieved benefits for the population equivalent to 7.5 million pesos per day (Amador, 2024). As in the case of the other CABs, the decisions issued by the Cofece generated frictions with Lopez Obrador, who accused it of being aligned with private interests and contrary to the government's objectives.

As a consequence of the president's rejection of the Commission, his proposed reform in February 2024

Cofece ensures that companies compete on a level playing field and for consumers to have access to a greater variety of products and services at optimal prices

foresees the transfer of Cofece's functions to the Secretariat of Economy. This would violate Article 21.1.4 of the USMCA, which establishes that "Each Party shall maintain a national competition authority or authorities (national competition authorities) responsible for the enforcement of its national competition laws". Moreover, the Secretariat of Economy would lack the incentive to review actions by the government, being part of it, or its public enterprises. Therefore, Mexico's competitiveness will be damaged and in the long term another relevant mechanism of regulation and transparency would be lost. Opacity as a legacy of Lopez Obrador is present in many areas.

The reforms will nullify the capacity of Cofece, since it will eliminate incentives to review the actions of the government or its public companies. Mexico's competitiveness will be affected and another mechanism of regulation and transparency will be lost.

BANK OF MEXICO (BANXICO)

Banxico is the country's central bank, whose main function is to maintain a low and stable inflation in order to preserve the purchasing power of the national currency. Founded in 1925 with different functions than today, Banxico became a CAB in 1994 (Banxico, 2024). This autonomy guarantees that monetary policy decisions are made in a technical manner and without political influence, crucial to avoid inflationary policies that could destabilize the economy.

Among its main functions are to issue banknotes and coins, regulate the money supply and credit, and manage the country's international reserves. Banxico's Board of Governors is composed of five members, nominated by the president and ratified by the Senate. This board is also in charge of setting the interest rate.

During Lopez Obrador's administration, Banxico maintained its autonomy in monetary policy decision-making. However, or as a result of this, there were tensions between the Executive and the Bank. Among these were disagreements over the proposed elimination of several autonomous bodies, changes in the composition of Banxico's Board of Governors, and its monetary policy (Campos, 2024). Other ex-

amples include Lopez Obrador's pressure in 2020 for Banxico to buy dollars in cash entering Mexico (Mares, 2021), as well as his repeated criticism of interest rates, which according to the president "are always more about combating inflation than promoting growth" (Valladolid, 2022). Although Banxico managed to reject the pressures and maintain its autonomy, Lopez Obrador's criticisms showed the inconsistency between his alleged acceptance of Banxico's autonomy and his aim to influence its decisions.

Although Banxico is not on the CABs list under the proposed reform, it faced multiple pressures from the government. Nevertheless, at the close of the Lopez Obrador administration, Banxico continues to operate with relatively normality.

Banxico is not on the list of CABs to disappear in the reform proposal and has been able to maintain its autonomy, despite pressures from Lopez Obrador.

NATIONAL COUNCIL FOR THE EVALUATION OF SOCIAL DEVELOPMENT POLICY (CONEVAL)

Coneval is an institution in charge of measuring poverty and evaluating social development programs and policies with the aim of improving their effectiveness. It is composed of a board of six independent academics who are elected by a Technical Evaluation Committee and ratified by the Senate (Coneval, 2024).

While poverty reduction became one of the most prominent supposed achievements of the government in Lopez Obrador's narrative, Coneval was not exempt from presidential criticisms in the morning press conferences. This is because the agency has not ceased to publish evaluations evidencing flaws in Lopez Obrador's policies and programs. Among these was the criticism of the "Sembrando Vida" social program as well as its finding of the increase in extreme poverty throughout Lopez Obrador's administration. The president on several occasions tried to pressure Coneval to align evaluations with his narrative and—as the general *modus operandi* of his term—defended his social policy with the famous claim of "I have other data" (Expansion Politica, 2021; Daen, 2023).

Coneval is an autonomous agency in charge of measuring poverty and evaluating social development programs and policies with the aim of improving their effectiveness.

The constant pressure on the Council over the last six years culminates at the end of Lopez Obrador's administration with the proposal to transfer Coneval to the National Institute of Statistics and Geography (INEGI) as part of the constitutional reforms. This merger is deficient due to the difference in tasks between INEGI and Coneval, eliminating de facto the continuity of Coneval's functions (Forbes, 2024). Notably, the disbanding of Coneval would mean the loss of evaluations of various social policy programs that are indispensable for their improvement, reduce the capacity for independent poverty monitoring and as a result diminish the government's capacity to fight poverty. In the end, this proposal is in line with Lopez Obrador's legacy, characterized by ignoring data, fabricating alternative realities, and disappearing counterweights, putting the country's future at risk.



Image: "Coneval Session" at <https://x.com/coneval/status/1796002709427929484/photo/1>

The disappearance of Coneval will result in the loss of evaluations of various social policy programs that are indispensable for their improvement, reduce the capacity for independent poverty monitoring and as a result diminish the government's capacity to fight poverty.

It is aligned with Lopez Obrador's legacy, characterized by ignoring data, fabricating alternative realities, and disappearing counterweights, putting the country's future at risk.

NATIONAL INSTITUTE OF STATISTICS AND GEOGRAPHY (INEGI)

Founded in 1983 and with constitutional autonomy since 2008, INEGI is the agency in charge of statistical and geographic information in Mexico. Its independence is crucial to ensure that the data it produces is objective, reliable and free from political manipulation.

However, while INEGI is not at risk of disappearing, the institute is an example of how Lopez Obrador celebrated the CABs when they aligned with his narrative and attacked them otherwise. While Lopez Obrador applauded the incorporation of the measurement of trust in the president in the framework of the National Survey of Urban Public Security, which yielded positive results throughout his term (Morales & Villa Caña, 2024), he questioned other INEGI methodologies, suggesting that certain indicators, such as those related to economic growth and poverty, did not adequately reflect reality.

This has been particularly the case on occasions when INEGI presented reports and data on inflation, the homicide rate, number of missing persons and that of jailed people without a sentence. And while the president relied on several INEGI surveys, arguing that the population was "happy, happy, happy", he omitted parts of the same surveys that

showed a dismal result with respect to security (Jimenez, 2024b). This once again showed Lopez Obrador's modus operandi of using data selectively to his convenience.

As we have seen in this chapter, Lopez Obrador's criticisms were not limited to statements against INEGI in the morning press conferences, but resulted in budget cuts, limiting its operational capacity and affecting the realization of some census and surveys. In 2019 alone, INEGI received 5 billion pesos less than requested, which resulted in the suspension or cancellation of 14 surveys, including the National Household Expenditure Survey, the National Survey on Access to Public Information and Protection of Personal Data, and the Agricultural Census (Animal Politico, 2019). Furthermore, experts have also observed a decrease in the accuracy of information provided by INEGI, which further indicates that the institute was affected by the pressures exerted by the administration.

Signos Vitales has noted some cases in which INEGI seems to align itself with the government to avoid providing accurate and complete information. Such was the case in which, at the request of the Secretariat of Public Education (SEP), INEGI, under the new presidency of Graciela Marquez Colin, stopped producing certain education statistics. Thus, the budgetary weakening of CABs has led to the suspension of extremely relevant information, particularly from INEGI,

INEGI is responsible for the production of statistical and geographic information in Mexico. Its independence is crucial to ensure that the data it produces is objective, reliable and free of political manipulation.

which allows monitoring the fulfillment of key objectives. Such is the case of the Education Information and Management System (SIGED, for its acronym in Spanish) (Vital Signs, 2023b). Detailed information on the number of students per level, teacher salaries and/or evaluation results (among others) ceased to be published. The argument was that the SIGED data did not have the necessary attributes to be classified in the category of national relevance. Therefore, INEGI's Governing Board gave in to SEP's request and eliminated SIGED from the list of statistics of national interest without establishing an alternative to produce or replace this information.

The other case has been the questioning of atypical data collected in the National Household Income and Expenditure Survey³ (ENIGH) from which Coneval calculates poverty and income distribution indicators. These questions by the University Program for Development Studies (PUED) of the Autonomous National University of Mexico (UNAM) indicated changes in various elements of the ENIGH that could have changed the final poverty results⁴. Although it is difficult to

3 Given the atypical behavior of the Total Current Income (TCI) in 2022, as reported by Coneval, and the improvement in the capture of labor income (especially in the two lowest quintiles), it was necessary to guarantee the continuity of the poverty series under the construction of a Statistical Model for Continuity (SCM), which explain better in Chapter 5, where we address the issues of poverty and inequality.

4 The PUED estimates for the 2022 poverty data were made based on

speak of a deterioration in the reliability of INEGI's official figures in general, there are doubts about some specific indicators of interest to the government and society.

Another case of tensions between Lopez Obrador and INEGI occurred in 2021, when INEGI won a lawsuit against the president who had promoted that the salaries of public servants could not exceed his own (Saul Vela, 2021). These events and facts show how INEGI faced political pressures throughout Lopez Obrador's term in office. This constant tension, together with budget cuts, leaves the institute weakened at the end of the six-year term. As has been shown throughout this chapter, INEGI's situation confirms once again how Lopez Obrador leaves a worrisome legacy in terms of data accuracy and veracity, and therefore a distorted image of reality in the country.

INEGI's Governing Board gave in to the SEP's request and eliminated SIGED from its register of statistics of national interest, without building an alternative that produces or replaces that information.

the ENIGH under the observation of outlier data since, when comparing the distribution of Total Current Income Per Capita (ICTP) of the different editions of the 2016, 2018, 2020 and 2022 ENIGH noted an atypical shift of the distribution curve, with respect to the previous years of the series.

COMMISSION FOR THE CONTINUOUS IMPROVEMENT OF EDUCATION (MEJOREDU)

Created in the Lopez Obrador government as part of the 2019 education reform, and the consequential elimination of the National Institute for the Evaluation of Education (INEE), Mejoredu is the agency in charge of evaluating, diagnosing and improving educational quality. Its objective is to ensure that educational systems, at national and local levels, meet quality standards and respond to the needs of students (SHCP, 2020).

Interestingly, Mejoredu is one of the few CABs that has not received the presidential criticism so common by others, as documented in this report. But Mejoredu has been criticized by education experts and the political opposition for its questionable performance. This is due, among other motives, to the fact that on several occasions it concealed information that revealed shortcomings in diagnostic evaluations, infrastructure, and lack of equipment in public schools. According to media reports, Mejoredu's decided not to publish that information to avoid blaming SEP and thus avoid government criticism (El Universal, 2024). Although this CAB was not criticized by Lopez Obrador, it shows yet again how his administration undermined the autonomy of CABs, including the agencies he himself created.

Moreover, the election of the commissioners responsible for the Mejoredu management prioritized political considerations over academic merits, generating concerns about the impartiality of the institution and caused an atmosphere of censorship and internal disagreements. A few months before the end of Lopez Obrador term, Commissioner Florentino Castro Lopez denounced several failures of the Commission, such as the lack of an internal regulation, which weakens its administrative structure; and the ineffectiveness of the Mejoredu Committee, since it did not comply with the requirement of meeting three times a year, affecting its consultative capacity (Sanchez Cervantes, 2024).

This is in addition to the re-election of Silvia Valle Tepatl as president of Mejoredu, which has been questioned as to its legality, since the law does not contemplate re-election to that position (Sanchez Cervantes, 2024). Moreover, having a long-standing relationship with Morena and Lopez Obrador, her re-election is evidence of the ruling party's inheritance in CABs.

The history of Mexico's educational system has shown the need for an institution to improve it. Although Mejoredu did not fulfil this objective, the proposal to eliminate it as part of the reform of the CABs would result in a centralization of monitoring tasks in SEP, which means that the ministry

The election of the commissioners responsible for the Mejoredu management have prioritized political connections over academic merit.

would judge and qualify its own work, precluding the possibility of real evaluation and accountability over the future of education in Mexico. (Del Rio Castro, 2024). Finally, the proposed elimination of Mejoredu, having abolished its predecessor, INEE, could be interpreted as the failure of Lopez Obrador's own educational reform, or it reflects the decision that education should not be evaluated –although in reality the evaluation of the educational system disappeared with the elimination of INEE.



Image: "Silvia Valle Tepatl commissioner president of Mejoredu" at <https://www.gob.mx/mejoredu/prensa/silvia-valle-tepatl-fue-nombrada-comisionada-presidenta-de-la-junta-directiva-de-mejoredu-347561?idiom=es>

Mejoredu, Lopez Obrador's creation, closed its six-year term in crisis, due to its inoperability, lack of trustworthiness and finally due to the reform seeking its abolishing along with other CABs. However, the evaluation of the educational system had already disappeared with the elimination of INEE.

NATIONAL HUMAN RIGHTS COMMISSION (CNDH) AND THE ATTORNEY GENERAL'S OFFICE (FGR)

Although CNDH and FGR, as well as Banxico and INEGI, do not appear to be directly affected by the proposed reform, it is important to note that both agencies were weakened throughout the Lopez Obrador administration.

As documented in Chapter 1, CNDH appears to have become an agency fully aligned with the official narrative of the Lopez Obrador government.

This has weakened its credibility and its ability to act as an effective counterweight in the defense of human rights. While CNDH has continued to issue recommendations and attempted to adapt to social demands, its influence at the end of Lopez Obrador's term has undoubtedly been diminished, as probably was intended.

Similarly, since its creation in 2019, FGR has also faced criticism for its lack of independence and for the generalized perception that it is still acting in tune with the interests of the Executive. According to information obtained by Mexico Evalua, as a result of its poor performance, 90% of crimes in Mexico are not reported (Mexico Evalua, 2024).

Moreover, cases were reported in which FGR used its powers to hound political opponents or protect individuals close to the government. Among those actions, there was the grave persecution of 31 scientists, all members of the National System of Researchers, accused by FGR of organized crime and money laundering after they had disagreements with the National Council for Humanities, Sciences and Technologies (Conahcyt). Despite FGR efforts to imprison them, all were acquitted (Toche, 2024).

At the same time, FGR faced allegations of serious human rights violations such as the disappearance of people and its ineffectiveness in solving problems linked to



Image: Prosecutor Alejandro Gertz Manero (FGR) at <https://r3d.mx/2021/04/14/fiscaliaespia-la-fgr-adquirio-equipos-capaz-de-espiar-ilegalmente-a-todos-los-usuarios-de-internet-en-mexico/>

organized crime (SNA, 2024). Meanwhile, the government of Lopez Obrador stood out throughout the six-year term for ignoring the accusations or defending FGR.

Both CNDH and FGR underscore once again how Lopez Obrador has used CABs to further his political agenda, has colonized them or ignored their questionable performance. Handing over to the next administration human rights bodies and prosecutors' offices that have been weakened and subjugated to the government represents another worrying legacy of the end of Lopez Obrador's term in office.

The Prosecutor's Office was used against political opponents or to protect officials close to the government. Among the former, 31 scientists were accused of organized crime and money laundering.

FEDERAL TELECOMMUNICATIONS INSTITUTE (IFT)

Created in 2013, IFT is the autonomous agency in charge of regulating and supervising the telecommunications and broadcasting sector. With the objective of promoting competition and improving the quality and coverage of telecommunications services, it has the power to grant concessions, regulate tariffs, and supervise service quality. It is also responsible for guaranteeing universal access to telecommunications services and protecting users' rights (IFT, 2024).

IFT stayed out of major direct clashes with the Lopez Obrador administration. However, it also faced budget cuts that affected its ability to fulfill its functions. Between 2023 and 2024 alone, IFT received 3.5% less budget, despite the fact that it repeatedly pointed out the need for new investments to maintain the competitiveness of the sector (Calderon, 2023).

In addition, President Lopez Obrador has on several occasions mentioned the idea of eliminating it, resulting in a constant reduction of investment, which plunged from 63,048 million pesos in 2020 to 40,464 million in 2023 (Calderon, 2024).

The last constitutional reform proposal presented in February 2024 contemplates transferring the IFT func-

tions to the Secretariat of Infrastructure, Communications and Transportation (SICT). This has increased concerns about regulation and technological development in the country, as well as the discretion to grant media concessions and other easily politicized powers (Calderon, 2024).

Finally, IFT is also in the group of CABs that have seen a lack of appointments (currently the IFT plenary has only three commissioners and one interim president out of the seven required for effective operation). Bizarrely, Lopez Obrador rejected the proposed appointments on various occasions arguing that the candidates had been evaluated by Banxico and INEGI but not by INEE, an entity that he disappeared in 2019 (Gutierrez, 2024).

Thus, the IFT weakening took place in a silent manner, and was followed by the reform to disappear it completely. IFT has pointed out that its elimination would reduce market competition, negatively affecting users (El Financiero, 2024). As previously mentioned, its abolition would also have international economic implications. Thus, IFT joins the CABs that were not only weakened during Lopez Obrador's administration, but were slotted to be eliminated, a significant setback in terms of regulation and supervision of important economic sectors that have been key to Mexico's development.

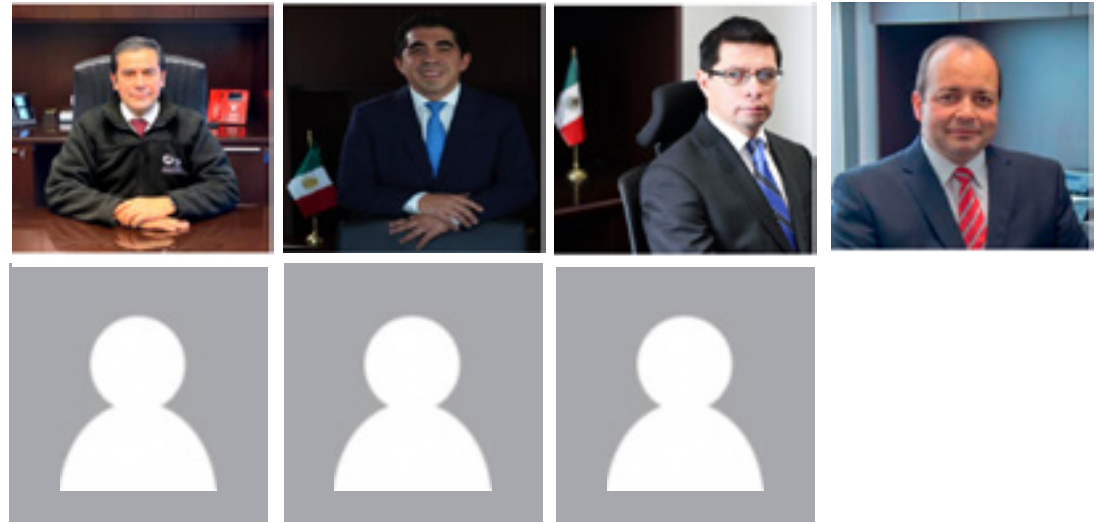


Image: Four members of the IFT Plenary and three appointments missing at <https://www.ift.org.mx/conocenos/pleno/integrantes-del-pleno>

IFT has the power to grant concessions, regulate tariffs, supervise the quality of service, and promote competition in the sector. It is responsible for guaranteeing universal access to telecommunications services and protecting users' rights (IFT, 2024)

CONSEQUENTLY –WHAT'S LEFT?

CABs have been institutions of maximum relevance for the Mexican State, guaranteeing essential rights such as the right to have access to public information or the right to passive and active voting. In addition to what was analyzed at the beginning of this chapter, looking at each CAB by the end of the six-year term, there is no doubt they are weakened and their existence under direct threat. Whether they disappear or are absorbed by a government ministry or another public entity, all CABs face the danger of losing the essence of their *raison d'être*: autonomy. Furthermore, Lopez Obrador's actions against them throughout his term highlight his legacy: a new political regime characterized by the centralization of power, opacity and the attack against democratic checks and balances.

The erosion and devastation suffered by Mexico's democratic institutions has set a precedent that reverses the trend of recent decades. Contrary to the narrative promoted and supported by the Lopez Obrador administration, institutional erosion is (and will be) such that the new government will have to work with less institutional capacities but with a greater concentration of power in the presidency.

At the end of the six-year term, CABs are weakened and under direct threat. The Lopez Obrador legacy stands out: a new political regime characterized by the centralization of power, opacity and the attack against democratic checks and balances.



LEGACY 2. DISAPPEARANCE OF INSTITUTIONAL CHECKS
AND BALANCES: CONSTITUTIONAL REFORMS

LOPEZ OBRADOR'S SYSTEMATIC ATTACKS ON DEMOCRATIC CHECKS AND BALANCES CULMINATED
IN THE REFORM OF NOVEMBER 2024.

DISAPPEAR 7 CABS AND TRANSFERS OF THEIR FUNCTIONS TO MINISTRIES OR OTHER ENTITIES:

CNH	NATIONAL HYDROCARBONS COMMISSION
CRE	ENERGY REGULATORY COMMISSION
IFT	FEDERAL TELECOMMUNICATIONS INSTITUTE
CONEVAL	NATIONAL COMMISSION FOR THE EVALUATION OF SOCIAL POLICY
COFEC	FEDERAL COMPETITION COMMISSION
INAI	NATIONAL INSTITUTE OF ACCESS TO INFORMATION AND PROTECTION OF PERSONAL DATA
MEJOREDU	COMMISSION FOR THE CONTINUOUS IMPROVEMENT OF EDUCATION

POLITICAL AND ELECTORAL REFORM INITIATIVES:

- ELIMINATE INE'S OPERATIONAL AUTONOMY
- ELIMINATE PLURINOMINAL REPRESENTATIVES
- REDUCE POLITICAL PARTIES' FUNDING

LEGACY: A NEW POLITICAL REGIME
WITH CENTRALIZED POWER
OPACITY
WITHOUT DEMOCRATIC CHECKS AND BALANCES

2.3 The National Anticorruption System and the SFP's inaction



EFFECTIVENESS OF THE ANTI-CORRUPTION SYSTEM IN DOUBT

Created in 2015 to address corruption in a systemic way, the National Anticorruption System (SNA, for its acronym in Spanish) is the space for coordination among authorities at all levels of government for the prevention, detection and sanctioning of administrative offenses and acts of corruption, and also the oversight and control of public resources¹. The SNA is integrated by:

- » The Coordinating Committee, made up of the Council of the Federal Judiciary (CJF), the Federal

Court of Administrative Justice (TFJA), the Specialized Prosecutor's Office for Combating Corruption (FEMCC), the Secretariat of Public Function (SFP), the Federal Superior Audit Office (ASF), and the National Institute for Transparency, Access to Information and Protection of Personal Data (INAI).

- » The Citizens Participation Committee.
- » The Steering Committee of the National Auditing System; and
- » Local Anticorruption Systems of each state.

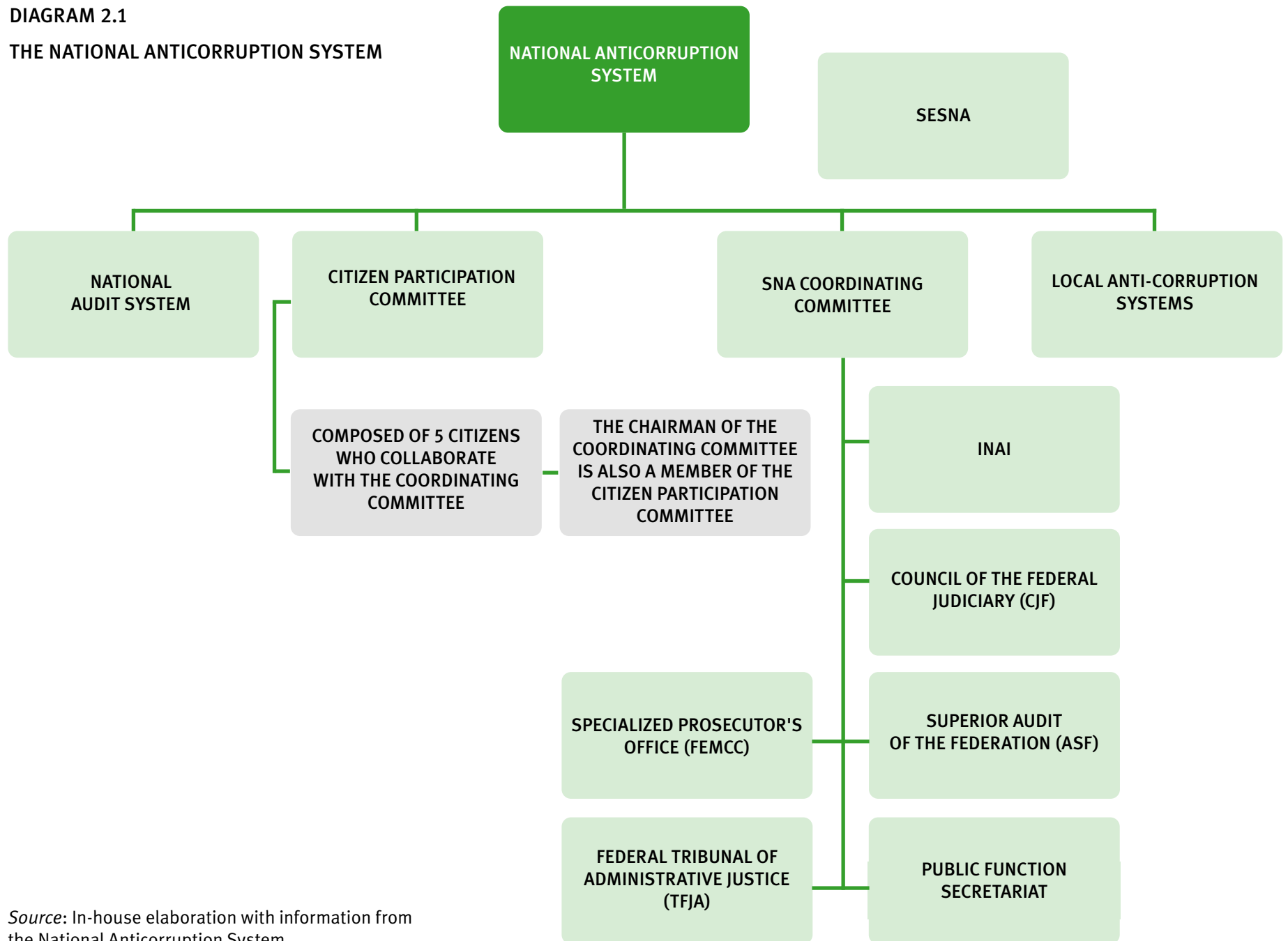
(Diagram 2.1).

The National Anticorruption System is the instance for the prevention, detection, and punishment of administrative misconduct and acts of corruption, as well as the oversight and control of public resources.

¹ Information taken from the SNA website: <https://www.sna.org.mx/que-hacemos/>.

DIAGRAM 2.1

THE NATIONAL ANTICORRUPTION SYSTEM



Source: In-house elaboration with information from the National Anticorruption System.

Formed by several institutions and entities, SNA was designed to perform a range of tasks, with each institution equipped with a specific responsibility: from investigation and control, oversight, sanctioning and accountability. A fundamental element in its construction was to privilege participation of citizens in the fight against corruption along with public agencies (Gobierno de Mexico, 2018).

As is well known, corruption in Mexico has been a problem for many governments. Likewise, the promise to fight it has been a pledge of practically all presidential candidates. Lopez Obrador also made its combat one of the main planks of his electoral platform. When he took office in 2018, a few years after SNA was created, there was an expectation that his promises would materialize in greater support for the system. By the end of his term, what is evident is that SNA was systematically boycotted, was not a priority and faced substantial challenges, calling into question its effectiveness.

According to the Corruption Perceptions Index (CPI), measured annually by Transparency International, Mexico in the year 2024 is in 126th place out of 180 countries. Among the nations that make up the G20 Group, Mexico ranks second to last, only ahead of Russia. The country has been in this position since 2020, reflecting a paral-

ysis in the fight against corruption. According to INEGI, in 2023, 83.1% of the population surveyed considered corruption to be frequent and 14.0% had experienced it when carrying out procedures, making payments, requesting services, or having contact with a public servant (INEGI, 2024). According to the National Survey on Business Corruption Experiences conducted by Coparmex and MCCI, in 2023 Mexico reached the highest rate of corruption and extortion of the six-year period, where 5 out of 10 companies report having experienced corruption and extortion directly linked to a public servant or public authorities. As worrisome is the fact that 73% did not report what happened as they considered it would be ineffective or for fear of reprisals (El Economista, 2024c).

Contrary to the narrative promoted by the president that corruption was eliminated during his term, it persists, and SNA has not worked.

In 2024, the Corruption Perception ranked Mexico 126th out of 180 countries. Among G20 countries it was the most corrupt after Russia.

WHY HAS SNA NOT WORKED?

Similar to the reality that CABs experienced during the term of Lopez Obrador, SNA (or its member institutions) was characterized by a constant trend of budget reduction, boycott of its activities and a lack of appointments of positions.

The 2024 budget allocated to the anti-corruption institutions that make up the SNA's Coordinating Committee as a whole was 84,375 million pesos, an increase of 4% compared to 2023. However, IMCO data reveals that the overall budget of all institutions belonging to the SNA has decreased 10% in real terms since the beginning of Lopez Obrador's term. The most affected has been the Specialized Prosecutor's Office for Combating Corruption (FEMCC, for its acronym in Spanish), which experienced a budget under-expenditure of almost 50%, while the Executive Secretariat faced a steady decrease since 2018 (IMCO, 2023). Despite the fact that other institutions such as INAI and ASF registered an increase of 6.5% and 10.2% respectively in 2024, they experienced a cumulative reduction of 25% (IMCO, 2023).

This constant budget decreases, in general and in some institutions particular, gives cause for concern given the challenges faced by the SNA in the fight against corruption.

Reducing corruption requires sufficient and consistent resources. In the absence of this budgetary foundation, institutions are directly affected in their ability to effectively perform their tasks of investigation, control, or punishment of possible corruption offenses.

In addition to the challenge of insufficient funding of the institutions that make up the SNA, the austerity that dominated Lopez Obrador's narrative is reflected in the non-appointment of multiple officials and positions within the various institutions. The SESNA itself reported in that in the entire system there should be 800 positions nation-wide, of which 30% were vacant as of March 2024 (El Economista, 2024). Of these vacancies, the majority are in the selection commissions in charge of appointing the Citizen Participation Committees, which in turn appoint technical secretaries. This chain of non-appointments represents another element affecting the SNA's effectiveness and is part of the boycott it has faced. Additionally, reports from the Executive Secretary indicate that throughout the Lopez Obrador term there were several occasions where, due to lack of quorum, Coordinating Committee sessions could not be held, postponing discussions and decisions (SESNA, 2022).

These affectations and the boycott are evident in the prevailing impunity in the country. According to the

During Lopez Obrador's term, the SNA was characterized by a budget reduction, boycotts to its activities and a lack of appointments in the various institutions that comprise it.

corruption yearbook 2023, prepared annually by MCCI, during the term of Lopez Obrador there was not a single month in which new revelation of corruption did not come to light (MCCI, 2023). However, of the 32 cases found by MCCI in that year, none was penalized. This is in line with other findings. According to the Coparmex business survey, of the reported cases by businesspeople only 4% was investigated and acted upon by the corresponding institutions (El Economista, 2024c). The SNA as such has only issued a total of 3 non-binding recommendations in 6 years.

Similar to the experience of several CABs, the SNA – which emerged largely as a result of pressure from civil society organizations and academia–, was substantially affected in its effectiveness due to budgetary limitations, lack of appointments or participation, which in fact meant a boycott to its operation. In addition, its possibilities of success were damaged by the president himself who, arguing that they were lies intended to damage his image, disavowed multiple cases of corruption that have been widely reported and documented. At the end of his term, the president and his austerity policy left an Anti-corruption System incapable of combating the problem.



Image: "Corruption in AMLO's government" MCCI at <https://contralacorrupcion.mx/corrupcion-en-el-sexenio-de-amlo/>

During Lopez Obrador's six-year term, a new revelation of corruption came to light monthly; none of the 32 cases found by MCCI in 2023 have been penalized (MCCI, 2023).

WHAT IS THE PUBLIC FUNCTION SECRETARIAT FOR?

Considered a fundamental pillar of the SNA, the Secretariat of Public Function (SFP, for its acronym in Spanish) is entrusted with the development of the professional career service so that the fight against corruption is carried out by specialized, professional, and autonomous personnel. It is also in charge of supervising and coordinating the auditing and verification of resources with

the purpose of verifying that federal public resources are applied in accordance with the principles of thrift, transparency and honesty, as well as improving government management (Secretaria de la Funcion Publica, 2023).

However, in Lopez Obrador's administration, the professionalization of public service, as well as the auditing of corruption cases, took a back seat.

Although the SFP in its fifth work report highlighted that between 2022 and 2023 it concluded 3,700 auditing acts with the purpose of preventing conducts contrary to integrity and detecting risks of governmental inefficiency, and reported 207 sanctioning resolutions, several law initiatives and reforms approved during the six-year term of Lopez Obrador indicate that the govern-

ment concentrated its efforts on broadening the powers of the Secretariat rather than making it fulfill its tasks of preventing and combating corruption.

In a 2022 law initiative, Lopez Obrador proposed to centralize the appointing and removing of the heads of Administration and Finance Units, concentrate government contracting, and simplify the administrative structure of the Internal Control Organs (OICs). This initiative, like others by Lopez Obrador, caused a greater concentration of power. In the most recent initiative, of September 2023, an adjustment to SFP's internal regulations was proposed, allowing the discretionary allocation of positions. This could lead to the politicization of public workers as it would permit posts to be assigned based on a partisan basis instead of technical capacity or staff's professional trajectory.

Both initiatives have jeopardized the strength of SFP, resulting in an increasingly vulnerable fight against corruption. Consequently, like many institutions that make up the SNA, its results in the fight against corruption do not correspond to the supposed end of dishonesty proclaimed by Lopez Obrador. The changes made in the internal regulations of the Secretariat leave much to be desired to make significant progress in that front. Having public servants vulnerable to pressure from

In 2022 Lopez Obrador proposed to centralize the appointing and removing of the persons in charge of the Administration and Finance Units, concentrate government contracting and simplify the administrative structure of Internal Control Organs. In 2023 he proposed allowing the discretionary allocation of positions.

their superiors because of their loyalty (or lack thereof) to the ruling group, undoubtedly weakens the need for accountability, leaving the country without real possibilities to fight the scourge of corruption.

Public servants vulnerable to pressure because of their loyalty to the ruling group (or lack thereof), weakens accountability and leaves the country with no real possibility of combating the scourge of corruption.

CONCLUSION: A NEW POLITICAL REGIME –THE LEGACY OF LOPEZ OBRADOR

At the beginning of his six-year term, President Lopez Obrador pledged publicly that the Executive Branch would never again be the power of the powers, and that he would build a “true democracy” (Forbes, 2018). A review of his term in office shows that exactly the opposite happened: the changes faced by the different institutions and entities described in this chapter resulted in their erosion and weakening.

Employing the arguments of republican austerity and a supposed fight against corruption, the president ordered the elimination of countless institutions, including INEE, the Council for the Promotion of Mexican Tourism (CPTM), ProMexico, Seguro Popular, Insabi, and 109 trusts, among others. The other institutions, especially CABs, faced political pressure through disqualifications, colonization, non-designation and budget cuts to impose the government’s agenda.

This resulted in a significant weakening that has not allowed them to function properly. And while the CABs’ budget was trimmed that of the government as a whole experienced an increase of about 30% in its six years (Badillo, 2024). The failures and vulnerability of the Anticorruption System documented here leave no

doubt that the argument of the fight against corruption did not materialize either. On the contrary, at the end of the six-year term, opacity, discretionary decisions, and corruption prevail.

Contrary to the official narrative, political domination motivated Lopez Obrador's actions and the result can be summarized as an exacerbated presidentialism. This, together with the reforms proposed in the last stretch of his term, will undoubtedly change, in form and substance, Mexico's democratic system, annulling the division of powers, the system of representation and, finally, human rights. At the end of the long list of budget cuts, colonization of institutions, non-appointment of posts, and disqualifications, President Lopez Obrador leaves as his legacy a political regime without real checks and balances.

At the end of the long list of budget cuts, colonization of institutions, non-appointment of posts, and disqualifications, President Lopez Obrador leaves as his legacy a political regime without real checks and balances.



LEGACY

3. THE NATIONAL ANTI-CORRUPTION SYSTEM
AND THE INACTION OF THE PUBLIC FUNCTION SECRETARIAT

MEXICO AND CORRUPTION	
	126TH PLACE OUT OF 180 COUNTRIES IN 2024
83.1%	OF THE POPULATION CONSIDERS CORRUPTION TO BE A FREQUENT OCCURRENCE IN 2023
50%	OF COMPANIES EXPERIENCE CORRUPTION AND EXTORTION IN INTERACTIONS WITH PUBLIC AUTHORITIES
73%	DID NOT REPORT
NONE SANCTIONED	OF THE 32 CORRUPTION CASES REPORTED BY MCCI IN 2023
3 NON-BIDEN RECOMMENDATIONS	ISSUED BY SNA IN 6 YEARS
PRESIDENTIAL DISASSOCIATION FROM CORRUPTION CASES	
SYSTEMATIC BOYCOTT OF SNA	
	BUDGET REDUCTION 10% IN REAL TERMS
	NO DESIGNATION OF POSTS (30% VACANT IN 2024)
	LACK OF QUORUM IN THE COORDINATING COMMITTEE
LEGACY: THE BOYCOTT OF THE SNA PREVENTED THE FIGHT AGAINST CORRUPTION	PREVAILS: OPACITY, DISCRECIONALTY AND CORRUPTION



3 MILITARIZATION OF PUBLIC LIFE



Image: <https://gaceta.es/iberosfera/la-camara-de-diputados-de-mexico-aprueba-una-reforma-para-militarizar-a-la-guardia-nacional-20240921-0030/>

3.1 Creation and expansion of the National Guard under military command



Since 2007 an open process of militarization began in Mexico. The decision to initiate a head-on armed combat against organized crime, taken by then President Felipe Calderon, strengthened the use of both army and navy to carry out tasks other than safeguarding Mexico's sovereignty and territorial integrity, particularly those related to public security. That trend proved difficult to reverse. Enrique Peña Nieto deepened the militarization, even proposing the so-called Internal Security Law with the objective of harmonizing the legal framework so that the armed forces could carry out the tasks designated by the president. This law was approved by Congress

but declared unconstitutional by the Supreme Court of Justice of the Nation (SCJN) (Signos Vitales, 2021).

It was widely expected that Lopez Obrador's victory would change the security strategy, halt the militarization process, and give way to a management of the situation based on the protection of human rights and the strengthening of civilian security institutions. The exact opposite happened: contrary to his promise made before assuming the presidency to "return the armed forces to their barracks"¹, the president

¹ Message by Lopez Obrador on Morena's YouTube Channel prior to his election, 06.02.2012. Available at: www.youtube.com/watch?v=53rKQb5N2C8&t=58s

Lopez Obrador was expected to change the security strategy, halt the militarization process and start a new course based on the protection of human rights and the strengthening of civilian security institutions.

retracted his anti-militarist discourse upon taking office and stipulated in the National Peace and Security Plan 2018–2024 the need to have military institutions to fight crime. This resulted in a militarization never seen before in Mexico (Causa en Comun, 2024). A National Guard (NG) was created in 2019. It is important to analyze the running of public security to determine the legacy that the president left behind.

Contrary to his campaign promise to "return the armed forces to their barracks", the president retracted his anti-militarist discourse upon taking office and stipulated the need for military institutions to fight crime. This resulted in a militarization never before seen in Mexico.

1.1 IDENTITY CRISIS? THE NATIONAL GUARD AS A CIVILIAN OR MILITARY INSTITUTION?

According to the National Guard Act of 2019, the NG is *a public security institution, of a civilian, disciplined and professional nature, attached as a decentralized administrative body to the Security and Citizen Protection Secretariat². The purpose of this agency is to carry out the public security functions of the Federation and to temporarily collaborate with the public security tasks that correspond to states or municipalities³.*

Despite these provisions that establish a civilian character of the NG, several facts, as well as the constitutional reform that gave rise to its creation, show a more military character than what was apparent from its beginning.

Firstly, when it was created, the NG absorbed the human, material, and financial resources of the Federal Police, but its administration was assumed by the armed forces (Secretaria de Gobernacion, 2019).

2 Official Gazette of the Federation: https://www.gob.mx/cms/uploads/attachment/file/924117/2019_05_27_VES_seguridad.pdf

3 Official Gazette of the Federation: https://www.gob.mx/cms/uploads/attachment/file/924117/2019_05_27_VES_seguridad.pdf

Thus, the NG was not created to be administered in a civilian or autonomous manner. Likewise, the orders that governed its actions came from the military (Vital Signs, 2021).

Moreover, 8 out of 10 members of the NG come from the armed forces. As has been documented in previous Vital Signs reports, the military were in charge of recruiting and building the foundations of the NG, with its personnel mainly coming from army, navy and Federal Police, the latter being the one that contributed the least number of recruits. The Military Police and the Naval Police contributed the most (Vital Signs, 2021).

The composition of the NG was the result of the sixth transitory article of the reform, which indicates that its hierarchical structure (among other features), may be homologated to the provisions applicable to the armed forces (Causa en Comun, 2023). According to information from the Observatory of the National Guard and Militarization in Mexico, until 2022, 71% of the total active elements of the NG came from the military. By 2023 there were no official figures on the composition of the NG. Causa en Comun reports that the response to requests for transparency on the elements coming from the armed forces for 2023 was

that "there is zero record of NG elements that were transferred by the Secretariat of Defense and the Secretariat of the Navy" (Causa en Comun, 2024). According to INEGI's National Census of Federal Public Security, in 2023, 87% of the NG 131,858 elements came from the army or navy (INEGI, 2024).

The administration of the National Guard is assigned to the armed forces, which provide 8 out of 10 of its members.



Image: "What is the National Guard? Academic from Ibero explains it" Photo: Mexico's government at <https://ibero.mx/prensa/que-es-la-guardia-nacional-en-2023-academico-de-la-ibero-lo-explica>

The responses to requests, contradictory and with unreliable data, coincide with the simulation of the civilian character of the NG and further show how the information has been incomplete, inconsistent and even misleading. In 2024 the NG also failed to comply with the obligation to issue its annual work report and the president gradually stopped providing more information about it in his morning press conferences. However, the figures up to 2022 leave no doubt that it has been more military than civilian in nature (Table 3.1).

Moreover, the president was the main protagonist consolidating the militarization of the NG through controversial reforms and legislative initiatives until the last day of his six-year term.

By 2024 the National Guard had not complied with the obligation to issue its annual work report. The figures up to 2022 leave no doubt that it has been more military than civilian in nature.

President Lopez Obrador consolidated the militarization of the NG through controversial reforms until the last day of his six-year term.

TABLE 3.1 COMPOSITION OF THE NATIONAL GUARD 2019–2024				
YEAR	ARMY ELEMENTS	NAVY ELEMENTS	TOTAL NG ELEMENTS	% OF MILITARY ELEMENTS IN THE NG
2019	48,771	9,410	74,473	78%
2020	59,834	13,528	98,282	75%
2021	62,135	16,792	99,946	79%
2022	76,400	14,541	128,233	71%
2023	103,832	12,686	131,858*	87%
2024	N.A	N.A	N.A	N.A

*INEGI reported 131,858 NG elements while verified data from Causa en Comun reports 132,612 elements.

** The government did not publish the 2024 annual report

Source: In-house elaboration with information from INEGI (2024)&Causa en Comun (2024).

THE NATIONAL GUARD REFORM –THE LAST STEP IN CONSOLIDATING THE MILITARY LEGACY

Since the Calderon administration there have been actions to transfer civilian functions or budgets to the armed forces. As reported by the National Militarized Inventory, there were 87 constitutional and legislative reform initiatives between 2007 and 2023. By far most of them, 77%, were presented during Lopez Obrador's term. Furthermore, Morena was the party that presented more initiatives to increase military powers. Of all the initiatives, 15 reforms were approved between 2007 and 2024 (three of them constitutional), with 92% whilst Morena held a majority in Congress.

Contrary to the official narrative, Lopez Obrador and his party were prone to implement an accelerated militarization. Apart from these reforms, he is the president who has issued most decrees and agreements, not only legitimizing the participation of the armed forces in public security tasks, but de facto creating a key instrument allowing the military to intervene in other government tasks, particularly in its priority public works (MUCD, 2024). This represents a militarization through decrees never seen before in Mexico.

Regarding the 2022 constitutional reform, Congress approved the president's initiative to transfer the National Guard to the Secretariat of National Defense (Sedena). Before presenting the initiative to Congress, however, Lopez Obrador publicly stated that if Congress did not approve the reform to remove civilian command from the NG, he would make the change "administratively" through a presidential decree (Causa en Comun, 2023).

In 2023, the same reform was declared unconstitutional by the Supreme Court after opposition senators alleged that the NG joining Sedena would represent a rupture with the constitutional order by militarizing a civilian institution. Two years later, in February 2024, the President presented again the initiative to formally attach the NG to Sedena. It was approved by both chambers of Congress on September 25.

Two days before handing over the presidential sash to Claudia Sheinbaum, Lopez Obrador enacted the reform in the Official Gazette of the Federation⁴.

⁴ Diario Oficial de la Federacion del 30.09.2024: https://dof.gob.mx/nota_detalle.php?codigo=5739985&fecha=30/09/2024#gsc.tab=0

In the 2022 constitutional reform, Congress approved Lopez Obrador's initiative to transfer the National Guard to the National Defense Secretariat.

In 2023, the same reform was declared unconstitutional by the Supreme Court.

In addition to the NG transfer to Sedena, the reform included provisions such as:

- » The National Guard is subject to military jurisdiction.
- » It empowers the president to use the army, air force, NG, and navy for public security tasks on a regular basis.
- » It grants the NG powers of investigation under the direction of the Public Prosecutor's Office (MP).
- » Transfers all naval and military personnel who are commissioned in the NG to Sedena.
- » Transfers all army and navy personnel in the NG to Sedena.
- » Transfers all personnel from the Federal Police to the Secretariat of Security and Citizen Protection.
- » Eliminates the prohibition of the armed forces to carry out tasks outside military discipline.

Civil and human rights organizations warned that the approval of this controversial reform would put at risk the guarantee of human rights in Mexico. The Miguel Agustín Pro Juárez Human Rights Center (Centro Prodh) denounced that it reinforced the militarization of security without evidence of improving operational

Two days before handing over the presidential sash to Claudia Sheinbaum, Lopez Obrador enacted the National Guard reform in the Official Gazette of the Federation.



Image: "Reform for the National Guard approved in the Chamber of Deputies" Photo: Aristegui Noticias at <https://www.contramuro.com/reforma-guardia-nacional-apobada-diputados/>

effectiveness. On the contrary, the reform irrevocably perpetuated the subordination of the NG to the military, undermining its original civilian character.

The NGO Mexico United Against Crime (MUCD, for its acronym in Spanish) warned since July 2024 that, if the reform were approved, military jurisdiction for all elements of the NG would result in a greater risk of human rights violations (MUCD, 2024b). These concerns have become a reality and the consequences are unprecedented.

Contrary to what was stipulated in the 2019 National Guard Law, now the use of the armed forces goes from being exceptional to permanent. This eliminates the democratic limit that the Constitution placed on the use of the military forces in areas other than national security. Although the Fifth Transitory Article of the first constitutional reform had previously stated that the president could use the armed forces in public security tasks until 2028 in an "extraordinary, regulated, supervised, subordinated and complementary" manner (Causa en Comun, 2023), the now permanent nature of this power represents serious risks as it opens the possibility for the armed forces to do whatever the president orders them, a legacy that is risky and vulnerable to autocratic tendencies.

Civil and human rights organizations had warned that the approval of the controversial reform would jeopardize the guarantee of human rights in Mexico.

The reform reinforces the militarization of public security without evidence of improved operational effectiveness (Centro Prodh).

On the other hand, the military jurisdiction changes military justice in a profound way, since it expands the jurisdiction of the military courts to an institution that is empowered to investigate civilian crimes (MUCD, 2024b).

This not only means that the actions of the National Guard are under the surveillance of military judges, but also represents a risk for the access to justice of victims of human rights violations committed by NG members.

The new investigative powers also represent a troubling novelty in Mexico's history, allowing the military to enter into criminal investigation functions. At the

end of 2022, Mexico had less than 4,000 investigative police officers in the General Prosecutor's Office and in the Secretariat of Security and Citizen Protection (INEGI, 2023b). Additionally, the National Census of State Public Security 2023 reveals that in the same year 10 of the 32 states had no investigative police (INEGI, 2023b). With about 130,000 NG elements, the new investigative power creates the risk of an irregular predominance in the investigation of crimes by the armed forces.

A number of experts have pointed out that the new powers and regulations also contravene international agreements on human rights. Actually, the reform was approved in the midst of a crisis of missing persons, where families of the victims and civil organizations have been demanding for years that the Specialized Prosecutor's Offices be empowered to investigate crimes. While concerns about the growing interference of the NG in criminal investigations continue, the approval of the new faculties for the NG demonstrates that constitutional modifications are only approved when it is in the interest of the Executive and not that of the victims of serious human rights violations. At the end of Lopez Obrador's term, it is clear that this reform was the last piece for the total militarization of the federal public security func-

The new investigative authority allows the military to engage in criminal investigation functions.



Image: "Almost 100,000 disappeared people in Mexico and the government reduces to 20,00 the official figure" at <https://el-pais.com/mexico/2024-03-18/casi-100000-desaparecidos-en-mexico-el-gobierno-reduce-en-20000-la-cifra-oficial.html>

tion and shows that there was never a real intention to have a civilian security force.

Finally, the approval process violated all conventions and formalities previously held regarding the legislative process in Mexico. The approval in both chambers was not an exercise of lobbying and political negotiation to find the best solutions and proposals between the party in power and opposition parties, nor was it an open chamber deliberative process where other relevant sectors of society were invited to participate. Rather it was a formalization of an institutional military command that was already a reality. The NG was already in the hands of Sedena without the need to have gone through any legislative process. This sets a worrisome precedent since the transfer of the NG to military command prior to the approval of the reform indicates that the Lopez Obrador legacy is an echo of authoritarianism where the wishes of the Executive are fulfilled without respecting the division of powers. The NG will remain indefinitely as a sort of armed guarantor of the president's legacy, a negative inheritance in the country's democratic progress.

The approval process violated all conventions and formalities previously held regarding the legislative process in Mexico. The approval in both chambers was not an exercise in political lobbying and negotiation, nor was it an open chamber deliberative process in which other relevant sectors of society were invited to participate. On the contrary, it was a formalization of an institutional military command that was already a reality.

THE ROLE OF THE NATIONAL GUARD IN PUBLIC SECURITY

In addition to the controversies over its military character, it is worth analyzing the *de facto* role played by the National Guard.

NUMBER OF ELEMENTS AND DEPLOYMENT NATIONWIDE

The increase in the NG's headcount was constant throughout the Lopez Obrador administration: 74,437 (2019); 98,282 (2020); 99,946 (2021); 128,233 (2022); 127,438 (2023), and 132,612 (2024), an increase of almost 100% (Aguilar, 2024). The increase was obvious, but the information provided by the government shows significant discrepancies between different sources. For 2024, for example, it was reported in March that the NG had 133,048 elements, while journalistic investigations stated less than 130,000 (Yañez, 2024).

One month after the government's statement, the April 2024 security report reported 132,612 elements (Federal Government, 2024). In September the Security Report specified 119,214 troops (Gobierno Federal, 2024b). This handling of information, lacking total transparency, has followed the government's *modus*

operandi during its whole term, resulting in a legacy marked by complete manipulation of information and –especially in the case of the NG–, by a deceitful simulation of reality.

Observing how the troops have been deployed in national territory, it is evident that there are no clear criteria to determine the areas to which the deployment is directed. As an example, at the end of 2022 the largest number of NG members was in Mexico City (20,605 elements), one of the states with the largest police force in the country. In contrast, Guanajuato –the state that in 2022 reported the highest number of homicides–, only 6,644 members were deployed (Causa en Comun, 2023 and 2024). By 2024, Mexico City continues to be one of the states with most elements, only after State of Mexico, Guerrero, and Oaxaca. These facts run counter to the official narrative that the NG has given priority to the most violent and conflictive areas, an incongruence part of the legacy left by Lopez Obrador (Table 3.2).

EFFECTIVENESS OF THE NG

Contrary to the NG's celebratory narrative of having "contributed 47% of the national effort in public security" (Storr, 2024), an analysis of its own records in-

Relevant discrepancies in the number of personnel in the NG reflect a handling of information lacking transparency and marked by manipulation and a deceptive simulation of reality.

TABLE 3.2 NG DEPLOYMENT IN THE 32 STATES 2019–2024 (1/2)

STATE	2019	2020	2021	2022	2023	2024*
Aguascalientes	524	358	364	839	757	1,009
Baja California	1,888	2,060	2,119	1,639	2,248	2,245
Baja California Sur	842	1,101	1,385	870	739	735
Campeche	874	920	915	1,004	1,323	1,375
Chiapas	3,369	3,454	3,762	3,810	5,630	5,964
Chihuahua	2,025	2,488	2,542	3,090	3,421	3,289
Coahuila	1,438	2,191	2,160	2,258	2,889	2,897
Colima	902	986	992	789	546	533
Ciudad de Mexico	3,442	12,751	12,369	20,605	5,123	5,253
Durango	680	1,339	1,324	1,625	1,717	1,878
Guanajuato	3,326	6,855	6,260	6,644	5,635	5,394
Guerrero	3,311	4,438	3,438	2,951	5,313	10,139
Hidalgo	2,043	1,919	1,817	1,810	2,213	2,219
Jalisco	3,848	5,831	6,384	4,500	7,120	7,077
Estado de Mexico	8,579	9,638	9,385	13,081	8,913	9,278
Michoacan	4,362	4,910	6,171	4,640	4,680	4,624
Morelos	1,397	1,249	1,206	1,418	1,827	1,865

TABLE 3.2 NG DEPLOYMENT IN THE 32 STATES 2019–2024 (2/2)

STATE	2019	2020	2021	2022	2023	2024*
Nayarit	977	1,076	1,275	1,026	997	1,070
Nuevo Leon	2,131	2,291	2,405	2,874	3,347	2,723
Oaxaca	4,323	5,231	5,344	4,699	7,080	6,609
Puebla	3,066	3,393	3,387	2,435	3,039	3,172
Queretaro	1,782	1,068	1,090	1,006	1,174	1,148
Quintana Roo	1,994	1,728	1,717	2,462	2,960	3,055
San Luis Potosi	1,231	1,142	1,349	1,179	1,263	1,334
Sinaloa	1,662	3,863	4,124	3,989	4,453	3,916
Sonora	2,621	2,438	2,669	2,007	2,603	2,421
Tabasco	1,587	1,699	2,047	2,067	2,136	3,132
Tamaulipas	2,912	4,010	3,927	2,665	2,548	2,867
Tlaxcala	697	560	568	1,812	2,383	2,644
Veracruz	4,198	4,334	4,666	4,045	4,652	4,825
Yucatan	759	844	857	896	1,408	1,426
Zacatecas	1,647	2,117	1,928	1,420	1,533	1,507
TOTAL	74,437	98,282	99,946	106,155	101,670	107,623

*Up to March 2024.

Source: In-house elaboration with information from Causa en Comun (2024).

dicates that there were few results compared to other security institutions. Moreover, also contrary to the official narrative, its effectiveness has diminished over time. This becomes relevant as the government continues to justify the NG strategy. Analyzing the number of people detained, the release of kidnapped individuals, as well as the number of firearms and drugs seized, several findings are discussed below.

PEOPLE ARRESTED

According to the 2019–2022 annual reports, the National Guard detained a total of 30,297 people nationwide (Giles Navarro, 2023). This means an average of 0.071 persons were detained for each NG member during the period. In contrast, the army and other state police forces detained 0.082 and 1.618 people respectively per member (Storr, 2024). Of the first three years of Lopez Obrador's administration and the existence of the NG, the figures reported for 2022 stand out: it reported a significant drop in detentions with little more than 3,000 people detained, while in the same year its deployment throughout the country increased considerably (Giles Navarro, 2023). However, these figures do not coincide with information obtained from INEGI, which reports a total of 2,814 people detained 2022, equivalent to 45 NG elements

detaining one person (INEGI 2023). In the National Transparency Platform, on the other hand, the GN indicates having detained a total of 4,310 people between January 2020 and May 2023 (Dael & Rangel, 2024), showing even more discrepancies in the available information.

By 2024 the Government Security Report indicates that in the entire six-year term of Lopez Obrador all armed forces detained 90,640 people (Gobierno Federal, 2024b). Apart from obvious data discrepancies and the resulting lack of reliability, the reported figures indicate that the number of arrests made by the NG are the lowest of all the armed forces, raising questions regarding the efficiency of its work.

KIDNAPPINGS

Regarding kidnappings, in 2022, when the official number of kidnapping victims was 724, the GN reported having released 29 people. Similar to this questionable effectiveness, the RNPDO that year reported 9,151 missing and unaccounted for persons, with the GN reported 796 specialized searches for their location and identification (Causa en Comun, 2024).

Inconsistency in the number of detainees

2019–2022:

30,297 people arrested (0.071 persons for each NG member)

2022:

3,000 persons detained vs. 2,814 persons (INEGI) vs. 4,310 persons between January 2020 and May 2023

2024:

90,640 persons detained during the entire six-year term (Federal Government).

SEIZURE OF FIREARMS

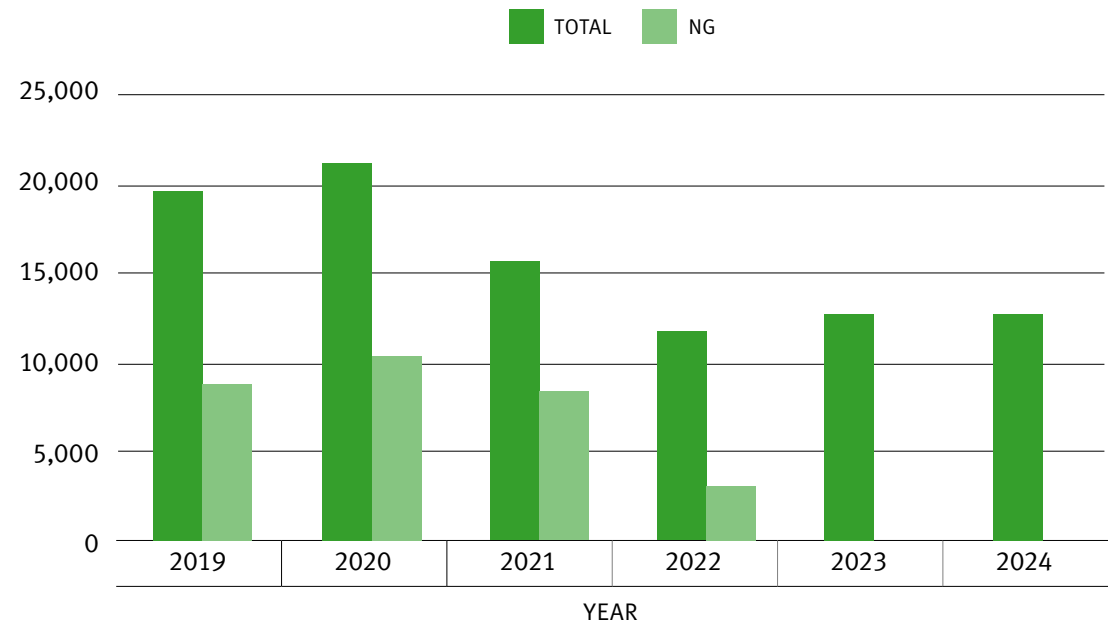
According to the September 2024 security report, the total number of weapons secured by the armed forces was 53,860 between December 1, 2018 and September 2, 2024 (Federal Government, 2024b). Looking at the number of weapons seized only by the NG, a downward trend is observed.

The total number of weapons seized between 2019 and 2022 was 7,430, representing only 22% of all weapons seized.

DRUGS

Different sources present a trend similar to the aforementioned indicators, with the NG seizing smaller quantities of drugs than the rest of the armed forces (Storr, 2024). Given the same data discrepancies and gaps, there is no reliable information on the exact quantities seized by the NG. In the September 2024 security report, the seizure of drugs by all the armed forces is lumped together without detailing the work of each branch separately. According to this report, from December 1, 2018, to September 2, 2024⁵, a total of 8,306.8 kilograms of fentanyl, 737,304.9 kilograms of methamphetamine, 235,690.8 kilograms of

GRAPH 3.1 DETENTIONS BY THE ARMED FORCES
2019 – 2024



*For 2023 y 2024 there is no information on the number of arrests made by the NG.

Source: In-house elaboration with data from National Guard reports and Giles Navarro (2023).

5 Latest available data from the government of Mexico.

cocaine, and 788,692.9 kilograms of marijuana were seized (Gobierno Federal, 2024b). Compared to the terms of Peña Nieto and Calderon, seizures of chemical drugs (cocaine and methamphetamine) increased during Lopez Obrador's term, while marijuana seizures decreased.

Finally, experts affirm that the military leadership of the NG has not pursued to reduce the presence of military personnel in public security, as mandated by the Constitution. Rather the opposite has occurred: the army has deployed more personnel in public security tasks. A possible explanation is that Sedena assumed the NG's operational command and hires most of its workforce (Storr, 2024).

It is relevant to highlight a characteristic of the Lopez Obrador administration documented throughout this report: the lack of information and/or consistency among different sources of information provided by government institutions, preventing the verification of the reported data's accuracy. This happened from its start, with the government disseminating contradictory or incompatible information. Given the involvement of military forces in the country's security, it leaves a worrying legacy for the future.

The lack of information and/or consistency between different sources of information, all provided by the government, prevents the verification of the reported data's accuracy.



Image: "In Baja California, National Guard and Mexican Customs detain a person with approximately 47 kg of synthetic crystal meth" at <https://seguridad.sspc.gob.mx/contenido/4035/en-baja-california-guardia-nacional-y-aduanas-de-mexico-detienen-a-persona-con-aproximadamente-47-kg-de-droga-sintetica-cristal>

In summary, the results of the NG according to its own reports can be seen as very poor and raise many questions regarding its effectiveness throughout Lopez Obrador's term. This leaves as an additional concern the NG's true purpose. Independently of its obvious military character, Lopez Obrador leaves a growing institution without strategy or results, creating increasingly worrisome question marks for security in the country.

The NG's negative legacy is characterized by increased militarization, institutional weakness, a narrow focus on crime prevention, increased violence, and serious human rights concerns. These issues leave a significant negative mark on security and the rule of law in Mexico.

In summary, the results of the National Guard, according to its own reports, can be seen as very poor and ineffective.



LEGACY 1. NATIONAL GUARD UNDER MILITARY COMMAND

POOR AND INEFFECTIVE RESULTS, ACCORDING TO ITS OWN DATA

MILITARIZATION

- ▶ MILITARIZATION SINCE 2007, ACCELERATED WITH THE NATIONAL GUARD (NG) IN 2019.
- ▶ BETWEEN 2007 AND 2023, 77% OF INITIATIVES TO MILITARIZE WERE UNDER LOPEZ OBRADOR.
- ▶ 92% OF REFORMS TO INCREASE POWERS UNDER MORENISTA MAJORITY.

REALITY VS. SIMULATION OF THE CIVILIAN CHARACTER OF THE NATIONAL GUARD (NG)

- ▶ ADMINISTRATION ATTACHED TO ARMED FORCES.
- ▶ 87% OF ITS 131,858 ELEMENTS CAME FROM SEDENA OR SEMAR.
- ▶ GN ATTACHED TO SEDENA (SEPTEMBER 2024).

RESULTS OF THE NG VS. NARRATIVE

- ▶ FEW ARRESTS: 2019–2022, 30,297; 0.07 PER NG MEMBER.
- ▶ KIDNAPPINGS: OUT OF 724 VICTIMS IN 2022, THE NG RELEASED 29.
- ▶ THERE IS NO RELIABLE INFORMATION ON DRUGS SEIZED BY THE NG.

NG REFORM AND ITS IMPLICATIONS

- ▶ THE NG IS SUBJECT TO MILITARY JURISDICTION.
- ▶ NG RESEARCH FACULTY UNDER THE DIRECTION OF PROSECUTOR'S OFFICE
- ▶ ELIMINATES PROHIBITION OF ARMED FORCES FOR TASKS OUTSIDE MILITARY DISCIPLINE.

Lopez Obrador left an ever-growing NG, but with no strategy or results, no focus on crime prevention, increased violence, and serious human rights concerns

3.2 Civilian activities in military hands and increased budgets for the armed forces

INCREASE IN TASKS JUSTIFIES BUDGET BOOSTS

The accelerated militarization during the term of Lopez Obrador was evident not only with the creation of the NG but also in the extension of the tasks undertaken by the military, which included civilian functions and, consequently, an impressive boost in resources. As documented in previous Vital Signs reports, in 2019 the budget for military institutions was 125,754 million pesos. By 2020 it increased to 127,587 million and 148,034 million the following year (with 35,671 million for the NG), a real increase of 11.1% in three years (Vital Signs, 2022).

The government's justification for the surge was the boost in the number of tasks entrusted to military corporations. In 2019 a total of 43 new tasks⁶ were added to the military corps (including the novel NG) previously done by civilians.

⁶ According to Chapter III of the National Guard Law, the NG has the following tasks: safeguarding the integrity of persons and their property; guaranteeing, maintaining and reestablishing order; crime prevention in border areas; surveillance of strategic installations; carrying out verification and investigation tasks to prevent crimes and administrative infractions; make persons and goods available to the competent authorities; receive complaints; make arrests and seize goods; provide attention to victims; impose sanctions; inspect migratory documents and guard migratory stations, among others (Causa en Comun, 2023).

The accelerated militarization during the term of Lopez Obrador was evident by the creation of the NG, the transfer of civilian functions to the military and, with this, an impressive increase in resources.

In 2019 the budget of the armed forces increased by 19,860 million pesos, with the total for the year reaching 145,613 million, a figure significantly higher than that approved by Congress (Vital Signs, 2022).

Legally sanctioned or not, in subsequent years more resources were allocated to the military. The 2022 budget of Sedena, Semar and GN reached 204,683 million pesos; in 2023 it was 221,616 million (Causa en Comun, 2024).

Among the tasks markedly disconnected from those related to national defense or public security was the construction of 2,700 branches of the Welfare Bank, the Felipe Angeles International Airport (AIFA) and the Maya Train, the distribution of social programs and textbooks, the delivery of gifts in the Holy Kings Day and the care of beaches during the vacation season.

By 2021 there were already 246 civilian tasks entrusted to the armed forces (CIDE, 2021). According to research by MUCD, between 2007 and 2022, 267 transfers of functions were made to the military along with a budget of 81 billion pesos. During the term of Lopez Obrador almost 40% of these transfers were made, meaning 85% of the budget transferred in the three administrations (MUCD, 2024). This trend continued

The resources approved by Lopez Obrador for military institutions were:

2020: 125,754 million pesos

2021: 127,587 million pesos

with 35,671 million for the NG (Vital Signs, 2022).

Between 2022 and 2024

Sedena, Semar and GN received:

2022: 204,683 million pesos

2023: 221,616 million pesos

2024: 383,673 million pesos

(Causa en Comun, 2024).

Extreme disconnection of the armed forces from tasks related to national defense or public security:

- » *construction of 2,700 branches of the Welfare Bank,*
- » *construction of the AIFA,*
- » *distribution of social programs,*
- » *distribution of free textbooks,*
- » *delivery of gifts in the Holy Kings Day,*
- » *beach care during the holiday season*
- » *construction of the Maya Train*

Images: <https://www.infobae.com/america/agencias/2024/07/15/el-tren-maya-de-mexico-ha-transportado-mas-de-246000-pasajeros-en-205-dias-de-operacion/>; <https://www.infobae.com/america/mexico/2021/07/06/vacunacion-covid-19-a-personas-entre-18-y-29-anos-todo-lo-que-debes-saber/>; <https://www.la-prensa.com.mx/metropoli/destaca-sheinbaum-labor-del-ejercito-mexicano-para-consumir-el-aifa-8020170.html>; <https://www.elsoldeacapulco.com.mx/local/ejercito-mexicano-traslada-y-resguarda-de-libros-de-texto-gratuito-en-zihuatanejo-acapulco-guerrero-sep-educacion-escuelas-nacional-mexico-clases-5610802.html>; <https://elpais.com/mexico/2023-04-06/mexico-militariza-sus-playas.html>; <https://regeneracion.mx/banco-de-bienestar-totalmente-autosuficiente-Sedena-construye-sucursales/>

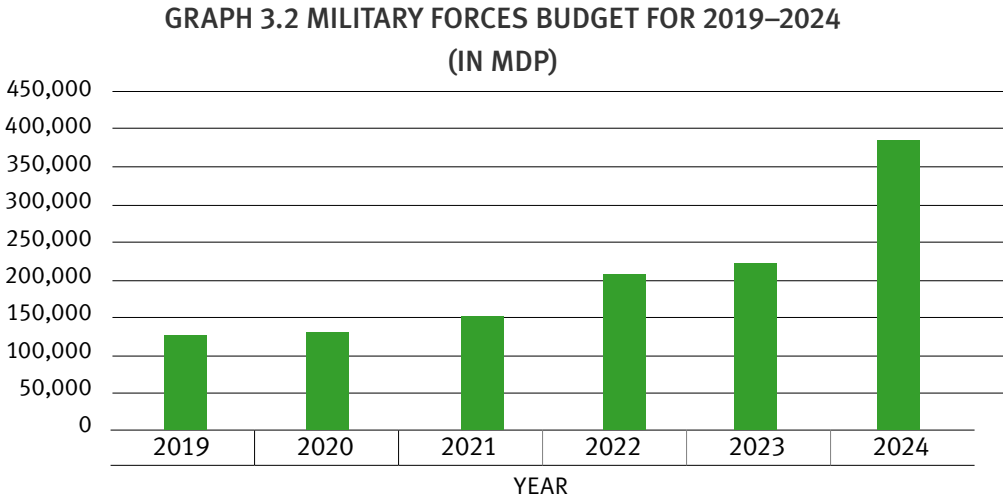


in 2023–24. In a notable example of 2023, Causa en Comun reported that 6,000 GN elements were deployed in the Mexico City subway to carry out surveillance and support tasks with the argument of an alleged sabotage (Causa en Comun, 2023). To cover this and eight other new tasks, the GN requested in 2023 an additional budget of 25 billion pesos (Crail, 2022).

For the last year of Lopez Obrador's term, 67,526 million pesos were approved for the NG (14 times the amount of 2020), with 247,551 million for Sedena (121% more than 2023) and 68,596 million for Semar (64% more). Overall, the budgets of the armed forces reached 383,673 billion pesos in 2024 (Causa en Comun, 2024), the third largest only behind the Welfare Secretariat and the Secretariat of Public Education. In percentage terms, the president increased the military budget by 150 percent since he took office in 2018, reaching an all-time high. The militarization of public security over the past six years is also reflected in the exponential allocation of resources to the armed forces.

On the other hand, the Observatory of the National Guard and Militarization reports that the constant increase in resources has gone hand in hand with

The military budget in 2024 was the third largest after that of the Welfare and Public Education secretariats.



*The data provided by the SHCP show discrepancies for the 2023 and 2024 budgets; according to the PEF 2023, a total of 188,314 million pesos was approved and in the PEF 2024 a total of 369,132 MDP. As the reports of Vital Signs, MUCD and Causa en ComUn show, the resources approved and spent have been higher.

Source: In-house elaboration with information from Signos Vitales (2022), Causa en ComUn (2024) & MUCD (2024c)u

transfers to the armed forces of budgets from trusts, agreements with institutions and the management of strategic works such as the Maya Train, several ports, airports, and Mexicana, the state-owned airline (Causa en Comun, 2024). While in Felipe Calderon's administration (2006–12) 43% of federal agreements resulted in transfers of a civilian function, during that of Peña Nieto (2012–18) this rate rose to 69%. In Lopez Obrador's term it reached a maximum of 83% of agreements transferring civilian functions unrelated to public security (MUCD, 2024).

The armed forces were used to perform public security tasks since the beginning of Calderon's term; Peña Nieto maintained this policy and Lopez Obrador reinforced it. Both army and navy had requested a legal framework that would provide them with certainty in their actions in those tasks since 2007. It was Lopez Obrador who enacted the necessary legal changes through the National Law on the Use of Force, the General Law of the National Public Security System, and the National Guard Law.

Lopez Obrador has not only legalized and condoned the participation of the armed forces in public security tasks but also substantially increased their obligations and capabilities to fulfill assignments in

The President entrusted the armed forces with duties that in some cases incurred in illegal acts, violated human rights and involved jurisdictional intrusions, such as the construction of the Felipe Angeles International Airport and the surveillance of borders and detention of migrants (Vital Signs, 2020b).

the areas of infrastructure, social policy, and fight against organized crime. Furthermore, the president entrusted the military with duties that in some cases incurred in illegal acts, since they violated human rights and implied jurisdictional intrusions, such as the construction of AIFA and the surveillance of borders and detention of migrants (Vital Signs, 2020b). The laws sought to shield the military from potential accusations of human rights abuses or usurpation of functions (MCCI, 2024).

The argument used by Lopez Obrador on several occasions to justify such a burden of new responsibilities (and increased budgets) was that they could put an end to the corruption that existed in those areas and, therefore, relevant savings would be obtained. However, the numbers do not show any sig-

nificant savings. According to MUCD, from 2019 to 2023, Sedena summed 118,351 million in additional expenditure, a figure equivalent to almost the entire budget of the Ministry of Labor and Social Welfare in 2019–22 (MUCD, 2024c). The spending overrun was made possible by amendments that allowed Sedena to change the budget without congressional approval and only obliged it to provide information when the changes exceeded 5% of the budget of a given sector or program (Navarro, 2024). Notable cases of these over-expenditures were related to infrastructure projects that will be discussed below.

The premise that the military would put an end to corruption does not seem to hold. Rather the president progressively militarized civilian tasks of the Mexican State to push forward his national project. The new tasks and budget increases have resulted in a worrisome autonomy of the military. Previous Vital Signs reports and information from experts indicate that Lopez Obrador also used the tactic of granting resources to guarantee loyalties (Vital Signs, 2023).

The argument to justify such a burden of new responsibilities (and increased budgets) assigned to the armed forces is that they could put an end to the corruption that existed in those areas and significant savings would be obtained. However, the numbers do not show such savings.



Image: "Detention of migrants in Mexico" Photo: Cuartoscuro at <https://animalpolitico.com/sociedad/detencion-de-migrantes-en-mexico-2023-record-LOpez-Obrador>

MILITARY ELEMENTS IN CIVILIAN POSITIONS

The federal government went further than augmented budgets; it appointed military men and women to positions in the public administration and subordinated to military command civilian institutions. As discussed in Vital Signs, this represents a direct threat to Mexico's democratic order.

Since the beginning of the Lopez Obrador term, military personnel took over state public security secretariats, with more than 500 military personnel leaving their uniforms to join the public administration in 112 government agencies at the three levels of government (Milenio, 2023). According to information gathered through the National Transparency Platform, 261 members of Sedena and 241 of Semar assumed positions that previous to the current administration had been reserved for civilian personnel.

These numbers do not include retired military officials, since according to the ministries "they are not obliged to keep track of (retired) personnel" (Milenio, 2023). However, it is relevant that generals, admirals, and other retired senior officials now hold positions as police chiefs. The military have also become pros-



Images: <https://liderweb.mx/inicia-operaciones-nueva-aerolinea-militar-mexicana-con-vuelo-al-caribe/>; [https://www.defensa.com/mexico/ejercito-mexicano-ha-entregado-mas-medio-millon-despesas](https://www.defensa.com/mexico/ejercito-mexicano-ha-entregado-mas-medio-millon-despesas;);

The federal government went one step further and decided to make the army and navy its main allies, appointing military and marine personnel to positions in the public administration, as well as subordinating to military command institutions that were originally civilian.

ecutors, forensic experts, heads of social readaptation centers, responsible for civil protection and in charge of C4-type monitoring centers, among other positions (Milenio, 2023).

Other data compiled by Causa en Comun underscore the colonization of civilian positions by military personnel. In 2024, 15 state public security secretariats were headed by military commanders⁷. In addition to heading the Undersecretariat of Security and Citizen Protection and the National Intelligence Center, 1,237 military officials hold positions as secretaries, directors, and administrators in local corporations.

The growing involvement of the armed forces, both in civilian tasks and posts, raises questions about its effectiveness and transparency and leaves the country with multiple concerns regarding the militarization of public life (Gaceta UNAM, 2023). The president leaves a legacy of a militarized country with grave implications for the future.

7 They are: Baja California, Baja California Sur, Colima, Guerrero, Michoacan, Morelos, Oaxaca, Puebla, Quintana Roo, Sinaloa, Tabasco, Tamaulipas, Tlaxcala, Veracruz and Zacatecas.

TABLE 3.3 MILITARY ELEMENTS IN THE CIVILIAN SPHERE	
CIVILIAN POSITIONS	NUMBER
State public safety secretariats	15
INM representative offices	17
ISSSTE	4
Administration of ports	12
Administration of airports	21
Federal Civil Aviation Agency	1
Maya Train	1
Biological Laboratories and Reagents (BIRMEX)	1
National Intelligence Center	1
Customs	17
Mexicana Airlines	1
TOTAL	91

Source: In-house elaboration with information from Causa en Comun (2024) and Milenio (2023).

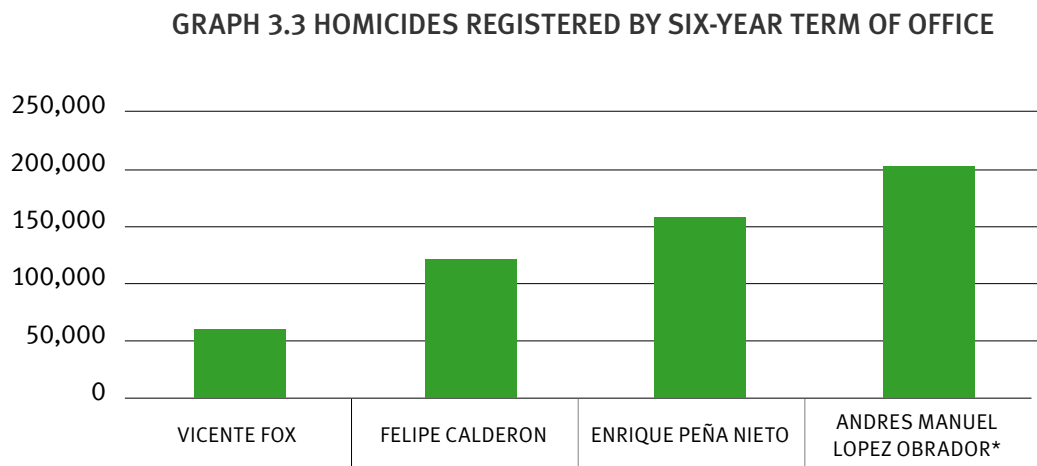
AND ARE THE RESULTS WORTH IT? –INSECURITY, LOPEZ OBRADOR'S LEGACY

During his inauguration, the president declared that "the war will end; we will build peace and seek brotherhood among all Mexicans"⁸. He justified the creation of the National Guard to "protect citizens who are victims of murders, kidnappings, robberies and other crimes" (Jimenez, 2024) and transferred a myriad of civilian tasks to military personnel while the armed forces' budget was increased to historic figures. At the end of his term, the results of this militarization show that it was not worth it. The reality that was envisioned six years ago never arrived in the lives of Mexicans.

Between December 2018 and March 2020, 69,554 homicides were recorded, more than double the number documented during the first 16 months Peña Nieto's government (Signos Vitales, 2020).

Lopez Obrador's government accumulated in its six years more than 200,000 homicides⁹, a historical re-

Research reports that the daily average of 95 homicides during the Lopez Obrador administration (Jimenez, 2024), is similar to a country at war.



*For 2024, data available as of 30.09.2024.

Source: In-house elaboration with information from Arista (2024) and Jimenez (2024).

⁸ President Lopez Obrador's message to the nation on 01.12.2018 [https:// www.gob.mx/cenagas/acciones-y-programas/mensaje-a-la-nacion-del-presidente-constitucional-de-los-estados-unidos-mexicanos-desdes-el-zocalo](https://www.gob.mx/cenagas/acciones-y-programas/mensaje-a-la-nacion-del-presidente-constitucional-de-los-estados-unidos-mexicanos-desdes-el-zocalo)

⁹ 198,571 (as of the September 23, 2024 cutoff) and 5,227 (as of the July 2024 cutoff), respectively (Jimenez, 2024).

cord since records have been kept. According to the TResearch report, this figure represents a daily average of 95 homicides (Jimenez, 2024). This is similar to a country at war.

An additional legacy is the number of victims of extortion and forced internal displacement. According to figures from the Executive Secretariat of the National System of Public Security, at the beginning of Lopez Obrador's term, there were 3.8 cases of extortion per 100,000 inhabitants, while at the end there were 5.2 cases, an increase of 36.8%. Regarding internal displacement, the report "Episodes of forced internal displacement in Mexico 2021" states that violence resulted in the internal displacement of 28,943 people (CMDPDH, 2023). The International Organization for Migration registered a record 386,000 new internally displaced persons in Mexico due to insecurity by 2022 (El Universal, 2024). This figure rose to 392,000 by end-2023. The latest available data indicates that 8,659 people were added to the total by September 2024; of these, 4,994 were in the state of Chiapas during June and July (IDMC, 2024).

Evidently the militarization of public security did not reduce violence. On the contrary, it is evident that Lopez Obrador did not fulfill his promise to end the

The increase in extortion victims and displacements show how the militarization of public security did not result in greater effectiveness in the fight against violence.



Image: "People displaced, consequence of violence and war against narco" at <https://www.izquierdadiario.es/Desplazados-en-Mexico-la-consecuencia-de-la-violencia-y-la-guerra-contra-el-narco>

war, and instead left a painful legacy while the country became militarized and with the population facing constant insecurity. Additionally, the increasing military participation in civilian tasks resulted in a rise in alleged human rights violations.

According to the National Human Rights Violation Alert System, from January 2019 to May 2024, Sedena, Semar and GN accumulated 4,800 complaints for alleged human rights violations, including forced disappearances, alleged torture, and arbitrary detentions (CNDH, 2024). Causa en Comun informs that according to reports from the NG itself, there were no criminal sanctions against its members. According to the database of the National Alert System, from 2019 to 2024, Sedena received 43 recommendations, Semar 51, and NG 16 recommendations for serious human rights violations (Causa en Comun, 2024). At the time of consulting the System at the end of 2024, the data on the recommendations issued to the NG were apparently deleted, showing yet again the highly cavalier management and unreliability of information from the government, considering the subordination of the CNDH to the Executive.

On the other hand, according to research by Mexico Evalua, the appointment of military officers in the

According to the National Human Rights Violation Alert System, from January 2019 to May 2024, Sedena, Semar and GN accumulated 4,800 complaints of alleged human rights violations, including forced disappearances, alleged torture, and arbitrary detentions (CNDH, 2024).

security secretariats of the states was the result of political manoeuvrings with a markedly bureaucratic and legalistic vision. Moreover, the increase in the number of appointments of Semar members led to a greater prevalence of human rights violations by the navy in detention processes. Violence also increased due to a high turnover in the heads of state public security secretariats (with an average duration at the post of two years), as constant changes negatively affected organizational processes and the stability of public security decisions (Mexico Evalua, 2024). Finally, states with military as security secretaries had, on average, higher rates of homicides among men and women (Mexico Evalua, 2024).

Despite the hard data presented in this chapter, the president maintained a completely opposite narrative throughout his term in office, both with respect to the militarization of the country and the insecurity situation and homicide rates. The increase in resources was constantly justified by the supposed need to expand the tasks of the armed forces and, to a greater degree, his proclaimed fight against corruption. In addition, he denied the militarization of both the NG and public life in general, despite being its main promoter.

In line with these denials, a few days before the end of his term, it was striking that the president continued to maintain that there had been less homicides during his government. His last throw –the constitutional reform regarding the NG approved on September 25, 2024– allowed him to close his term with a militarization never seen before in Mexico. Lopez Obrador leaves a difficult and worrisome legacy which will undoubtedly affect the power dynamics and long-term governance of the country (Gaceta UNAM, 2023; Milenio, 2023).



Image: National Guard breaking vow to respect human rights" at <https://www.amnesty.org/es/latest/news/2020/11/mexicos-national-guard-breaking-vow-respect-human-rights/>

Entities with security secretaries from the armed forces had, on average, higher homicide rates for men and women (Mexico Evalua, 2024).



LEGACY 2. CIVILIAN ACTIVITIES IN MILITARY HANDS AND INCREASED BUDGET

MILITARIZATION IS EVIDENT IN:

EXPANSION OF ARMED FORCES TASKS IN CIVILIAN FUNCTIONS AND INCREASE OF BUDGETARY RESOURCES.

FROM 2007 TO 2022, 267 TRANSFERS OF FUNCTIONS TO THE MILITARY.

CONTROL OF PORTS, AIRPORTS, HIGHWAYS, CUSTOMS, IMMIGRATION, AMONG OTHERS.

APPOINTMENTS OF MILITARY PERSONNEL TO CIVILIAN POSITIONS:

OCCUPY 15 STATE PUBLIC SECURITY SECRETARIATS.

MORE THAN 500 MILITARY RETIREES WERE INTEGRATED INTO 112 ORGANIZATIONS.

MILITARIZATION OF PUBLIC SECURITY HAS NOT REDUCED INSECURITY:

LOPEZ OBRADOR'S IS THE GOVERNMENT WITH MOST HOMICIDES (MORE THAN 200,000).

EXTORTION: INCREASED FROM 3.8 CASES PER 100,000 PEOPLE IN 2018 TO 5.2 IN 2024.

SEDENA, SEMAR AND NG ACCUMULATED 4,800 COMPLAINTS BEFORE THE CNDH.

ARMED FORCES BUDGET:

FROM 125.7 BILLION PESOS IN 2019 TO 383.7 BILLION PESOS IN 2024.

67,526 MILLION PESOS FOR NG (14 TIMES THE AMOUNT ALLOCATED IN 2020),
247,551 MILLION FOR SEDENA (121% MORE THAN IN 2023),
AND 68,596 MILLION FOR SEMAR (64% MORE THAN IN 2023).

Lopez Obrador progressively militarized the public life of the Mexican State.

3.3 Lack of transparency and legal protection of the military

«

MILITARY CONTROL IN STRATEGIC AREAS –CONTROL OVER CUSTOMS, PORTS AND AIRPORTS

During his term Lopez Obrador not only strengthened the role of the military in security tasks, but also gave them an unprecedented weight in the execution of priority projects (Guerrero, 2024). Among these is the control over strategic areas such as the AIFA and the Maya Train. Additionally, NG and army have been deployed in the main border crossing points and taken over the running of 12 port administrations and that of 17 customs offices (Causa en Comun, 2024). Although border protection is a national security issue, the strategy applied by the govern-

ment was essentially based on the use of the NG and army to massively detain migrants. Many of these detentions violated their human rights.

Army and navy were integrated into the airport sector gradually and, as in other projects, through a series of assignments and presidential decrees. Throughout the six-year term, both military institutions obtained the operation of the government's airline (Mexicana) and the management of several commercial airports, including the Mexico City International Airport (AICM) and the AIFA. To concentrate the airports, the government created the so-called Airports, Railways, Supplementary and Related Services Olmeca-Maya-Mexica Group (Gafsacomm in Spanish), in which Sedena and the Army Bank (Banjercito) are major sharehold-

The strategy applied by the government was essentially based on the use of the NG and army to massively detain migrants.

ers. This group controls 12 airports, previously managed by Airports and Auxiliary Services (ASA, for its acronym in Spanish). As of 2023, the navy controls eight terminals including Mexico City's. As a result, in 2024 the Navy Airport Group was created to replace the Mexico City Airport Group. By the end of Lopez Obrador's term, Sedena and Semar control 20 out of 64 airports in the country (El Financiero, 2024).

In 2020 it was announced that the control of the country's maritime and land ports and customs would be transferred to the armed forces. This measure came in the midst of pressure from the US due to the increasing number of deaths caused by fentanyl in that country.

The president justified the control transfer with his prevailing narrative that this would combat corruption, smuggling and drug trafficking (El Pais, 2020). Consequently, similar to the case of the airports, a new agency was created by presidential decree, disconnected from the Ministry of Finance and Public Credit, called the National Customs Agency of Mexico (ANAM, for its acronym in Spanish), which replaced the General Customs Administration, passing control of customs from the Internal Revenue Service to Sed-

The government of Lopez Obrador created the so-called Airports, Railways, Supplementary and Related Services Olmeca-Maya-Mexica Group in which Sedena and the Army Bank (Banjercito) are major shareholders. It controls 12 airports.

Since 2023 the navy controls eight airports, including that of Mexico City.

ena (land borders) and Semar (sea customs) (Garcia & Ocaranza, 2023).

The creation of parastatal companies and agencies decentralized from ministries was a characteristic of the Lopez Obrador government, with the armed forces not only taking large government investment projects, but by becoming owners in several cases, they have been able to increase their own wealth and profits. By 2024, the armed forces managed 26 state-owned companies (Noguera Romero, 2024). To understand better the size of military control in strategic areas it is important to mention that in 2019–23

the number of projects in which Sedena participated was 2,823. In 2006–18 it was involved in 851 civilian and military works (IMCO, 2023). By 2024, 55% of the budget allocated to Sedena (142,730 million) is earmarked for GafsaComm, the Maya Train, AIFA, and Mexicana (MUCD, 2024c).

By taking over the construction and management of those projects, the armed forces have not only obtained more resources, but have also spent more than intended. Two cases previously reported by Vital Signs offer a more detailed picture. Lopez Obrador stated that more than 100 billion pesos would be saved by cancelling the already partly built, by the Peña Nieto government, New Mexico City International Airport (NAIM, for its acronym in Spanish) in Texcoco and instead expanding for civilian use the military airport of Santa Lucia (which became the AIFA) as NAIM's total cost was around 300 billion pesos and Santa Lucia 82 billion. In reality, NAIM's cancellation cost 120 billion, and that without counting the value and use of the land occupied by AICM or the payment of interest and principal on the bonds that remained after its cancellation (IMCP, 2018).

In the case of the Maya Train, 156 billion pesos were budgeted. However, estimates for 2024 indicate a to-

tal cost of 511.2 billion, a budget overrun of 228% (El Economista, 2023b), making the project one of the most controversial and expensive of the administration. While Sedena's participation in public works is legal, based on the Organic Law of the Federal Public Administration (LOAPF in Spanish), constructions have been carried out in an opaque context, as subcontracts are not known. This was notably exhibited when the network of business and influence peddling known as "the Clan" was presented by media outlets. This was in relation to the construction of the Maya Train and the Interoceanic Corridor. According to investigations by media platform LatinUS, high-ranking military commanders and officials, and close friends of the president, made deals with subcontractors allowing alterations in the acquisition of materials (LatinUS, 2024). In addition, the multiple spending over approved budgets reveal the opacity of how and where the monies were actually been spent. As previously reported, this excessive expenditure was not limited to the government's emblematic projects but were a constant of military budgets.

On the other hand, the increase in the resources and powers of the armed forces led to a decrease in the capabilities of civilian institutions that were previously in charge of infrastructure and public works.

The armed forces have not only appropriated large government investment projects, but by becoming owners of several, they increased their own wealth. At the end of the Lopez Obrador term, the military manage 26 state-owned companies (Noguera Romero, 2024).



In 2019–23 the number of works in which the Sedena participated was 2,823. In comparison, in 2006–18 it was involved in 851 civilian and military works (IMCO, 2023).



Images: "In AIFA, with radio and a telephone are controlling" at <https://lasillarota.com/metropoli/2022/11/13/con-radio-un-telefono-controlan-desde-tierra-los-vuelos-en-el-ai-fa-401382.html>

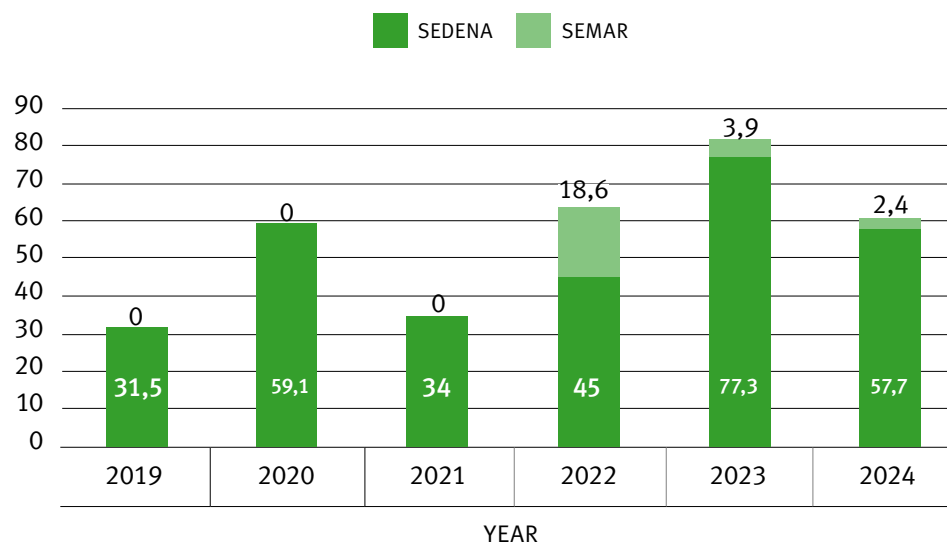
"6,583 militaries will be destined to keep security at the Maya train" at <https://www.milenio.com/politica/tren-maya-destinarian-6-mil-583-militares-resguardar-seguridad>

Under the pretext of austerity, as military budgets were increased, the president reduced them in practically all other government areas. A notable example is the Secretariat of Infrastructure, Communications and Transportation (SICT, for its acronym in Spanish), which, according to MUCD data, experienced a 60% drop in its budget between 2018 and 2023 (MUCD, 2024c). Additionally, project allocations and the transfer of authority to the projects were granted in an antidemocratic manner through presidential decrees, sidestepping Congress.

Both Sedena and Semar manage trusts that have served as additional income for construction and supervision of their projects. According to data from Mexico Evalua, at the end of 2023 the armed forces had more than 81 billion pesos in trusts (compared to 7 billion at the end of Peña Nieto's government in 2018) (Mexico Evalua, 2024b). Moreover, there is no regulation requiring users to report how those resources are managed (Nogueta Romero, 2024) (Graph 3.4 and Table 3.4).

Thus, a blatant lack of transparency. Both Sedena and Semar constantly reserved and denied information related to the trusts. This opacity was justified with the argument that they financed activities related to national security¹⁰. Likewise, several sources report that the contracts corresponding to the works are rarely made public and are increasingly difficult to trace given that the president practically dismantled INAI (Navarro, 2024). And just as the budgets of several government areas were reduced by the increase in that of the armed forces, non-military trusts suffered the same fate. While Lopez Obrador accused agencies and the judiciary of corruption for

GRAPH 3.4 SEDENA AND SEMAR TRUSTS (IN MILLION PESOS)



Source: In-house elaboration with information from Nogueta Romero (2024) and Mexico Evalua (2024b).

The armed forces had just over 81 billion pesos in trusts in 2024 compared to 7 billion at the end of the Peña Nieto administration in 2018 (Mexico Evalua, 2024b).

¹⁰ Agreement published in the DOF on 11/22/2022 at https://www.dof.gob.mx/nota_detalle.php?codigo=5635985&fecha=22/11/2021#gsc.tab=0

using trusts as a financial instrument¹¹, the president increased the resources destined to military trusts by 1,545% (Nogueda Romero, 2024).

Unsurprisingly those projects under military control were the object of criticism and concern from experts due to irregularities in the exercise of the budget, opacity in their agreements and the lack of information regarding subcontracting (IMCO, 2023). In summary, the militarization of public security pushed by previous administrations has gone hand in hand with a growing business of militarizing public life. The control of strategic areas throughout the country resulted in an unprecedented lack of transparency.

While the president used the armed forces to build infrastructure that he considers his heritage, his true legacy is double standards coupled with cover-ups and, ultimately, the weakening of the rule of law. In addition, both the control of pharaonic projects and strategic areas have evidenced the deepening of military control of transportation infrastructure. This in turn has an important impact by making politicians

11 The President defended the elimination of 109 trusts with a balance of 68 billion pesos. Among the most important eliminated were the National Disaster Fund (Fonden) and those of the National Council of Science and Technology (Conacyt) and the trusts of the Judiciary, the latter part of the reform approved in September 2024.

TABLE 3.4 TRUSTS MANAGED BY SEDENA AND SEMAR, 2024
SEDENA
Trust fund for the benefit of the children of personnel assigned to the presidential General Staff.
Trust fund to support the bereaved of deceased military personnel and military per-sonnel who suffered a first category disability in acts of service considered of high risk.
Public trust for the administration and payment of military equip-ment.
Public administration and payment trust for the contracting of servi-ces and public works.
Maya Train Trust.
SEMAR
Trust for the development of the Isthmus of Tehuantepec.
Semar administration and payment trust.
Trust Fund for the Strengthening of the Seaport System (created in March 2024).

Source: In-house elaboration with information from Nogueda Romero (2024).

more reliant on the implementation of public policies by the military.

The legacy left by Lopez Obrador is therefore a civil-military relationship that is quite fragile and prone to even more corruption in the future.

The true legacy of Lopez Obrador's actions is double standards paired with cover-ups and, ultimately, the weakening of the rule of law. It leaves a rather fragile civil-military relationship prone to even more corruption in the future.

WHO WATCHES THE WATCHMAN? EXCESSES IN THE USE OF POWER, CORRUPTION, AND IMPUNITY

An additional element that strengthens Lopez Obrador's militarization legacy is the one related to the application of justice for the military. One of the most important cases, due to the dimensions it acquired, was that of General, and former Sedena Secretary, Salvador Cienfuegos. In 2020, U.S. authorities detained him, accusing the general of charges related to drug trafficking.

However, his prosecution was rejected by the Lopez Obrador government, arguing that he should be investigated and tried by Mexican authorities (Gallardo Perez, 2023). Marcelo Ebrard, Secretary of Foreign Affairs, assured that it would be almost suicidal not to carry out a serious investigation in Mexico (El Universal, 2021). However, only 58 days after Cienfuegos was allowed to return to Mexico, the prosecutor's office announced that there were no elements to accuse him (El Pais, 2021).

Beyond the general's presumed innocence, the procedures followed for his return and subsequent exoneration leave much to be desired. What also stands

out in this case is the unwavering support and special treatment Cienfuegos received from the president. While Cienfuegos has also been singled out for playing a role in the construction of the so-called "historical truth" about the disappearance of the 43 students from Ayotzinapa, where the role of the army in the violation of the young people's human rights has been concealed to this day, in 2023 Lopez Obrador proceeded to decorate him for his contributions as director of the Military College. Additionally, the president stated repeatedly the Cienfuegos accusers "fabricated crimes" and that "there is nothing in the investigation" of the 43 students that "directly" involves him (Gallardo Perez, 2023).

In 2022 a group of hackers entered the army's archives, extracting millions of documents with information that revealed other excesses of power and cases of impunity. In the so-called "Guacamaya leaks" many additional cases were uncovered that showed how military personnel participated in or directly perpetrated murders of civilians that were later justified and therefore have gone unpunished. In addition, there is another case that remains unresolved, that of espionage by Sedena. As reported in "The Mexican State under review" of Vital Signs, Sedena used the Pegasus malware to spy on journal-



Image: "Salvador Cienfuegos: the prosecutor files his case for lack of proofs" at <https://laverdadjuarez.com/2021/01/15/salvador-cienfuegos-la-fgr-archiva-el-caso-por-falta-de-pruebas/>

ists, activists, members of the government itself and the opposition. These acts of espionage were carried out from the Military Intelligence Center, which does not appear in any official organizational chart and is not identified in any budget item, much less in any audit report.

In other words, it was an illegal center (Vital Signs, 2023). When the information about the use of Pegasus was revealed in 2022, Sedena lied and hid information about the contracts, while Lopez Obrador justified those acts arguing that military institutions resorted to intelligence activities in order not to turn to force (Signos Vitales, 2023). When INAI ordered

Sedena used the Pegasus malware to spy on journalists, activists, members of the government itself and the opposition.

These acts of espionage were carried out from the Military Intelligence Center, which does not appear in any official organization chart nor is it identified in any budget item.

the release of the information again in 2023, the president announced that he would reserve all information on the armed forces for national security reasons, arguing that his government did not violate human rights, did not spy and instead was a victim of espionage by U.S. agencies (Signos Vitales, 2023).

It is worth noting that the purchase of Pegasus was first made through the military in 2011, during the administration of Felipe Calderon, and continued to be used by the Peña Nieto government. However, in both administrations Sedena used Pegasus to investigate those considered enemies of the State, i.e. drug lords and other criminals (Kitroeff and Bergman, 2023).

As of 2024, Article 19 together with other civil organizations reported that no significant measures had been taken to investigate and sanction acts of espionage (El Economista, 2024).

These emblematic cases are in addition to other illegal actions previously reported by Signos Vitales, as well as the complaints of human rights violations by the military documented in this report. All shows that the growing autonomy of the armed forces during the term of Lopez Obrador gave way to an increasingly absent justice system and an increasingly present impunity. To ensure that impunity crime scenes were al-

tered, narratives were fabricated seeking to deceive public opinion and those seeking to investigate cases, and even the victims were stigmatized (Guevara Bermudez, 2024). The reform passed in September 2024 gave jurisdiction to the NG and allowed the expansion of military justice. That was Lopez Obrador's last gift to the armed forces, to allow self-surveillance. It is a legacy where the military have more power and fewer checks and balances, opening the space for even more impunity in the future.

All this shows that the increasing autonomy of the armed forces during the term of Lopez Obrador gave way to an increasingly absent justice system and an increasingly present impunity.



LEGACY 3. LACK OF TRANSPARENCY AND LEGAL PROTECTION OF THE MILITARY

OPACITY	
	BUDGET OVER-EXPENDITURES WITHOUT CONGRESSIONAL APPROVAL
	LACK OF INFORMATION ON HUMAN RIGHTS VIOLATIONS
	TRUSTS AND WORKS CLASSIFIED AS NATIONAL SECURITY TO AVOID DISCLOSING INFORMATION
PROTECTION OF GENERALS AND MILITARY PERSONNEL	
	MAYA TRAIN, TRANS-ISTHMIC TRAIN, AIRLINE
	NG AND ARMY CONTROL 12 PORTS AND 17 CUSTOMS OFFICES
	SEDENA AND SEMAR CONTROL 20 OF 64 AIRPORTS
	ARMED FORCES MANAGE 26 STATE-OWNED COMPANIES
	RESOURCES IN TRUSTS: FROM 7 TO 81 BILLION PESOS BETWEEN 2018 AND 2024

Lopez Obrador weakened the rule of law and deepened military control.

3.4 Military forces and organized crime

PERVERSE RELATIONSHIP TO FILL GAPS

The relationship between the president and the military is not the only highly questionable association that marked Lopez Obrador's term. Under the slogan "abrazos no balazos" (hugs not shots), the president launched a widely criticized security policy that resulted in an expansion of organized crime never seen before. Contrary to the supposed objective of attacking the causes of crime at its roots, Lopez Obrador's actions were characterized by an avoidance of direct confrontation with the cartels (Tapia Sandoval, 2024). This is reflected in the decreasing number of confrontations between armed forces and organized criminal groups. While the president constantly

spoke out against the "demonization" of cartels and attracted much criticism for his frequent visits to the mother of the former head of the Sinaloa Cartel, Joaquin "El Chapo" Guzman, the homicide figures during his term leave no doubt that this "strategy" did not succeed in bringing down violence.

Findings from various national and international journalists highlighted not only the increase in violence, but also the territorial expansion and operational diversification of organized criminal groups in Mexico. According to data from Lantia Intelligence, Lopez Obrador received the country with six criminal organizations. Two, the Sinaloa Cartel and the Jalisco Cartel-New Generation (CJNG, for its acronym in

The data indicate some type of organized crime presence in up to 81% of Mexico's territory, with 175 organized crime organizations and gangs operating throughout the country (AC Consultores, 2023).

Spanish), with a presence in almost all of Mexico's states. Another 29 criminal organizations operated regionally or locally (Martinez, 2024). Data from Lantia Intelligence and AC Consultores indicate that by 2024, CJNG managed to expand even further, to 28 states, while the Sinaloa Cartel maintained dominance in 24, followed by the Gulf Cartel (10) and the Michoacan Family and the Zetas (7 states each). What stands out most from the 2024 data is the fact that, according to estimates by the U.S. Army, the cartels control around a third of the national territory (Tapia Sandoval, 2024), while data from AC Consultores indicate some type of organized crime presence in up to 81% of the country. There are 175 criminal organizations and gangs throughout Mexico (AC Consultores, 2023).

The illegal activities by cartels include human trafficking, drug trade and piracy, but also financial fraud and extortion. As a result, these organizations obtained significant amounts of money from businessmen, ranchers, store owners and street vendors (El Universal, 2024b). With this, Mexico positioned itself as a world leader in "criminal markets" according to the Global Initiative against Transnational Organized Crime (GI-TOC). According to its latest GI-TOC Global Organized Crime Index, published in early 2024,



Images: "A group of Pueblos Unidos defenders protect avocado plantations in Michoacan" Photo: Enrique Castro, AFP at <https://elpais.com/mexico/actualidad/2023-11-11/aguacates-y-trafico-de-armas-la-combinacion-criminal-que-asfixia-a-michoacan.html>

<https://buzos.com.mx/noticia/precio-de-aguacate-aumentado-por-crimen-organizado>

Illegal activities by cartels include human trafficking, drug trade and piracy; but also, financial fraud and extortion. Thus, they obtain significant amounts of money from businessmen, ranchers, store owners and street vendors (El Universal, 2024b).

Mexico, world leader in "criminal markets" (GI-TOC).

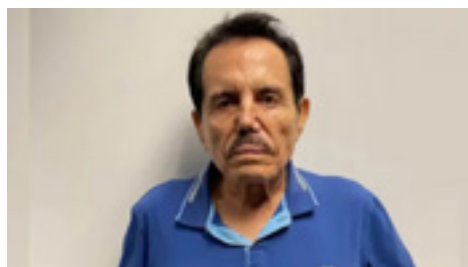
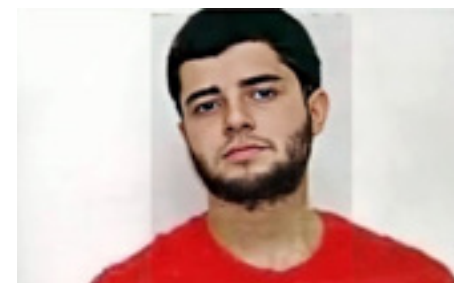
Mexico is plagued by corruption embedded in the State, with officials at various levels facilitating organized criminal activities such as drug trafficking, oil theft and extortion (Global Initiative Against Transnational Crime, 2024),

thus weakening law enforcement agencies and thereby hampering the government's supposed fight against organized crime. This coincides with reports from other journalistic investigations, which note that the undisputed expansion of organized crime has been facilitated by complicity and corruption between local, regional, and national governments, the armed forces and police (Hiriart, 2024).

CAPTURES TO DISGUISE THE FIGHT AGAINST CRIME

During Lopez Obrador's term, several arrests of criminal group leaders took place, among them that of Jose Antonio Yopez Ortiz ("El Marro") of the Santa Rosa de Lima Cartel, Rafael Caro Quintero, founder of the Guadalajara Cartel, Nestor Isidoro Perez of the Sinaloa Cartel, and Ismael Zambada ("El Mayo") also of the Sinaloa Cartel. Among the most mediatic arrests was the controversial apprehension of "El Chapo's" son, Ovidio Guzman, who after several previous attempts was extradited to the US in 2023.

In his first capture in 2019, Ovidio was released shortly after. The president himself admitted to having given the order, saying he had no regrets as he had avoided a "bloodbath" (Suarez, 2024). The most recent arrest of Ismael Zambada, "El Mayo", was the last relevant capture in the term of Lopez Obrador, although it was not carried out by Mexican security forces. When the arrest was made by U.S. agents without informing his



Images: Yopez Ortiz ("El Marro") at <https://politico.mx/procesos-contr-el-marro-por-huachicoleo-y-delincuencia-organizada-siguen-pendientes-sspc>; Perez Salas ("El NINI") at <https://www.opinion.com.bo/articulo/mundo/cayo-nini-je-fe-seguridad-chapitos-operativo-culiacan/2023112220228928361.html>; Ismael Zambada ("El Mayo") at <https://www.elfinanciero.com.mx/nacional/2024/11/11/desde-la-libertad-el-mayo-zambada-habla-del-negocio-del-narco-hay-gente-de-palabra-y-muchas-traiciones/>; Ovidio Guzman at <https://sinaloa.quadratin.com.mx/ingresa-ovidio-guzman-al-programa-de-testigos-prottegidos-informa-la-dea/>

government, Lopez Obrador declared the act as "illegal" and proceeded to blame the US for the wave of violence that erupted in Sinaloa after the arrest (Camhaji, 2024). This narrative is another example of how the president disavowed responsibility for the growing lack of security and denied the expansion of the cartels in Mexico throughout his administration.

These captures may show that Lopez Obrador's administration was against organized crime. However, the president's narrative and other facts indicate otherwise. Beginning in 2020, Mexico suspended immunity for foreign agents and imposed limits on their contacts with Mexican investigators, thus affecting the operation of U.S. antidrug agents in Mexican territory (El Financiero, 2024b). In a further attempt to show its power in the fight against organized crime, the Executive under the slogan of "Mexico First" publicly announced that "We will not act as policemen for any foreign government" (El Universal, 2024b), ironically adapting a narrative similar to the controversial "America First" narrative of U.S. President Donald Trump.

Experts report that US authorities have been limiting the information they share with their Mexican counterparts, with the arrest of Ismael Zambada being the

clearest example. This lack of cooperation is due, according to Vital Signs experts, to fear of leaks and a growing distrust of the Lopez Obrador government. This shows how the perverse rapport that developed between Lopez Obrador, the military and organized crime groups had a negative impact on Mexico's international relations.

The policy of "hugs not shots" resulted in a significant expansion of organized crime by failing to attack the cartels and denying the violent effects of such an obvious policy of evasion. Lopez Obrador's narrative was also part of this troubling legacy: while he failed to shake off multiple accusations of alleged direct ties to organized crime, to the Sinaloa Cartel in particular, his own narrative resulted in a quasi-institutional protection of organized crime. With crime widespread and more powerful than ever before, the new administration will undoubtedly face the titanic challenge of reversing several years of deterioration.

U.S. authorities limited the information they share with their Mexican counterparts, with the arrest of Ismael Zambada being a notable example.

The policy of "hugs not shots" resulted in a significant expansion of organized crime in Mexico.

...AND MEXICAN SOCIETY WHERE IS IT?

Given the violence figures reported here and the questionable handling of organized crime by the government with its strategy of "hugs not shots", it is evident that the protection of the population from criminal groups by the security forces left much to be desired. As a result of this vacuum, Mexico saw a resurgence of civil society organizations (CSOs) aiming to protect the population from growing insecurity. According to data from the Federal Registry of Civil Society Organizations (RFOSC in Spanish), between 2018 and 2019, that is, during the first months of Lopez Obrador, there were 2,710 civil organizations carrying out activities related to citizen security (Jasso Lopez, 2018). That said, and again quite characteristic of the handling of information during Lopez Obrador's term, there are no figures as of 2024. Newspaper reports indicate a decrease in the number of active CSOs (not only in the security field) between 2019 and 2023 (Rojas, 2023). However, the lack of official information makes it difficult to have an accurate picture. The decrease would indicate that the role of CSOs in the fight against crime has not had a significant effect or that they suffered from harassment.

Another phenomenon that emerged since the administration of Enrique Peña Nieto, but saw new activities during that of Lopez Obrador, is the presence of vigilante units known as self-defense groups. According to local statistics, in 2019 there were at least 50 self-defense groups (Pimentel, 2023). However, in the absence of an official registry, there is no information on their exact number. According to the GI-TOC report, some studies have counted up to 106 such groups in 17 states (Le Cour Gran Maison, 2023). It is important to note that while self-defense groups have attempted to take the place of security forces, they have controversially become a government-accepted force against cartels in states such as Guerrero, Morelos, Tamaulipas and Michoacan, committing human rights abuses. There are reports that several have morphed into organized crime groups (Traeder, 2023). This not only adds to the difficulty of counting the self-proclaimed defenses, but has also aggravated daily life for civil society.

Several experts have expressed concern about the growing coexistence of military groups with civil society. Due to the aforementioned (hyper) diversification of its activities, organized crime has increased its influence in different areas of people's daily lives,

There are no updated figures as of 2024 for the number of CSOs related to citizen security; in 2018–19 there were 2,710 (Jasso Lopez, 2018).

creating increased vulnerability for the population (Baruc, 2024). This has been particularly evident in the agricultural sector, where the presence of organized crime in the avocado and lemon industries have increased not only insecurity but also prices, affecting the whole country. Another such case was business conglomerate FEMSA's decision in July 2024 to close 191 OXXO stores in Tamaulipas due to "acts of violence" (Cota, 2024). This measure not only prevented convenience shopping, but also made it difficult for thousands of people to pay for services.

Experts indicate that this "coexistence" has been normalized by part of the population, making the combat of this problem more difficult. Moreover, that fight requires the political authorities to head it. Given Lopez Obrador's supposed strategy of not fighting organized crime and the growing presence of the military in civilian positions, the institutional protection vacuum has increased as organized crime's control over the population has grown.

Mexican civil society finds itself increasingly exposed to violence and with fewer tools to reverse the situation. With this, the negligence of the State, together with a growing presence of organized crime in daily life, has been another characteristic of the failed se-

curity strategy. Lopez Obrador leaves a legacy quite contrary to his campaign promise to end the war, which is its normalization.



Image: "Two OXXO stores were burnt in Michoacan" at <https://vanguardia.com.mx/noticias/nacional/queman-dos-tiendas-oxxo-en-michoacan-DSVG3316423>

Mexican civil society is increasingly exposed to violence and has fewer tools to reverse the situation.

CONCLUSION: MILITARIZATION, A VIRUS DIFFICULT TO REVERSE

Despite the permanent denials of President Lopez Obrador and his government, the facts, data, and evidence documented here leave no doubt that Mexico has undergone a sharpened militarization process with disastrous results in terms of security and democracy. The unexpected "romance" between the National Palace and the armed forces did not return the latter to their barracks as promised during the electoral campaign. On the contrary, Lopez Obrador pushed for a series of important legal and institutional changes, giving unprecedented attributions to the military which gave them a leading role in public life. The president expanded the constitutional boundaries to military action. The approval of the last reform just a few days before the end of his term was significant as it fully legalized the transfer of functions and budget carried out during his six-year government; in the end, he succeeded making militarization constitutional.

At the same time, the process of militarization has occurred at the cost of reducing and weakening the civil capabilities to perform essential functions in the

areas of rights, justice, transparency, accountability and, ultimately, democracy. Moreover, these acts gave greater and more discretionary power to the supreme commander of the armed forces (Carrillo, 2024). Allowing the military to build public works and take charge of strategic tasks gave more power to the Executive with less political and social controls. In other words, the president left a worrisome legacy with respect to the civilian-military relationship, the rule of law and the democratic system in Mexico.



Image: <https://www.bbc.com/mundo/noticias-america-latina-52657194>

Moving the military further and further away from functions related to national defense did not result in better public security. On the contrary, the armed forces have not only failed to contain violence but have directly and indirectly contributed to its exacerbation (MUCD, 2024). With respect to the new functions of control and administration, the evidence accumulated at the end of the term shows the prevalence of opacity, corruption, and abuses of human rights.

By imposing decrees and laws to cover the opacity of military actions, the president left a country where human rights are less protected and guaranteed. Moreover, the lack of transparency and accountability brought about an increased economic capacity of the armed forces, an unprecedented financial bonus; while the president pursued his objectives, he also bought loyalty.

In short, with militarization over the past six years, Lopez Obrador abandoned a central promise of his campaign, transferring power to the military in the name of security, decreasing violence and combating organized crime (Becerra, 2023).

However, far from handing over a more peaceful country to the next administration, the president

marked a complete change in the meaning of democracy, leaving a country where the military have more power and fewer checks and balances. This new virus represents a legacy that will be difficult to reverse in the future.

The president leaves a country where human rights are less protected and guaranteed.

Far from handing over a peaceful country, the president marked a complete change in the meaning of democracy, leaving a country where the military have more power and fewer checks and balances. This new virus represents a legacy that will be difficult to reverse in the future.



LEGACY 4. MILITARY FORCES AND ORGANIZED CRIME

Legacy: Organized crime as part of "normality". Failed security strategy

“Hugs not shots”, HAS RESULTED IN THE EXPANSION OF ORGANIZED CRIME.

AVOIDANCE OF CONFRONTATIONS WITH CARTELS, TERRITORIAL EXPANSION AND DIVERSIFICATION OF ORGANIZED CRIME OPERATIONS.

2024: 2024: CARTELS CONTROL A THIRD OF THE TERRITORY AND HAVE PRESENCE IN **81% OF THE NATIONAL TERRITORY**.

175 CRIMINAL ORGANIZATIONS AND GANGS EXIST.

MEXICO IS THE **WORLD LEADER IN "CRIMINAL MARKETS"**: HUMAN TRAFFICKING, DRUG TRAFFICKING, PIRACY, FINANCIAL FRAUD AND EXTORTION. ITS EXPANSION WAS FACILITATED BY COMPLICITY AND CORRUPTION OF GOVERNMENTS, THE ARMY, AND POLICE.

MEXICO LIMITED THE OPERATION OF UNITED STATES ANTI-DRUG AGENTS IN ITS TERRITORY.



4 ECONOMICS: PERFORMANCE, FINANCES AND EXTERNAL SECTOR



Image: <https://www.elhorizonte.mx/finanzas/chinos-invaden-a-mexico-por-turismo-y-negocios/8508245004>

4.1 Economic performance in perspective



INTRODUCTION: LATE GROWTH AND DEPENDENCE ON THE PUBLIC SECTOR

During Lopez Obrador's government, Mexico's Gross Domestic Product (GDP) grew cumulatively by about 5% (INEGI, 2024a), that is, in the best-case scenario it did not reach 1% per year¹. With a steady population growth rate, GDP per capita did not increase. In fact, estimates show that the average economic progress per Mexican was slightly negative in 2018–24. This contraction would have been worse if the population growth rate had remained the same (that is, higher) as in the last decade or with a lower excess of deaths, because of the pandemic.

¹ The data are as of the second quarter of 2024, so in future revisions the variation for the entire period may differ by a few tenths of a percentage point.

This poor performance was driven by the recovery of tertiary activities (commerce and services). But in the second half of the administration, between 2021 and 2023, secondary activities through civil engineering works (construction component) had a growth of 92.6%, a rate unparalleled in Mexico's modern history (INEGI, 2024a). The rest of the construction components, related to building and specialized construction work, continued to stagnate. Meanwhile, the labor subcontracting reform and the depletion of the most mature oil fields weighed on economic performance for much of the Lopez Obrador administration.

Additionally, the south is the region with the highest growth rates, even with the impact of the drop in oil

During this six-year period, GDP's accumulated growth was around 5% (INEGI, 2024a) That is, it did not reach 1% per year. With a similar population growth rate, GDP per capita was slightly negative.

production of the oilfield Cantarell and the disasters that hit the coast of Guerrero. Not by chance, between 2018 and the first quarter of 2024, public works were mainly concentrated in four states: Campeche, Chiapas, Oaxaca, and Tabasco. So, this growth was underpinned by the secondary sector, in particular construction. Evidence suggests that the civil engineering works carried out by the government, located mainly in the south, explain growth rates higher than 100%. Thus, between 2018 and 2024, around 40% of the variation in GDP is explained by growth in the south. The energy policy, oriented towards greater oil production, added some activity to the entities (other than the south) where refineries are located, such as the states of Hidalgo and Nuevo Leon.

On the other hand, the manufacturing sector and activities geared towards exporting grew barely above the average of the economy (5.2%) (INEGI, 2024a). This rate is noteworthy amid the international geopolitical rearrangement. For the same period of the Peña Nieto administration, this sector expanded by 12.5%, more than double. In addition, severe limitations to the economy emerged because of restrictions in the electricity and potable water markets. While the Mexican economy grew little, production of electricity gas and water plummeted by -26.3% (INEGI, 2024a).

GDP AND GDP PER CAPITA

Between 2018 and 2024, GDP grew 5%, by around 1.21 trillion pesos (INEGI, 2024a) whilst the population grew approximately 5.2% (INEGI, s.f.a). According to the estimation method used, as of the second quarter of 2024, GDP per capita stood -0.3% below the 2018 value, ranging between 259,150 and 260,797 pesos. In that regard, economic progress in Lopez Obrador's administration was literally null. Moreover, the population's rate of growth was the lowest for probably a century.

This growth rate was hit hard by the pandemic, but, had it continued its current trajectory, GDP per capita growth would have been even more negative. According to our estimates, in 2024 the average GDP would have been lower by -0.54% (with the population higher by 704.4 thousand people)².

2 The annual population growth rate was 1.34% in December 2018; as of the second quarter of 2024 that rate had slowed considerably to 0.57%. The slowdown in population growth began in the second quarter of 2019, one year before the pandemic.

Between 2018 and the first quarter of 2024, public works were mainly concentrated in four states: Campeche, Chiapas, Oaxaca, and Tabasco.

Highest growth rates are observed in the south.

By economic sector, tertiary activities (services and commerce) are those with the highest growth (5.8%) (INEGI, 2024a). In the same period these activities motivated growth of approximately 67.2% (813.2 billion pesos) (INEGI, 2024a). Within it, commerce (mainly retail), freight transportation, telecommunications, real estate services and professional, scientific and technical services, had a decisive weight with above-average growth rates of 12.2%, 12.1%, 35.4%, 12.7% and 23.7%, respectively (INEGI, 2024a). Other of services with a lower weight in the aggregate, but of great importance, had higher growth than the rest of the economy, such as courier and parcel services (cumulative increase of 59.9% or 12.8 billion pesos) and hospitals (17.2% or 47.4 billion pesos) (INEGI, 2024a). Meanwhile, primary and secondary activities (industry and construction) grew by 0.1% and 3.9%, respectively.

Growth in services and industry should be relevant not only because they are the activities with the greatest importance and weight in the economy, but also because at the time (2020) they were the most affected by the pandemic crisis. As of the second quarter of 2020, the annual drop for tertiary and secondary activities was 18.5% and 24.5%, respectively (INEGI, 2024a). Both industry and services were par-

alyzed, with exceptions. Primary activities were the least sensitive to the crisis (a fall of 1.1% per year), recovered in a quarter and have remained largely unchanged since then (Graph 4.1).

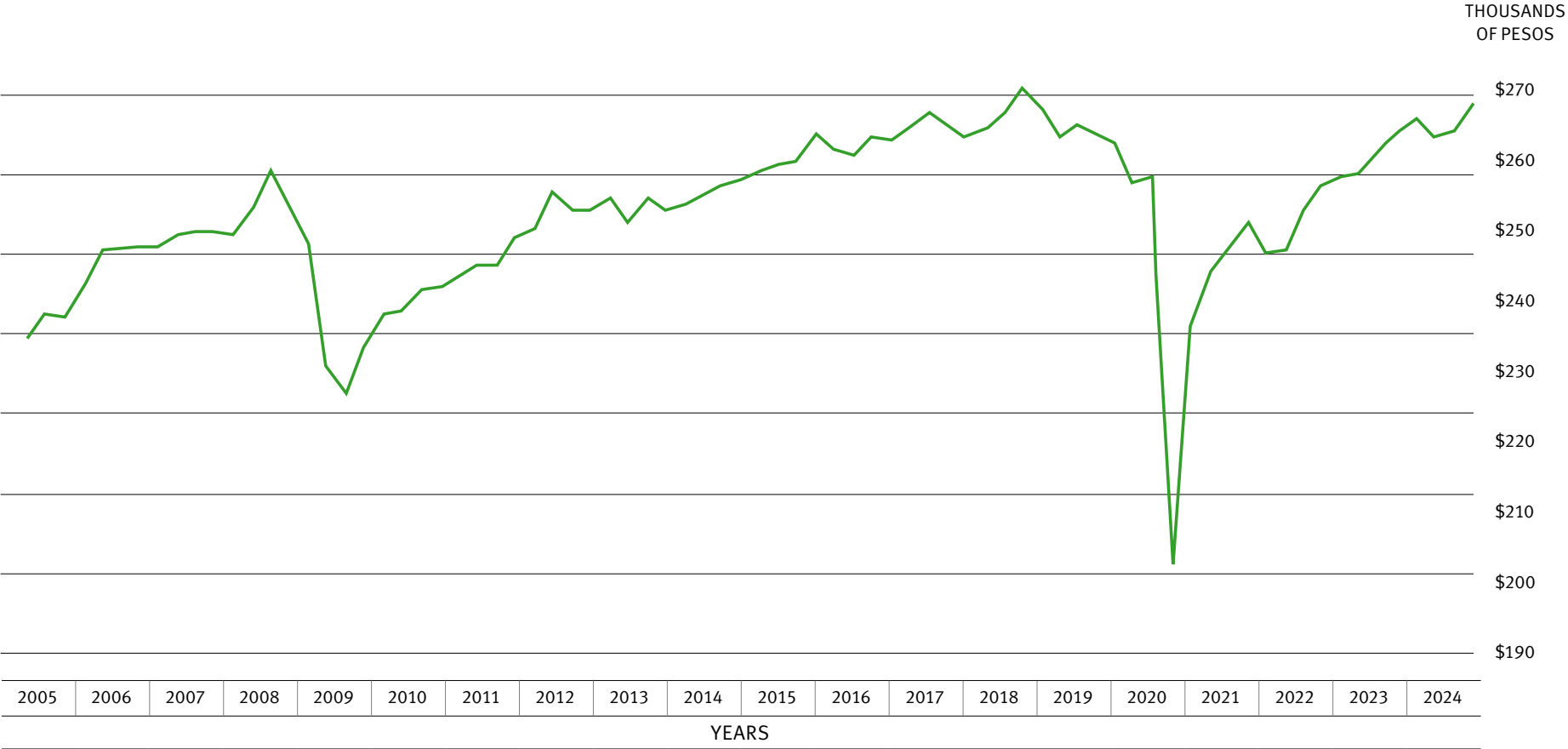
Following the pandemic, services were affected by various labor reforms, mainly in subcontracting. Just amid the economic recovery (third quarter of 2021), business support services³ decreased 45.1% compared to the previous quarter. In just one quarter the (statistical) loss was of 376.7 billion pesos (INEGI, 2024a). To date, this activity is at its lowest level on record, and the loss accumulated in the Lopez Obrador administration was 72.4% (547 billion pesos) (INEGI, 2024a). To measure the magnitude of the loss in services, it is equivalent to the annual production of hotel, bar, and restaurant services (565.9 billion)⁴ and is higher than the production of land passenger transportation (515 billion) (INEGI, 2024a). It is estimated that it is highly unlikely that this activity (labor subcontracting), will recover the levels observed at the end of 2018.

³ Business support services and waste management and remediation services.

⁴ Temporary lodging and food and beverage preparation services.

Per capita income stands as it was in 2018. Consequently, economic progress during the Lopez Obrador government was nil.

GRAPH 4.1 GDP PER CAPITA (2005 – SECOND QUARTER 2024)
SEASONALLY ADJUSTED SERIES THOUSANDS OF PESOS AT PRICES OF THE SECOND QUARTER 2024



Source: In-house elaboration with information from INEGI 2024a.

In the midst of the economic recovery (third quarter of 2021), business support services decreased 45.1% with respect to the previous quarter. In just one quarter the (statistical) loss was –376.7 billion pesos (mmdp) (INEGI, 2024a).

Like subcontracting, the activity of electricity, gas and water⁵ plunged. As of the second quarter of 2024, the loss in that sector was 114.9 billion pesos, 26% less than in 2018 (INEGI, 2024a). The most recent level of activity in this market (339.5 billion pesos) is like that of the last quarter of 2006 (336.2 billion pesos) (INEGI, 2024a). However, in contrast to what happened with labor outsourcing, the impact on the real economy was evident in several episodes over the last six years.

In the last two years, economic activity (measured by GDP) of the electricity market, and supply of potable water and gas nosedived. The recent history of the Mexican economy had a similar episode during Ernesto Zedillo's administration (1994–2000). However, in 1996 daylight saving time was implemented for the first time to temper the demand for electricity during the afternoons of this time of the year (with higher demand). This was followed by the addition of generation from self-supply power plants. Between the second half of 1996 and the last quarter of 2000, the economy grew by 24.4% and the electricity, gas and water services grew by 0.4% (INEGI, 2024a).

5 Generation, transmission, distribution and commercialization of electric power, water supply and natural gas through pipelines to the final consumer.



Image: "Electricity, water and natural gas grew in May" at <https://factorenergetico.mx/electricidad-agua-y-gas-natural-repontan-3-5-en-mayo-el-mayor-avance-en-28-meses/>

As of the second quarter of 2024, the loss in production in the electricity, water and gas sector was 26% with respect to 2018, plunging to a level similar to the last quarter of 2006 (INEGI, 2024a).

On the other hand, construction, another secondary activity, also showed a downward trend. However, recently this drift has reversed.

As we have noted in the Vital Signs reports, this phenomenon is notable for various reasons:

1. Between 2018 and 2023 civil engineering works grew 55% cumulatively (a variation of 117.8 billion pesos) (INEGI, 2024a), but this was mostly in the last two years (2021–23) (growth of 92.6%). Until mid-2024, the annual growth rate was 22.9%, i.e., it continued to expand. From 2018 to 2024 the accumulated growth will be between 60% and 63% (about 132.1 billion pesos). Meanwhile, the rest of the construction sector, such as building for families and businesses, along with other specialized works, failed to recover the 2018 levels. To a large extent, the latter is explained by the housing crisis which worsened in the last five years.
- » Consequently, between 2018 and 2023 growth in construction activity was 3.7% (53.6 billion pesos) (INEGI, 2024a). But the six-year period closed with a cumulative rate of 7–8% (115 billion pesos). Therefore, if civil engineering works had not grown so much, construction activity as a whole would show a negative growth to date.

2. Historically, the growth of civil engineering works has put upward pressure on public sector gross fixed capital formation (GFCF). The behavior of these variables can be seen at least until 2020.
- » In contrast, in recent months, the GFCF with the highest growth rates was private. That is, the private sector demanded civil engineering works from construction companies to a much greater extent than the public sector, and consequently absorbed a large part of the corresponding investment. According to official figures, between 2021 and 2023, the private construction component (GFCF) accounted for 78.4% (498.8 billion pesos) (INEGI, s.f.b).
- » As of the second quarter of 2023, a period where fixed investment grew most strongly in the Lopez Obrador government, the construction component of GFCF grew by 355.5 billion pesos over the previous quarter, but the public sector contributed only 35.9 billion (10.1%). Civil engineering works had a variation of 114.8 billion pesos in the same quarter. According to our estimates, if the long-term relationship between civil engineering works and public sector construction were to be fulfilled, public investment should have grown by 122.7 billion pesos. That is, 241.4% more than it did. Thus, the

Between 2018 and 2023 civil engineering works grew 55% (117.8 billion pesos) on a cumulative basis, but this growth was in the last two years (2021–23) (92.6% growth).

Construction for families and businesses and specialized works failed to recover the 2018 levels.

public sector's investment share should have been 34.5%⁶ of the total.

- » The performance of fixed investment followed that pattern as its projects were concentrated in some government activities, such as the energy sector, mainly oil and gas extraction and refining, a trend that continues to a certain degree (Graph 4.2).

Within the secondary sector, manufacturing showed a trend like that of the entire economy (cumulative growth of 6.6%). The growth of these sectors may have been slowed by the lag of certain activities. The timid momentum of manufacturing was motivated by the substantial growth in a handful of industries: automobile and truck manufacturing (up 9.7%, 103.2 billion pesos); computer and peripheral equipment manufacturing (81.9%, 72.7 billion); oil refining (33.9%, 59.1 billion); meat processing⁷ (20.9%, 49.9 billion); electrical generation and distribution equipment manufacturing (45.6%, 22.2 billion) and the manufacture of pharmaceutical products (23.3%, 17.8 billion). In the Peña Nieto administration, manufactur-

ing industry growth was 12.5%, nearly double, with a more homogeneous growth. In that of Lopez Obrador the yearly average was 1% (INEGI, 2024a) despite the USMCA signing, various global trade-technological conflicts, and the growth of Mexican exports.



During the Peña Nieto government, the growth of the manufacturing industry was 12.5%.

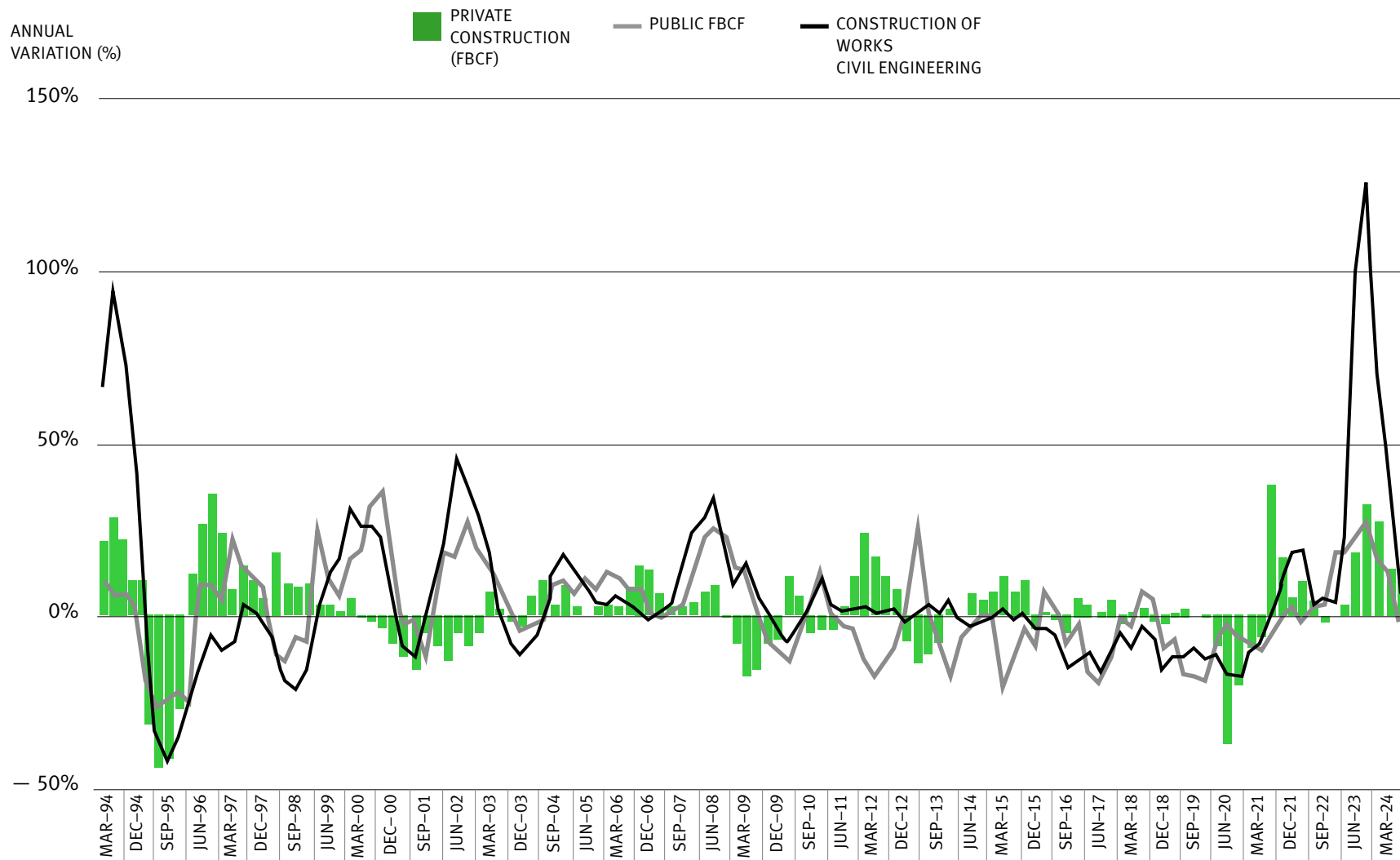
In the Lopez Obrador administration the yearly average was 1% (INEGI, 2024a).

⁶ The data are the result of the regression analysis of the first differences of the civil engineering works and the component of the GFCF construction for the period 1993 to the second quarter of 2024.

⁷ Slaughtering, packing, and processing of meat from cattle, poultry and other edible animals.

Images: Autos and truck manufacturers in Mexico. Photo: General Motors Media at <https://forbes.com.mx/fabricantes-de-autos-y-camiones-en-mexico-minimizan-aranceles-de-eu-a-productos-de-china/> Pharmaceutical industry in Mexico at <https://rccracks.mx/la-industria-farmaceutica-en-mexico/>

GRAPH 4.2 GROSS FIXED CAPITAL FORMATION (PRIVATE AND PUBLIC) AND CONSTRUCTION OF CIVIL ENGINEERING WORKS
1993 –2024* (ANNUAL VARIATION) SEASONALLY ADJUSTED SERIES



*As of the second quarter 2024.

Source: Vital Signs estimates with information from INEGI s.f.b.

REGIONAL AND STATE GDP

Growth was not only uneven across various economic sectors during the Lopez Obrador government. Considering the respective vocations and competitive advantages, this materialized in different ways in the various regions and states. However, beyond these advantages, another aspect that defined the evolution of economic activity was the concentration of public investment, especially in civil engineering works, mainly in the south.

Between the last quarter of 2018 and the first quarter of 2024, the states with the highest cumulative growth are in the south: Tabasco (46%), Oaxaca (18.7%), Quintana Roo (12.8%) and Chiapas (12.7%) (INEGI, s.f.c). These were followed only by the central state of Hidalgo (10.8%) (INEGI, s.f.c). These growth rates more than doubled the national average. However, for the first four states growth came from secondary activities, including construction. Meanwhile, Hidalgo's was characterized by an impulse to mining and manufacturing close to 19%, the highest rate in the country for this industry.

The poor growth in the rest of the country was notable, such that in the north the states that showed the

highest accumulated growth rates were Chihuahua (7.5%) and Baja California (7.1%) (INEGI, s.f.c), barely above a yearly 1% on average. In the center, the second fastest growing (after Hidalgo) was the State of Mexico, with 5.8% (INEGI, s.f.c), a number similar to that of the Mexican economy.

It is important to note that, historically, the south of the country had the least industrial development, with the exception of some specific activities such as those related to oil extraction and refining (mining) and more recently (last decade) electricity generation. Meanwhile, growth in Hidalgo, from manufacturing, was linked to the refining industry (greater activity in the Tula Refinery).

Similarly, the four entities with the highest cumulative growth also show the highest expansion rates in secondary activities⁸: Quintana Roo (120.9%), Tabasco (81%), Oaxaca (41.8%) and Chiapas (21.7%). These were followed only by the Hidalgo (18.7%) and Chihuahua (13.8%), and further away by Baja California (9.3%), Sonora (9%) and Veracruz (8.5%). For all the states, cumulative growth in secondary activities was 4.1%. The component that pushed up this sector was

Concentration of public investment, in civil engineering works, mainly in the south of the country, largely defined the performance of economic activity.

⁸ These figures are seasonally adjusted. Calculated by Vital Signs with data from INEGI.

construction, doubling or even tripling in Quintana Roo (222.3% cumulative growth), Tabasco (164.9%) and Oaxaca (120.9%) (INEGI, s.f.c). In Chiapas it grew 40.3% and was the sixth fastest state in this activity, after Chihuahua (47.3%).

These states were followed by Baja California (32.7%), Hidalgo (29.0%), Sonora (17.0%) and Yucatan (12.9%) (INEGI, s.f.c). For the rest of the country, construction was below average and, in many cases, negative. In general, secondary activities remained below the level observed at the end of 2018 in 18 of the 32 states, and only two of these are in Mexico's south (Guerrero and Campeche, with negative growth rates of 22.1% and 9.0%, respectively). In most states, industrial

and construction activities did not grow during the Lopez Obrador government. It is also likely that the effects of the hurricanes will continue to impact the economic performance of Guerrero (Graph 4.3).

On the other hand, although Campeche does not stand out in its industrial activity (a fall of 9.0%), its construction industry grew more (311.2%) than in states with the highest growth (INEGI, s.f.c). The negative industrial performance is due to the contraction in mining (26.6%) and electricity generation and distribution (21.1%) (INEGI, s.f.c), similar to the contractions in both activities nationally. That is, the more than fourfold growth in construction did not compensate the contraction in the other two activities. The

Construction gave a boost to Quintana Roo, Tabasco, Oaxaca, and Chiapas, followed by Hidalgo and Chihuahua, and further away by Baja California, Sonora, and Veracruz. For the rest of the country, construction growth remained below average and, in many cases, was negative.

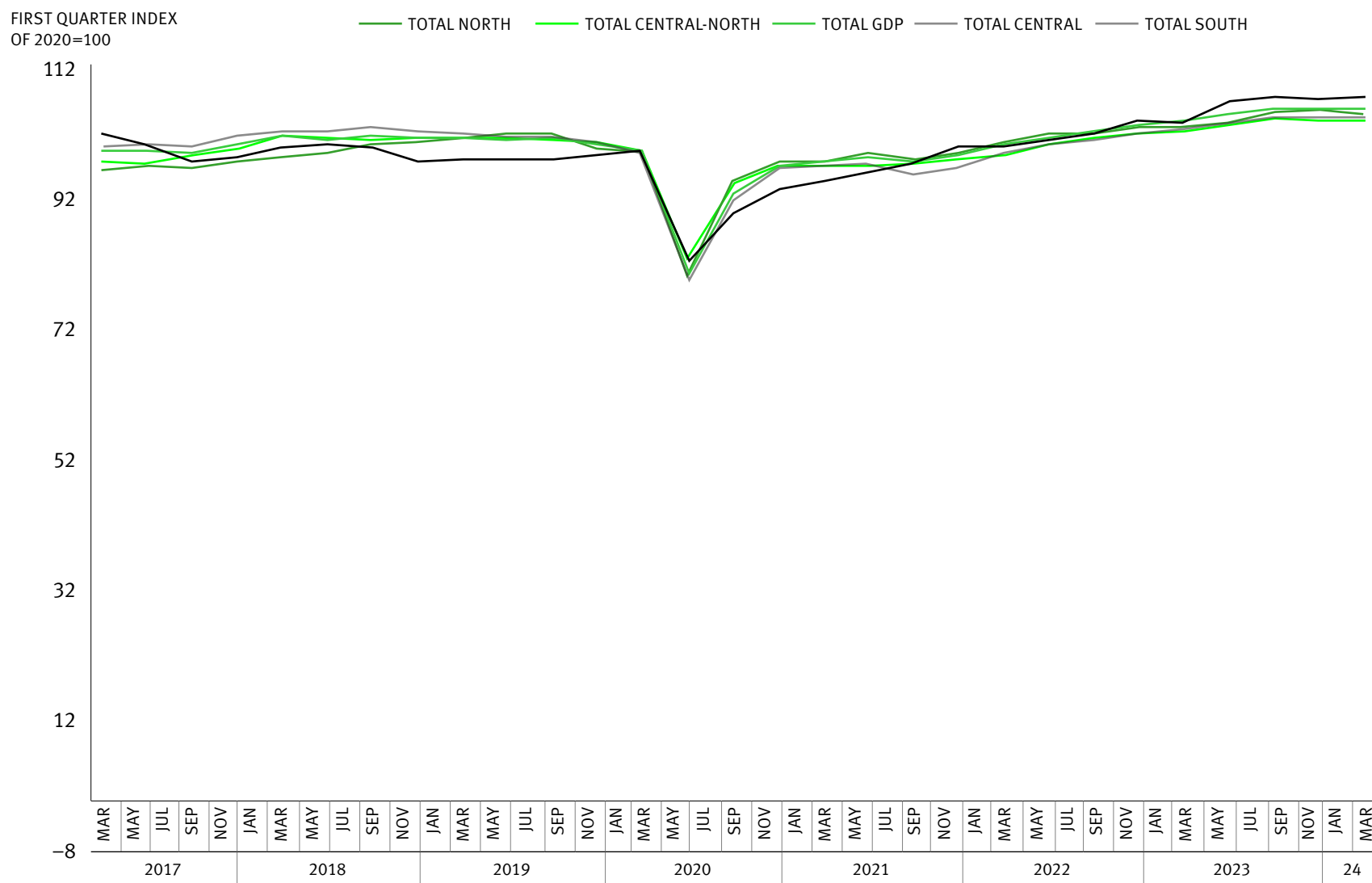


Image: Hotel construction in Cancun at https://www.lacapital.com.mx/noticia/92039-Innovador_concreto_agiliza_construccion_de_mega_hotel_en_Cancun



Image: "Cantarell's decline, Pemex star" Photo: Alfredo Estrella/AFP at <https://expansion.mx/empresas/2023/10/19/cantarell-pemex-claves-declive>

**GRAPH 4.3. REGIONAL ECONOMIC ACTIVITY* AND GDP (FIRST QUARTER OF 2017–FIRST QUARTER OF 2024)
FIRST QUARTER OF 2020=100) SEASONALLY ADJUSTED SERIES**



*The regionalization corresponds to that of Banxico.

Source: In-house elaboration with information from Banco de Mexico.

latter is related to the steep decline in the oil production at Cantarell, until two decades ago the biggest oilfield in Mexico.

What applies to states and economic sectors cannot be generalized. In the south, Campeche and Guerrero saw their economies contract by 6.8% and 1.6% whilst Veracruz and Yucatan grew 6.8 and 6.6%. However, without considering oil activity, between the last quarter of 2018 and the first quarter of 2024, Campeche grew 55.2% (INEGI, s.f.c), the highest cumulative growth. Public investment was not as notable in Guerrero, Veracruz, and Yucatan, so that industrial activity was negative in the former and grew slowly in Veracruz (8.5%) and Yucatan (3.3%) (INEGI, s.f.c).

Beyond the south, growth in other states is due to their own dynamics, which differ from their historical behavior. Economies of great weight in the national aggregate, such as CDMX and Edomex, recovered their 2018 level by the last quarter of 2022. As of the first quarter of 2024, the cumulative growth of these two states is 1.9% and 5.8%, respectively. Puebla and Queretaro, also central states, recovered their 2018 level by the second and third quarters of 2023, respectively, with growth of 2.3% and 0.9% (INEGI, s.f.c).

Economies of great weight, such as the CDMX and Edomex recovered their 2018 level by the last quarter of 2022.

As of the first quarter of 2024, the cumulative growth of these two states is 1.9% and 5.8%, respectively. Puebla and Queretaro recovered the 2018 level until the second and third quarters of 2023, with 2.3% and 0.9% (INEGI, s.f.c).

The economies of the center and center-north showed the lowest growth. With information from the Quarterly Indicator of Regional Economic Activity, between the last quarter of 2018 and the first quarter of 2024, these two regions grew by 2.0% and 2.7%, respectively (Banxico, s.f.a). In sharp contrast, the south grew 10.2% and the north 4.2%, close to the growth of all states (4.5%). According to our estimates, between 39.2% and 41.2% of the accumulated economic growth in the Lopez Obrador administration was generated in the southern region, followed by the north, which contributed between 26.2% and 27.5%. Therefore, in these six years, the center and center-north only contributed one third of the economic growth observed.

As to investment in manufacturing, only a handful of states stand out among the vast majority that did not exceed their historical trajectory: Veracruz (35.2%), Colima (29.6%), Quintana Roo (26.2%), Campeche (25.5%), Sonora (25.5%), Oaxaca (24.6%), Hidalgo (23.6%), San Luis Potosi 17.0%), Sinaloa (16.4%), Chihuahua (13.1%), Guanajuato (10.9%) and Tamaulipas (10.5%) (INEGI, s.f.c). Four of the states with the highest average are in the south, region that broke the decreasing trend of the last three decades. Two states, are in the country's center (Hidalgo and Guanajuato)

and the rest belong to the north and center-north: Colima, Sonora, Chihuahua, Sinaloa, San Luis Potosi and Tamaulipas. However, the growth of Hidalgo and Guanajuato should be viewed with caution due to the increase in oil shipments to the Tula (Hidalgo) and Salamanca (Guanajuato) refineries. On the other hand, a state such as Nuevo Leon, whose participation in economic activity and particularly in industry has always been considerable, will barely achieve a cumulative growth of 3.0% as opposed to the 22.0% registered between 2012 and 2018 (INEGI, s.f.c.).

It can be said that in some entities in the north, manufacturing continues below its historical growth. On the other hand, the central and southern states were pushed by construction, with a subsequent drop when the works are completed. That was the case of the State of Mexico where the Felipe Angeles International Airport (AIFA) was built. Thus, this phenomenon is mainly explained by the emblematic infrastructure works of the Lopez Obrador administration: the Maya Train, AIFA, Dos Bocas Refinery, and Interoceanic Corridor.

THE LEGACY:

Sustained investment (public works and oil refining) and growth in services and manufacturing linked to foreign trade and domestic imbalances

The Mexican economy made no progress in per capita terms during the Lopez Obrador administration. The expansion that did take place, such as the construction of civil engineering works, was disconnected from the provision of public services, notably potable water and electricity. The growth of public spending on infrastructure sustained the growth rates of a good fraction of the country's south, and the radicalization of energy policy gave momentum to the states where the six operating refineries are located. That is why Hidalgo differs from the rest of the other central states, as more shipments of fossil fuels were sent to the Tula Thermoelectric Plant.

However, the expansion of manufacturing was probably limited by the lack of availability of electricity and water services. Thus, if the booming part (due to public investments) is not adequately sustained, significant damage to that pillar of the economy is foreseeable. On the other hand, evidence suggests



Image: Thermoelectric plant in Tula, Hidalgo at <https://factorenergetico.mx/greenpeace-exhibe-a-termoelectrica-de-tula-de-pemex-por-su-exceso-de-contaminacion/>

The growth of public spending on infrastructure sustained the growth rates of a large part of the country's south, and the radicalization of the energy policy gave a boost to the states where the six operating refineries are located. That is why Hidalgo differs from the performance of the other central states as more shipments of fossil fuels were sent to the Tula Thermoelectric Plant.

that public sector investment in construction may have been 2.5 times higher than reported, while the private sector's contribution was lower. It also must be considered that the enormous growth in some services, with exceptional cases in the manufacturing industry, was closely related to the foreign sector, both in domestic and foreign activities, including those with a high dependence on imports and those that exported products such as vehicles and electronic goods to the U.S. Thus, manufacturing growth rates were more stable in states with a considerable share of such activities, such as Sonora, Chihuahua, Baja California, San Luis Potosi and Guanajuato, but far from their long-term trends. The slowdown in manufacturing was one of the characteristics of the economy's performance during the Lopez Obrador administration.

The biggest advances in manufacturing, presumably generated by the private sector, stand out in health-related activities, from services to the production of medical products, and electric energy, despite various events that took place from the start of the Lopez Obrador administration. In this sense, the lack of certain services, such as health and the availability of clean and affordable energy, created an opportunity gap for the private sector in these markets.

The slowdown in manufacturing activity was one of the characteristics of the economy's performance during the Lopez Obrador administration.

The lack of certain services, such as health care and the availability of clean and affordable energy, generated an opportunity gap for the private sector in these markets.



LEGACY 1. ECONOMIC PERFORMANCE IN PERSPECTIVE

Legacy: the economy stagnated during Lopez Obrador's term.

CUMULATIVE ECONOMIC GROWTH WAS 5%:

AVERAGE ANNUAL GROWTH, 0.8%.

NO PER CAPITA GROWTH

THE MANUFACTURING SECTOR GREW 6.6% vs 12.5% PEÑA NIETO'S GOVERNMENT, IN A CONTEXT OF GEOPOLITICAL REORDERING.

ELECTRICITY, WATER AND NATURAL GAS ACTIVITIES PLUMMETED BY -26.3%

SERVICES AND TRADE INCREASED BY ALMOST 6%.

SERVICES WERE AFFECTED BY THE LABOR SUBCONTRACTING REFORM.

THE REGION WITH THE HIGHEST GROWTH WAS THE SOUTH (10.2% IN 2018–1T OF 2024).

THE CENTER-NORTH GREW 2.7% AND THE CENTER JUST 2%.



4.2 Consumption and investment, and growth prospects

INTRODUCTION: LACK OF INVESTMENT AND INCREASED DEPENDENCE ON FOREIGN MARKETS

From the demand side, large aggregates began to drive growth at a late stage of the Lopez Obrador administration. In its six years, private consumption accumulated an increase of 12.8% (INEGI, s.f.b), but most of that growth was driven by imports, from food to complex goods such as automobiles. Thus, 81 out of every 100 pesos of the growth in consumption of goods was imported and only the remaining 19 pesos were supplied by domestic production.

As noted in our March 2024 report *Mexican economy under review*, the expansion of aggregate supply is being driven to a greater extent by imports rather than domestic production. Nearly 60% of its growth is explained by purchases abroad. The lack of private investment was a determining factor in the poor expansion of the economy's capacities. The 15.9% growth in fixed investment (INEGI, s.f.b) proved insufficient. Moreover, a significant fraction of it was concentrated in imported machinery and equipment, especially during the first part of the 2018–24 administration.

Private consumption accumulated growth of 12.8% (INEGI, s.f.b), but most of it was driven by imports, from food to automobiles: 81 out of every 100 pesos of the growth in consumption goods was imported.

Toward the second half of the administration, public investment became crucial to the performance of total fixed investment. Economic growth thus relied heavily on government investment. During the six-year period, the construction of other buildings and structures (other than housing) grew by a cumulative 43.2%, the largest expansion in modern times. Contrary to this bonanza, expectations in the private sector only went through a good period towards the last year of Lopez Obrador's administration. In September 2024 two out of every three specialists consulted by the Bank of Mexico considered it was a bad time to invest.

These expectations materialized with the low fixed investment, both domestic and foreign. Between the last quarter of 2018 and the second quarter of 2024, 29.9% of Foreign Direct Investment (FDI) were new investments. Since such detailed records began (2006), up to the end of 2018, new investments had represented 39.6% of FDI. In 2023 Mexico captured 2.7% of global FDI, unlike other emerging economies such as Brazil (5.0%) or Singapore (12.0%). The United States captured almost a quarter of those inflows, a proportion not seen since the beginning of the millennium.

During Lopez Obrador's six-year term, construction of other buildings and structures (other than housing) grew 43.2% cumulatively, the largest expansion in modern times. Contrary to this bonanza, expectations in the private sector only went through a good period towards the last year of the administration.

PRIVATE CONSUMPTION, DOMESTIC AND IMPORTED

Between the first half of 2018 and the same period of 2024, private consumption increased by 2,049 billion pesos (an accumulated 12.8%). Of this amount, 849.2 billion were domestic goods and services and 1,221 billion were imports, with -21.2 billion being net purchases by residents and non-residents (INEGI, s.f.b). Also, in the aggregate, the consumption of goods (domestic and imported) contributed 72.9% (variation of 1,494 billion pesos) to the growth recorded in this period. Within this, consumption of non-durable goods accounts for most of the expansion (983.4 billion, 65.8% of the total) and only followed by the growth of 365.5 billion pesos in the consumption of durable goods, while consumption in services, which is mostly domestic (98.7% of total) had a growth of 576.2

billion pesos (INEGI, s.f.b). The services component exemplifies the growth of the economy. As a whole it increased 8.5% while the growth of domestic goods was only 3.5%.

Thus, demand growth was mostly satisfied by imports, mainly of non-durable goods, which doubled in the period (an increase of 100.9%, 750.1 billion pesos) (INEGI, s.f.b). This goes hand in hand with our greater dependence on food from abroad and greater flexibility in the importation of these goods, mainly from South America, because of the implementation of the Anti-Inflation and Scarcity Package (PACIC, for its acronym in Spanish). However, dependence is not limited to foodstuffs. The growth in imported non-durable goods explains 76.3% of the increase in the period; in the durable goods category (which includes automobiles), the growth of imported goods explains 58.1% (INEGI, s.f.b).

Semi-durable goods behaved in opposite directions: on the one hand, their domestic consumption decreased by 106 billion pesos (a fall of 8.1%) whilst imported ones went up by 251.2 billion (85.5%) (INEGI, s.f.b). That is, as mentioned, in the Lopez Obrador years, 81 out of every 100 pesos of the increase in the consumption of goods were imports. Domes-

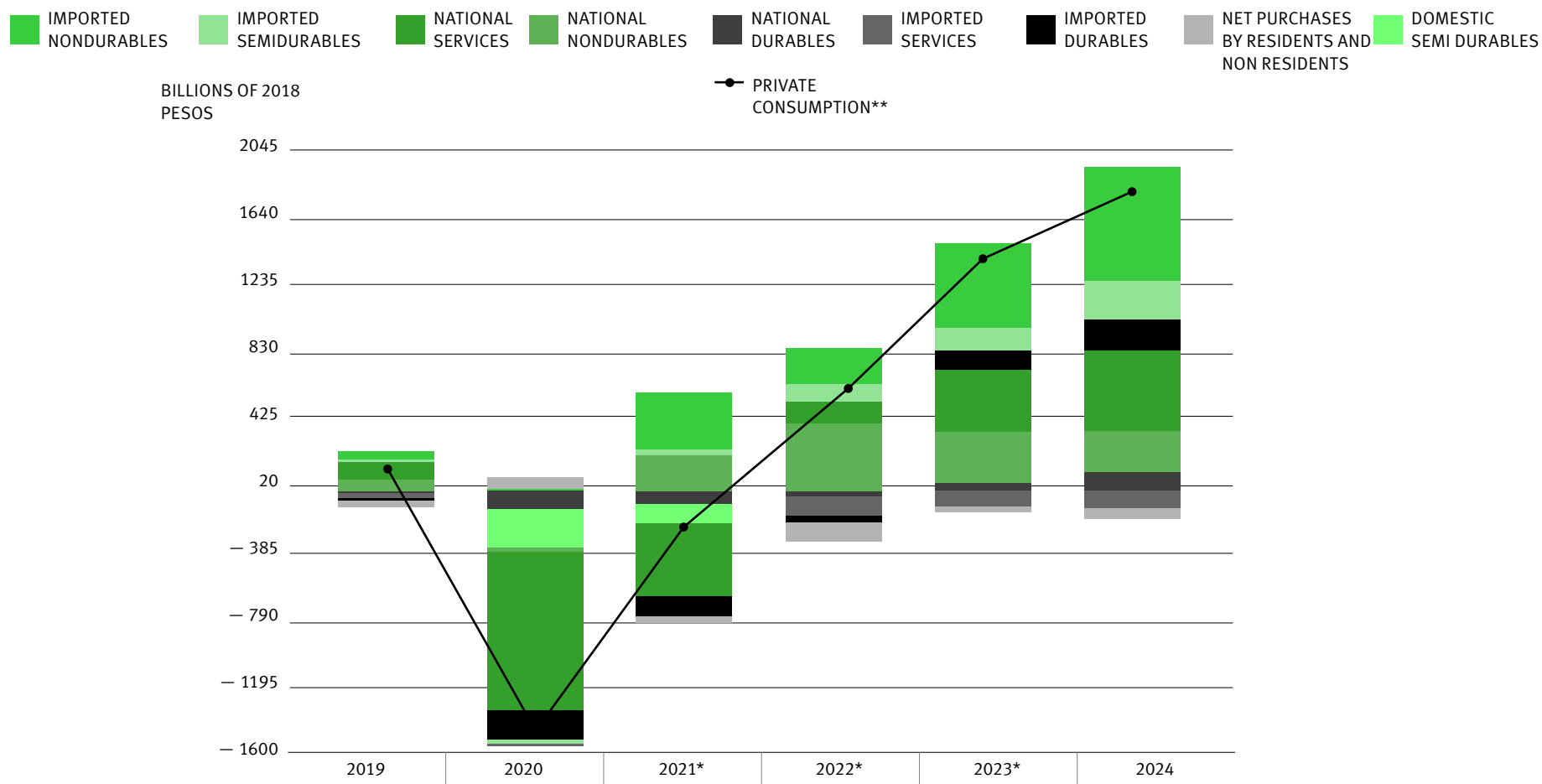


Image: Imports of clothing and shoes at <https://www.infobae.com/america/mexico/2019/11/01/la-misteriosa-procedencia-de-la-ropa-de-paca-las-prendas-usadas-mas-baratas-en-los-mercados-de-pulgas/>

tic production only covered 19 pesos (INEGI, s.f.b) of any good (from food to vehicles). The so-called super peso seems to have excessively stimulated imports with respect to domestic production⁹ (Graph 4.4).

⁹ This phenomenon is called "Dutch disease" and tends to weaken the country's productive structure by reducing the competitiveness of domestic companies. This occurs due to a higher increase in the prices of goods that cannot be traded abroad compared to the prices of goods that can be traded internationally. Costs increase for domestic companies and, facing increasingly lower international prices in pesos,

GRAPH 4.4 BEHAVIOR OF PRIVATE CONSUMPTION BY TYPE OF GOOD AND ORIGIN IN THE LOPEZ OBRADOR ADMINISTRATION
VARIATION WITH RESPECT TO 2018 (BILLIONS OF 2018 PESOS)



*P. Preliminary figures.

**a. Includes households and private nonprofit institutions serving households.

Source: In-house elaboration with information from INEGI s.f.b



Image: "The great heist, Colima version: How 20 containers with gold and silver were stolen in the port of Manzanillo?" at <https://www.sopitas.com/noticias/puerto-manzanillo-colima-estafa-contenedores-como-paso/>

Given that the performance in consumption was largely determined by imports (59.2% of its growth), between 2018 and 2023 imports increased from 10.3% to 14.2% of total consumption (INEGI, s.f.b)

The latest available data, as of the first half of 2024, shows that the growth of imports continues, as they represented 15.5% of total consumption and 25.5% of consumption of goods (INEGI, s.f.b). The trend signals that the share of imported goods will have an increasing relevance in consumption, a process like that of capital goods in production.

The growth in private consumption was driven by various factors; however, we ruled out the possibility that the growth of the consumer credit portfolio had a greater impact than other variables. Between the last quarter of 2018 and the second quarter of 2024, this portfolio grew by 6.7% in real terms. In contrast to the growth of consumer credit, remittances grew at twice the rate of private consumption. For the same years, the growth of remittances in real terms was 24.5%. Amid the pandemic (second quarter of 2020), remittances had a quarterly growth of 6.9%

they lose competitiveness.

and an annual variation of 22.7%¹⁰. Thus, the growth in consumption support was very slow and that of remittances was disproportionate to the magnitude of growth in private consumption.

That is why the Bank of Mexico estimated at the time that remittances partly cushioned the fall in consumption during the health crisis since, if they had not increased by such a magnitude during 2020, the fall in private consumption would have been 11.6%, instead of the 10.6% observed (Banxico, 2021). The effect was differentiated, so that the reductions for the northern, central-northern, central and southern regions would have been 10.0%, 11.5%, 12.0% and 12.8% instead of 9.4%, 10.1%, 11.2% and 11.8%, respectively. That is, private consumption was 1.0% higher compared to a scenario in which remittances in 2020 would have remained at 2019 levels (Banxico, 2021). The region that was boosted most was the center-north (1.5% increase). But even if consumption's growth was not spectacular, the performance of domestic supply was insufficient to cover the most basic needs of the economy. As will be seen, to a large extent the scarcity of private investment explains the poor performance.

¹⁰ The growth rates of both remittances and consumer credit are calculated based on seasonally adjusted figures at 2018 prices.

PUBLIC AND PRIVATE INVESTMENT PERFORMANCE

The Bank of Mexico's monthly survey on the expectations of private sector economic specialists made it clear that the perception of the investment climate was extremely low during almost the entire Lopez Obrador administration. Up to April 2023, only 6% of the specialists consulted by Banxico considered that it was a good time to invest, compared to 40% and 54% who stated that it was a bad time or were not sure, respectively (Banxico, s.f.b). In May an upward trend began among those consulted who thought it was a good time to invest, reaching 41% in August 2023. The peak came in March 2024, reaching 46%, with only 15% considering that it was a bad time to do so, the lowest percentage in the entire administration. In April 2024 a decline began that culminated in September, with only 5% of specialists stating that it was a good time to invest, compared to 66% who thought it was a bad time (Banxico, s.f.b).

This high percentage in the specialists' pessimism was similar recorded in other times during Lopez Obrador's government such as the cancellation of oil rounds 3.2 and 3.3 (oil and gas extraction) (2018, 76%); cancellation of the long-term auctions (electric-

The perception of private sector economic specialists was that the investment climate was unsuitable to invest during most of the Lopez Obrador administration.

ity market) and of the New Mexico City International Airport (NAIM) (July 2019, 77%); the pandemic (April 2020, 100%) and energy counter-reform (July 2022, 73%) (Banxico, s.f.b). That is, an optimistic mood lasted less than a year towards the end of Lopez Obrador's administration. In contrast, after the energy reform in Peña Nieto's administration was enacted, 64% of specialists considered in September 2014 that it was a good to invest and only 3% said it was a bad time (Banxico, s.f.b).

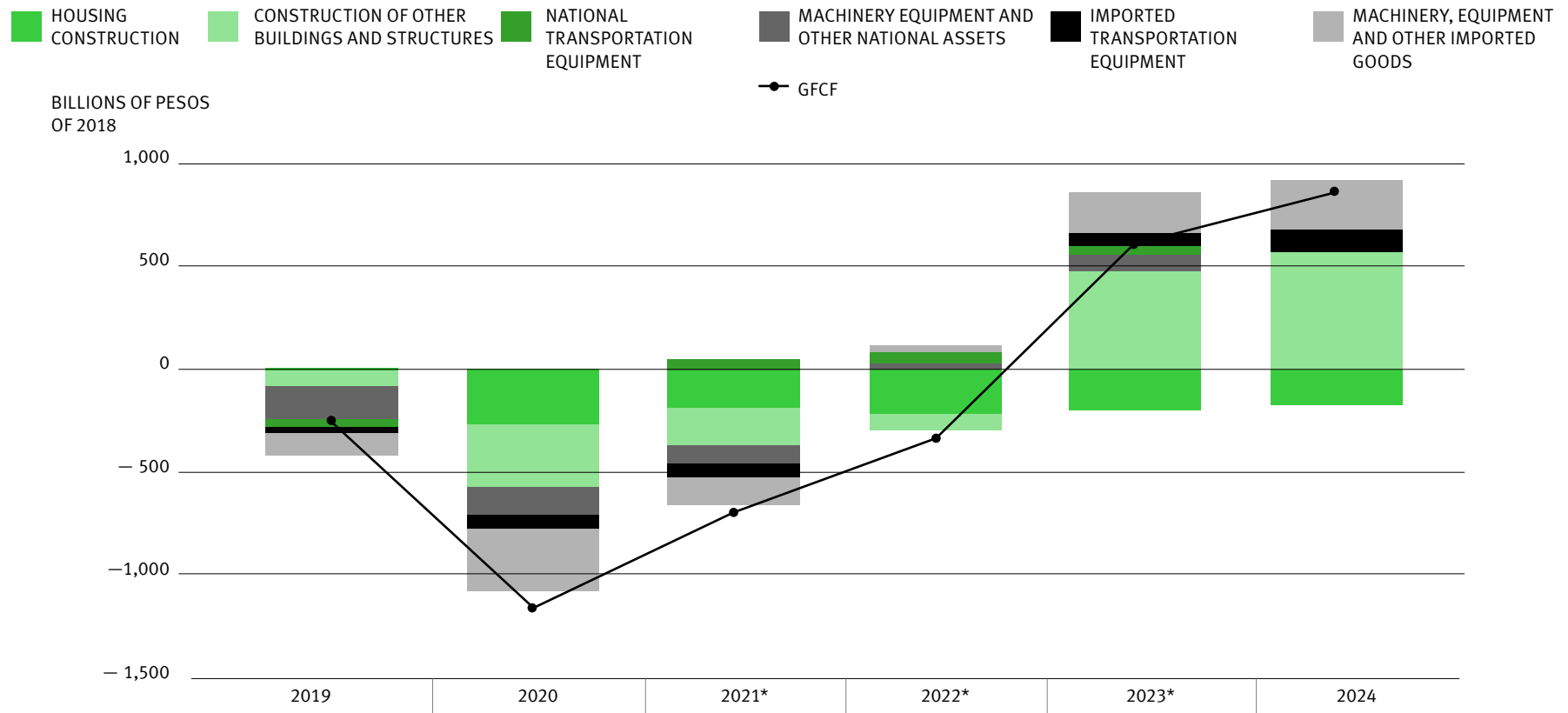
In the Lopez Obrador administration, the growth of gross fixed investment was 870.9 billion pesos (a 15.9% increase) (INEGI, s.f.b). A higher rate than that of private consumption, but it had a lower contribution to growth. This growth is composed of 398.6 billion pesos in construction (a variation of 13.9%) and 472.2 billion for the purchase of machinery and equipment (18.1%) (INEGI, s.f.b). However, this growth was not noticeable until 2023. During much of the six-year term, investment remained below the 2018 level, and it was unlikely that this could be reversed due to the weaker rule of law, lack of guarantees and clear rules, scarcity of electricity power (clean and affordable) and drinking water, the lack of or inadequate infrastructure, and the increase of insecurity, among the main problems (Graph 4.5).

Just at the close of 2022, GFCF was 6.0% (333 billion pesos) below the 2018 level; between 2021 and 2023, GFCF growth was 26.8% (INEGI, s.f.b). This unusual leap caught the attention of Vital Signs and was one of the motivations for the report *Mexican economy under review*. In the last year of Lopez Obrador's administration, annual growth is estimated at 7.7% (455.8 billion pesos). This is 5–6 times higher than the growth rate of the economy. Thus, the fixed capital aggregate has grown more than the economy, but above all, growth has been determined mostly by the purchases of machinery and equipment (M&E) (54.2% of cumulative growth), mainly imported (39.9% of cumulative growth) (INEGI, s.f.b).

Between 2018 and 2024, M&E imports grew 22.2%. This represents 347.7 billion pesos, equivalent to 73.6% of the expansion recorded, while the remaining 26.4% are of domestic origin (INEGI, s.f.b). In contrast to imported capital goods, domestic capital goods grew by 12.0%, barely half. The contribution to GFCF of imported goods increased from 28.6% to 30.2% in the six years of the government (INEGI, s.f.b), and the trend continues. In the first half of 2024 they already accounted for 62.2% of M&E. Within imported capital goods, machinery had a greater weight (increase of 242.3 billion pesos), but the relative change (17.3%)

The good investment mood lasted less than a year towards the end of the Lopez Obrador administration, but did not compare to expectations generated by the energy reform of the Peña Nieto administration.

**GRAPH 4.5. BEHAVIOR OF GROSS FIXED CAPITAL FORMATION IN THE LOPEZ OBRADOR ADMINISTRATION
BY COMPONENTS, VARIATION WITH RESPECT TO 2018 (BILLION PESOS OF 2018)***



*First half of 2024.

Source: In-house elaboration with information from INEGI s.f.b

was several times less than that of transportation equipment (65.0%) (INEGI, s.f.b). This GFCF variable was the one with the highest relative growth in the last six years.

Although construction is advancing to a lesser extent, that of other buildings and structures (other than housing) grew more than the rest of the components of GFCF (an increase of 43.2%, 574.9 billion pesos) (INEGI, s.f.b). This increase made the difference for the administration to avoid going down in history as the one with the worst performance in terms of capital in the last three decades. To do so, it had to reverse the decline of the previous four years, which was compounded by the pandemic. Then, in a single year (2022 to 2023) construction other than housing grew 39.2% (524.7 billion pesos) (INEGI, s.f.b). This sudden rise avoided a bigger internal imbalance. At the end of the administration, the growth of this variable continued to grow (15.3% annual rate), although it slowed down.

Unlike the construction of other buildings and structures, housing (the other component of construction) remains with negative growth rates (fall of 11.5% with respect to 2018) (INEGI, s.f.b). To date, housing construction remains 176.3 billion pesos below the level



Image: "Construction will close 2023 with two-digits growth" at <https://www.cmic.org/sector-de-la-construccion-cerrara-2023-con-crecimien-to-de-doble-digito/#>

Between 2018 and 2024, imports of machinery and equipment grew 22.2%. This growth is equivalent to 73.6% of the expansion achieved. The remaining 26.4% of these purchases are of domestic origin (INEGI, s.f.b).

recorded in 2018 (INEGI, s.f.b), which is why construction activity advances less than the M&E component. In turn, by type of buyer, the private sector has purchased more in both construction and M&E. In the first case, private sector spending increased by 19.1% (438.2 billion pesos). The growth for M&E purchases is almost the same (18.0%, 451 billion) (INEGI, s.f.b). Therefore, in construction plus capital goods, during the Lopez Obrador administration, the private sector increased its spending on fixed capital by 18.6% (889.2 billion) (INEGI, s.f.b), which accelerated in the government's last two years. This also means that purchases of capital goods of foreign origin are mainly from the private sector.

The above implies that the growth of fixed capital acquisition by the public sector had a negative variation of 2.7% (18.4 billion pesos). This is because the public sector increased its expenditures in goods by 21.4% (21.2 billion pesos) and construction remains 6.9% (39.5 billion pesos) below the level observed in 2018 (INEGI, s.f.b). The growth in M&E purchases by the public sector also had little impact on public GFCF because the share of this sector was 3.9% of the total acquisition of these capital goods (as of the first half of 2024), which represented 1.9% of GFCF.

As a result of the public sector maintaining negative growth in construction and considerable, but insignificant growth of the total, in the acquisition of capital goods, it is still lagging behind the 2018 level (INEGI, s.f.b).

However, these data should be taken with caution since public sector construction investment is considerably underestimated within the GFCF indicator. In other words, in Lopez Obrador's government, private investment did not grow as much as the data indicates (around 3% per year on average, three times higher than the growth rate of the economy as a whole), nor did public investment grow in negative terms, but quite the opposite.

Housing (the other component of construction) continues with negative growth rates: a contraction of 11.5%, 176.3 billion pesos below the level observed in 2018 (INEGI, s.f.b).

FOREIGN INVESTMENT AND IT IS REALLY RESHORING

A peculiar and notorious fact in these last six years is that the flow of new foreign investments has declined. FDI did not change in its structure by participant, region and sectors, and a profound change is not seen at least since 2017¹¹. Between 2019 and the second quarter of 2024 the cumulative value of new investments reached 59.7 billion dollars, reinvestments 120.4 billion and intercompany accounts stood at 19.9 billion (SE, 2024). This means that 29.9% of FDI were new investments and 60.2% reinvestments. Since records are detailed (first quarter of 2006), and up to the last quarter of 2018, the ratio of new investments to total FDI was 39.6%, while reinvestments were 36.6% (SE, 2024).

We have already pointed out this in Vital Signs. The robustness of the analysis shows that FDI did not take a different course. The latest data (first half of 2024) were more critical: only 2.9% of FDI were new investments (909.3 million dollars) and 97.4% (30.3 billion) reinvestments (SE, 2024). Reinvestments ac-

¹¹ The year 2017 serves as a baseline in previous Vital Signs studies given that the following year saw the start of the first trade restrictions between the United States and China in the technology arena.

tually distort the perception by foreigners of some sectors, such as energy, since it is not easy to know the amount of new FDI at sectoral level.

In 2024, new investments went hand in hand with the start-up of operations of only five foreign corporations¹² and 286 Mexican companies with foreign investment in their capital stock (SE, 2024); by the end of 2023, there were already 1,260 Mexican companies with FDI in their capital stock, the lowest number since the North American Free Trade Agreement (NAFTA, now USMCA) started (in 1995 there were 1,197 companies). Even in 2020 (during the pandemic), 1,270 Mexican companies attracted FDI (SE, 2024).

The behavior of Mexican companies with foreign investment in their capital stock has had different phases. The first is from the start of NAFTA until

¹² The data is from January 1 to August 23, 2024 and includes the following companies: Korea Intellectual Property Protection Agency (other personal services), Bennet Crone Lumber & Plywood Inc. (wholesale trade of lumber for construction and industry located in Ensenada, Baja California), Accountants and Lawyers, LLC (wholesale trade of toys and bicycles), KLK Electro-Materials, S.L.U (wholesale trade of furniture, equipment, and computer accessories) and Korea Creative Content Agency (other recreational services). Four of the five companies are in Mexico City and three of the five are engaged in commerce.

A peculiar and notorious fact in the last six years is that new FDI has declined. FDI did not change in its structure by participant, region, and sectors, and no structural change is seen at least since 2017.

2000, when it stopped –probably due to the crisis of that year– and remained stable for the following four years; in 2005–07 these companies resumed their growth path, but with the arrival of the Global Financial Crisis they plummeted to a minimum in 2009. Similarly, this crisis was followed by five years of growth. However, the trend has been downward since 2015, worsened by the pandemic in 2020. In the Lopez Obrador administration, the plunge was notorious with respect to the Peña Nieto years. While in Peña Nieto's administration the Mexican companies that became foreign owned fell 21.0% (2018 vs. 2012), in Lopez Obrador's administration they ended up 73.1% below the 2018 level (SE, 2024). In the best-case scenario (assuming that in the second half of 2024 it grew twice, that is, 300%) a massive 59.7% with respect to 2018 –a level similar to those of 1992 or 1993 (a setback of at least 31 years) (Graph 4.6).

To date, and in the context of the different conflicts at global level, capital has not arrived in large amounts. The poor growth of FDI is evident in the fact that between 2018 and 2023 its stock in Mexico only increased from 41.1% to 43.4% of GDP. Even a year before the outbreak of the crisis between the United States and China, this ratio was 41.8% of GDP. The increase in FDI was remarkable in these years in

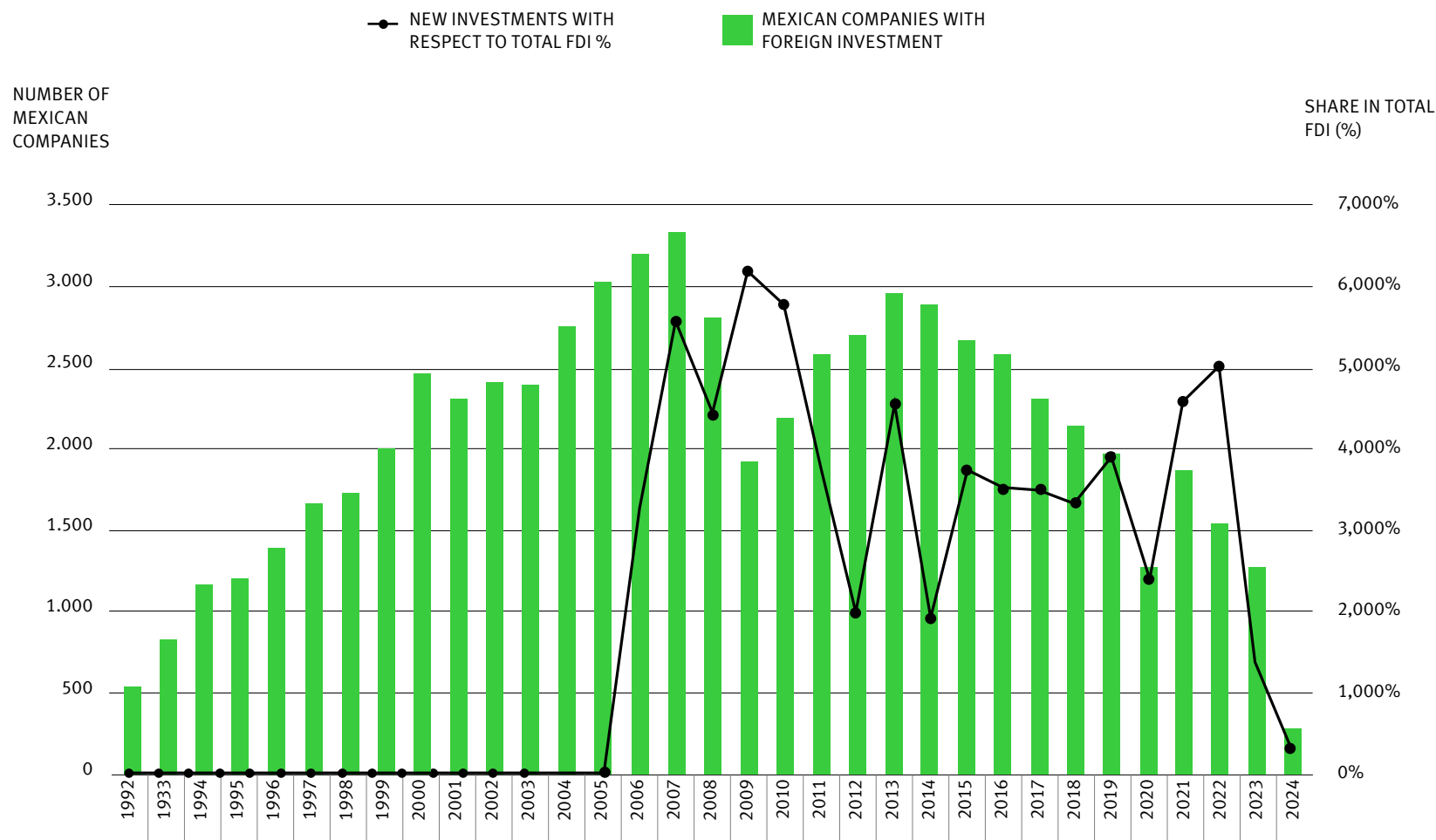
many other countries. During the same five-year period, FDI stock in the U.S. rose from 35.6% to 46.9% of GDP, while in Canada it went from 56.0% to 78.5% of GDP. Developing economies saw their FDI stock increase from 32.0 to 38.4% of GDP. In developed economies it went from 41.0% to 52.7% of GDP (UNCTAD, 2024).

The pace of FDI growth in advanced economies distorts to some extent its advance in emerging economies. Thus, when analyzing the annual FDI flows it appears that emerging economies have captured these additions to a greater extent. Between 2018 and 2023, emerging economies (excluding China) went from capturing 40.9% to 52.9% of global FDI. Within these, Singapore stands out for showing incremental amounts in FDI uptake year on year (2018–23), with rates ranging from 5.3% to 12.0% of total global FDI (UNCTAD, 2024). Mexico captured in its best year (2023) 2.7% of all FDI. An economy with similar characteristics, Brazil, attracted 5.0% that year (UNCTAD, 2024). In contrast to Mexico, the U.S. attracted 24%, 24.5% and 23.4% of global FDI flows between 2021 and 2023, rates not observed since 2000 (UNCTAD, 2024).

In the Lopez Obrador administration the plunge in foreign investment was notorious compared to the Peña Nieto administration.

The number of Mexican companies that became foreign owned ended 73.1% below the 2018 level (SE, 2024). In the best-case scenario, we will be at levels close to 1992 or 1993 (setback of at least 31 years).

GRAPH 4.6. MEXICAN COMPANIES WITH FOREIGN INVESTMENT IN THEIR CAPITAL STOCK 1992 – 2024*
AND NEW INVESTMENT AS A PROPORTION OF TOTAL (% OF FDI)
MILLIONS OF DOLLARS 2006 – 2024**



*The number of companies in 2024 is as of August 23, a lag of 40 days. **The new investments of 2024 are those recorded January-June.

Source: In-house elaboration with information from Economy Secretariat.

The technological-trade restrictions imposed by the U.S. on China did not push more foreign companies into activities such as petrochemicals, renewable energies, electro-mobility and the technology sector in general to invest more in Mexico. The opposite happened: foreigners did not invest in partnership with Mexicans, and their presence was less significant than in the past. Commerce or less complex activities continue to be attractive to those who decide to venture into them. Despite the relative fall of FDI, the external sector of the economy had a strong period of expansion, driven mainly by the growth of the U.S. economy.



Image: "DHL will invest 1.0 billion pesos in AIFA for air cargo activities" at <https://revistamagazine.com/proveedores/invertira-dhl-1000-mdp-en-aifa-para-actividades-de-carga-aerea/>

Foreigners did not invest in partnership with Mexicans. However, the external sector of the economy (exports) had a strong period of expansion, driven mainly by the growth of the U.S. economy.

THE LEGACY:

distortions in the composition of aggregate demand and alienation of foreign capital

The Lopez Obrador administration was characterized by low private investment, both domestic and foreign. Its first half saw negative growth rates, mainly in construction. In that sense, the importation of machinery and equipment was decisive for demand to meet the needs of the various sectors. However, the second part of the administration was characterized by the strong expansion of public spending on infrastructure works. We estimate that such spending was close to three times what is reported in official statistics, and consequently private investment in construction was lower than reported. Thus, the misrepresentation of macroeconomic indicators based on administrative records, such as construction, was a hallmark of the administration.

At the same time, the different supply and demand shocks around the world did not lead to a greater attraction of investments, and those that did arrive continued to show interest in services, trade, and, to a lesser extent, in manufacturing. This may suggest

that the few investors who decided to take risks did so for safer enclaves. These were among the few areas that showed greater activity. Thus, the distancing of the Mexican economy from the world was notable, except for those nations from which machinery and equipment came from. The macroeconomic imbalances generated by the lack of private investment had to be covered with a greater volume of imports of capital goods and consumer goods of all kinds, from food to more complex goods such as automobiles. The so-called super peso was a key element in this. Thus, Lopez Obrador bequeathed an economy with strong imbalances.

The macroeconomic imbalances generated by the lack of private investment had to be covered with a greater volume of imports of capital and consumer goods. The so-called super peso was a key factor.



LEGACY 2. CONSUMPTION AND INVESTMENT, AND GROWTH PROSPECTS

Legacy: consumption growth relied on imports and investment was slow.

PRIVATE CONSUMPTION HAD A CUMULATIVE GROWTH OF 12.8%.

HOWEVER, 81% OF THAT INCREASE WAS IMPORTS AND THE REST DOMESTIC.

IMPORTS OF NON-DURABLE GOODS, INCLUDING FOOD, INCREASED THE MOST.

66% OF THE SPECIALISTS ESTIMATED IN 2024 THAT IT WAS A BAD TIME TO INVEST.

FOREIGN DIRECT INVESTMENT ARRIVED IN TRICKLES AND 60.2% WAS REINVESTMENT OF PROFITS.

BETWEEN 2018 AND 2023, THE STOCK OF FDI RELATIVE TO GDP INCREASED FROM 41.1 TO 43.4%.



4.3 External imbalances and value added in export manufactures



INTRODUCTION: MEXICO, TRANSIT COUNTRY

During the Lopez Obrador administration, the economy continued to widen its trade deficit with Asia, mainly China, but also with other regions of the world. This deficit allowed Mexico to expand its production capacities, reduced the domestic supply deficit in all types of goods and boosted exports to the United States. Thus, the trade balance with the U.S. shows a surplus, but insufficient to cover the imbalance with the rest of the world.

The imbalances between domestic production and trade account became noticeable over time. Thus, while the production of various goods fell, exports increased their pace. An exemplary case is that of the clothing and footwear industries; between 2018 and 2023, their domestic production fell by 19.9% and 4.5% respectively, while imports of both items increased by 4.0 billion dollars (35.2%) and exports increased by 3.5 billion dollars (48.1%) (Banxico, s.f.d). Cases like this became the common denominator as the armed forces took control of the country's customs. Because of this rapid increase in Asian imports, the value added of manufactured exports stagnated during the Lopez Obrador administration.

Imbalances between domestic production and trade account were remarkable over time. Thus, while the production of various goods fell, exports increased.

Between 2018 and 2022, the value added of Mexican export manufactures, determined by domestic inputs, only accounted for 4.4% of their value. In contrast to that poor contribution, the growth of imported inputs accounted for 62.3% of the growth in the value of export manufactures (INEGI, 2024c). The higher growth in the Mexican contribution of these manufactures is due to a combination of employment growth and the increase in wages for these jobs. In the same years, the value generated by labor grew by 20.0% (INEGI, 2024c).

In this process of opening to Asia and the probable saturation of ports, an opportunity opened for imports by air. Therefore, the international airports in the center of Mexico, such as Mexico City, Toluca, Queretaro, Puebla and AIFA have become more important. In 2018, air imports accounted for 9.1% of the total; by 2024, this proportion could reach 10.0% (INEGI, s.f.d) for the first time since records began.

MADE IN CHINA, EXPORTED BY MEXICO

Amid the pandemic, when industrial production suffered a severe paralysis, the growth trajectory of Mexican exports maintained the same path. Between the last quarter of 2018 and the first half of 2024, growth in the volume of total exports was 16.8%, with manufacturing ones by 19.3% (slightly more than three times the growth of the Mexican economy). Total exports grew less due to a fall of 13.9% in sales abroad of crude oil¹³, mainly to countries other than the U.S., and because of the government's energy policy, as well as the smaller growth of agricultural exports (8.0%) (Banxico, s.f.c).

This growth occurred despite a lower attraction of capital (domestic and foreign), a considerable and persistent drop in the arrival of foreign companies, and greater economic activity influenced by public infrastructure, which was least 2.5 times higher than reported. Despite all this, and as we pointed out in our report "Mexican Economy under Review", several areas of the economy, especially industrial activity, showed a notorious outward expansion, even when many areas slowed their growth. In other

¹³ These are seasonally adjusted figures estimated by Signos Vitales based on Banxico data.

words, manufacturing exports grew while industrial production only expanded by an accumulated 3.9% and manufacturing production by 6.6% (INEGI, s.f.a), barely 1.1% per year on average.

Between January and August 2024, imports from North America (United States and Canada) reached 177.6 billion dollars. In the same period, Mexico exported \$350.1 billion dollars to both countries (Banxico, n.d.), that is, almost double what it imported from them, even considering the persistent deficit in hydrocarbons. In 2023 the surplus with both countries reached 239.6 billion dollars (Banxico, n.d.).

This ratio (exports vs. imports) grew strongly from the entry into force of NAFTA until 2006, and between 2007 and 2018 this growth was modest. It was from the following year that Mexican exports accelerated to a greater extent than the imports from its North American partners. This ratio continued to grow until recently. What we have argued in Vital Signs is that for this phenomenon to happen, in fact, the Mexican economy would have to be overheated, or at least the branches of the economy that are subject to greater demand pressure. For example, the construction sector, with a notable growth in spending (civil engineering works). However, this spending is not related to

Between the last quarter of 2018 and the first half of 2024, growth in the volume of total exports was 16.8%.

However, manufacturing exports grew by 19.3% (just over three times the growth of the Mexican economy).



Image: "China's trade route to Mexico soars 60% in January" at <https://elpais.com/mexico/economia/2024-03-15/la-ruta-comercial-de-china-a-mexico-se-dispara-un-60-en-enero.html>

the performance of the export sector. That is, the construction of the Maya Train or the Dos Bocas Refinery did little or nothing to increase the supply of goods (i.e., manufactured for exports).

In contrast to the situation in North America, in 2023 Mexico had a merchandise trade deficit with almost all regions of the world: Asia (195.1 billion dollars), Europe (45.9 billion), Latin America and the Antilles (2.8 billion) and Africa and Oceania (1.6 billion) (Banxico, s.f.d). Therefore, the trade deficit with Asia and Europe is offset by surplus with North America. In the last two years, a phenomenon that modified the trade relationship with Latin America was the relaxation of import rules for certain foodstuffs, a fact that moved the balance (from surplus to deficit).

In 2018 meat imports from Latin America stood at 302.5 million dollars and by the end of 2023 these reached 774.0 million. Meat exports to this region amounted to only 11.3 million (Banxico, s.f.d). This same phenomenon was reproduced with vegetables. Their import value in 2018 was 733.9 million dollars and in 2023 it reached 2.6 billion dollars.

Mexican vegetable exports to that region that year were 189.8 million dollars (Banxico, n.d.).

In the last two years, the trade relationship with Latin America has been modified in the laxity of import rules for certain foods, which has led to a change in the balance (from surplus to deficit). For example, in 2018, meat imports amounted to 302.5 million dollars and by the end of 2023 these reached 774.0 million.

In view of these facts, in mid-2024 the International Monetary Fund acknowledged that these trends sparked by international geopolitical risks were because part of trade and investment are being diverted through third countries, partially offsetting the erosion of direct U.S. ties. Since 2017, an increased Chinese presence in a country (measured through exports or announced new investment) has been associated with an increase in that country's exports to the United States (IMF, May 7, 2024).

Mexico and Vietnam are the most relevant countries in this diversion of goods and investments. The IMF coined the term "connector economies or countries". This phenomenon has led to various disagreements between the U.S. and Mexico, mainly regarding steel and aluminum. Not surprisingly, between 2017 (since the United States imposed restrictions on imports of

Chinese origin) and 2023, the exports of Mexico to the U.S. and Canada of iron and steel castings and manufactures of these metals increased from 1.9 billion dollars to 3.8 billion dollars and from 5.1 billion dollars to 8.4 billion dollars, a growth of 94.6% and 65.3%, respectively (Banxico, n.d.).

However, in Mexico during 2017–23 the growth of the production of the basic iron and steel industry and the manufacture of iron and steel products saw a fall of 9.9% and 5.8%, respectively. By mid–2024, the cumulative growth of both branches ended up being a negative 33.9% and a positive 8.5%. The second was due to the annual growth of 14.0% in the last year. That is, less iron and steel is produced in Mexico, and its manufactures barely rebounded in 2024, but their exports continue to rise. Between 2017 and 2023, the value of Asian imports in these two items grew 58.5% (4.0 billion dollars), while imports from North America grew 44.6% (4.3 billion) (Banxico, n.d.). This variation has meant that, in the same period, Asian imports increased from 70.9% to 77.7% of North American imports of these metals.

An associated phenomenon is the growth of European imports of iron and steel and their manufactures by 109.9% (2.8 billion dollars). Because of both phenom-



Image: European iron and steel are imported at <https://www.infobae.com/economia/2024/08/29/el-gobierno-bajara-el-costo-de-la-importacion-de-acero-y-busca-un-impacto-fuerte-en-los-precios/>

Mexico and Vietnam are the most relevant countries in the diversion of goods and investments. The IMF coined the term "connector economies or countries". This phenomenon has led to disagreements between the U.S and Mexico, mainly regarding steel and aluminum.

ena (growth of Asian and European imports), North American imports of these products have a lower share than before 2017. In 2023, the value of Asian and European imports totaled 16.3 billion dollars, while North American imports 14.1 billion (Banxico, n.d.). Based on the historical behavior (1993–2017), for every dollar that Mexico imported of metals, it obtained 1 dollar and 41 cents from exports of transportation equipment, metals and their manufactures¹⁴. If imports of metals (not only iron and steel) had not increased at the above-mentioned rate, it would also have been difficult for the Mexican automotive industry to maintain its export growth.

So far, in the period from January to August 2024, Asian imports of iron and steel manufactures have fallen sharply (26.5% annually), most likely because of the increase in tariffs on Chinese steel and aluminum imposed by Mexico. Cumulatively, such imports amount to \$2.3 billion dollars and up to last year reached to \$3.1 billion. Nevertheless, whatever

¹⁴ Exports of transport equipment, metals and their manufactures are the sum of sections XV (Common metals and their manufactured products), XVI (Machinery and equipment) and XVII (Transport materials) of the Harmonized Description and Coding System of Merchandises. Imports of the products mentioned above were used as independent variables and the estimation was carried out with an ARMA model (12,12) whose goodness of fit was 0.995832.

If exports maintain a similar or increasing level (as is the case to date), trading partners will have increasing doubts about the origin of inputs or intermediate goods, a situation that would complicate any USMCA renegotiation.

er the origin, these imports showed a considerable drop (20% per year), with a lesser effect on North American imports (10.1% per year). At the same time, total Mexican exports for this same item remained at almost the same level as in the previous year (a 1.2% annual decline) (Banxico, s.f.d). As a result of the above, the deficit with the external sector in these manufactures decreased in the last year by 67.5%, from 2.6 billion dollars to 850 million.

If Asian imports maintain a downward trend, with industrial production growing moderately or stagnating, and exports maintain a similar or increasing level (as it has been the case to date), doubts from Mexico's main trading partners will rest on the origin of inputs or intermediate goods, a situation that would complicate any renegotiation of the USMCA.

Although attention has focused on metals and their manufactures, in other industries, such as footwear and textiles, the imbalances are more pronounced with the entry of Asian goods.

Between 2017 and 2023, industrial production of footwear and clothing fell by 4.5% and 19.9% (INEGI, 2024a). On the other hand, imports in both sectors increased from 11.6 to 15.6 billion dollars (35.2% more). At the same time, and without a significant growth in production in both branches, exports to the world rose from 7.1 billion dollars to 10.6 billion (an increase of 48.1%). In 2023 exports to North America stood at 9.4 billion, 88.6% of the total. From this region, Mexico imported 3.5 billion (Banxico, s.f.d), resulting in a surplus of 5.9 billion. In the same year, Mexico purchased from Asia 9.7 billion dollars and sold between \$325 and \$400 million (Banxico, n.d.), a deficit of 9.3–9.4 billion¹⁵. The balance tells us that Mexico absorbs about 3.5 billion.

Adding to this picture was the growth of imports that do not have a specific category, are not classified in any of the sections, and therefore cannot be paired with any specific tariff. According to several Cham-

¹⁵ The balance is approximate since the official figures do not show data for the months of January to May 2023 for footwear exports.

Between 2017 and 2023 industrial production of footwear and apparel fell by 4.5 and 19.9% (INEGI, 2024a). On the other hand, imports in both items rose from 11.6 to 15.6 billion dollars, 35.2% more.



Image: Mexico initiates investigation against Chinese footwear imports for unfair practices" at <https://www.eluniversal.com.mx/cartera/mexico-inicia-investigacion-contra-importacion-de-calzado-chino-por-practicas-desleales/>

bers of Commerce, various companies have opted for this strategy to avoid paying tariffs and taxes related to their foreign trade operations.

The use of minor courier operations has exploded. In 2017 Mexico imported 199.2 million dollars from Asia; in 2023, 3.3 billion in unsorted goods (an increase of 1,544.3% in six years). That growth continues; between January and August 2024 the growth of Asian imports under this classification was 118.2% (2.2 billion dollars) with respect to the same period of 2023 (Banxico, s.f.d). For those months, the accumulated deficit with all the world was 4.7 billion dollars (Banxico, s.f.d). It should be emphasized that these exchanges occur in the country's customs offices, where foreign trade statistics are based on customs requests, the customs offices managed and safeguarded by the navy. And even though most of this trade takes place by land, given our proximity and relationship with North America, imports opt for other routes.

In 2017, 32.7% and 48.5% of imports entered the country by sea and road, respectively. In 2023, 36.7% and 45.7%. The is possibly due because of increased trade with other regions, notably Asia. Moreover, recent statistics show a strong boost in imports by air.

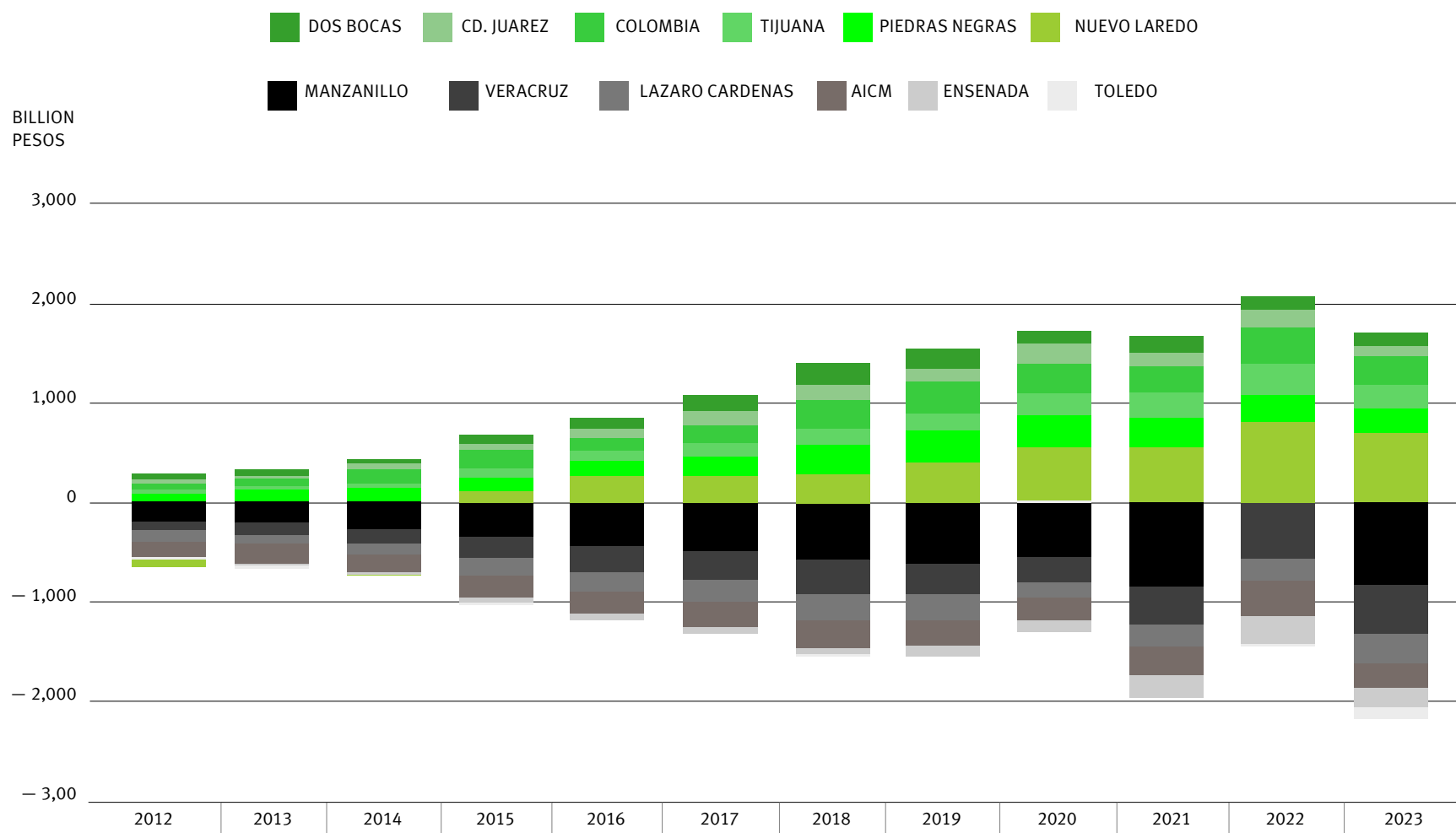
In 2024, for the first time, 10% of imports could enter through airports (up from 9.1% in 2017) (INEGI, s.f.d) (Graph 4.7).

Among the customs offices where the value of imported goods exceeds that of exports (trade deficit) are, in order of importance in terms of amount: Manzanillo, Col., 848.3 billion pesos; Veracruz, Ver., 471.3 billion; Lazaro Cardenas, Mich. 284.3 billion; Mexico City International Airport, Mex. 266.0 billion; Ensenada, B.C., 183.5 billion, and Toluca, State of Mexico,



Image: Customs at Manzanillo, Col. Port at <https://www.agenciaaduanal.net/principales-agencias-aduanales-en-manzanillo/>

**GRAPH 4.7. NET TRADED AMOUNT (EXPORTS MINUS IMPORTS) FOR 12 CUSTOMS OFFICES IN THE COUNTRY
WITH THE LARGEST DEFICITS AND SURPLUSES (2012 – OCTOBER 2023)**



*Negative balance indicates that the value of imports exceeds that of exports; figures for 2023 are as of October.

Source: In-house elaboration with information the Foreign Trade Single Window (VUCEM).



Image: Customs at the Mexico City International Airport at <https://anam.gob.mx/aduana-aicm/>



Image: "AIFA customs has capacity to relieve AICM: Horacio Duarte" at <https://cobertura360.mx/2022/09/03/seguridad/explotacion-capacidad-operativa-aduana-aifa-permitira-desahogar-aicm-horacio-duarte/>

140.1 billion (VUCEM, n.d.). Of these customs offices, four are maritime (three located along the Pacific) and two air terminals in the country's center. Of the six, Toluca was not among the most important until 2022, when net exports reached a deficit of 17.3 billion pesos, and by 2023 the growth was unprecedented. It went from importing goods worth 46.9 billion pesos to 196.5 billion in a single year (VUCEM, n.d.). Considering that this last figure is preliminary (accumulated to October 2023)¹⁶, by the end of 2023 imports enter-

¹⁶ At the time this report was prepared, the information from the Mexican Foreign Trade Digital Window (VUCEM) had an 11-month lag. Moreover, these figures differed significantly from those published by the National Customs Agency

ing through Toluca customs were greater than 200 billion pesos.

Other customs offices that became more important, and are also air terminals, are Puebla, Queretaro and the AIFA. Between January and October 2023, the first has received goods for a total value of 292.7 billion pesos, while Queretaro got 153 billion and AIFA 67.7 billion (VUCEM, n.d.). In the first year of AIFA operation, the customs office ranked 26th out of 50 considering the value of imports and showed a deficit of 47.0 billion pesos (VUCEM, n.d.).

(ANAM, for its acronym in Spanish).

There were notable particularities of the trade carried out through these terminals. Puebla stands out for being a customs office that between 2012 and 2021 observed an average of imports of 78.6 million pesos per year; in 2022 it was 28.2 billion pesos and during 2023 it likely exceeded 300 billion. Operations at this airport grew in the period of six years but only by 95.6% (78.1 thousand to 152.8 thousand operations per year) (VUCEM, n.d.). As a result, the average import operation went from 555.8 pesos to 1.9 million. Between January and October 2023, foreign trade operations carried out at Puebla customs reached a deficit of 121.6 billion pesos. In Queretaro imports also increased markedly, although not as spectacularly. Between 2017 and 2023, they went from 25.8 billion pesos to 153 billion (VUCEM, n.d.); the average value per operation went from 154,349 pesos to 696,127 pesos.

On the other hand, those customs offices with the highest surpluses, with the value of exports greater than imports, are located along the U.S. border with Nuevo Laredo, Tamps.; Piedras Negras, Coah. Tijuana, BC.; Colombia, N.L., and Ciudad Juarez, Chih. standing out.

VALUE ADDED OF MANUFACTURING EXPORTS

As we stated in 2024 in our report *Mexican Economy under Review*, imports have facilitated the growth of exports to the U.S. However, the growth of imports has been such that, in the last two decades, the aggregate value of Mexican manufacturing exports is stagnant. That is, since 2003 Mexican industry has maintained the same share in export content. Then in was 40.2%, and in 2022 it was 40.8%. It peaked at 44.1% in 2015 (INEGI, 2024c) but since then it has decreased.

In 2015, the value added of manufacturing stood out for contributing 19.2% of intermediate inputs. In that year, the consumption of intermediate goods that were imported accounted for 58.4% of total manufacturing production. The rest of the value added (22.4%) was the result of work performed in Mexico. Seven years later, the consumption of domestic intermediate goods decreased to 14.5% of total production. Although the consumption of these goods increased, that of imported goods did so faster. Thus, labor was the factor that made the difference (it contributed 25.8% of production's value), that is, compensated for the loss in the consumption of domestic goods.

Since 2003, Mexican industry has maintained the same percentage of export content, which in 2022 was 40.8%. This contribution was 40.2% in 2003 and reached a maximum of 44.1% in 2015 (INEGI, 2024c), but since then it has decreased.

Between 2018 and 2022 manufacturing (export) production grew by 14.9% (873.6 billion pesos), however, consumption of imported goods did do by 15.6% (543.9 billion), while consumption of domestic goods grew only 4.1% (38.3 billion) (INEGI, 2024c). The former grew at a rate almost four times higher, but the growth difference lies in the total value, 14.2 times higher than the consumption of domestic goods (1,318.3%). Thus, between 2018 and 2022, 62.3% of the production increase of global manufactures was due to the increase in the consumption of imported intermediate goods (INEGI, 2024c); domestic intermediate goods only accounted for 4.4% of the variation. These poor results are unsurprising as this trend has been a constant since the Peña Nieto administration, when the consumption of domestic goods accounted for only 0.9% of the increase in the value added of global manufacturing (INEGI, 2024c)¹⁷.

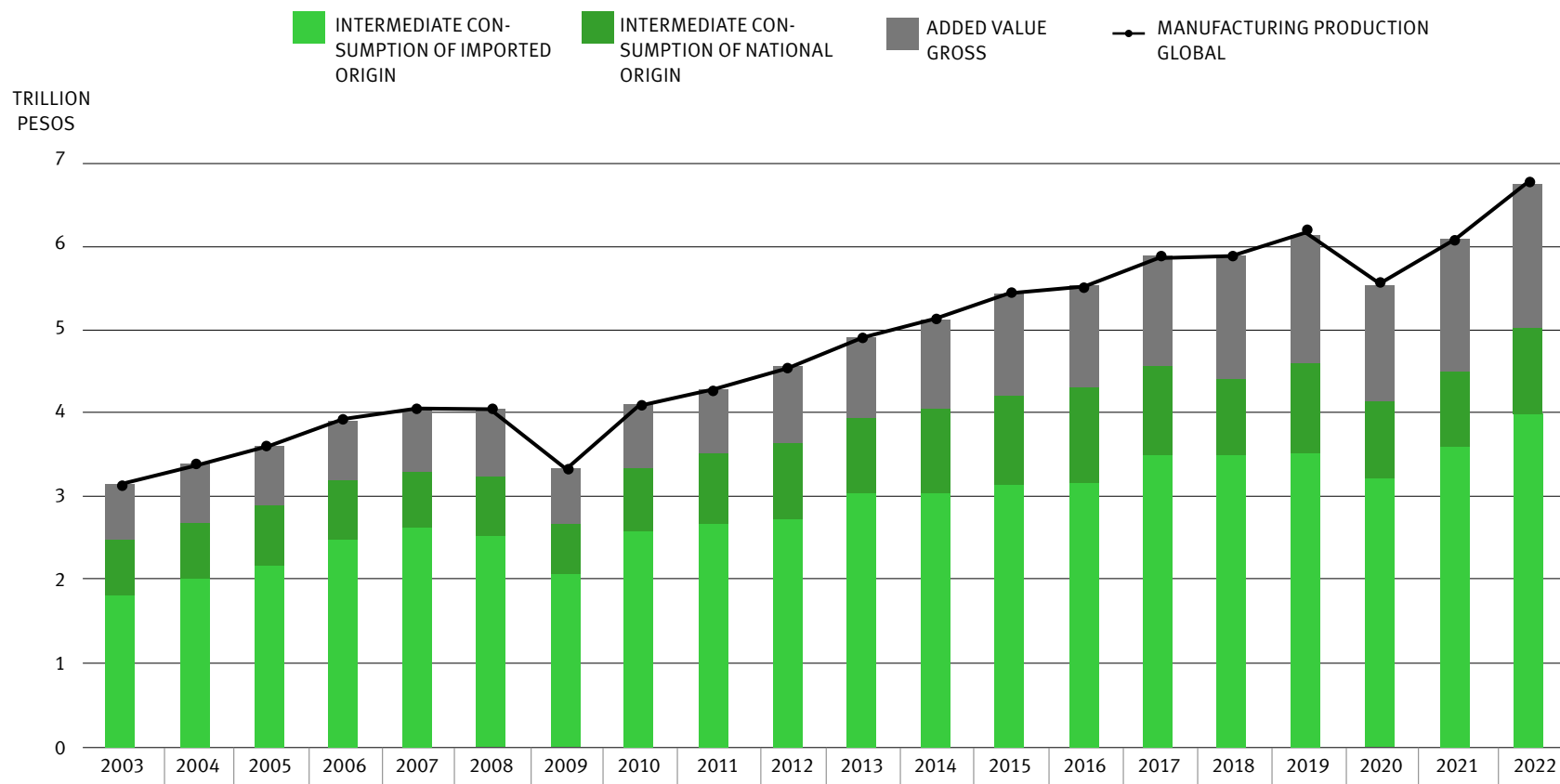
Given the poor growth of domestic intermediate goods, the increase in Mexican aggregate is due to the expansion in the contribution of labor, which between 2018 and 2022 increased by 20% (291.3 billion pesos). In total, the growth of labor and national

consumption was 13.8% (329.7 billion pesos) (INEGI, 2024c). Thus, the growth of the national contribution (both labor and goods) has been lower than that of imported goods. Therefore, if the country's installed capacity remains stagnant, it is very likely that participation will do the same and running the risk of falling significantly, putting the trade relationship with the United States and Canada at risk (Graph 4.8).

Between 2018 and 2022 manufacturing (export) production grew by 14.9% (873.6 billion pesos). However, consumption of imported goods grew by 15.6% (543.9 billion pesos), while consumption of domestic goods only increased by 4.1% (38.3 billion pesos) (INEGI, 2024c).

¹⁷ During the Felipe Calderon administration, 38.5% of the variation in global manufacturing value added was determined by growth in the consumption of domestic goods, the highest proportion on record.

GRAPH 4.8. COMPONENTS OF GLOBAL MANUFACTURING PRODUCTION (TRILLIONS OF 2018 PESOS)



Source: In-house elaboration with information from INEGI 2024c.

The only way to correct these distortions is through the value of labor performed in Mexico to transform export products. However, between 2018 and 2022, the growth in the employed population in the production of export manufactures was 12.3%, increasing from 2.105 million to 2.363 million workers (257.9 thousand more) (INEGI, 2024c). As the variation in the number of workers does not fully explain the growth in the aggregate value of labor, the correction was completed via prices (upward adjustment in workers' wages). That is, given the economy's limited capacity to produce intermediate goods, to keep the value-added of global manufacturing constant it is strictly necessary to increase the demand for workers and their salaries.

Given the economy's limited capacity to produce intermediate goods, to keep the value-added of global manufacturing constant, it is strictly necessary to increase the demand for workers and their wages.

THE LEGACY:

A low value-added assembly economy, generate new trade routes with Asia

Given the weak growth of physical –private– capital in the economy and the growth of foreign and domestic demand for manufactured goods, the Lopez Obrador administration continued to facilitate the entry of foreign goods into Mexico. Dependence on intermediate goods of foreign origin, especially from Asia, continued to increase. This is the same region with which Mexico continues to maintain a large trade deficit, which cannot even be covered by the trade surplus with its North American partners. It is appropriate to say that such trend was already considerable since the Peña Nieto administration. Nonetheless, during the Lopez Obrador administration, the generation of new trade routes was encouraged through greater use of the airports in the center of the country for such purposes, also increasing the quota of goods imported by sea while the armed forces took over the administration of customs offices. Meanwhile, cargo transportation and courier services were just some of the fastest growing activities in the Mexican economy.

Thus, the inability of supply to meet the needs of Mexico's economy was reflected in increased imports of all types of goods, from food to automobiles. The imbalances in domestic production in various economic sectors were overcompensated (excessively) with Asian imports. The upward adjustment in demand for "Mexican" products may be putting pressure on the labor market for export manufacturing, affecting productivity and putting pressure on wages. However, it was the only mechanism for adding value to Mexican exports (combination of number of workers and higher wages). Additionally, the lack of private investment and the overvaluation of the peso against the dollar contributed to this outcome. Mexico ended up being a transit economy, or at least an assembly one, instead of capitalizing on the international situation. The effects are yet to be seen but, as we pointed out at the beginning of 2024, the decoupling between the Mexican and U.S. industries is visible.

Dependence on intermediate goods of foreign origin, especially Asia, continued to grow. The same region with which Mexico maintains the largest trade deficit, only partly compensated by the large surplus with the U.S. and Canada.

Mexico ended up being a pass-through economy, or at least an assembly one, instead of capitalizing on the international situation.



LEGACY 3. EXTERNAL BALANCES AND VALUE ADDED OF EXPORT MANUFACTURED GOODS

Legacy: Mexico increased exports to the United States by increasing imports from Asia.

BETWEEN 2018 AND 2024, THE VOLUME OF EXPORTS GREW **16.8%**

MANUFACTURING EXPORT GROWTH WAS **19.3%**

OIL EXPORTS FELL **-13.9%**

AGRICULTURAL EXPORTS GREW BY ONLY **8%**

SURPLUS WITH THE UNITED STATES AND CANADA OF \$239.6 BILLION DOLLARS IN 2023, OFFSET BY A DEFICIT WITH ASIA (**-195.1 MMDD**) AND EUROPE (**-45.9 MMDD**)

HISTORICALLY, IMPORTS ENTER BY LAND AND SEA, BUT IN 2024, FOR THE FIRST TIME, **10%** ENTERED BY AIR

THE DOMESTIC CONTENT OF MEXICAN EXPORTS HAS BEEN DECLINING SINCE 2015, REACHING **40.8%** IN 2022



4.4 Labor market and labor displacements



INTRODUCTION: INSUFFICIENT ECONOMIC GROWTH AND LABOR DISPLACEMENT

The level of employment in Mexico's economy reached its long-term trajectory in the last part of the Lopez Obrador administration. During this period, 5.6 million people joined the labor market. However, this did not solve the problems faced by that market. Between 2018 and 2024, the average annual deficit in employment was 462 thousand people (INEGI, s.f.e). Despite the low absorption rate of the labor market, the increase in the creation of new jobs is bigger than economic growth.

Therefore, the evolution of labor productivity in this administration, whether considering the number of workers or number of hours worked, is negative by 5.6% or 4.0%, respectively (INEGI, s.f.f.). This poses a major challenge for the Mexican economy amid constant increases to minimum wages.

Evidence also suggests that, in the second half of the administration, the greater dynamism of the labor market was due to the integration of many women who had been left out of it because of the pandemic. Between the last quarter of 2018 and the first quarter of 2024, two out of every three jobs generated were taken by women (an increase of 3.6 million). This

In Lopez Obrador's administration labor productivity growth was negative, whether considering the number of workers (5.6%) or hours worked (4.0%). (INEGI, s.f.f.).

substantially increased (by 1.4 million) the number of workers in activities such as commerce, of which 72% were women (INEGI, s.f.e). In turn, this integration was mainly due to more highly educated and trained workers (3.2 million women with high school and higher education) (INEGI, s.f.e.).

Labor displacement, but also educational displacement, coincided with the growth in government intervention through direct monetary transfers. Thus, between 2019 and 2024, the number of people outside the Economically Active Population (PEA in Spanish) receiving support increased from 10.0 to 16.1 million people (INEGI, s.f.e). The growth in absolute and relative numbers is unprecedented since statistics are available. The progress in intervention was not homogeneous, neither by labor status nor by region. While the south continues to have the highest rates of government intervention (44 of 100 non-PEA people receive some form of support), in the north the proportion of non-PEA getting some form of support increased from 20 out of 100 in 2019 to 38 in 2024. The growth in the beneficiary population in the north was 81.5% vs. 26.2% in the south (INEGI, s.f.e).

LONG-TERM LABOR GAP AND UNEMPLOYMENT

The number of people employed increased from 53.5 million at the end of the third quarter of 2018 to 59.1 million in the first quarter of 2024, an increase of 5.6 million, about 1 million on average per year (INEGI, s.f.e)¹⁸. In the same period, the number of people of working age (15 years or older) grew by 8.7 million. Without considering the people in this age group who joined the educational system (473.5 thousand), the number of people of working age who could have entered the labor market is 8.2 million, an average of 1.5 million per year. So, in the period the employment deficit per year was 462 thousand people.

The number of people left out of the labor market has been persistent over the years, even though the gap with the long-term trajectory has recently closed. Sectors of great relevance, especially in the context of global investment reshuffling, such as manufacturing, regained the long-term level by June 2022 and to date is barely on that trajectory (64.1 thousand more people employed, 0.7% above its trajectory).

Between the third quarter of 2018 and the first quarter of 2024 the average employment deficit per year was 462 thousand people.

¹⁸ After discounting the seasonal effect (with seasonally adjusted figures), the variation in this time period is 6.1 million employed persons, or 11.5%.

The only activities that stand out because of their dynamism are retail trade and health and social assistance services (health services). To a large extent, in the former, the long-term gap has closed because this activity has welcomed more workers. Between September 2018 and March 2024, the number of people employed in this activity went from 8.4 to 9.8 million and of this, 1.0 million were women, 72% of the increase (INEGI, s.f.e).

Health services activities are also growing at a higher rate. Although the health crisis increased the demand for health professionals in one swoop,

that demand was maintained. The growth of 350 thousand employed persons is explained in 44.7% (156.6 thousand) by the public administration (at all levels) and the remaining 55.3% (193.4 thousand) were hired by private companies or became self-employed (INEGI, s.f.e). In the same period of Peña Nieto's administration (third quarter of 2012 to first quarter of 2018), 165 thousand jobs were created, due to a fall in the public sector (6.3 thousand less) and an increase of 171.2 thousand in the private sector. Thus, the greater dynamism in recent years is explained by an increase in hiring by the public sector and, to a lesser extent, the 13% acceleration in private jobs

The only economic activities that stand out because of their dynamism are retail trade and health and social assistance services.

In both sectors, growth has been determined by the greater insertion of women in the labor market.



Image: "Retail trade" at <https://www.primeraedicion.com.ar/nota/100738094/dia-del-empleado-de-comercio-en-posadas-y-en-el-interior-no-abriran-el-lunes-25>

(INEGI, s.f.e). Overall, this strong momentum is explained by an additional 259.9 thousand employed women, 74.3% of the growth.

This growth, in some cases notable, is largely determined by a greater insertion of women in the labor market, particularly those with several years of education. Between the third quarter of 2018 and the first three months of 2024, 3.6 million women became employed, 3.2 million with high school and higher education diplomas. This explains the dynamism of the service sector, where most are concentrated (78.7% of total labor participation), the same sector that maintains a similar employment rate among women (50.3%) and men (49.7%) (INEGI, s.f.e).

Growth in men's employment is instead being undermined by the contraction of the primary sector. At the first three months of 2024, and after discounting the effect of seasonality¹⁹ the level of employment in the private sector is similar to that of the first quarter of 2017 and has been on a downward trend since the third quarter of 2022 (4.0% fall).

¹⁹ In the agricultural sector it is relevant to seasonally adjust the time series since employment levels are subject to climatic or seasonal factors. This effect was corrected using econometric methods. Before adjustment, the variation was a fall of 655.8 thousand employed men and after the drop was 100.4 thousand.

The population outside the PEA increased from 37.8 to 40.5 million people. That is, 2.7 million entered education, took up housework or decided not to look for work. This figure makes sense when we state that the accumulated deficit of jobs is approximately 2.3 million (462 thousand per year); meanwhile, the people available to work fell from 5.6 to 5.0 million, while those unavailable went from 32.2 to 35.5 million (INEGI, s.f.e). The evidence indicates that many women who left the PEA, most likely as a result of the pandemic, subsequently re-entered the labor market. This can be corroborated by observing that the number of available women (outside of the PEA) decreased from 3.8 to 3.4 million (INEGI, s.f.e).

As of the first quarter of 2024, and after discounting the effect of seasonality, the level of employment in the primary sector is similar to that of the first quarter of 2017 and its trend is downward since the third quarter of 2022 (a 4.0% fall).

WELFARE PROGRAMS.

POPULATION WITH UNEARNED INCOME

Income other than wages became more relevant for those not available to work. As of the first quarter of 2019²⁰), 10 million people were outside the PEA and received some type of government support. As of the first quarter of 2024, that number had increased to 16.1 million (INEGI, s.f.e). As of the first quarter of 2019, the proportion of people outside the PEA and receiving support was 26.5%; five years later the proportion was 39.9%, the highest on record. This distribution is similar for both the available to work population (37.0%) and that unavailable (40.3%). Of the latter population, the subset of people who do not study and do not work and who receive government support amounts to 40.7%, to date 11.1 million people (INEGI, s.f.e).

To a large extent, in the first case (available population) the proportion increased due to a combined effect of a lower available population (a reduction of 10%) and the increase in support for this population (14.5%) (INEGI, s.f.e). However, the unavailable popu-

²⁰These data are published by the National Occupation and Employment Survey (ENOE in Spanish) in the first quarter of each year. As the Lopez Obrador administration in December 2018, the first quarter of 2019 was taken as the baseline.



Image: "Young people building their future 2024: requirements, how much money and how to register" at <https://elpais.com/mexico/2024-01-10/jovenes-construyendo-el-futuro-2024-requisitos-cuanto-pagan-y-como-inscribirse-al-programa.html>

By the first quarter of 2019, the proportion of people who are outside the economically active population and were receiving support was 26.5%. Five years later, it was 39.9%, the highest ever. Of that total, 11.1 million people do not study or work (INEGI, s.f.e).

lation (both those who study and those who do not) had a considerable growth (variation of 70.3% or 5.9 million people with support) (INEGI, s.f.e).

On the other hand, government economic support has not been entirely exclusive. Within the PEA there are 6.5 million employed people (with at least one job) who receive support; in 2019 there were 4.6 million people (INEGI, s.f.e). The growth in employed or unemployed people with economic support is 40.9% (1.9 million people in the PEA). However, when analyzing the PEA by employed and unemployed, the former had the highest growth (41.7%, equivalent to 98.7% of the total number of beneficiaries) with support reaching 10.7% of that population, when in 2019 it was 8.3%. Likewise, the economic group with the lowest economic support was the unemployed population (10.5% of the total unemployed) (INEGI, s.f.e).

The distribution of support by occupation and state has a strong bias. Likewise, progress in geographic coverage has not been homogeneous. To date 22 out of every 100 Mexicans of working age receive some type of economic support; as of the first quarter of 2019, it was 16. At the time, Guerrero and Chiapas were the entities with the highest coverage, with 31.

To date, in Guerrero there are 39 people for every 100 receiving some type of support; it is the state with the highest coverage with respect to its total population. The coverage grew more than the population. In Guerrero it was 32.3% against a population growth of 5.1%, and in Mexico as a whole, 54.9% (INEGI, s.f.e) against a population growth of 8.3%.

A most revealing data is that currently half of the unavailable population (outside the PEA), 50 out of every 100, in Mexico City receive some economic support (1.31 million people). This figure is the result of a 5.9% growth in the unavailable population and a 100.7% growth in intervention. Also, Guerrero maintains the highest coverage rates for almost all population groups (by occupational status), with 56 out of every 100 unemployed people receiving support, but 30 out of every 100 employed persons also receiving it (INEGI, s.f.e) (Table 4.1).

The south of the country is the region²¹ with the highest economic support. To date, 28 out of every 100 people of working age receive support in the south and 44 out of every 100 people of working age, but not available to work, receive it. The south also has the highest proportion of support in the group of

To date, in Guerrero there are 39 people for every 100 who receive some type of support; it is the state with the highest coverage with respect to its total population.

In Mexico City 50 out of every 100 people outside the PEA, 1.31 million people, receives some economic support.

²¹ According to Banxico's regional classification.

**TABLE 4.1 POPULATION 15 YEARS OF AGE AND OLDER
BY EMPLOYMENT STATUS AND RECEIPT OF GOVERNMENT SUPPORT (% OF TOTAL) AT REGIONAL LEVEL
FIRST QUARTER 2019 VS. FIRST QUARTER 2024**

EMPLOYMENT STATUS	2019 (% PER REGION)					2024 (% PER REGION)				
	TOTAL	NORTH	CENTER-NORTH	CENTER	SOUTH	TOTAL	NORTH	CENTER-NORTH	CENTER	SOUTH
Total population	15,6	12,0	15,2	13,1	23,6	22,4	19,8	21,9	20,8	27,7
PEA	8,3	6,7	8,5	6,3	13,1	10,7	8,1	10,4	9,0	16,3
Employed population	8,3	6,6	8,5	6,3	13,3	10,7	8,0	10,4	9,0	16,3
Non-employed population	7,4	8,6	9,5	5,9	7,3	10,5	11,0	10,2	9,7	12,9
PNEA*	26,5	20,3	25,7	23,0	37,6	39,9	37,7	40,1	38,4	44,0
Available	29,1	26,4	33,3	23,2	36,1	37,0	33,7	39,7	35,3	40,4
Non available	26,0	19,4	24,3	22,9	37,9	40,3	38,2	40,1	38,9	44,5

Source: In-house elaboration with information from INEGI s.f.d. *PNEA: Non-Economically Active Population.

employed persons (16 of every 100). This region is followed by the center-north, where 22 out of every 100 people receive support and 40 out of every 100 people who are not available also does. The least benefited region is the north, where 20 out of every 100 people receive support and 38 out of every 100 unavailable people also do so. The differences in the intervention are not entirely noticeable; in fact, they converge in the case of the unavailable population. The stark differences are observed for those people who work and receive support. These are notable between north and south (8 vs. 16 out of every 100 employed people).

Although the south remains the region that receives most economic support per capita, progress has been slower than in the rest of the country. Between 2019 and 2024, the growth in the population receiving support nationwide was 54.9%; however, the growth in the center-north, center and north was 56.8%, 71.8% and 81.5%, respectively. For the same period, in the south, it was 26.2% (INEGI, s.f.e). Nevertheless, the growth and the difference in the speed of progress was most notable among the population that does not work, but is not looking for a job, in the north, center-north and center, with increases of 123.4%, 88.5% and 82.2%. In the south it was 27.0%.

Between 2019 and 2024, the growth of the population receiving support was 54.9%. However, the growth in the center-north, center and north was 56.8%, 71.8% and 81.5%, respectively. For the same period, in the south, it was 26.2%, the lowest among all regions (INEGI, s.f.e).

Nationwide the growth was 70.3%, or 5.9 million people. This population group grew 10.1% in the same period (INEGI, s.f.e).

The only setback happened in the south, in Chiapas, with a reduction of 157.7 thousand people aged 15 and over with some support (13.9% of the total). Most governmental economic support, especially from the population outside PEA, is concentrated in the center (37.2% of the total), reducing the share in the south (from 33.3% to 25% in the period) (INEGI, s.f.e), without this meaning –in the aggregate– a reduction in the number of people supported.

LABOR PRODUCTIVITY AND WAGE POLICY

The growth of the economy has been lower than that of the employed population. That is, there has been a decrease in labor productivity. From the beginning of Lopez Obrador's administration until the second quarter of 2024, labor productivity contracted by 4.0% when considering hours or 5.6% when considering employed personnel (INEGI, s.f.f.)²². Although the drop was accentuated after the pandemic, the downward trend in productivity started in the second quarter of 2018. That mainly in the secondary sector, as in the primary sector it has been rising steadily. However, the latter should be taken with reservations due to a combination of factors: slow growth and a fall in employment or hours worked. In these same years, the fall in labor productivity has been accompanied by increases in the minimum wage and the effects of that policy should be studied.

Because of greater pressure on wages and lower growth, wages have increased from 24.5% of GDP in the last three months of 2018 to 30.5% of GDP for the first three months of 2024 (INEGI, s.f.g), the highest share since records began. In that period the growth in wages was 30.7% or 1,802.5 billion pesos. Evidence

²² Seasonally adjusted figures.

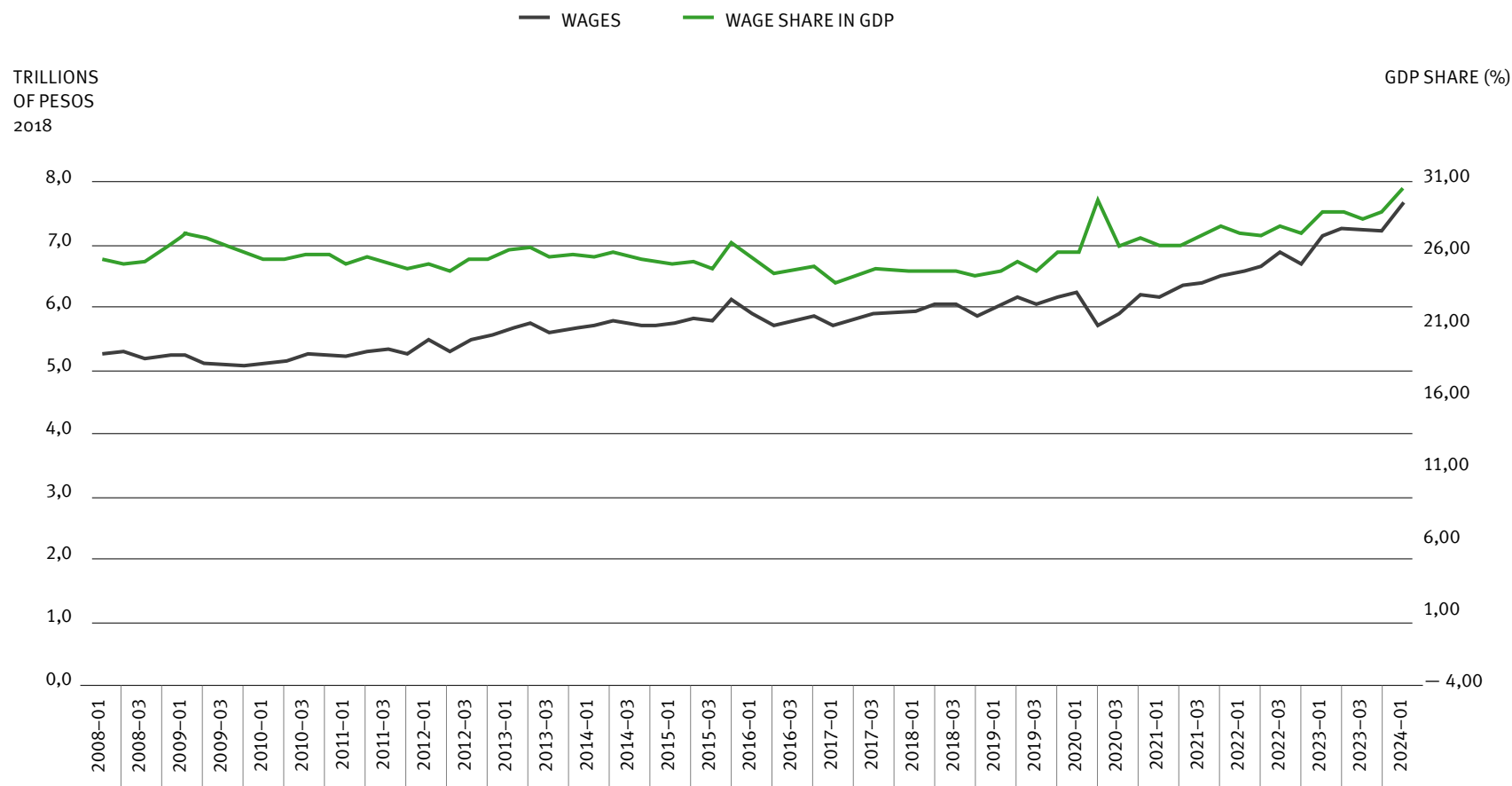
suggests that the cost of this increase may have been borne –to some extent– by companies through lower profits. The gross operating surplus fell from 47.0 to 40.1% of GDP between the last quarter of 2018 and the first quarter of 2024, that is, 13.3% or 1,549 trillion pesos (INEGI, s.f.g). Most probably, the growth of wages in the formal sector ended up impacting the labor market as a whole, that is, also the informal economy.

The rise in wages had differentiated effects by region of the country. With data on the remuneration of jobs by state, between the last quarter of 2018 and the first quarter of 2024 the growth of wages in central and northern Mexico accounted for 35% and 26.2%, respectively, of the increase nationwide. The south contributed only 18.5%, even though it grew 22.2% above the country's average (INEGI, 2024d)²³. It is likely that the high level of informal labor conditions prevailing in the south will significantly limit the increase in wages in those states. More than 50% of formal jobs in the three states with the highest prevalence of poverty are generated by the government at all levels (Signos Vitales, 2022), a situation that continued in the Lopez Obrador administration (Graph 4.9).

²³ The original figures are deflated to 2018 prices, so the variations differ from the original ones.

Since the beginning of Lopez Obrador's administration and until the second quarter of 2024, labor productivity contracted 4.0% when considering the hours worked or –5.6% when considering employed personnel (INEGI, s.f.f).

GRAPH 4.9. WAGE GROWTH AND WAGE SHARE IN GDP 2008 – FIRST QUARTER OF 2024
(TRILLIONS OF PESOS OF 2018), SEASONALLY ADJUSTED FIGURES



Source: Vital Signs with information from INEGI s.f.g.

THE LEGACY:

downward pressures on corporate profits and on labor productivity

Mexico is facing declining labor productivity amid an upwardly adjusted wage policy and low economic growth. Wage increases may be permeating the entire labor market while four out of every 10 labor displacements are absorbed by government support. As a result of these increases, workers' incomes had a greater weight in national production because of low growth, rising wages and the reduction in business profits.

Wage increases may be permeating the entire labor market while four out of 10 job displacements are absorbed by government support.



LEGACY 4. LABOR MARKET AND DISPLACED WORKERS

THE AVERAGE EMPLOYMENT DEFICIT WAS **462 THOUSAND PEOPLE / YEAR** DURING THE SIX YEAR TERM.

THE GREATEST DYNAMISM IN THE LABOR MARKET WAS OBSERVED IN MANUFACTURING, RETAIL TRADE AND HEALTH SERVICES, ESSENTIALLY DUE TO THE ENTRY OR RETURN OF WOMEN.

BETWEEN 2019 AND 2024, PEOPLE OUTSIDE THE PEA AND RECEIVING SOME GOVERNMENT SUPPORT INCREASED FROM **10 MILLION TO 16.1 MILLION**.

LABOR PRODUCTIVITY CONTRACTED **−4%**.

LABOR INCOME WENT FROM **24.5% TO 30.5% OF GDP**, AND COMPANIES REDUCED THEIRS FROM **47% TO 40.1%**.

GOVERNMENT SUPPORT TENDS TO BE GRANTED HOMOGENEOUSLY ACROSS REGIONS.

FOR 2024, **44 OUT OF 100 PEOPLE IN THE SOUTH** OUTSIDE THE PEA RECEIVE SOME SUPPORT. IN THE NORTH, IT INCREASED FROM 20 TO 38 OUT OF EVERY 100 PEOPLE.

*Legacy: employment growth and support for **16.1 million people** outside the Economically Active Population.*



4.5 Anatomy of Public Finances



INTRODUCTION: DEPETROLYZING AND POLLUTING PUBLIC FINANCES, AND MILITARIZING PUBLIC WORKS

Between 2018 and 2023, public sector spending grew by 911.3 billion pesos and revenues by only 443.1 billion (Mexico Evalua, 2024). This disparity in growth led to the public sector deficit approaching 6% of GDP in 2024, the highest in three decades. Spending growth accelerated slightly with respect to the Peña Nieto administration (12.4%). Social and capital expenditures (emblematic works) and the public debt financial cost grew by 23.0%, 23.7% and 31.8%, respectively (Mexico Evalua, 2024).

This growth in spending occurred mainly from the third year of Lopez Obrador's administration. Thus, between 2021 and 2022, investment spending presented the highest amounts and in which the armed forces took on greater relevance in the allocation of resources or project management. To date, 53.0% of the resources assigned for road maintenance are in the hands of Sedena, which intervenes in at least 20% of the budget earmarked for investment projects. Another characteristic that distinguished federal public works was the cost overruns. By the end of 2024, the budget overrun of the Maya Train was approximately 231%.

Between 2021 and 2022, the armed forces took on greater relevance in the allocation of resources or project management.

On the other hand, the weakness in revenues was largely due to poor economic growth, the deficient operating results of Pemex and the limitations on private investment in the oil sector. Thus, public finances completed a process of depetrolization that began under Peña Nieto, but unlike the latter, resources were not generated from other sources to compensate for the drop in oil revenues. Dependence on oil revenues decreased so much that by the last year of Lopez Obrador's administration, Pemex's net contribution to the public treasury was close to two percentage points of total revenues. As the company's share of public sector revenues fell (by 14.5%), coercive mechanisms were used to maintain tax revenues (14.4% increase) (Mexico Evalua, 2024). On the other hand, the labor subcontracting reform did not provide as much revenue as expected.

The weakness in revenues was largely due to poor economic growth, the deficient operating results of Pemex and the limitations on private investment in the oil sector.

REVENUES, EXPENDITURES AND DEBT

Between 2018 and 2023, public spending had a net expansion of 12.6% (911.3 billion pesos)²⁴, increasing from 7,207.5 billion pesos to 8,118.8 billion, the latter equivalent to 25.6% of GDP and comparable to the historical maximum of 25.8% of GDP reached 2016. When considering transfers to Pemex (176.6 billion pesos) the growth of net spending was 15.1%. The growth was higher than in the Peña Nieto administration (12.4% or 794.4 billion pesos). However, during the government of Vicente Fox (2000–06) it was 38.1% (1,313.7 billion) and under Felipe Calderon (2006–12) 34.7% (1,652.2 billion). That is, public spending has not stopped growing in the last four federal administrations, but it has slowed down. Notably, the first two years of Lopez Obrador's administration were characterized by almost zero growth in public spending (cumulative 0.1% or 0.9% when transfers to Pemex are considered) (Mexico Evalua, 2024). Thus, the growth in spending started after 2020.

In turn, 72.3% of the expansion of total net spending is explained by the 12.6% growth (659.1 billion pesos) in programmable spending, while non-program-

²⁴ The figures expressed in this section are in 2023 pesos and the variations are in real terms.

mable spending grew by 12.8% (27.7 billion). Within the former, capital spending presented the largest increase (23.7%, 221.3 billion), against a growth of 10.2% (437.7 billion) in current spending. However, two thirds (66.4%) of the growth in programmable spending was due to the increase in current spending. Here it should be noted that capital expenditure observed its best figures between 2021 and 2022 (reaching 1,347.9 billion in the latter year), when the other capital expenditure account presented the highest amounts (542.9 billion in 2021 and 360.5 billion in 2022), while physical investment (the other component) represented 59.2% and 73.3% of capital expenditure for those years (Mexico Evalua, 2024). At that time, the most important works did not meet all the requirements of the Federal Budget and Financial Responsibility Law and its regulations, which is why the other capital expenditure was higher. The objective was to execute such works.

An analysis of current spending by functional classification²⁵ shows that the increase was mainly due to the growth in social development spending, which

²⁵ The items considered in this classification are: government, social development, economic development (without Pemex), and fuels and energy (Pemex) and stabilization funds. In 2023, social development and fuels and energy (Pemex) contributed 85.4% of the total.

Non-programmable spending was pushed upward by the increase in the debt's financial cost, which went from 793.1 billion pesos in 2018 to 1,045.1 billion in 2023 (31.8% more). This is the highest nominal amount on record and represents 47.1% of non-programmable spending.

went from 3,134.5 billion pesos in 2018 to 3,855.4 billion pesos in 2023 (an increase of 720.9 billion or 23.0%). Meanwhile, economic development (excluding Pemex) fell cumulatively by 28.3% (148.7 billion). Stabilization funds received their lowest contribution ever. Between 2019 and 2023, 68.6 billion pesos were allotted to these funds. In the last year of Peña Nieto's administration alone, 66.7 billion pesos were allocated, almost the same amount as in the entire Lopez Obrador administration (Mexico Evalua, 2024).

Non-programmable spending was pushed up by the increase in the financial cost, which rose from 793.1 billion pesos in 2018 to 1,045.1 billion in 2023 (31.8% more), the highest nominal amount on record and

47.1% of non-programmable spending, the highest since 2001 (48.7%). The growth in the debt's financial costs accounted for 80.7% of the increase in non-programmable spending during this five-year period. In contrast, federal participations only increased by 60.3 billion pesos (cumulative variation of 5.5%) and have their lowest share in the last 20 years (51.8% of non-programmable spending) (Mexico Evalua, 2024). This is not minor issue, as they are the main source of revenue (without a specific spending purpose) of states and municipalities.

Although the expansion of public sector spending was not as significant as in the recent past, it was not accompanied by growth in revenues. Between 2018 and 2023, public revenues only increased by 6.7%, going from 6,596 billion pesos in 2018 to 7,039.1 billion in 2023 (443.1 billion more). This was insufficient to offset the increase in spending. At the end of 2023, total public sector revenues grew 1.0% (71.3 billion pesos) at an annual rate. There is a marked difference in the cumulative growth of such revenues between the Lopez Obrador's government and previous administrations, which were 14.7% or 847 billion pesos (with Peña Nieto), 20.3% or 971 billion pesos (Felipe Calderon) and 45.7% or 1.5 trillion pesos (Vicente Fox) (Mexico Evalua, 2024).

The weak growth of public sector revenues in the Lopez Obrador administration is mainly explained by the drop in oil revenues. In 2023, oil revenues fell –31.0% at an annual rate (484 billion pesos).



Image: "Pemex production falls for fourth consecutive month" at <https://elpais.com/mexico/2020-08-25/la-produccion-de-pemex-cae-por-cuarto-mes-consecutivo.html>

The weak growth of public sector revenues in the Lopez Obrador administration is mainly explained by the fall in oil revenues. In 2023 they fell by 31% (484 billion pesos). This was offset by the increase in tax revenues, which grew 12.4% that year (497 billion). Between 2018 and 2023 the contraction of oil revenues was 14.5% (182.6 billion) while tax revenues grew 14.4% (568.3 billion) (Mexico Evalua, 2024). As documented by Mexico Evalua, tax revenues grew due to coercive collection and inspection activities. This means of collection was characteristic of the administration. Thus, that growth in tax revenue was not driven by economic growth, which, as we have seen, was lower than the growth of public spending. In 2022, tax collection through (coercive) requirements of the Internal Revenue Service reached 616.3 billion pesos, the highest figure since records began, and represented 16.2% of tax collection when it was only 6.3% in 2018. Between 2018 and 2022 the growth in such revenues grew by 163.3% (Mexico Evalua, 2023a).

In that sense, the tax reform implemented during the Peña Nieto administration laid the foundations for the tax collection during Lopez Obrador's administration. The inertia in the share of tax revenues continued, except for 2022 when oil revenues grew because

The tax reform implemented during the Peña Nieto administration laid the foundations for the tax collection during Lopez Obrador's term. Between 2012 and 2018, tax revenues grew by 83.6%. At the time, this growth offset the loss of oil revenues of 44.4% (Mexico Evalua, 2024).

of the international energy crisis. Between 2012 and 2018, tax revenues grew by 83.6%. In its moment, this growth offset the loss of oil revenues of 44.4% (Mexico Evalua, 2024).

During the Lopez Obrador administration poor economic growth did not contribute to an increase in public revenues, the oil contribution to public finances declined and the coercive taxation mechanisms proved insufficient. Similarly, the reforms implemented in labor matters, mainly in subcontracting, as well as the wage policy (generous annual adjustments to the minimum wage), allowed for an increase in the revenues of the Mexican Social Security Institute (IMSS, for its acronym in Spanish) and the Insti-

tute of Social Security and Services of State Workers (ISSSTE, for its acronym in Spanish).

Between 2018 and 2023, the growth in revenues through both agencies was 18.2% (93.4 billion pesos), a rate higher than in Peña Nieto's six-year term (14.4%, 64.5 billion) and slightly lower than in the Calderon administration (19.1%, 71.9 billion) (Mexico Evalua, 2024) (Graph 4.10).

Although fiscal deficits have been persistent since 2008, in recent years they showed an increasing trend. The official projection of 5.4% of GDP for 2024²⁶ (SHCP, 2023) represents a level not recorded for three decades. Between 2018 and 2023, the budget deficit went from 638 billion pesos to 1,053 billion. As a result, debt growth has been, and will continue to be, a permanent feature. At the end of 2023, the total balance of public debt (historical balance of the public sector borrowing requirements, PSBR) reached 14,866 billion pesos and the cumulative growth between 2018 and 2023 was 9.3%. That increase is explained by greater domestic indebtedness, which increased 31% (2,673 billion pesos), and the fall of external debt (1,413 billion pesos, 28.4%)

²⁶ This will be higher if the growth estimate by the Secretariat of Finance and Public Credit, 2.5–3.5%, is not met.

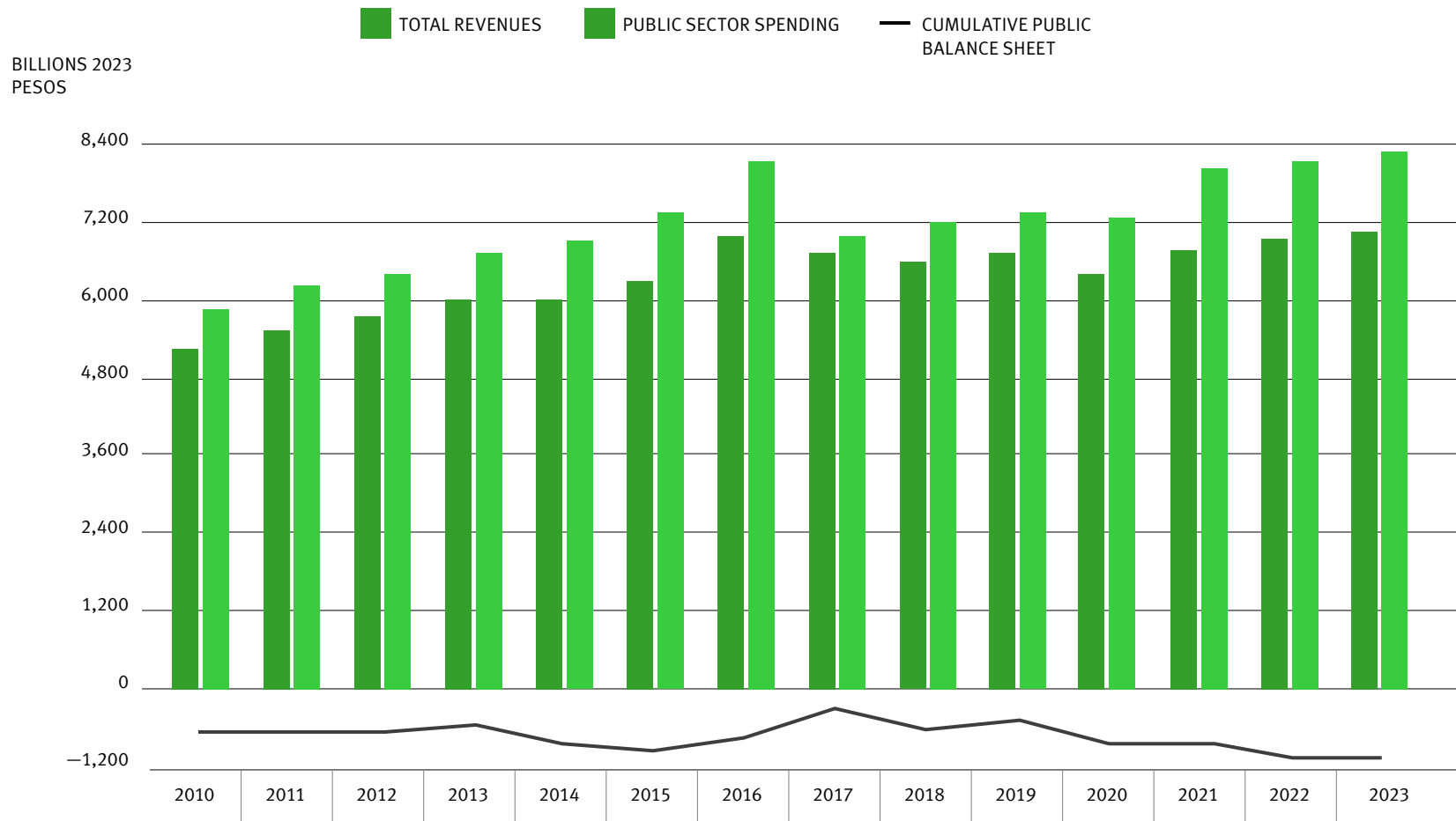
During Lopez Obrador's term, in view of the continuous deterioration of Pemex's operating capacity and the low investment in the electricity system, the government undertook the so-called strategy to strengthen Pemex.

(Mexico Evalua, 2024). The latter is largely due to the appreciation of the peso against the dollar and the contraction in Pemex's external debt. The increase in domestic debt was also financed with domestic savings, which include the pension funds (afores). At the end of September 2024, 50.1% of investments by afores were in government debt (Consar, 2024).

For states and municipalities, lower oil income translates into a greater dependence on tax revenues as the fall in Pemex contributions reduces federal participations²⁷. Between 2018 and 2023, oil revenues in the Federal Participable Revenue fell 54.4%, 295.2 billion pesos, while tax revenues grew 14.3% (499.4 billion) (Mexico Evalua, 2024).

²⁷ The Federal Participable Revenue is composed of oil and tax revenues.

GRAPH 4.10 TOTAL REVENUES, PUBLIC SECTOR SPENDING AND PUBLIC BALANCE SHEET 2010 – 2023
(BILLION PESOS IN 2023)



Source: In-house elaboration with information from Mexico Evalua (2024).

PEMEX, CFE AND THEIR RELEVANCE FOR PUBLIC FINANCES

Given the stagnation of Pemex's production platform and the weakening of electricity infrastructure (throughout the value chain), it is likely that both the hydrocarbon and electricity markets will face serious imbalances in the coming years. In this sense, Mexico will either import (mainly crude oil, light at first) or have to ration (electricity), especially if climate change continues its course and the necessary measures are not taken. During Lopez Obrador's term, and in view of the continuous deterioration of the oil company's operating capacity and the low investment in the electricity system throughout the value chain, the government undertook the so-called strategy to strengthen Pemex.

Given the reduction in production and increase in refining volume, between January 2019 and March 2024, Pemex required from the federal government a total of 1,730 billion pesos. These transfers were composed by 1,023 billion in direct support (capital contributions, tax incentives and other aid) and 500 billion through reductions of the Shared Utility Duty (DUC in Spanish), which rate went from 65% to 30% during the term. Towards the last year of Lopez Obra-

dor's government, as of the second quarter of 2024, Pemex received another 145 billion pesos in capital contributions (IMCO, 2024). In addition, for 2023 and up to September 2024 it reported benefits from tax write-offs of 91.3 billion pesos and 79.2 billion pesos, respectively (IMCO, 2024). The total during the administration approached 1,900 billion pesos in aid and transfers from the federal government.

Despite the large amounts of support, these have only served to keep Pemex's operations afloat, and it has not been able to meet its short-term commitments (debt maturities) on its own. These flows have not substantially increased its assets. In 2023 the company's most liquid assets (working capital) amounted to 538.5 billion pesos with the rest of its assets reaching 1,764.9 billion. Current liabilities (short term) are already twice as high as the working capital, at 1,123.7 billion pesos (Pemex, 2024). In the last five years, the amount of debt remained stable, mainly the the long term one. However, the debt owed to suppliers continues to accumulate. In other words, there is some sort of swap of financial debt for commercial debt in such a way that the short-term financial position continues to deteriorate.

Under current conditions there is no way Pemex can meet its financial obligations. The latest official data show that future revenue streams will be 27.9 billion dollars and represent 28.6% of total financial debt (Pemex, 2024), without adding debt owed to suppliers.

Within non-current liabilities, both employee benefits (1,372.5 billion pesos) and long-term debt (1,317.2 billion) represented 95% of non-current liabilities (Pemex, 2024). In 2018, the latter was 1,890.5 billion and employee benefits 1,080.5 billion (Pemex, 2024). Although long-term debt is decreasing, the cost of employee benefits continues to mount.

Regardless of the large amount of support received from the government, Pemex's future revenues will be insufficient to cover its debt. Under current conditions there is no way Pemex will be able to meet its financial obligations. The latest official data from the company shows that future revenue streams²⁸ will be 27.9 billion dollars and represent only 28.6% of the company's total debt (third quarter of 2024) (Pemex, 2024), without considering commercial debt (suppliers).

Pemex and CFE liabilities impact are part of the PSBR. And their debt is mostly denominated in US dollars, as of June 2024 these two companies make up 39.6% (84.6 billion dollars) of the public sector's external debt; this amount 94.4% (79.9 billion dollars) is long-

term and the remaining 5.6% (4.7 billion) short-term (SHCP, 2024). As of the third quarter of 2024, only 13.0% of Pemex's debt is denominated in Mexican pesos. Therefore, the public sector's external debt is closely linked to the performance of its state-owned companies.

Given the insufficient oil revenues, the government assumed (absorbed) the costs of the energy policy and the poor operating results of Pemex and passed them on to the Mexican economy, absorbing part of the domestic savings. This situation most likely made credit more expensive for the rest of companies. However, it is estimated that domestic savings will continue to increase, boosted by the recent labor and pension reforms. According to the Bank of Mexico, the 2020 pension reform will add 21 percentage points of GDP to the net assets of the afores. Therefore, by 2040 such assets will reach 56% of GDP instead of 35% of GDP. By the end of 2030 alone, net assets of afores should be equivalent to 33% of GDP, 5 percentage points higher than in a no-reform scenario (Banxico, 2021).

Non-current liabilities include both employee benefits (mainly pensions: 1,372.5 billion pesos) and long-term debt (1,317.2 billion), which account for 95% of the total (Pemex, 2024).

²⁸The calculation is based on the estimate of the net present value of future income from proven reserves of oil and gas. According to the Center for Economic and Budgetary Research, the result shows the risk Pemex faces in meeting its payment obligations.

ARMED FORCES AND FLAGSHIP INVESTMENT PROJECTS

The largest investment projects during the Lopez Obrador administration were managed, implemented or executed by the armed forces, such as the Felipe Angeles International Airport (AIFA, for its acronym in Spanish), Maya Train, Dos Bocas refinery and more recently the Interoceanic Corridor, but also the of maintenance of highways. Some activities and functions have become more relevant than in the past, such as public security, customs administration and public sector companies and fund managers through development banking.

According to some estimates, the Maya Train exceeded the initial budget of 156 billion pesos to reach 516 billion by 2024, a cost overrun of 231%. Similarly, the AIFA initial budget was 74.5 billion pesos (96 billion pesos at 2024 prices), but Sedena had executed 158.6 billion, a 62% cost overrun. Including the cost of the New International Mexico City Airport (NAICM, for its acronym in Spanish) cancellation, the expense reached 305 billion pesos (Mexico Evalua, 2023b). It is also expected that the AIFA will receive between 2022 and 2024 close to 2.7 billion pesos in subsidies (Diaz, D., February 1, 2024). That is, it will not be able

The Maya Train will exceed the budget of 156 billion pesos to reach 516 billion pesos by 2024, a cost overrun of 231%.

AIFA was budgeted at 74.5 billion pesos and ended at 158.6 billion pesos, a 62% cost overrun. Between 2022 and 2024, AIFA will receive close to 2.7 billion pesos in subsidies.

The cancellation of the NAICM could reach 305 billion pesos (Mexico Evalua, 2023b).



Image: The new airport cancelled Photo: Isaac Esquivel/Cuartoscuro at <https://obras.expansion.mx/infraestructura/2024/03/13/inviabile-retomar-aeropuerto-texcoco-xochitl-galvez-expertos>

to operate with its own income. The need of subsidies may also be the case with other works built in the Lopez Obrador term, notably the Maya Train.

According to information from the Secretariat of Finance and Public Credit, Dos Bocas accumulates an expense of 300 billion pesos. The initial estimate for the execution of the work was 8 billion dollars, about 160 billion pesos in 2019. The latest figure offered by the head of Pemex amounts to 16.8 billion dollars. To date this work has been inaugurated on two occasions: July 2022 (work)²⁹ and August 2024 (operation)³⁰, however, the technical viability of the project is still in question³¹. The cost is expected to continue to increase. This project was not initially included as a public work but rather as a public financial investment, presumably to avoid carrying out the cost-benefit study required by law, as Rosanety Barrios explains (Barrios, R., July 11, 2022).

²⁹Available at: <https://www.gob.mx/presidencia/prensa/presidente-amlo-inaugura-refineria-dos-bocas-olmea-es-un-sueno-convertido-en-realidad?idiom=en>

³⁰See also: <https://www.gob.mx/presidencia/prensa/presidente-amlo-inicia-produccion-de-refineria-dos-bocas-olmea-estoy-contento-mision-cumplida?idiom=en>

³¹Here we describe the budgetary information, the resources executed, which are directly related to the role of the Armed Forces in the implementation of the most important works of the Lopez Obrador administration.

As soon as 2024 began, following instructions by Lopez Obrador, the armed forces took part in the maintenance of highways. According to the Secretariat of Infrastructure, Communications and Transports (SICT) and with information obtained via transparency requests, until mid-July 2024 Sedena oversaw the rehabilitation of three highways: Toluca-Cd. Altamirano, Highways damaged by the construction of the Maya Train in the states of Campeche, Chiapas, Tabasco, Quintana Roo, Veracruz and Yucatan, and the Tuxtepec-Oaxaca highway. The total resources allocated were 4.4 billion pesos, with 79.6% (3.5 billion) for the roads affected by the Maya Train. The budget to be allocated or executed by Sedena represents 53.1% of the budget of the General Directorate of Road Maintenance, 8.3 billion of investment (without considering 47.8 billion pesos of current spending).

With these projects the military, in the 2018–24 administration, passed from executing 3% (20.2 billion pesos) to 17% (156.7 billion) of the federal government's physical investment. If the National Guard is considered a military entity, that figure reached 20% (174.7 billion), 8.6 times the investment observed at the end of the previous administration (Mexico Evalua, 2023b), without considering that the army is also

At the beginning of 2024, Lopez Obrador ordered that the military took part in the maintenance of highways. The budget allocated to Sedena for that purpose is 53.1% of the budget of the General Directorate of Road Maintenance.

involved in the Dos Bocas Refinery and the expansion of the branch network of the Welfare Bank.

Mexico Evalua's analysis highlights the role of the armed forces in the different stages of development of infrastructure projects, since they may be the executing entity of spending, the contractor or administrator, so that a simple analysis of the budget may run the risk of underestimating the amount spent by the military. Therefore, by the end of 2024, the armed forces managed or executed at least 20 out of every 100 pesos of the federal public investment budget.

Mexico Evalua's analysis highlights the role of the armed forces in the different stages of development of infrastructure projects. By the end of 2024, the armed forces managed or executed at least 20 out of every 100 pesos of the federal public investment budget.

DEVELOPMENT BANKS, INFONAVIT AND FONACOT

In the Lopez Obrador administration, development financial institutions increased their assets as never before in recent history. These institutions had a greater participation in the distribution of the government's social programs and administering bank accounts for the main investment projects. However, financing to the economy decreased. By January 2024, development banks had a large amount of liquidity: total cash and cash equivalents amounted to 304.6 billion pesos (10.9% of total assets). In February 2024 they had 2,820.6 billion pesos in assets under management (CNBV, 2024).

This growth in cash flow is also explained by their involvement in the payment of federal public sector infrastructure. In January 2024, given its responsibility of being the main distributor of social programs, the Welfare Bank (Babien in Spanish) had 40.2 billion pesos in cash and its equivalent. Banobras (National Bank for Public Works), Bancomext (Eximbank), Nafin (National Financier) and SHF (Federal Mortgage Society), reached 79.5, 42.9, 105.8 and 16.8 billion pesos (CNBV, 2024). These figures were historically high and marked the moment of greatest liquidity in

this financial sector. The latest figures indicate that liquidity is tending to stabilize (approaching its long-term trend).

The role of Babien has been notable. It had 5.3 billion pesos in liquid assets in mid-2022, increasing to 40.2 billion in January 2024. Although the amount fell to 19.5 billion in May, the bank will maintain a high level of liquidity as it has acquired a quasi-monopoly in the distribution of social programs. The cash level of Babien in the first half of 2024 was close to Banco del Bajío's 22.1 billion or Interacciones' 19.9 billion. If Babien were a commercial bank, its 148.1 billion pesos of total assets (CNBV, 2024), would position it among the 16 largest, above Banco Base (103.3 billion) or Banca Mifel (131.4 billion) and almost the same size as Bancoppel (151.9 billion) (CNBV, 2024).

Likewise, as of May 2024, Banjercito (National Bank of the Army, Air Force and Navy) had 249.2 billion pesos in assets (68.2% above Babien). This amount is higher than that of Banregio (230.2 billion) or Interacciones (216.9 billion). The trend was upward after announcing the completion of several works of the federal administration; in June 2022 it recorded 131.4 billion pesos in assets (CNBV, 2024). According to its financial statements, in those two years a large

amount of these resources came from funding (99.5 of 117.8 billion pesos or 84.5%) (CNBV, 2024).

In the Lopez Obrador administration, the use of the public sector's financial capacities not only relied on development banks. Economic support was diversified through other entities as intermediaries. In addition to direct monetary transfers, we distinguish a greater role by institutions such as Infonavit (Institute of the National Housing Fund of Workers) or Fonacot (National Fund for the Consumption of Workers), which increased their portfolio or undertook much more aggressive programs than in the past.

In the case of Infonavit, the notable growth of the non-performing loan portfolio stands out; in that of Fonacot, the expansion of consumer credit, especially in 2024. Signos Vitales pointed out that this type of mechanism was extremely risky when the 2023-24 electoral process was taking place, since it could be a mechanism for vote influencing. When Lopez Obrador's term began, Infonavit had an overdue portfolio of 105.5 billion pesos (Infonavit, 2024) and its ratio of overdue portfolio to total portfolio (delinquency rate) was 7.6%. Five years later (end-2023) the delinquency rate was 17.5% and the non-performing portfolio had reached 305.4 billion pesos (Infonavit, 2024).

Economic support was diversified as possible clientelist mechanisms: for example, Infonavit and Fonacot increased their portfolios or undertook much more aggressive programs than in the past.

Consumer credit increased from 28.7 to 47.1 billion pesos between 2021 and 2023. In the same period Fonacot's overdue portfolio went from 1.64 billion pesos to 2.0 billion. Unlike Infonavit, the delinquency rate (5.3%) was offset by more lending (Fonacot, 2024). The balance of the total credit portfolio was 52.6 billion pesos as of June 30, 2024 (Fonacot, 2024). However, since the recent amendments to accounting rules for Development Agencies and Entities, published by the CNBV and which came into effect on the first day of 2024, some concepts are not comparable over time, as may be the case of past-due loans³².

At least the deterioration of Infonavit's portfolio continued until early 2024. As of the first quarter, the delinquency rate reached 18.4%³³. However, until 2023 the highest levels of delinquency were in the southern (20%) and northern (17.8%) regions. Non-performing loans were heavily concentrated in the center

³² One effect of the adoption of the new accounting criteria is that the loan portfolio is segmented by risk level (stage 1 to 3) without calculating the defaulted portfolio and where level 3 is the highest risk level. One of the implications of these changes is greater flexibility when computing losses, since there may be transfers between risk levels in the event of restructuring, renewal or total liquidation of outstanding receivables.

³³ As in the case of Fonacot, the accounting changes affected this institution and as of the second quarter of 2024 there is no further information available on this matter.

and north of the country (64.7% of the total, 197.6 billion pesos). These same regions also account for almost two out of every three pesos (63.7% or 1,113.1 billion pesos) in housing loans from Infonavit (Infonavit, 2024).

The distribution of consumer credit has been like that of housing loans. As of the second quarter of 2024, Fonacot concentrated its loans in the northern and central regions³⁴, 45.3% and 21.3% (23.8 and 11.2 billion pesos), respectively. At the end of 2019, these portfolios were 10.4 and 5.8 billion pesos (Fonacot, 2024). This distribution of resources did not differ in the last five years, that is, credit has increased similarly in all regions.

Infonavit: notable growth in non-performing loans.

Fonacot: expansion of consumer credit, especially in 2024.

Vital Signs noted that Fonacot's credit expansion was risky when the 2023–2024 electoral process was taking place, since it could be a mechanism for vote influencing.

³⁴ Fonacot regional classification is used.

THE LEGACY:

Internalizing in public finances the cost of the carbonization of the Mexican economy and greater intervention of the military in the economy

Public finances were subjected to various spending pressures from the beginning of Lopez Obrador's administration. These were not matched by the increase in revenues, which were insufficient and led to persistent and growing deficits, culminating in a level close to 6% (the highest in more than three decades). The debt increased during these years due to Pemex's inefficiencies, the radicalization of energy policy, centered on increased refining, and the spending on emblematic infrastructure works. The change in energy policy brought about a reduction in Pemex's profits (in exploration and production) and therefore reduced contributions to the public treasury. Therefore, the expansion of public spending will continue to be supported by tax collection and the internal savings of the Mexican economy.

With the cost overruns of the most emblematic works, at least doubling the original estimates, as well as the strategies adopted by the Executive to

avoid public scrutiny, such as not considering them as infrastructure works, it is not trivial that the public works component of gross fixed capital formation is underestimated. In turn, a large part of this capital is absorbed by the armed forces, which most likely allowed Banjercito's financial assets to increase in such a remarkable magnitude.

The public works component of gross fixed capital formation is underestimated. A large part of this capital is absorbed by the armed forces.



LEGACY 5. ANATOMY OF PUBLIC FINANCES

EXPENDITURE

- Between 2018 and 2023 it **grew 911.3 billion pesos**, but revenues only 443.1 billion.
- In the pandemic, the expansion of public spending was **almost nil** (2018 to 2020, 0.1% without considering transfers to Pemex).
- Social development spending had an **increase of 23.0% (720.9 billion)**.
- The armed forces exercised **20%** of capital expenditures.

INCOME

- Revenue growth was poor, despite a **14.4% increase** in tax revenues (568.3 billion pesos) due to increased collection and enforcement (616.3 billion pesos), not due to increased economic activity.
- Oil revenues **fell 14.5%** or 182.6 billion pesos).
- In the face of revenue shortfalls, between 2018 and 2023 the budget balance went from a deficit of **638 billion pesos to 1,053 billion**.

THE DEBT

- Its cost grew 31.8%.
- Debt (in its broadest definition) grew **9.3%**, reaching 14,866 billion pesos at the end of 2023.
- Expansion of domestic indebtedness (2,673 billion pesos) and reduction of foreign debt (1,413 billion). 50.1% of afores investments are concentrated in government debt.

DEFICITS

- Deficit grew to almost **6%** of GDP in 2024.

Legacy: more public spending, even with higher tax collection, increased public debt, which was financed internally.

4.6 Penetration of organized crime in economic activity and society



This section deals with the advance of organized crime in economic activity and documents some phenomena related to the capital stock, both physical and financial, of organized crime. For this purpose, we requested information from several public administration agencies. The databases used here come from Banxico, Joint Chiefs of Staff of the National Defense, National Guard, INEGI, Pemex and the Financial Intelligence Unit (UIF in Spanish). Unless otherwise indicated, the information was obtained from queries made through the National Transparency Platform (NTP).

One of the activities we emphasize is the so-called huachicol or huachicoleo (as illegal extraction of fossil fuels is popularly known in Mexico) which comprises a logistical network that began to take root rapidly in the center of the country in the midst of the energy crisis. Although the number of clandestine taps for gasoline found decreased in the second half of Lopez Obrador's administration, their accumulated number is 18.5% higher than those observed in Peña Nieto's government. The growth in the number of taps may seem modest but the increase in hydrocarbon seizures grew by 164.9%.

One of the activities that we emphasize is the called huachicol, which comprises a complex logistical scheme that began to take root rapidly in the center of the country in the midst of the energy crisis.

Huachicol has not only been limited to gasoline and is going through a phase of diversification, like many of the markets that organized crime has entered. The most exemplary case is the huachicol of liquefied petroleum gas (LPG). The evidence gathered by Signos Vitales, with information presented by the Tax Administration System (SAT), indicates that the black market for fossil fuels, composed by smuggling and huachicol, is already greater than the legal market for private imports. The problem is one of enormous dimensions. This expansion of activities and fighting between the main criminal groups has been the greatest generator of violence in recent years. It is estimated that by 2023 the economic impact of violence in Mexico was 19.8% of GDP (IEP, 2023).

Additionally, organized crime has diversified its services, permeated human trafficking, affecting migrants as they pass through Mexico on their way to the United States. Remittances have made it possible to capture income from migrants and other income of dubious origin (money laundering). The income obtained by criminals for these two activities represent about 18% of the total of remittances received in Mexico, and it could be higher. The importance of remittances is not minor; they gave strength to the Mexican peso in the last two years and led to an in-

crease in the demand for money, slowing its velocity (that is, it changes hands more slowly) in the face of weak economic growth.

The income obtained by criminals from human trafficking, income from migrants and money laundering represent about 18% of the total of remittances received in Mexico, and it could be higher.

HUACHICOL AND CLANDESTINE FUEL TAPS

Organized crime has greater penetration in the economy and territory. According to the Global Initiative Against Transnational Organized Crime (GI-TOC), organized crime has become more pervasive in the economy and territory. Mexico ranks third at the international level in criminality, only behind Myanmar and Colombia, and occupies the first position in criminal markets (GI-TOC, 2023). That progress has gone hand in hand with its capacity for expansion. The expansion or increased presence of organized crime is evident in delinquencies involving territorial delimitation or control. In that territorial advance, organized crime is the greatest generator of violence in the country.

By 2023, the estimated economic impact of violence amounted to 245 billion dollars (4.9 trillion pesos), equivalent to 19.8% of GDP (IEP, 2023). Therefore, for specialists consulted by Vital Signs, the illegal extraction of petroleum products shows this advance over the national territory. Between March 2001 and June 2024, the Secretariat of National Defense (Sedena) located 31,946 clandestine taps of fossil fuels.

Although the so-called huachicoleo is better known for the theft of gasoline, recently this crime has also diversified. For the same period of time, there is a record of 1,705 clandestine LPG taps³⁵. However, 99.5% (1,697) took place between 2019 and June 2024. Sedena itself only has a record of eight LPG taps between 2017 and 2018. The increase in their number has been vertiginous, despite the fact that this gas did not seem to be as attractive (that is, lucrative) as gasoline or diesel.

The distribution of these findings, both for gasoline pipelines and LPG, has not been homogeneous and even presents a high concentration. Thus, between 2019 and June 2024, 71.8% (1,218) of the LPG taps were located in the state of Puebla. In fact, between

³⁵ In Mexico, LPG composed of propane and butane gas) is used intensively in homes for cooking or heating water due to the lack of natural gas infrastructure.



Images: "Meaning of "huachicolero": they call fuel thieves in Mexico?" Photo: Getty at <https://www.bbc.com/mundo/noticias-america-latina-46831943>; <https://www.bbc.com>

"Huachicol: how theft networks work in Mexico" Photo: Getty at <http://www.bbc.com/mundo/noticias-america-latina-46818927>

2017 and 2018, when Puebla had the highest number of such findings (37.5% of the total), there were only three taps.

Only for the first two years of the 2018–2024 federal administration, prior to the outbreak of the gas crisis, there were already 35 taps in that state, an increase of 1,067% (Table 4.2).

With lower numbers but also with considerable growth are the states of Tlaxcala (300), Veracruz (80), State of Mexico or Edomex (69) and Queretaro (22). The states of Queretaro and Veracruz had no antecedents (no taps until 2018) and in Edomex there was only one in 2017, which is why there is no basis for comparison. In sum, in the last five years, the five states mentioned accumulated 99.5% of the events. On the other hand, states such as Guanajuato and Hidalgo, which do have a history of illegal fuel extraction, show no LPG clandestine taps.

In the last five years, 54.2% (16,396) taps of fuels (such as gasoline) were found. In contrast to the increase in the illegal extraction of LPG –both in their number and location–, the behavior of clandestine fuel taps by location is full of nuances. On the one hand, their advance towards places where, until the

Peña Nieto administration, were infrequent or, on the contrary, states with a sustained drop in the number of illegal taps.

In the first group are entities such as Coahuila, Durango, Nuevo Leon and Queretaro, with advances of 7,575% (increase of 303 illegal taps), 194.4% (35), 713% (549) and 655.2% (937). On the other hand, states such as Guanajuato, Jalisco, Morelos, Puebla, Sinaloa, Veracruz and Zacatecas, showed major reductions, such that as a whole the number of taps fell by 4,743 with respect to the same period of the Peña Nieto government. However, as the increases were higher, between 2019 and 2024³⁶, the findings of these taps grew by 18.5% compared to the 2013–2018 administration.

This growth is largely explained by the increase in the number of clandestine pipelines in the state of Hidalgo between 2019 and 2020. However, in the 2018–2024 administration 89.3% of the total number of findings took place in nine states (out of 32): Hidalgo (39.5%), Guanajuato (11.5%), Tamaulipas (8.6%), Edomex (8.0%), Queretaro (6.6%), Puebla (4.1%), Nuevo Leon (3.8%), Michoacan (3.7%) and Baja Cali-

There has been an increase in the illegal extraction of LPG –both in number of events and by location– to places where until the last administration it was infrequent or non-existent at all.

³⁶ The data is up to June 2024, so it should be taken as a preliminary figure for the 2018–2024 administration.

**TABLE 4.2 FINDINGS OF CLANDESTINE GASOLINE AND LPG TAPS BY REGION
(NUMBER OF TAPS) (2012 – 2024)**

YEAR/FUEL	CENTER		NORTH		CENTER-NORTH		SOUTH	
	GASOLINE	LP GAS	GASOLINE	LP GAS	GASOLINE	LP GAS	GASOLINE	LP GAS
2012	1	0	1	0	0	0	0	0
2013	11	0	32	0	22	0	5	0
2014	78	0	45	0	21	0	47	0
2015	417	0	92	0	129	0	115	0
2016	1391	0	506	0	540	0	234	0
2017	2359	4	694	0	638	0	476	0
2018	4041	4	617	0	678	0	652	0
2019	3663	40	803	0	200	0	337	3
2020	4278	91	399	0	143	0	132	1
2021	1257	364	322	0	199	0	92	0
2022	1047	466	447	0	204	0	66	4
2023	1094	494	611	0	104	0	96	62
2024*	343	158	480	1	16	0	63	13

Source: In-house elaboration with information from the Joint Chiefs of Staff of the National Defense through a request for information via the NTP (National Transparency Platform). *Data for 2024 is as of June.

fornia (3.6%). In contrast to these last five years, between 2013 and 2018, those nine states concentrated 75.3% of the total findings. This higher concentration is due to the growth in Hidalgo and Edomex, and the sudden expansion in entities where this crime almost never take place: Baja California, Nuevo Leon and Queretaro.

On the other hand, given that the value chain of the black market of petroleum products is not limited to (illegal) extraction, distribution can point us to the places where they can be placed or sold to the final consumer. In the Lopez Obrador administration, Sedena recuperated 73.1 million liters of gasoline (mlg). In 2013–2018, it seized 27.6 mlg. That is, a growth of 164.9%. The number of clandestine taps detected is modest compared to the growth in fuel recuperated.

During Lopez Obrador's term in office, 90.8% (66.4 mlg) of gasoline seizures were concentrated in nine states: Veracruz (34.5%), Puebla (18.5%), Sonora (14.1%), Nuevo Leon (7.2%), Guanajuato (4.3%), Hidalgo (3.7%), Chihuahua (3.4%), Tabasco (2.9%) and Tamaulipas (2.3%). In the period of Peña Nieto, these entities accounted for 63.1% of gasoline recuperation. The increase in concentration is due to the 281.4% growth (49 mlg) in those states. In turn, this increase

Between 2019 and 2024 the findings of clandestine LPG taps grew by 18.5% (an increase of 2,556 taps) compared to the same period of the Peña Nieto administration.



Image: "Robbery of LPG increased since the 4T started its strategy against huachicol" at <https://www.infobae.com/america/mexico/2020/10/01/aumento-el-robo-de-gas-lp-desde-que-la-4t-inicio-su-estrategia-contra-el-huachicol/>

was determined by the recuperation increases in five states: Chihuahua, Nuevo Leon, Puebla, Sonora and Veracruz where 54.3 mlg were seized, an increase of 982%. Their share rose from 19.0% to 77.7%.

In the last five years, the second most seized fuel is diesel. The increase in the volume seized of 276.2% is greater than that of gasoline; the volume of 54.6 million liters of diesel (mld) seized represents 76.1% of the total volume seized since records began. The concentration of seizures for this fuel is higher than for any other. Only seven states have accounted for 94.8% of total seizures: Veracruz (46.0%), Sonora (21.3%), Chihuahua (13.7%), Puebla (7.9%), Nuevo Leon (3.8%), Queretaro (1.1%) and Tamaulipas (1.1%). With the exception of Queretaro, there are six coincidences between the probable routes of gasoline and diesel. However, the geographical space seems to be delimited in the second of the cases, Sonora being the only state where the presence of organized crime was not appreciable until 2018. In 2012–2018, 74 thousand liters of diesel were seized in Sonora (0.5% of the total) against 11.6 mld in 2019–2024.

Fuel seizures have also marked a before and after in the Lopez Obrador administration. As is the case with the discovery of clandestine taps, the seizures have

not been limited to the most commercial fuels, such as gasoline and diesel. The advance towards other markets is evident. For the years 2019 to 2024, 3.7 million liters of LPG were recuperated, 94.4% of total seizures of that fuel since records began in 2010. Throughout the previous administration, 215,427 liters of LP Gas were seized. That is, there was an increase of 1,613.3% with Lopez Obrador.

Therefore, both the illegal extraction of LP Gas and its transfer and storage are recent phenomena. In contrast to illegal extraction, where only Puebla and Tlaxcala account for 90 out of every 100 findings, in the last five years 93.3% of the seizures of this gas took place in seven states: Sonora (29.0%), Edomex (27.4%), Veracruz (13.0%), Puebla (10.9%), Queretaro (5.3%), Mexico City or CDMX (4.8%), and Hidalgo (2.8%). The evidence suggests a large logistical capacity to move (or store) high volumes of LPG from Puebla and Tlaxcala to the rest of the country. Between 2019 and 2024, only 2% of the total (74,152 liters of LPG) were secured in Tlaxcala.

The evidence shows that this type of crime continued to rise despite the increase in the number of findings and seizures. Moreover, there was a drop in the number of arrests reported by Pemex. In 2018,

In the last five years, the second most seized fuel was diesel. The growth in the volume seized, 276.2%, is greater than that of gasoline.

the last year of Peña Nieto's administration, 140 people were detained for the crime of hydrocarbon theft in its modality of clandestine tapping³⁷. In the first year of Lopez Obrador, there were 96 arrests. As years went by, the downward trend continued (even without considering the health crisis), reaching 53 arrests in all of 2023. Up to June 2024, only 18 were recorded; for the same months of 2023 they totaled 34, which means an annual drop of 47.1% and confirms the downward drift.

One methodological aspect that is of great importance, both in the spatial and temporal analysis of the huachicol phenomenon, is the difference in criteria in the construction of official databases. These differences have far-reaching consequences when it comes to communicating the state of affairs. In particular, the Pemex databases contain information on both the number of clandestine pipelines located and number of reports filed for the crime of hydrocarbon theft in its modalities of clandestine taps and theft of tankers. In turn, each one of the reports for clandestine tapping is linked to one or more illegal taps. In other words, the taps of which Pemex keeps records (indirectly) are only those that have been reported,

³⁷ In 2015, there were 351 arrests for this crime, the maximum on record.



Image: "Pemex loses more than 1,200 million pesos" at <https://t21.com.mx/logistica-2019-06-14-pemex-pierde-mas-mil-200-millones-pesos-tomas-clandestinas-tres-meses/>

The evidence shows that the illegal extraction of LPG, and its transport and storage facilities, continues to rise despite the increase the number of findings and seizures. In addition, there was a drop in the number of arrests reported by Pemex.

limiting the universe of such taps (leaving out those that were not denounced).

Thus, when Pemex presents information from the databases of the Legal Statistics Unit, it is referring to completed and denounced acts, which makes a great difference with national security sources of information. From this perspective it is highly probable that Pemex minimizes the problem for this reason (fewer reports). Thus, between 2019 and 2023 the number of these complaints decreased from 6,865 to 2,353 (a reduction of 65.7%).

On the other hand, there is no homogeneity regarding the status or situation of taps. Although the National Guard provides few findings with respect to the total, only 490 since February 2020, and not disaggregated by type of fuel³⁸, it does provide relevant attributes such as the situation of these taps and the different security groups involved in the finding. The information provided shows that absolutely all of the sites found by the GN had been previously abandoned (100%) and that in 352 of these findings Pemex was a participant (71.8%), that is, the company was aware of most of these findings.

³⁸ The information reported is available shortly after its creation in 2020.

CLANDESTINE LABORATORIES AND SYNTHETIC DRUG TRAFFICKING

The production of synthetic drugs is an issue that has sparked alerts around the world, especially after the pandemic, and mainly in the United States due to the alarming number of deaths caused by the consumption of fentanyl. Between 1990 and June 2024, Sedena recorded the location of 3,751 clandestine laboratories. Of this figure, 2,172 (57.9%) were located in the last five years (2019 to June 2024). In the two previous administrations, corresponding to Felipe Calderon and Enrique Peña Nieto, 887 and 673 clandestine laboratories were located, respectively. Before the Lopez Obrador administration ended, the location of these laboratories increased by 144.9% compared to the Calderon administration (the highest on record).

The location of laboratories in recent years is mainly due to a greater number of findings in the state of Sinaloa. Thus, in the last five years, 88.4% (1,920) of the laboratories located took place there. In the two previous administrations, 44 clandestine laboratories were located per year. If that average had been maintained over the last five years, approximately 515 clandestine laboratories would have been found

Between 1990 and June 2024, Sedena registered 3,751 clandestine laboratories. Of that total, 2,172 (57.9%) in the last five years. During this six-year term, the location of these laboratories increased by 144.9% compared to the Calderon administration.



Image: "Fentanile: how do Mexico and China cartels operate to sell this potent drug to the United States" AFP at "<https://www.bbc.com/mundo/noticias-america-latina-51117195>



Image: "Fentanil: what is it and why is it so dangerous?" at <https://www.primicias.ec/noticias/sociedad/fentanilo-opiaceo-droga-peligroso/>

throughout the country. Likewise, in the first half of 2024 there is a considerable drop in the findings reported in that state (81), which has a considerable impact on the figures at the end of the 2018–2024 administration.

This also suggests a substantial drop in the location of laboratories in the rest of the country. In these same years, there was a reduction of 33% (124) of laboratories located in the rest of the country other than Sinaloa, with respect to the Peña Nieto government. Four states dominate the contraction: Michoac-

At the end of Peña Nieto's administration, 340.8 kgs of fentanyl were seized. From 2020 to 2023, fentanyl seizures continued and grew up to 1,499.2 kgs, distributed among Sonora, Baja California and Sinaloa.

The seizure of pills followed the same course, going from 2.426 million pills to 11.640 million. During the first half of 2024, the drop in seizures is considerable, with 1.349 million fentanyl pills and 160.4 kgs. of fentanyl seized.

an, Jalisco, Guerrero and Queretaro. In these states, 82 laboratories were located compared to 290 in the previous administration, a fall of 71.7%. The rest of the drop (32 less laboratories located) was distributed among nine states. In contrast to the four states with the greatest drops, seven registered increases: Baja California, Durango, Morelos, Nuevo Leon, Puebla, Sonora and Tlaxcala³⁹. Among these seven, the most prominent increases (in absolute numbers) are those of Durango, Baja California, Sonora and Morelos, with a variation of 91, 14, 3 and 3 laboratories, respectively, which together represent 95.7% of the growth in states other than Sinaloa.

By type of laboratory, between 2019 and so far in 2024, 99.6% (2,163) produced methamphetamines. In Sinaloa 99.9% (1,918 out of 1,920) did. In that period only six laboratories produced cocaine, five in Guerrero and one in Sinaloa. In these same states and Morelos, only one heroin laboratory was found in each state, all in 2019.

Although organized crime appears to have considerable reductions in terms of facilities, especially with regard to the Sinaloa Cartel, with the information

³⁹ The sum of the negative and positive variations results in a fall of 124 clandestine laboratories.

available so far it cannot be determined that fentanyl is manufactured in Mexico. However, there are records of seizures of that drug since 2013. In that year, 454.2 grams of fentanyl were seized in Baja California Sur; by 2015, the amount was 15.9 kilograms, seized in Baja California. The year 2016 was not much different, with 10.6 kgs. seized in the same state. However, 2017 seems to have been a watershed as the seizures rose to 102.4 kgs., and for the first time, 35,974 pills were seized. At the end of Peña Nieto's administration, 340.8 kgs of fentanyl were seized; 95.6% were distributed in two states: Baja California (223.1 kgs.) and Sonora (102.7 kgs.).

In the first year of Lopez Obrador's administration, fentanyl seizures dropped significantly to 136.1 kgs. Sonora and Baja California continued to contribute a large part of these seizures, to which Sinaloa was added (11.6 kgs.). From 2020 to 2023, the seizures continued to grow, going from 340.8 to 1,499.2 kgs, most in the same states. The seizure of pills followed the same course, going from 2.426 million pills to 11.640 million, with 11.301 million (97.1% of the 2023 total) seized in Baja California, Sinaloa and Sonora. During the first half of 2024, the drop in seizures is considerable, with 1.349 million fentanyl pills and 160.4 kgs. of fentanyl seized.

ARMAMENT, EQUIPMENT AND OTHER FACILITIES

In the Lopez Obrador administration, 25,107 long arms and 13,214 short arms were confiscated, a total of 38,321. In the first case, progress was almost nil with respect to the 2012–2018 administration (9.6%) and shows a considerable setback with respect to the 2007–2012 period (a fall of 67.2%). The same phenomenon occurs with the securing of small arms. Thus, in the 2018–2024 administration the number of homicides increased while the seizures of weapons (short and long) remained close to the levels managed during the Peña Nieto administration.

For comparison purposes (as baseline) we use the seizures made in 2007–2012. In the last five years, there was a drop long arms seizures in 21 of 32 states (53,972 seizures less) and in 11 an increase (2,488 more). However, eight states led the drop in seizures by 87.9%: Chihuahua (2,685 less), Coahuila (2,436), Durango (3,399), Guerrero (2,455), Michoacan (9,021), Nuevo Leon (4,072), Sinaloa (9,647) and Tamaulipas (13,747). The sharpest relative variations among them were in Coahuila (96.7% less), Durango (96.1%), Sinaloa (91.9%) and Nuevo Leon (87.7%).

In the last five years the drop in seizures of long arms occurred in 21 of the 32 states (a fall of 53,972 seizures) and in 11 states there were increases (2,488 seizures). Eight states led the decline in seizures (87.9%): Chihuahua, Coahuila, Durango, Guerrero, Michoacan, Nuevo Leon, Sinaloa and Tamaulipas.



Image: "Arms seizures fall to lowest level in three presidential periods" at <https://www.elsoldemexico.com.mx/mexico/sociedad/decomiso-de-armas-cae-al-nivel-mas-bajo-en-tres-sexenios-11286406.html>

The capital stock of organized crime is not limited to weapons. It is supported by other types of physical materials and infrastructure. In recent years, seizures of land vehicles, aircraft and boats have also shown declines of varying degrees. Those with the largest relative drops are aircraft and vessels, 77.9% and 78.8%, respectively. During Lopez Obrador's administration, 45 aircraft and 120 vessels were seized vs. 212 aircraft and 544 during the government of Felipe Calderon. However, real estate seizures increased (123.8%), reaching an all-time high (3,786 properties). This increase is due to the surge in real estate seizures in states where this did not happen previously, such as Mexico City (469), Guanajuato (447), Hidalgo (130) and Colima (114)⁴⁰, whilst it plunged in four states: Sinaloa (a fall of 809, 85.3%), Tamaulipas (141, 79.7%), Nuevo Leon (809, 85.3%) and San Luis Potosi (24, 75.0%). In sum, these four entities accounted for 93.3% of the reduction.

A fact that goes hand in hand with the drop in aircraft seizures is the contraction in the number of clandestine airstrips found. Between 2007 and 2012, 3,899 clandestine runways were located. During the pre-

vious administration, 1,564. In the Lopez Obrador administration, only 121, a plunge of 96.9%. That fall occurs all over the country (30 of the 32 states). This drop is marked (99.1%) by the decrease in seven states: Baja California (a fall of 763, 99.1%), Baja California Sur (166, 83.4%), Chihuahua (519, 96.8%), Durango (491, 98.4%), Oaxaca (8, 100%), Sinaloa (485, 95.7%) and Sonora (1,316, 98.6%). The findings tend to zero in states where there was a higher prevalence of clandestine airstrips. In the opposite direction, Chiapas and Queretaro show the only increases, with 5 and 1 runway, respectively. In the former, the growth was 3 runways found between 2021 and 2023, while in the second state only two runways have been found (in 2003 and 2020) since records began.

45 aircraft were seized during Lopez Obrador's administration and 120 vessels compared to 212 aircraft and 544 vessels in the Calderon government.

⁴⁰ This is the cumulative figure for the last five years in absolute numbers (not the change) as the baseline is zero in a case such as CDMX, or very close to it.

MILITARY PRESENCE AND CLASHES

Despite the increased military deployment observed in recent years, confrontations between army personnel and criminal organizations have been on the decline. Between January 2007 and July 2024, the armed forces were the target of aggressions on 5,914 occasions. As a result of these confrontations, 5,697 aggressors, 354 members of the army and 47 civilians died. Likewise, 1,978 military personnel, 883 aggressors and 213 civilians were wounded. Also, 4,966 aggressors were detained.

Between 2019 and July 2024, there were 1,419 clashes, lower than the number during the two previous administrations, which were 1,689 (2013–2018) and 2,806 (2007–2012). The result of the non-aggression policy was that the number of arrested fell to 1,105, deaths to 1,085 and only 217 injured. Between 2007 and 2012, the number of dead assailants was 3,368 with 2,754 arrested and 427 injured.

Similarly, army personnel were less affected, both in terms of loss of life and injuries. Thus, the ratio of deaths per confrontation in the Felipe Calderon and Lopez Obrador periods went from 1.20 to 0.76, respectively (36.3% less).

As is the case with other phenomena studied, there were considerable decreases in most of the country (691 confrontations less), but also increases in a few states (an increase of 421). Among the former that stand out are Tamaulipas (440 less aggressions, 44.8%), Guerrero (87, 62.1%), Sinaloa (49, 47.6%), Veracruz (25, 80.6%), Durango (22, 78.6%) and Edomex (21, 63.6%). Therefore, greater military deployment has not implied an increase in confrontations with criminal organizations. That lower total of confrontations also led to a drop in the number of death and arrests of criminals by the army.

This decrease in confrontations, which denotes an apparent peace, is contrary to other phenomena, such as the work by staff of the National Institute of Statistics and Geography (INEGI). Between May 2023 and May 2024, INEGI personnel had 577 incidents, of which 170 (29.5%) were related to the presence of armed groups. This was the incident with the highest prevalence, followed by robberies (124) and threats (113). Field personnel face a variety of problems on a daily basis, and these are exacerbated by criminal organizations, making certain regions inaccessible for surveys or other actions. Incidents related to armed groups occurred in 81.2% of the events in nine states: Zacatecas (41), Chiapas (31), Sonora (17), Colima (13),

Between 2019 and July 2024, there are 1,419 clashes between the army and criminal organizations. That figure is lower than the clashes occurred during the two previous administrations.

Chihuahua (8), Quintana Roo (8), San Luis Potosi (8), Guanajuato (6) and Tabasco (6).

Additionally, various civil society organizations indicated that the recent electoral process (2023–2024) was the most violent in Mexico's history. As of June 2024, the National Guard received 86 protection requests from candidates to an elected post: 64 were seeking to become federal deputies, 20 to fill senatorial seats and 2 mayorships. The military presence probably prevented more deaths than there actually were, especially for federal positions. According to specialists consulted by Vital Signs, the deaths of candidates (federal and local) was close to 200.

REMITTANCES, CURRENT ACCOUNT AND MONEY LAUNDERING

The evidence documented by Vital Signs shows that the external account shows significant imbalances, different from an apparent strength at first glance, caused by an increased trade deficit with Asia and offset by strong capital flows from the United States, including a surplus in the trade account, reinvestment of profits (not new investments), tourism and remittances. In the first item, statistical estimates have shown a probable triangulation of Asian goods

through Mexico, but also an increased smuggling of fuel, textiles, clothing, footwear, steel, iron and aluminum. At the same time, transnational organized crime is diversifying its portfolio of products, routes and means of transportation.

Among dollar inflows, remittances stand out, exceeding year after year the reinvestment of profits (the main component of FDI in 2018–2024). At the end of 2023, remittances reached 63.3 billion dollars; in 2018, 34.4 billion (Banxico, s.f.e), an increase in five years of 83.9%. According to Alejandro Werner, *the combination of a strong current account balance, large interest rate differentials and a healthy central bank balance suggest that the strength of the peso [between 2022 and 2024] is a consequence of the structural strength of remittances and a very tight monetary policy" (Werner, A., 2024). Similarly, Werner adds that, "if we subtract remittances from the current account deficit, this measure shows that it has reached levels in the last two years that point to external vulnerabilities.*

In December 1994 the current account deficit reached 5.2% of GDP, but after discounting the remittances it reached 5.8% of GDP (Werner, A. 2024). That is, at the time remittances were only 0.6% of GDP. By Septem-

As of June 2024, the National Guard received 86 requests for protection from candidates for office: 64 seeking to become federal deputies, 20 senators and 2 mayors. The military presence probably prevented more deaths than there were, particularly for federal positions, Total deaths were close to 200.

ber 2022, the current account deficit was only 1.3% of GDP, with an appreciating exchange rate. However, after deducting the remittances, it was 5.5% of GDP. That is, they equaled 4.2% of GDP (Werner, A., 2024).

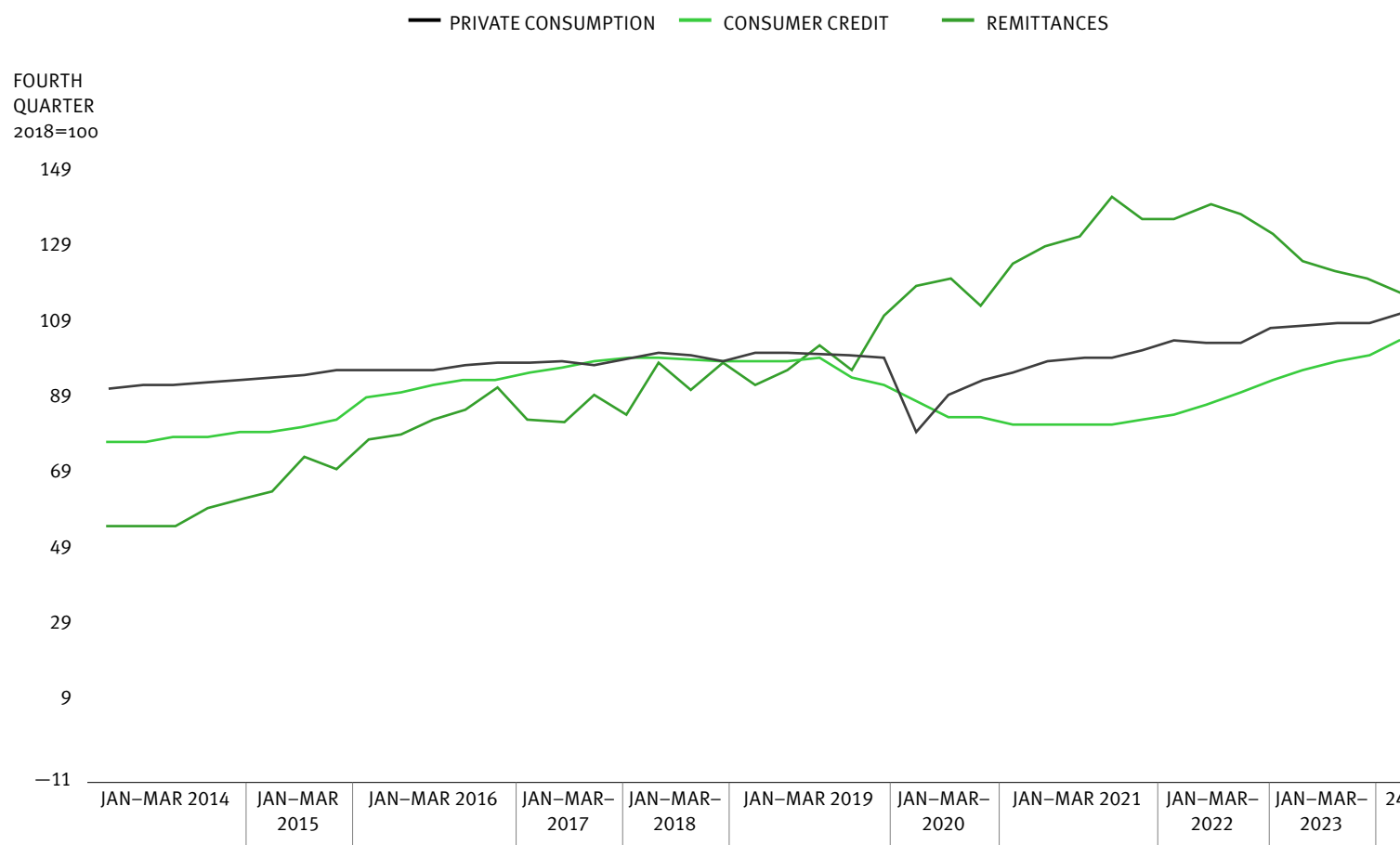
The sustained growth of remittances has its causes in various phenomena, but here we highlight the remittances whose destination (as origin) leaves room for doubt. We have previously pointed out two factors that have triggered that growth:

1. Exodus of people and entire families from South America and other countries to the United States, who paid fees to migration agents and human traffickers for their passage in Mexico. Already in 2021, about 76.1% (2,969.4 million dollars) of remittances received by migrants passing through Mexico went to smugglers (1,853.4 million) and corrupt migration authorities (1,116 million) (Ratha, D., et al., 2021). These figures are equivalent to 10.7% of total remittances received in the same period.
2. We estimated that probable money laundering through remittances amounted to at least 7.6% of the total (Vital Signs, 2023). 100% of households in a little more than 200 municipalities in the country could receive at least one remittance per mon-

th, that is, all families would have financial coverage through remittances.

Since Vital Signs made its first estimates of money laundering through remittances, the most conservative figure has been used. Even that estimate is alarming as it implies that human smuggling and money laundering sum at least 18.0% of the value of remittances that enter Mexico. That is, money captured by transnational organized crime or corruption. In general, we have found different variables that determine the behavior of remittances. It turns out that the amounts coming from Mexicans working in the United States have become less important than in the past. The amount received by households in Mexico is reduced to about 80 out of every 100 dollars sent to the country. Journalistic investigations carried out by various agencies (national and foreign) have reinforced much of what Vital Signs has said and attest to the economic and social reality of some of the more than 200 municipalities we have mentioned (Graph 4.11).

GRAPH 4.11 PRIVATE CONSUMPTION, CONSUMER CREDIT AND REMITTANCES
(SEASONALLY ADJUSTED SERIES, 2018=100) FIRST QUARTER OF 2014 – SECOND QUARTER OF 2024



Source: In-house elaboration with information from Bank of Mexico and INEGI s.f.b

INCREASED DEMAND FOR MONEY (DIRTY MONEY)

The resources of organized crime continue to flow and have entered the country in various forms: remittances, drug and human trafficking, smuggling and many other markets. The inflow of these resources has impacted the demand for pesos. It is important to state that not all those inflows of money come from organized crime, but a fraction does, especially the ones that do not have a reliable source, such as those that are not supported by the performance of the real economy.

In Mexico's recent financial history, there have never been as many funds traded as in 2023, which were identified by the UIF as relevant transactions. In that year, there is a record of 205,031 billion pesos. This is 7 times Mexico's GDP that year. Additionally, there were worrying (202.3 million pesos) and unusual transactions (3,314 billion). In total, UIF recorded operations for 208,345 billion pesos. Since there has been legislation in Mexico aimed at preventing money laundering, nothing like this has ever been seen. The closest precedent is that of 2015, when UIF observed operations for 158,752 billion pesos, of which 98.5% were classified as unusual (156,327 billion). This was

Between human trafficking and money laundering, at least 18 out of every 100 dollars that enter the country via remittances is captured by transnational organized crime or corruption.

The inflow of money has impacted the demand for pesos.



Image: Bank of Mexico printing bills at <https://www.informador.mx/economia/Invitan-a-conocer-la-nueva-fabrica-de-billetes-en-Jalisco-20190611-0099.html>

followed, a distant third, by 34,653 billion in 2018. Those three years (that show the highest amounts) coincide with federal electoral processes.

And as it happened in the 2023–2024 electoral process, the monetary mass continued to increase. The large accumulation of resources led to huge amounts in bank accounts and in banknotes and coins in circulation. This expansion also coincides with various phenomena, such as natural disasters, for which a large amount of resources were distributed, remittances and the government's payments for its various social programs (the latter delivered in advance to avoid the accusation of vote buying).

So far, we have described the losses, both in human and physical capital, that organized crime has suffered and with a focus on territories. However, as mentioned previously, not all serious crimes require the ability of criminal organizations to expand territorially. Very recently, and with the growth of various technological tools and means of payment, there has been an increase in operations by Financial Technology Institutions (FTIs). Between July 2021 (first record) and March 2024, the UIF detected unusual transactions amounting to 886.4 billion pesos.

Only 9,108 transactions were required to operate

that large sum, that is, an average of 97.3 million pesos per transaction. During this time, the months of August, November and December 2021, March and May 2022 and June 2023 stand out. On these dates, 103.5, 119.8, 235.3, 53.3, 122.0 and 36.2 billion pesos were handled, respectively. In other words, in only six months, 75.6% of the funds recorded were operated. Contrary to many other transactions, these do not keep a record of the place of operation, a fact that makes them very attractive to criminal organizations.

Recently, the growth in technology-based financial transactions has been outstanding. Between July 2021 and March 2024, the UIF detected unusual transactions amounting to 886.4 billion pesos.

THE LEGACY:

Increased penetration of organized crime in economic activity and in the daily lives of Mexicans

The advance of organized crime through activities is enormous. In that advance, the conflict between cartels burst into the open, even with the presence of the military. The large deployment of the armed forces concentrated on undermining the infrastructure of the Sinaloa Cartel but without affecting its defense capacity (armament). This combination of factors makes foreign trade even more relevant for drug traffickers as a result of the increase in domestic production costs. In other words, import of synthetic drugs to compensate the probable drop in domestic production, is of greater interest to those groups. Consequently, the risk of this strategy is that it brings at least one of the main drug cartels in the world closer to Mexican customs and thus those entrusted to manage them: the armed forces.

This section is summarized sufficiently by Guillermo Valdes:

Territorial control also allows [criminal organizations] to develop new activities and to develop ille-

gal markets as lucrative as drug trafficking. One, taking over the roads and highways (with the passivity of the National Guard) to steal trucks with merchandise of all kinds, which are then sold in the street markets that they also control, expanding the productive chain of their illicit economic empires. Two, huachicol, the theft and sale of fuel, which has grown as never imagined by General Eduardo Leon Trauwitz, who operated this illicit business from the security area of Pemex during the previous administration. The stolen fuel is so much that criminal groups force the National Union of Gasoline Sellers to use legally established gas stations to sell it. A third business is the trafficking of Central American migrants, who are robbed, kidnapped, raped and murdered before being abandoned to their fate in the deserts or in the boxes of trailers (Valdes, G., February 9, 2024).



LEGACY 6. CRIME PENETRATION IN ECONOMY AND SOCIETY

MEXICO RANKS THIRD IN CRIME AND FIRST IN CRIMINAL MARKETS INTERNATIONALLY.

- » By 2023 the economic impact of violence amounted to \$245 billion dollars (4.9 trillion pesos), equivalent to 19.8% of GDP

ORGANIZED CRIME'S TERRITORIAL CONTROL IS EVIDENCED BY ILLEGAL HYDROCARBON (HUACHICOL) TAPS.

- » 2556 additional clandestine taps, more seizures of fossil fuels (164.9%), more clandestine laboratories and fewer criminals arrested.

MILITARY CONFRONTATIONS WITH CRIMINAL ORGANIZATIONS NUMBERED 1,419, THE LOWEST IN SIX YEARS.

FENTANYL PILL SEIZURES INCREASED FROM 2.4 TO 11.6 MILLION UNDER LOPEZ OBRADOR.

SEIZURES OF LONG ARMS FELL BY 67.2% COMPARED TO THE 2007-12 ADMINISTRATION, AND ONLY 121 CLANDESTINE AIRSTRIPS WERE LOCATED.

IN 2023, FINANCIAL TRANSACTIONS TOTALING 205.3 TRILLION PESOS (SEVEN TIMES GDP) WERE RECORDED.

Legacy: fewer confrontations with organized crime facilitate its increasing penetration into the territory and society.

4.7 Economic legacy: blood dollars, supports for silence and rubber bullets



The Lopez Obrador administration leaves an economy with serious external imbalances with China, financed by an incessant flow of remittances and compensated by exports to the United States. Moreover, the internalization of remittances into the Mexican economy has caused a considerable increase in the demand for pesos and, on average, has slowed money's circulation.

From the beginning of the Lopez Obrador administration until 2021, the expansion of demand was strongly supported by the growth of capital imports. In other words, imports of machinery and equipment allowed for export growth. At a later stage and towards the

second half of the administration, when external imbalances worsened and imports of machinery and equipment were not enough to explain the increase production capacity (expansion of supply), it was necessary to aggressively expand public spending on capital, which ultimately led to greater internal imbalances (more public debt).

As a result, growth in fixed capital presented a historic rate in only one year (2022–2023). However, this growth was due to the investments in civil engineering works. The government was crucial in the behavior of this variable with public projects that required the largest budgetary outlays: the Maya Train,

The internalization of remittances into the Mexican economy caused a considerable increase in the demand for pesos and, on average, slowed the circulation of money

Dos Bocas Refinery, AIFA and Transisthmian Corridor. They were executed with military discipline. There was no questioning within the government about the technical-financial viability of the works as several of them would require permanent subsidies to operate. Thus, the expansion of aggregate supply was largely supported by investments with a negative return. The latter may explain that public investments were understated in the second half of the Lopez Obrador administration.

In this sense, at least the most emblematic projects of this administration are underestimated for four reasons:

1. avoid further delays in the works due to the lack of compliance with public investment project regulations, with all of the associated costs and studies that this entailed.
2. to prevent the rate of return on the projects from becoming negative.
3. the likely desirability of appearing to be less public investment gave the impression that the private (in the construction sector) version was growing at a faster rate in a changing global environment.
4. the government would not have to explain to its main trading partners that its exports were

growing without an increase in private gross fixed investment. Consequently, the government assumed the political cost of such a decision because the (political) benefits were greater.

It should be noted that private investment in construction is estimated by differences, after the public sector makes public or sends the respective information to INEGI⁴¹. This conclusion is not trivial when at the end of 2024 the estimated investment in the Maya Train will be three times higher than planned; the AIFA came close to the programmed budget. However, only half of the original project was delivered, that is, the cost of that first half was actually double what was projected, without considering the costs of the cancellation of the Texcoco airport (NAIM).

The outburst of public capital spending had to be accompanied by debt in the face of the government's inability to increase revenue collection to the extent of its needs while oil-related revenue paled. However, labor outsourcing and pension reforms will add fresh resources to an economic system that urgently needs them. In other words, the internal savings of

⁴¹ The main input for this estimate is the administrative records of construction companies. The value of private production is derived from the difference between the total reported by construction companies and public sector investment.

the Mexican economy must be used to finance the expansion of supply and generate "artificial" equilibria. As we have seen, as soon as these works (or their respective stages) are completed, industrial production plunges in the respective areas.

Also, although public spending has expanded, it is not focused on the needs of a growing economy. In this sense, the provision of potable water, natural gas and electricity is one of the major obstacles to economic progress. The Mexican economy is advancing at a faster rate than strategic goods and services, such as the provision of electricity (that was actually contracting). One of the relevant legacies of the current administration is the deficit in services, where the private sector has played a key role to generate certain balance, and the lag in strategic markets which, if not addressed urgently, will create bottlenecks for the economy, both in terms of increasing production, to the extent that it should be required to do so, and in attracting capital. In this sense, sooner or later the energy and supply deficits, such as water, will end up reaching the building boom in industrial warehouses, probably the private infrastructure that has shown the greatest growth in 2021–2023, and will consequently generate an excess of such buildings.

Against this backdrop, the economy's capacity to produce goods (for internal and external consumption) has left room for doubt, as industrial activity and related services should show signs of overheating, but do not. These imbalances have opened the door to sanctions and trade restrictions, starting with steel and aluminum. But this is likely to be followed by many other products, such as textiles, clothing, footwear and escalating to more complex products such as automobiles. Added to this are many other forms of trade, such as the shipment of small packages in large quantities, to evade taxes and circumvent trade restrictions.

The triangulation of goods is a reality and Mexico has become a transit country for products coming from Asia. In the last five years, of the accumulated growth in the demand for goods, domestic industry only provided a quarter, while three quarters were covered by imports, from foodstuffs to complex goods. Mexico's manufacturing industry has grown as poorly as the economy itself, with a few exceptions. Notably, in the production of export manufactures, the domestic contribution is all but minor; between 2018 and 2022 it barely exceeds 4% of the growth in the consumption of intermediate goods, as opposed to imported intermediate goods, which account for almost two

The outburst of public capital spending had to accompanied by debt in the face of the inability of the government to increase revenue collection to the extent of its needs, while the oil contribution to public finances paled.

thirds of the growth in the value of "Mexican" export manufactures. The situation is extremely serious; in order to maintain a constant share of value added in manufacturing, a combination of employment and wage growth has been required. In this sense, the wage policy undertaken by the Lopez Obrador administration may be cushioning (disguising) the fall in the share of export manufacturing.

At the same time Mexican society is being permeated by intense flows of money, which come in the form of monetary transfers via government support or remittances, subsidies and (public) consumer credit, but also by the growth in retail commercial activities, especially with goods of dubious origin (piracy or smuggling). In the country's largest subnational economy, Mexico City, half of the population that does not study and does not work has some type of government support. On the contrary, during Lopez Obrador's administration, a state such as Chiapas, the only one where government support was reduced, saw the government's withdrawal compensated by the sudden burst of remittances (currently it is the fourth largest recipient in the country) that arrived along with the South American exodus.

The financial results of government's unsupported growth reflect in the explosive capitalization of the Welfare Bank (Babien). It could well rank as one of the 16 largest banks in the country. With the aging of the population, Babien is poised to rank among the top 10. Similarly, this phenomenon is occurring with Banjercito, whose assets exceed those of Babien itself because that bank acts as an intermediary in the payments of massive government works and their related financial requirements.

The Mexican economy is in a clear process of being absorbed by three large and powerful interest groups, which so far do not seem connected: China, the armed forces and transnational criminal organizations (TCOs). The military are agents and managers of external and internal imbalances, since they maintain customs (where goods enter and leave), where foreign trade information is generated (customs declarations)⁴² and manage the budget of the internal deficit through large infrastructure projects, in addition to capitalizing themselves; they act as the main financial intermediary of the federal government in such works. For their part, criminal organizations may well provide the dollars that finance the external

⁴² The same data are later processed by agencies such as Bank of Mexico or INEGI.

The provision of potable water, natural gas and electricity is one of the major obstacles to economic progress.

Sooner or later, the energy and water supply deficits will reach and negatively impact the boom in the construction of industrial warehouses.

deficit, sourced from a broad portfolio of activities, such as smuggling of goods, huachicol, drug and human trafficking.

There is no clear evidence of conflict of interest between the armed forces and TCOs. The data show an enormous military deployment, considering that the National Guard is composed mainly of military and marines, perhaps the largest since the Mexican Revolution. But this deployment has not resulted in more confrontations with criminal organizations, quite the contrary. As a result of fewer confrontations, the number of casualties on both sides (military and criminal) has declined. In the Lopez Obrador administration, the ratio of deaths per confrontation fell by more than 30% compared to that of Felipe Calderon. Therefore, given that intentional homicides or deaths are not a function of military deployment and confrontation between the military and criminals, this leaves only one explanation for the growth in the number of intentional homicides in recent years, the most pronounced in modern history: criminal groups in conflict with each other in their eagerness for greater territorial control.

This conclusion coincides with the results of the most recent research by the Institute for Economics & Pea-

ce: between 2013 and 2017, clashes involving the Sinaloa Cartel or the Jalisco Cartel–New Generation accounted for 38% of all deaths in inter-cartel conflicts, but for the years from 2018 to 2022, these confrontations accounted for 64% of deaths in the country. By 2023, it is estimated that around six out of every 10 homicides in Mexico were associated with organized crime (IEP, 2023). The escalation in conflict posed no limits for transnational criminal organizations.

It is worth questioning whether the armed forces took sides in the conflict between organizations. Although it is not possible to give a precise answer based on the information available, it is worth noting that the greatest progress in terms of finding clandestine methamphetamine laboratories occurred in Sinaloa. On the other hand, other regions of the country were less affected in terms of capital, that is, laboratories and illegal airstrips, real estate, weapons and equipment. However, the findings do not assure effectiveness in the fight against high impact crimes. For example, we know that 100% of the findings made by the National Guard regarding illegal extraction of fossil fuels (huachicol) were already abandoned. That is, when the authorities had arrived, there was no crime to prosecute. In this regard, two entities stand out for their high efficiency: Puebla and Tlaxcala. These en-

The triangulation of merchandise is a reality and Mexico has become a transit country for Asian products.

Mexican society is being permeated by intense flows of monetary transfers via government support, remittances, subsidies and (public) consumer credit.

tities accounted for the greatest number of clandestine LPG outlets (a growing crime), but on the contrary, the minimum number of seizures were carried out.

All of the above can be summarized in the illegal extraction of public resources and the indirect financing of illegal activities. As Enrique Cardenas rightly explains,

... the economic impact [of living without working legally and contributing] will fall on all of us through public indebtedness. While the criminals fill their pockets with money, we Mexicans will have to carry more debt. And finally, [Mexicans] will divert more resources to pay interest and capital, without there being an asset that generates the income to pay that interest (Cardenas, E., July 18, 2024).

While criminals fill their pockets with money, Mexicans will have to carry more debt. Mexicans will divert more resources to pay interest and capital, without having behind them an asset that generates the income to pay that interest (Cardenas, E., 18 July 2024).



5 POVERTY AND INEQUALITY: FOR A MEXICO WITH SOCIAL RIGHTS



Image: Getty Images en <https://www.bbc.com/mundo/noticias-america-latina-40944735>

5.1 Fighting poverty: the balance of the six-year term



WHO IS AND WHO IS NOT POOR IN MEXICO?

Even if poverty reduction is a reality, the UN states that 1.2 billion people (19.1% of the global population) live in multidimensional poverty. That is, they lack adequate nutrition, housing, water and sanitation, and access to education (OPHI and UNDP, 2023). In Mexico, as in many other countries, the measurement of poverty started from a unidimensional perspective: only the level of income was used as an approximate of the economic wellbeing of the population.

Income has been the global benchmark for measuring poverty and the World Bank has a widely quoted

indicator, which estimates that around 700 million people live on less than 2.15 dollars per day¹ (extreme poverty line) and that, globally, the extreme poor are concentrated in parts of sub-Saharan Africa, fragile and conflict-affected zones, as well as rural areas (World Bank, 2024).

A report prepared in collaboration between the United Nations Development Program (UNDP) and the Oxford Poverty and Human Development Initiative (OPHI) for 2023 reveals that much remains to be done because, as mentioned, 1.2 billion people are esti-

¹ In the case of Mexico, in 2022 the incidence rate of poverty was 1.2 points lower since records began. In 1998, the highest rate was recorded at 15.2, dropping to 7.8 in 2005, 4.2 in 2012, 1.9 in 2018 and 2.1 in 2020. (World Bank, s.f.1).

In Mexico, as in other countries, the measurement of poverty started from a unidimensional perspective: only the level of income was used as an approximation of the economic well-being of the population.

mated to be multidimensionally poor. Unfortunately, children represent half of that figure; there are 1 in 3 children versus 1 in 7 adults (OPHI and UNDP, 2023).

Graph 5.1 shows the countries with a low to high multidimensional poverty index (MPI) when households are considered poor in at least 1% of the weighted indicators; that is, it shows that the closer the MPI result is to zero, the lower the percentage of the population in multidimensional poverty and the lower the intensity of deprivation (health, education and quality of life²); the closer to 1, the higher the percentage of multidimensional poor people and the intensity of deprivation.

Mexico ranks 28th out of 110 developing countries with an MPI of 0.050, a percentage of the population living in multidimensional poverty of 36.4% and 13.7% intensity on average with respect to the deprivations considered. The countries with the highest levels of multidimensional poverty and deprivation are found in Sub-Saharan Africa (Nigeria, Chad, Central African Republic, Burundi and Madagascar). Ukraine, Jordan and Barbados report the lowest levels of multidimen-

2 Health: This criterion includes nutrition and infant mortality; Education: Years of schooling, school attendance; and Quality of life: housing, electricity, sanitation, drinking water, household fuel and assets.

Coneval describes multidimensional poverty as:

- 1. the economic welfare space (related to income);*
- 2. the area of social rights (education, health, nourishment, social security and housing); and*
- 3. territorial context (social cohesion).*

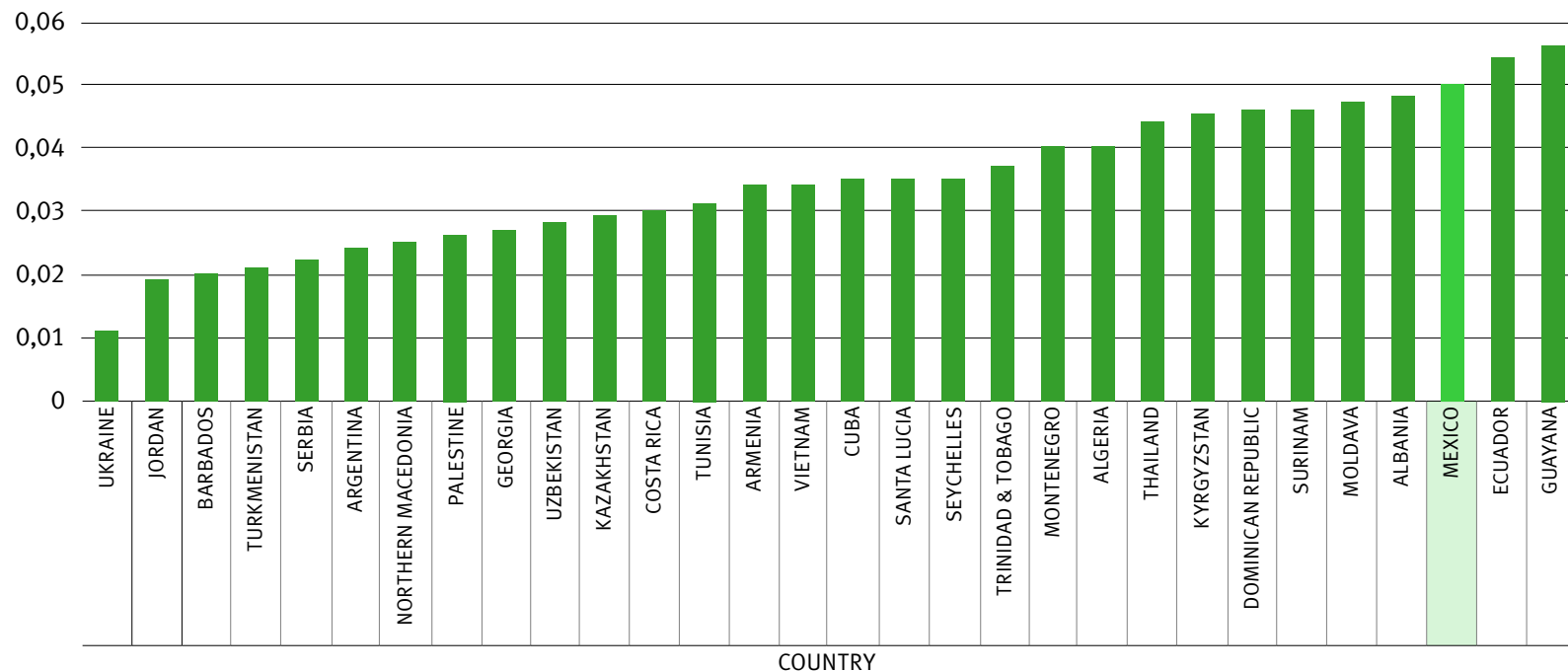
sional poverty among the 110 developing countries considered.

In Mexico, since 2008, the National Council for the Evaluation of Social Development Policy (Coneval) has had information on the multidimensional measurement of poverty, which identifies poverty conditions from three areas: 1) the area of economic well-being³ (related to income); 2) the area of social

3 This specifies the minimum amount of monetary resources required to satisfy basic needs, defined by the income poverty line. Since Coneval's last methodological update, the terms "income poverty line" and "extreme income poverty line" have been used instead of "welfare line" and "minimum welfare line" respectively (Coneval, 2019b).

GRAPH 5.1 INCIDENCE OF MULTIDIMENSIONAL POVERTY FOR THE FIRST 30 OF 110 DEVELOPING COUNTRIES

MULTIDIMENSIONAL POVERTY INDEX (MDPI)
RANGE 0 1=H*A



Source: In-house elaboration with data from United Nations Development Programme & Oxford Poverty and Human Development Initiative (OPHI y PNUD, 2023).

rights (education, health, nourishment, social security and housing); and 3) the territorial context (social cohesion) (Coneval, 2019a). However, despite having these measurement elements, the important question is, how to identify poverty?

In Mexico, multidimensional poverty is described as the situation in which a person is not guaranteed the exercise of at least one of his or her social development rights, that is, has at least one of the six social deprivations:

1. Lack of sufficient educational,
 2. Lack of access to health services,
 3. Lack of access to social security,
 4. Lack of housing quality and space;
 5. Lack of access to basic services in housing,
 6. Lack of access to nutritious and quality food,
- and that in addition, their income is insufficient to acquire the goods and services they require to meet their needs (Coneval, 2019a).

In the case of the population living in extreme multidimensional poverty⁴, it is the one that has such a low income that, even if it were dedicated solely to the acquisition of food, it would not be able to acquire the nutrients necessary for a healthy life; in addition to presenting at least three of the six social deprivations mentioned above (Coneval, 2019a). In the following section we analyze the composition and trajectory of poverty, as well as social rights, which already represent a legacy for future generations in Mexico.

⁴ The multidimensional poor population not included in the extreme multidimensional poor population will be referred to as the population in moderate multidimensional poverty (Coneval, 2019a).

POVERTY AND EXTREME POVERTY TRAJECTORIES: AN ENDURING LEGACY

In Mexico, to date, only 27 out of every 100 people are considered neither poor nor vulnerable; the 10% with the highest income earn up to 15 times more than the poorest 10%; 64.7 million people are vulnerable due to lack of access to social security; more than 50 million are vulnerable due to lack of access to health services and 23.4 million people are still unable to access a nutritious and quality diet (Coneval, 2023; INEGI, 2023). The generalized non-compliance of social rights is plain.

The government of Lopez Obrador, as previous administrations, advocated for the poorest. Data and reality suggest that deprivation persists and with it the levels of poverty. According to Coneval, in 2022 the percentage of the population living in poverty was 36.3%, which means that 46.8 million people have at least one social deprivation of the 6 stipulated⁵ and their monthly income is insufficient to purchase a basket made up of food and non-food products, thus preventing them from meeting their basic needs.

⁵ Educational backwardness; lack of access to services; lack of access to social security; lack of housing quality and space; lack of access to basic housing services; and lack of access to a nutritious and quality diet.

In Mexico, only 27 out of every 100 people are considered neither poor nor vulnerable; 64.7 million people are vulnerable due to lack of access to social security; more 50 million due to lack access to health services and 23.4 million lack access to a nutritious and quality diet (Coneval, 2023).

In this group, it is crucial to identify the poorest of the poor, the extreme poor. In 2022, this figure reached 7.1% of the population, that is, 9.1 million Mexicans with at least 3 social deprivations and an income below the extreme poverty line (value of the food basket) (Coneval, 2023). Although there was a reduction in poverty from 2018 to 2022, from 51.9% to 46.8%, the methodological changes implemented by Coneval⁶ made the reported series not comparable over time. This means that there is a poverty series from 2008 to 2018 published by Coneval with a periodicity of every 2 years and another one that covers 2016 to 2022; the latter includes the new methodological changes implemented in 2018 and 2019.



Image: "Coneval says that poverty in Mexico fell by 16%" at <https://elvalle.com.mx/2023/08/11/coneval-dice-que-pobreza-en-mexico-se-redujo-16/>

⁶ The first series of Income Poverty Lines correspond to what was defined in the Guidelines and Criteria for the Definition, Identification and Measurement of Poverty published on June 16, 2010 in the Official Gazette of the Federation (DOF, 2010). These guidelines recognize the emergence of possible regulatory and social changes in the country, so it was established that updates of the criteria would be carried out in an interval of no more than 10 years. Thus, in June 2019, the methodology for the construction of income poverty lines was published (Coneval, 2019b). The agreement updating the guidelines was published on October 30, 2018 (DOF, 2018) along with the third edition of the methodology for the multidimensional measurement of poverty in Mexico (Coneval, 2019a).

In 2022 the number of those in extreme poverty reached 7.1% of the population, that is, 9.1 million Mexicans with at least 3 social deprivations and an income below the extreme poverty line by income.

The poverty balance from 2018 to 2022 (new series), as reported by Coneval⁷ (2023a) (Table 5.1), reveal a decrease of 5.6 percentage points between 2018 and 2022, which indicate that 5.1 million people were lifted out of poverty. This decrease is due to marked changes in the economic space (welfare space), as there was a fall in the proportion of people with income below the extreme income poverty line and also those with income below the income poverty line.

However, the proportion of people with at three social deprivations increased from 20.2% in 2018 to 24.9% in 2022 (7.1 million people) and increases were reported in the proportion of people in extreme poverty from 7.0% in 2018 to 7.1%, which means that 400 thousand more people fell in extreme poverty from 2018 to 2022 (Coneval, 2023). This is despite a 131% increase in the budget of social programs considered as priority⁸ under the discourse of "the poor

7 UNAM's University Program for Development Studies (PUED in Spanish) calculates multidimensional poverty based on the general guidelines and criteria for the measurement of poverty 2010 (DOF, 2010). Using as main input the Socio-economic Conditions Module (MCS) of the ENIGH for the years 2008 to 2014 and the Statistical Model for Continuity (MEC) of the MCS-ENIGH for the years 2016 to 2022.

8 Those priority programs are Welfare Pension for the Elderly (224.9% increase in 2024 with respect to 2019); Pension for Persons with Disability (165.3%); Benito Juárez Scholarship Program (40.3%); Our School (81.8%); Youths building the

It is said that in the six-year term of Lopez Obrador, from 2018 to 2022, poverty was reduced from 51.9% to 46.8%.

However, the methodological changes implemented Coneval do not allow comparing the reported series over time.

first". In 2019, at the beginning of the six-year term, 320,569 million (2024 pesos) were spent on 12 priority programs, that increased to 741,195 million pesos in 2024. This is probably one of the most damaging legacies of this administration: despite the reinforcement of the budget for social programs, poverty continues to be lacerating.

However, the decline in the population with incomes below the poverty and extreme poverty lines by income can be explained by the recovery of income

future (a fall of 20.0%); Sowing life (110.0%); Boys and Girls (22.7%); Fertilizers (1046.6%); Production for Well-being (15.4%); Guarantee Prices (22.2%); Social Housing Program (112.8%). The total increase was 131.2% more in 2024 than in 2019 (Saldivar, 2024).

TABLE 5.1 PREVALENCE OF POVERTY IN MEXICO FROM 2018 TO 2022			
YEARS	2018	2020	2022
POVERTY			
Population living in poverty	41.9%	43.9%	36.3%
Moderate poverty	34.9%	35.4%	29.2%
Extreme poverty	7.0%	8.5%	7.1%
SOCIAL DEPRIVATION			
Population with at least one social deprivation	68.3%	67.6%	65.7%
Population with at least three social deprivations	20.2%	23.0%	24.9%
WELFARE			
Population with income below the extreme poverty line by income	14.0%	17.2%	12.10%
Population with income below the income poverty line	49.9%	52.8%	43.5%
Population with income below the income poverty line	49.9%	52.8%	43.5%

Source: In-house elaboration with data from Coneval (2023).

The proportion of people with at least three social deprivations increased from 20.2% in 2018 to 24.9% in 2022 (7.1 million people) with increases in the proportion of people in extreme poverty from 7% in 2018 to 7.1% in 2022 (Coneval, 2023).

sources between 2020 and 2022. A sign of the gradual economic recovery was the increase in household income. According to data from the Household Income and Expenditure Survey (ENIGH), the largest increases in income were observed in labor income, income from transfers and income from property rent (INEGI, 2023). Given that the main source of income for Mexicans is labor income (about two-thirds of total current income), the level of poverty and its evolution depend to a large extent on it, which we analyze in the following section.

In 2019, at the beginning of the six-year term, 320,569 million (2024 pesos) were spent on 12 priority programs. This amount rose to 741,195 million pesos in 2024. This is probably one of the most damaging legacies of this administration, in which despite the reinforcement of the budget for social programs, poverty continues to be lacerating.



Images: the largest increases in income were observed in labor income, income from transfers and property (INEGI, 2023) at <https://buzos.com.mx/noticia/obrero-conoce-analiza-y-organizate> ; <https://www.eluniverso.com/temas/remesas/>; https://www.facebook.com/CuartosyDepartamentosMexico/?locale=es_LA

LEGACY 1. COMBATING POVERTY: THE BALANCE OF THE SIX-YEAR PERIOD

WORLD POVERTY:

- 1.2 billion people around the world live in multidimensional poverty (19.1% of the total population).
- Multidimensional poverty threatens 1 in 3 children against 1 in 7 adults.

THE GENERALIZED NON-FULFILLMENT OF SOCIAL RIGHTS IN MEXICO:

- Only 27 out of every 100 people are considered non-poor and non-vulnerable.
- The 10% with the highest income earn up to 15 times more than the poorest 10%.
- 64.7 million people are vulnerable due to lack of access to social security.
- More than 50 million lack access to health services.
- 23.4 million people are still unable to access a nutritious and quality diet.

THE PERSISTENCE OF POVERTY:

- From 2018 to 2022, there was a 5.6 percentage point decrease in moderate poverty levels (5.1 million people).
- The proportion of people with at least three social deprivations increased from 20.2% to 24.9% in 2018-2022.
- Increase of almost 400 thousand people in extreme poverty.

Legacy: persistence of poverty and exclusion despite increases in social programs



5.2 People's income



LABOR INCOME AND PAYMENTS TO CAPITAL

According to the ENIGH in 2022 (latest available data), 94.6% of total income was of a current nature (total current income), understood as money or products in kind received on a regular basis, available for the purchase of goods and services. The remaining 5.4% came from financial and capital income, i.e., loans, savings withdrawals or disposal of loans, reflecting the penetration of the financial system (INEGI, 2023).

This means that practically two-thirds of total current income comes from labor (65.7%), one-sixth from monetary transfers (17.2%), rental income from

housing contributed 11.8%, property rent 5.2% and other current income 0.1% (INEGI, 2023). From 2018 to 2022 (last year available) transfers, estimates of rental income and income from labor varied by 17.0, 8.7 and 2.1 percentage points, respectively; while income from property rent fell by 7.8%.

According to an analysis by Monroy-Gomez-Franco (2024), from the first quarter of 2019 to the first three months of 2024, the labor income of employed persons increased between 8% and 18% in real terms. According to that investigation, the increase in labor income was greater for those with the lowest incomes (18% in decile I) than for those with the highest (9% in decile X). Similarly, lower increases are reported when the cost of the basic food basket is used to es-

Two thirds of total current income come from labor (65.7%), the other third from monetary transfers, housing rent, rental property and others.

timate real changes instead of prices. In that case, the income of those employed in deciles 6, 7 and 10 actually contracted (Monroy-Gomez-Franco, 2024).

When analyzing labor income per household member (total labor income of all working household members and dividing it by their number), the results show that all deciles grew in per capita labor income. Using the food basket to estimate in real terms, the cumulative increase for the deciles ranged 8%–12% for 90% of the population. For 10% of the population with the highest labor income (decile X), the cumulative growth in the first quarter of 2024, with respect to the first quarter 2019, was 5% (Monroy-Gomez-Franco, 2024). Given the weight of labor income in the total income of families, that analysis is essential when examining the evolution of poverty.

There are even those who claim that, while work should be the door out of poverty, ironically it becomes one of its causes (Gomez, 2023), which we will analyze below.

One of the other components of total income are financial and capital inflows, which modify (increase or reduce) the net value of the household's assets and do not meet the criteria of regularity or destination. Thus, strictly speaking, these resource flows are not

At least two elements become evident: 1) the lack of access to the financial system and 2) the weakness of savings.

considered part of current income and require separate treatment. This type of revenues come from the withdrawal of investments, all types of savings (from banks to communal in groups), loans received from people outside the household or institutions, sale of real estate and other assets, inheritances, lotteries and prizes (INEGI, 2015). According to the ENIGH, the proportion of this type of revenue has not varied significantly, as in 2016 it was 5.5% of total income, in 2018 6.4%, in 2020 6.5% and in 2022 5.4% (INEGI, 2023). At least two elements become evident: 1) the lack of access to the financial system and 2) the weakness of savings.

Regarding the former, INEGI's National Survey of Financial Inclusion (ENIF, for its acronym in Spanish) (2021) reveals that only 1.1% and 1.2% of adults between 18 and 70 years of age reported having time deposits and investment funds (INEGI, 2021). An additional approximation is provided by users of formal

savings accounts. In 2021 (latest available data), 3 out of every 10 people (31.9%) between 18 and 70 years of age have never had a savings account because their income is insufficient or too variable. 31.5% stated that they do not need one; 8.7% do not meet the requirements to have one; 6.8% do not trust financial institutions; 6.1% do not know what it is or how to use it; 5.3% prefer other forms of payment; 3.5% do not have one because they believe the commissions are high; 3.1% because the branch is too far away; and 2.1% because they do not want to be charged taxes (INEGI, 2021).

The ENIF reveals that more than 43.2 million people between 18 and 70 years of age were unable to cover their monthly expenses and used loans from relatives, money from their savings, sold or pawned an asset or reduced spending to cover the shortfall, or a combination of the above (Table 5.2). Of these, 57% were women and 43% were men.

With respect to the second element, the ENIF also reveals the lack of strength of Mexican's savings, since, although more than 83.6 million could cover their expenses with savings if they stopped receiving some income, 32% would only do so for less than a week (having practically no savings), 26% at least a month

In 2021 (latest available data) 3 out of 10 people (31.9%) between 18 and 70 years of age had never had a savings account as their income was too low or variable (INEGI, 2021).

TABLE 5.2 MEANS USED TO COVER THE OVEREXPENDITURE BY PEOPLE FROM 18 TO 70 YEARS OLD THAT IN THE LAST YEAR COULD NOT COVER THEIR MONTHLY EXPENSES

MEDIUM USED	%
Borrowed from relatives or acquaintances	53.3
Used money previously saved	55.7
Reduced spending	79.6
Sold or pawned any property	20.3
Requested an advance on wages, worked overtime or did temporary work	19.1
Used your credit card or applied for credit at a bank or financial institution	11.7
Failed to cover a credit or loan payment	12.7

Source: In-house elaboration with information from ENIF (INEGI, 2021).

Note: The sum of the ways used to cover expenses may be greater than 100% because a person may have declared more than one.

but less than 3 months, and only 8.9% for at least 6 months (Table 5.3).

Thus, in Mexico the financial system is still weak, at least if we analyze savings on the one hand and the vulnerability of people's income on the other. The savings of Mexicans are not solid enough to cover expenses for a significant period of time and people do not have assets that allow them to diversify their income, so that income from work continues to be relevant in terms of family welfare. This fact represents one of the most notorious failures of Lopez Obrador's administration, which, according to his promises, would focus precisely on eliminating these income gaps.

Savings are not solid enough to cover expenses for a long period of time and people do not have assets that allow them to diversify their income, which is why income from work continues to be relevant in terms of family welfare.

TABLE 5.3 TIME IN WHICH MEXICANS COULD COVER THEIR EXPENSES OUT OF THEIR SAVINGS IF THEY WERE TO LOSE ANY INCOME

TEMPORALITY	%
Less than one week / No savings	32
At least one week, but less than one month	20.9
At least one month, but less than three months	26
At least three months, but less than six months	9
Six months or more	8.9
Don't know or no answer	3.2

Source: In-house elaboration with data from INEGI (2021).

MINIMUM WAGE INCREASE AND WORKING POVERTY

The minimum wage policy implemented by the Lopez Obrador government increased them from 88.36 pesos per day in 2018 to 207.44 in 2023 and to 248.93 in 2024⁹ in nominal terms (Government of Mexico, 2023). The variation was 88.8% in real terms. Graph 5.2 shows the percentage by which the minimum wage in May of each year was higher or lower than in December 2018 (used as base year). In May 2024 it was 125% higher. This has been presented by several experts as one of the government's achievements. However, that increase was insufficient to cover all the negative variables that encompass poverty in Mexico in its broad sense.

The increase in the minimum wage is good, since it has shown that income obtained through work is an effective and sustainable route for millions to overcome poverty. In fact, in-work poverty (the proportion of the population with labor income below the monetary value of the food basket) decreased to 35.8% in the first quarter of 2024¹⁰, but although this seems to

⁹ In the northern border free zone, the minimum wage increased from \$312.41 in 2023 to \$374.89 in 2024 (Government of Mexico, 2023).

¹⁰ The figure for the first quarter of 2023 was 37.7%; 38.8% in

From 2018 there is an upward trend in the real minimum wage. This has been catalogued by several experts as one of the achievements of Lopez Obrador's government.

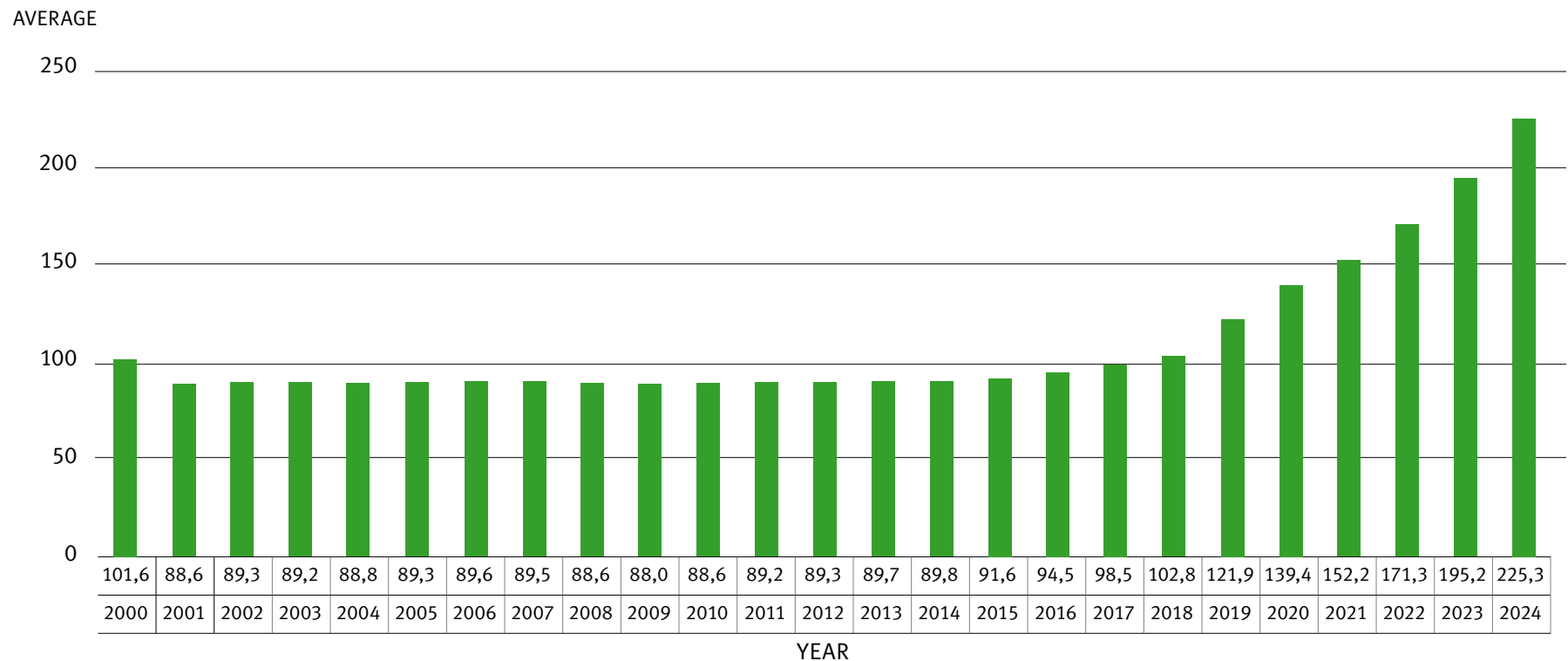
be good news, practically half of the employed population does not earn enough to overcome the poverty line (Gomez-Hermosillo, 2024).

The minimum wage increased to 248.93 pesos per day in 2024, approximately \$7,500 pesos per month. However, according to the latest report of Citizen Action Against Poverty, ACFP in Spanish (ACFP, 2024), the wage poverty threshold is equivalent to the cost of two basic baskets of Coneval. Jobs with wages below that amount are poverty wages, those who pay them are called internationally "poverty factories" and those who receive them "working poor".

The most recent data reveals that 34.8 million working people lack sufficient labor income to rise above the poverty line. This is 68% of those who declare

the first quarter of 2022 and in the same quarter of 2021 it was 42.0%; the highest point was the third quarter of 2020 (in the midst of the pandemic) with 46.0% (Coneval, 2024).

GRAPH 5.2 REAL MINIMUM WAGE INDEX IN MAY OF EACH YEAR
DECEMBER 2018



Source: In-house elaboration with data from the National Minimum Wage Commission Government of Mexico, 2024).

The minimum wage in 2024 increased to 248.93 pesos per day, about 7,500 pesos per month. However, according to the latest report of Citizen Action Against Poverty (ACFP, 2024), the wage poverty threshold is equivalent to the cost of two Coneval basic baskets.

their income and 59% of the total employed population. That is, their salary is not enough to support themselves and one other person above the poverty line (the in-work poverty line is equivalent to the cost of 2 basic food baskets). The six-year balance indicates that there were 5 million more people with poverty wages in 2024 than in 2018.

In this sense, the precariousness of labor in Mexico remains a reality, so it is necessary to celebrate the progress while recognizing the challenges. Millions in the economically active population (PEA) work but live in poverty. Even with increases to the minimum wage, we live in a labor system that produces poverty. The observatory of decent work of ACFP (ACFP, s.f.), presents indicators that highlight systematic and structural violations that continue to maintain the lack of access to the right to decent work and the perpetuation of poverty.

Graph 5.3 shows some of the conditions of employed people. We see that in 2005, 29.8 million working people lacked sufficient income to purchase two basic food baskets¹¹ and thus exceed the poverty line

¹¹ The minimum threshold of sufficient salary used by the Decent Work Observatory uses the normative argument in accordance with the average reality of households in Mexico, since for every person who receives income there is a de-

pendent person; 1.6 employed per household with an average of 3.5 people. This threshold for poverty wages is based on human rights norms, the human right to work and Article 123 of the Constitution, which establishes that the salary of those who work should not only support the worker but also his or her family (Gomez-Hermosillo, 2023).

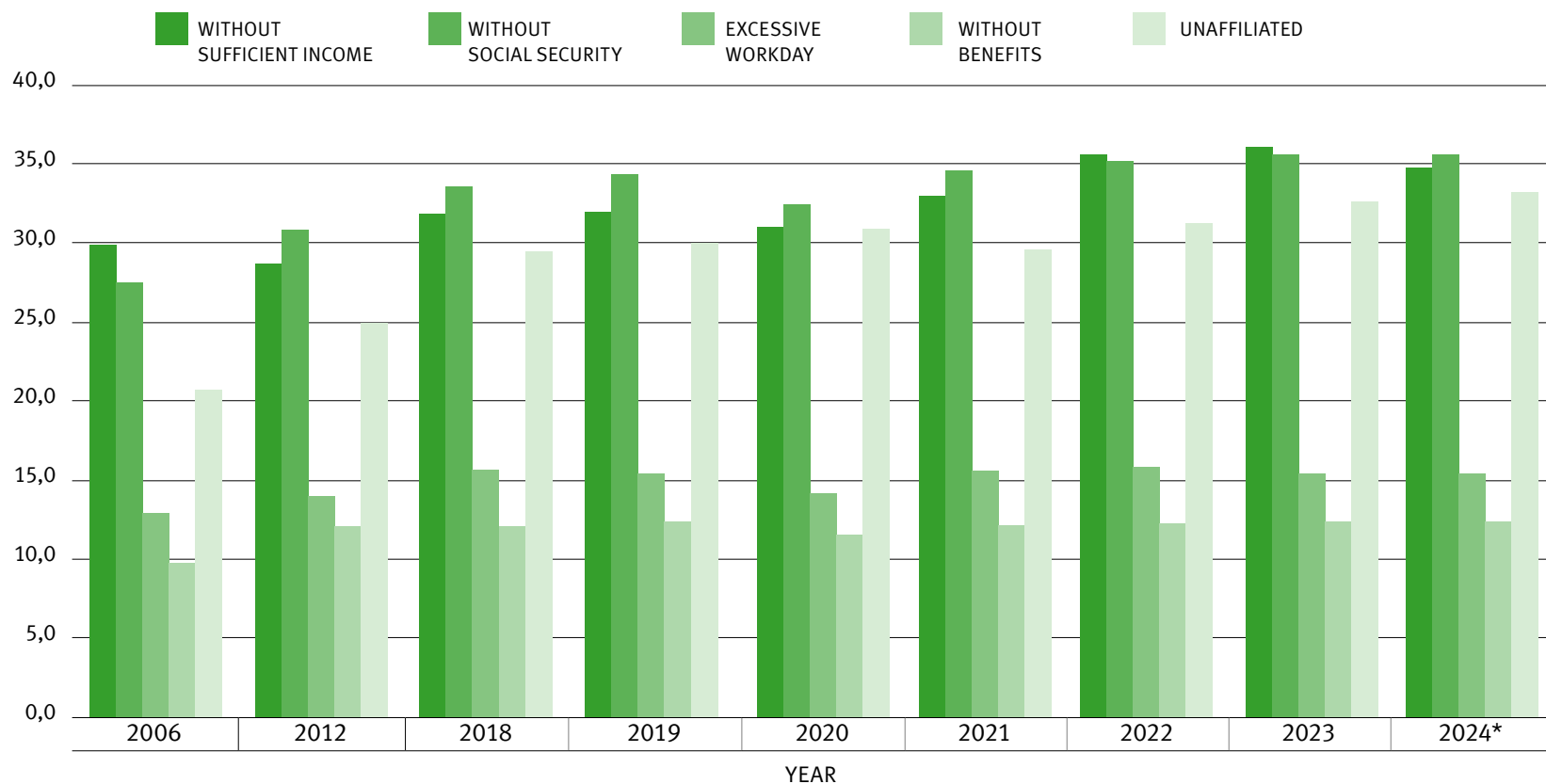
for themselves and one other person. This figure increased to 36.1 million people in 2023.

Another element is the high number of people working without social security, reaching its highest point in 2023 (35.6 million). Those working excessive hours has remained relatively constant, as have the number of people working without the benefits established by law. Additionally, the number of people working without health insurance reached 32.6 million in 2023 (Graph 5.3).

Graph 5.3 shows the sustained high number of people working without social security, reaching its highest point in 2023 (35.6 million).

pendent person; 1.6 employed per household with an average of 3.5 people. This threshold for poverty wages is based on human rights norms, the human right to work and Article 123 of the Constitution, which establishes that the salary of those who work should not only support the worker but also his or her family (Gomez-Hermosillo, 2023).

**GRAPH 5.3 TREND IN VIOLATIONS OF THE RIGHT TO DECENT WORK FOR SELECTED YEARS
(MILLIONS OF PEOPLE)**



**Note:* Data as of the second quarter of 2024.

Source: In-house elaboration with data from Citizen Action Against Poverty (s.f).

In other words, the labor system produces poverty through various elements such as insufficient salaries, informality that restricts access to social security and health services, and labor exclusion of women and young people that reduces household income. Table 5.4 describes how these components affect the level of household income, hindering the well-being of families and perpetuating poverty.

By 2024, with data on the employed population, the outlook did not improve. By the second quarter, 34.8 million people (68%) who work lack sufficient income; the proportion is worse for the self-employed (76%). Women are affected by up to 76% (16.1 million), while men by 72% (18.7 million). In the case of young people (15 to 29 years old), 72% (10.1 million) and 65% (22.2 million) of non-young people (ACFP,

68% of people who work lack sufficient income; for the self-employed it is 76%. Women are affected by up to 76%, while men 72%.



Images: Formal and informal work in Mexico at <https://revistaespejo.com/2024/08/06/por-debajo-de-la-meta-mexico-genera-307400-nuevos-empleos-formales-en-2024/>; <https://elpais.com/mexico/2023-06-30/el-trabajo-informal-crece-en-mexico-y-supera-el-55.html>

TABLE 5.4 COMPONENTS OF WORKING POVERTY

COMPONENT	DESCRIPTION	IN-DEPTH EXPLANATION
Insufficient income	Nearly 7 out of 10 people (34.8 million) work without sufficient income to rise above the poverty line.	Real wages in Mexico are low by international standards. Mexico ranks at the bottom of a list of 37 countries.
Lack of access to health and social security	Informal work excludes the population from access to health services and social security, which affects more than half of the employed population (61%), 35.6 million people.	The percentage of employed persons without access to health and social security who work in cleaning, security and domestic work (other services) reaches 83%.
Gender exclusion and income gap	Mexico has a low female labor force participation rate. It ranks 132nd out of 184 countries. It is among the lowest not only in the OECD but also in Latin America.	Women account for 91% of the total number of people unable to work because they perform household chores. The income gap is larger for women with children. The difference in income between men and women (without children) is 1,746 pesos per month. When women have one child this gap is 4,248 pesos; for women with two children, it increases to 5,819 pesos.
Exclusion and discrimination against young people	Young people (15 to 29 years old) have more than double the unemployment rate (15%) than adults (30 to 34 years old with 7%). They make up 27% of the unemployed population but 48% of total unemployment.	Young people who do work have more precarious jobs: 6 out of 10 lack social security (9.4 million) and two-thirds of them lack sufficient wages (10.07 million).

Source: In-house elaboration with information from Citizen Action Against Poverty (2023 and s.f.).

2024). According to IMSS, it absorbed 40.6% of the employed population (22.3 million people) in the first quarter of 2024 (Government of Mexico, s.f.), while the total employed population reached 54.85 million (INEGI, 2024). On the other hand, the percentage of the employed population working in the informal sector was 54.5%, that is, more than half of those employed lack social security.

The total number of people in formal employment (as of the first quarter of 2024) was 27.0 million, with 32.1 million employed in the informal sector. Another legacy of this government is the persistence of both the precariousness of the conditions of those in the formal market and the prevalence of informality. As a result, there are a number of elements to consider:

- » Multidimensional poverty is not only related to income inadequacy, but also to the fact that it is also directly associated with labor vulnerability, as labor income is the main source of income for Mexicans.
- » The variables that show to a greater extent the precariousness of labor is the lack of social security and insufficient wages.
- » Poverty even with work is a product not only of informality, but also of the deficiencies offered by “formal” work.

- » The main social protection policy in Mexico is the Mexican Social Security Institute (IMSS), however its model segments the population (entitled and non-entitled beneficiaries) and depends on work. Contradicting the provisions of the Constitution, it establishes a discriminatory distinction (Article 1).
- » The access to health services is conditioned not only to work but also to the type of work. In order to have social security, one must be affiliated with formal employment.

Mexico has been unable to solve the legacy of years past: labor precariousness due to the fragmentation of a social protection system unable to offer an inclusive, universal social welfare system capable of guaranteeing people's social and human rights, including the right to decent work, an element that reproduces patterns of poverty and inequality.

The total number of people in formal employment (as of the first quarter of 2024) was 27.0 million; those in the informal sector were 32.1 million. One more legacy of this government is the enormous persistence of both the precarious conditions of those in the formal market and the prevalence of informality.

SOCIAL PROGRAMS

The role of social programs in the income of individuals has been a major topic of discussion and debate before and after elections. Data by the Mexican Government indicate that more than 27 million people will have access to federal support during 2024, based on a historic funding of 745,813 million pesos (27% more than in 2023).

It is necessary to understand the *raison d'être* of social programs in order to discern their existence and, above all, understand their results. A country's social development policy should seek to ensure that people have guaranteed access to a life of dignity and well-being, reducing inequalities. In other words, a social protection system or Welfare State would have to fulfill at least three functions: 1) redistribute; 2) demerchandise; and 3) defamiliarize access to welfare (Jaramillo-Molina, 2023).

Two of the issues to be analyzed are the coverage and delivery of social programs. Although the total coverage of monetary transfer social programs has reached its historical maximum in 2022 (34%), this is not something to celebrate (Graph 5.4) since the poor were not addressed first in the social policy of the 2018–24 administration.

The Government of Mexico indicates that more than 27 million people will have access to federal support during 2024, based on a historical funding of 745,813 million pesos (27% more than in 2023).

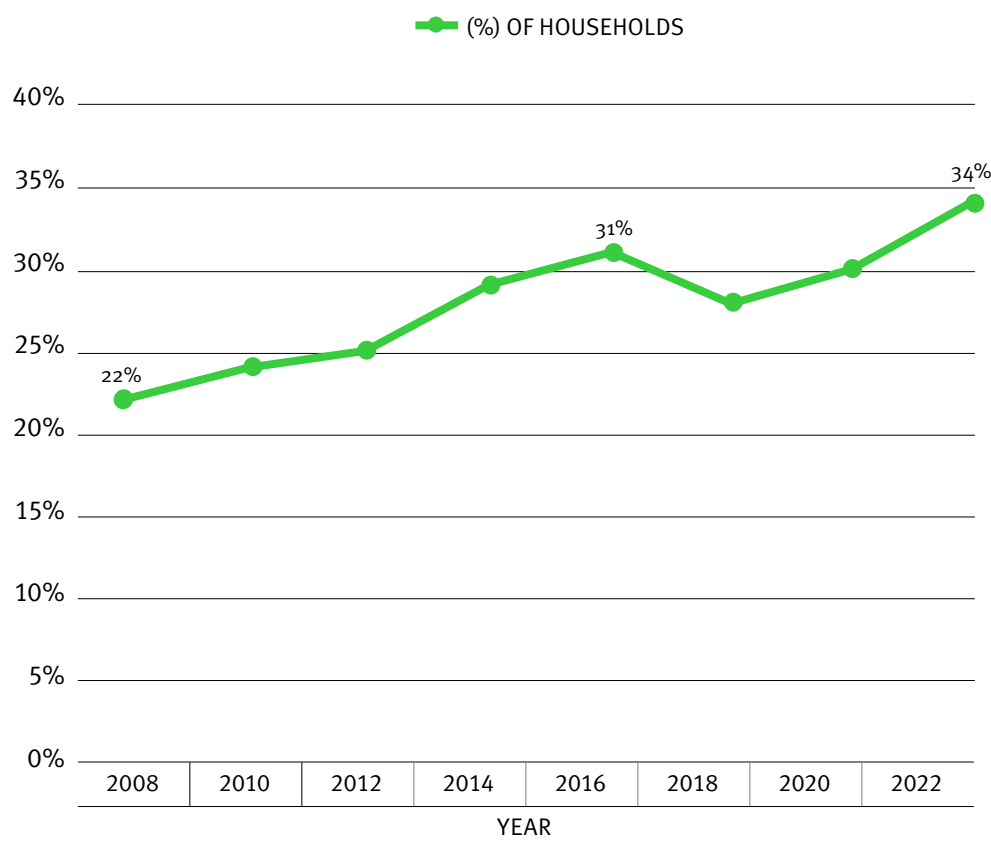


To date there is evidence that there is less coverage of social programs for the poorest 30%. At the same time, the coverage of social programs for the richest tripled (Jaramillo-Molina, 2023). In 2016, 68% of the 5% poorest households benefited from social programs. By 2022, that percentage was 49%, a drop of almost 20 percentage points. In other words: within the 5% of people with the lowest income almost 3 out of 10 who received social programs in 2016 did not receive them in 2022. This while for the wealthiest households (top 20 percent of income earners) coverage increased from 6% in 2016 to 20% in 2020 (Jaramillo-Molina, 2023).

Graph 5.5 shows that the redistributive effect of the cash transfer policy was lost: in 2018, of all resources redistributed, 23% went to the poorest 10%. In 2020 it was 10% and in 2022, 9%.

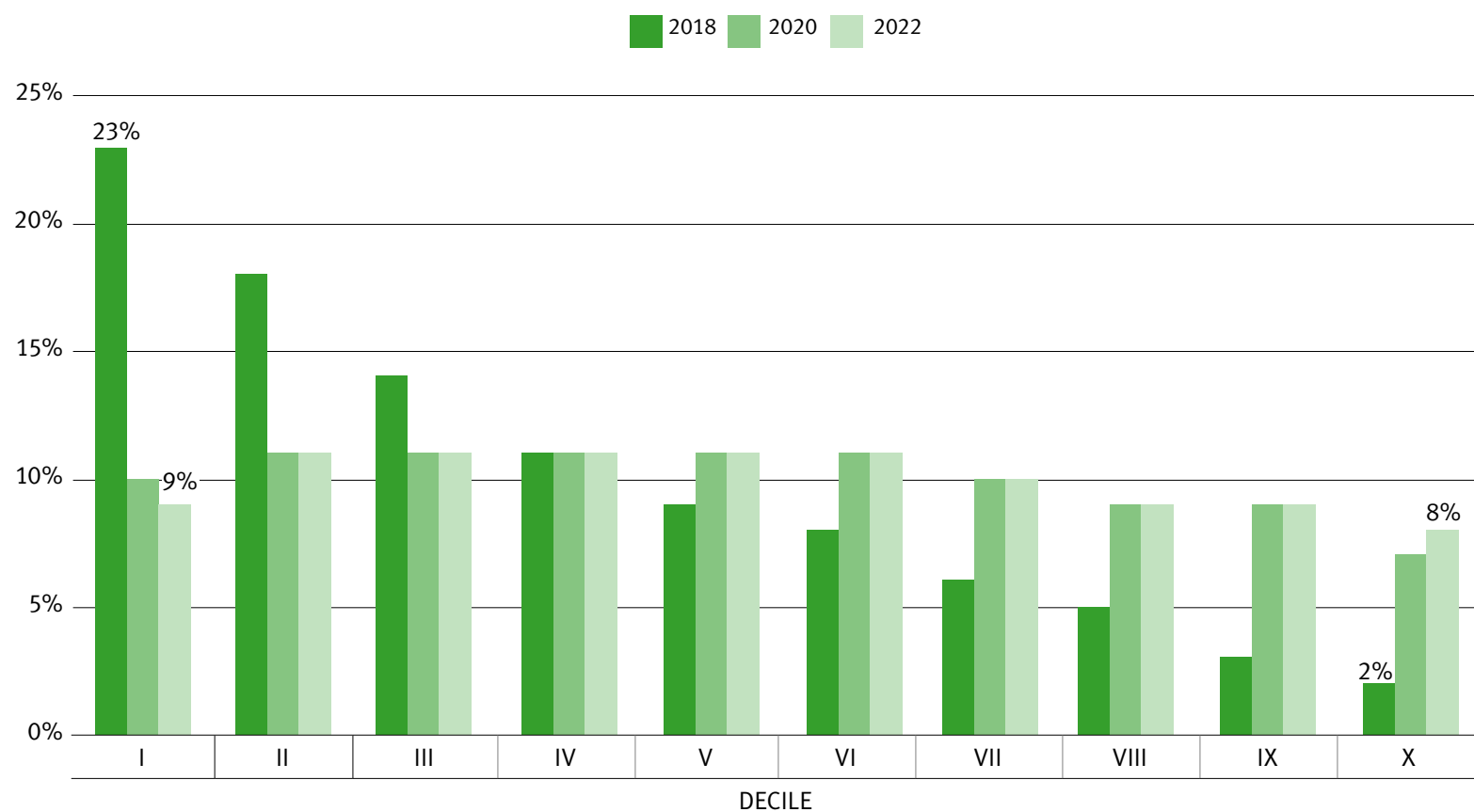
In 2016, 68% of the poorest households were beneficiaries of social programs. By 2022, only 49% were receiving them. For wealthier households, coverage increased from 6% in 2016 to 20% in 2020 (Jaramillo-Molina, 2023).

GRAPH 5.4 EVOLUTION OF THE PERCENTAGE OF HOUSEHOLDS THAT RECEIVED SOCIAL PROGRAMS, 2008–2022



Source: Jaramillo-Molina, 2023

GRAPH 5.5 DISTRIBUTION OF SOCIAL PROGRAMS BY DECILES OF PER CAPITA INCOME
IN 2018, 2020 AND 2022



Fuente: Jaramillo-Molina, 2023

As if that were not enough, despite the doubling of total resources from social programs that households are expected to receive, the average incidence on income barely increased by 2 percentage points (from 13% to 15%). Moreover, the incidence of social programs on income for the poorest (decile 1) decreased from 25 to 21% from 2018 to 2022. The incidence increased for the highest deciles (deciles VIII, IX and X) (Graph 5.6).

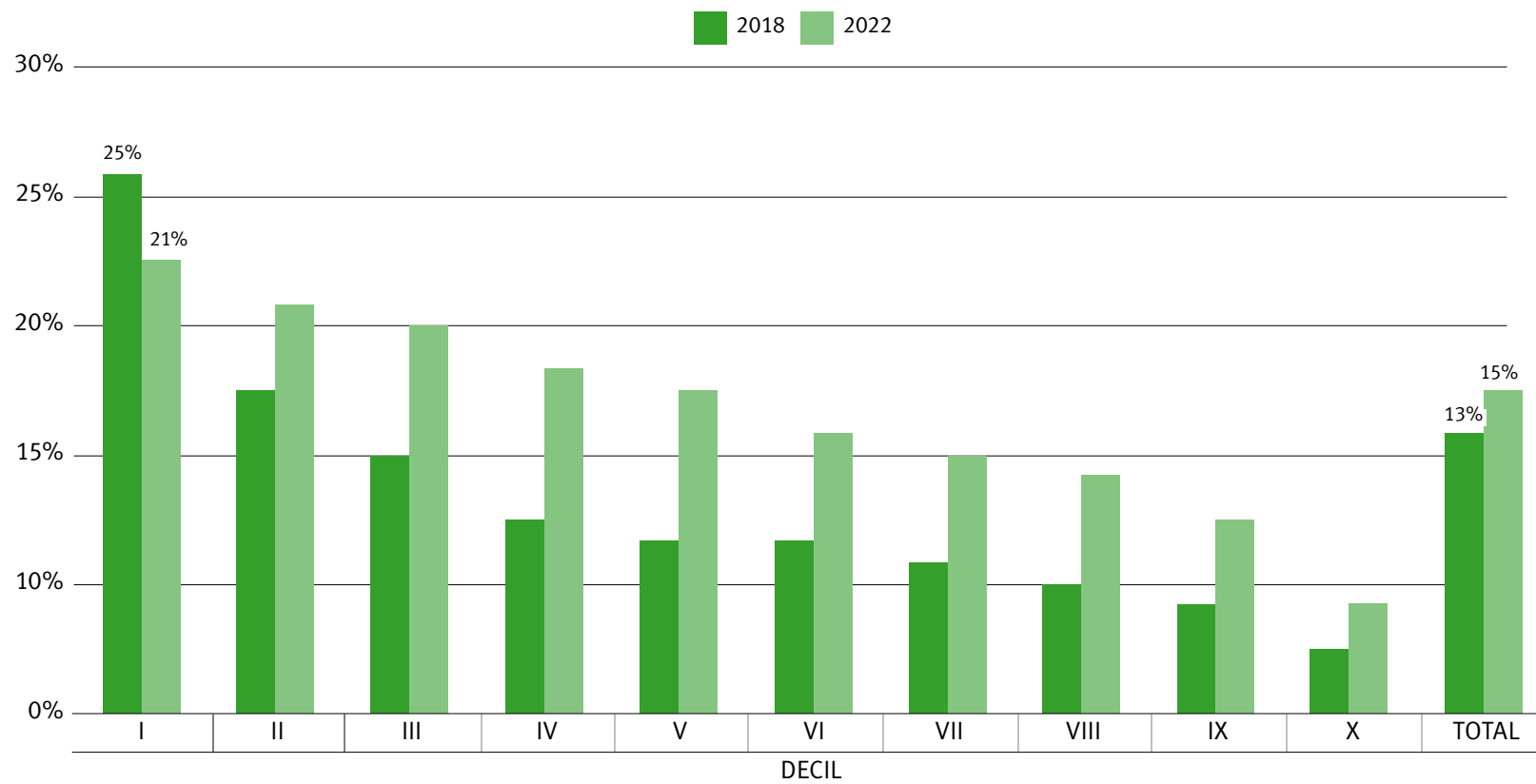
A legacy of President Lopez Obrador's administration is that the loss of the progressivity of social policy with respect to transfers still did not guarantee a minimum of welfare for the poorest, rather promoting poverty and inequality schemes from which it is difficult to escape.

The total coverage of cash transfer social programs has reached its historical maximum in 2022 (34%), not something we can celebrate, since the poor were not looked after, as a priority, in the social policy of the 2018–24 administration.



Image: "The scholarship Youths Writing the Future includes a total support of up to 9,600 pesos" Photo: National Coordination of Welfare Scholarships Benito Juárez) at <https://www.infobae.com/america/mexico/2020/07/20/becas-para-el-bienestar-benito-juarez-si-tienes-mas-de-20-anos-estos-son-los-apoyos-que-puedes-solicitar/>

GRAPH 5.6 COMPARATIVE INCIDENCE OF SOCIAL PROGRAMS ON TOTAL INCOME
BETWEEN 2018 AND 2022



Source: Jaramillo- Molina, 2023

A legacy of Lopez Obrador's administration is that the loss of the progressivity of social policy with respect to transfers still did not guarantee a minimum of welfare for the poorest households, promoting patterns of poverty and inequality from which it is difficult to escape.

UNIVERSAL PENSION

In recent years the composition of the population has changed rapidly. Various factors caused the increase in the older population to be greater than that of other age groups. Among them, the high birth rate in the first half of the 20th century and its continuous decline since 1960, as well as the decrease in mortality rates and the increase in life expectancy (Coneval, 2021). By 2015, there were just over eight million people aged 65 and over in Mexico (6.8% of the population). By 2020, 9.8 million (7.6%) and by 2024, 10.3 million (8.2%) (INEGI, 2024).

From the perspective of social policy, this issue brings with it major challenges for the State. Although the elderly population has a lower incidence of poverty than the rest¹², they are exposed to a reduction in their physical capacities and expulsion from the labor market, as well as to special health or education conditions which can translate into a reduction in income (Coneval, 2021), increasing the probability of falling into poverty or difficulties escaping it.

In 2024 the population aged 65 and more was over 10.3 million people, 8.2% of the total population (INEGI, 2024).



Image: Mexican senior citizens at <https://www.zonacentronoticias.com/wp-content/uploads/2014/08/Sedso-Personas-Adultas-Mayores-1.jpg>

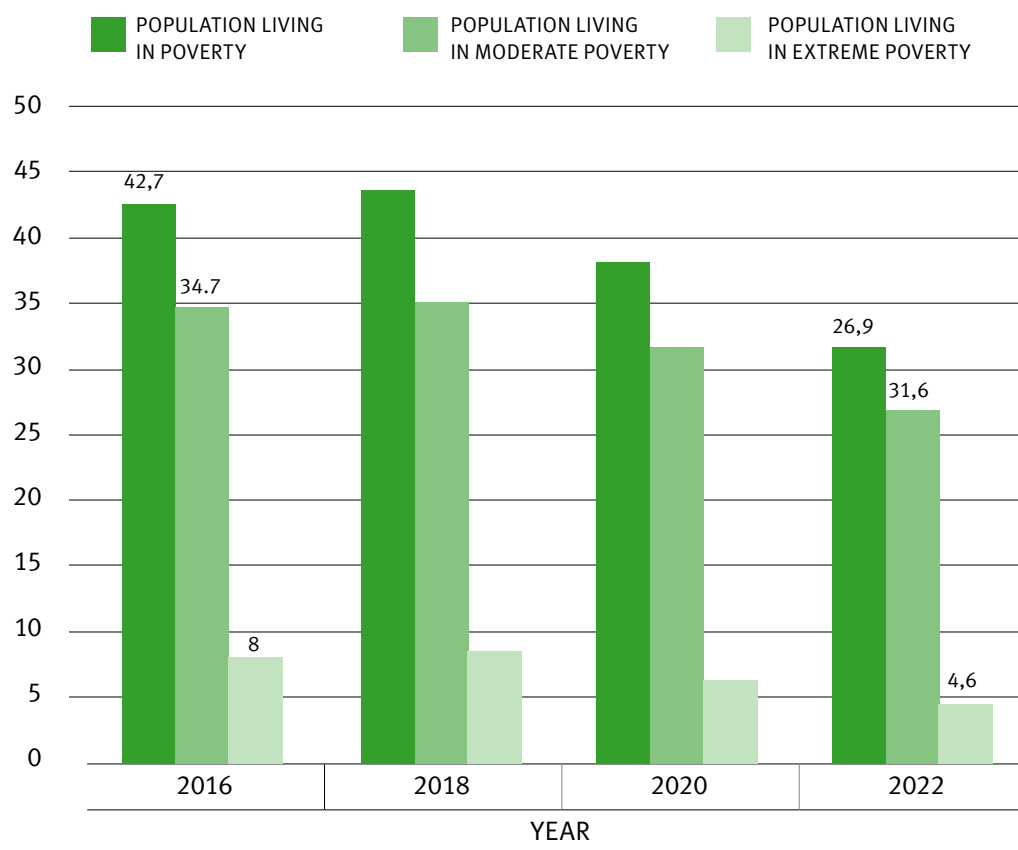
¹² In 2022 the percentage of the population over 65 years of age and poor was 31.1%, while for the rest it was 42.9% (Coneval, 2023).

One of the challenges for this age group are the persistent levels of poverty. According to Coneval, from 2016 to 2018 the percentage of older people in poverty increased 0.9 percentage points, from 42.7% to 43.6%. By 2020, however, that percentage was 38.1% and by 2022, 31.6% (Graph 5.7). These data show an improvement which is a positive legacy of this administration, as the proportion of people living in poverty and/or extreme poverty fell significantly, important at this stage of life.

Social deprivations are also persistent. Although there have been decreases over the years, by 2022 the lack of access to health care services is the most common as it tripled from 8.8% in 2018 to 28.5% in 2022 (Figure 5.8).

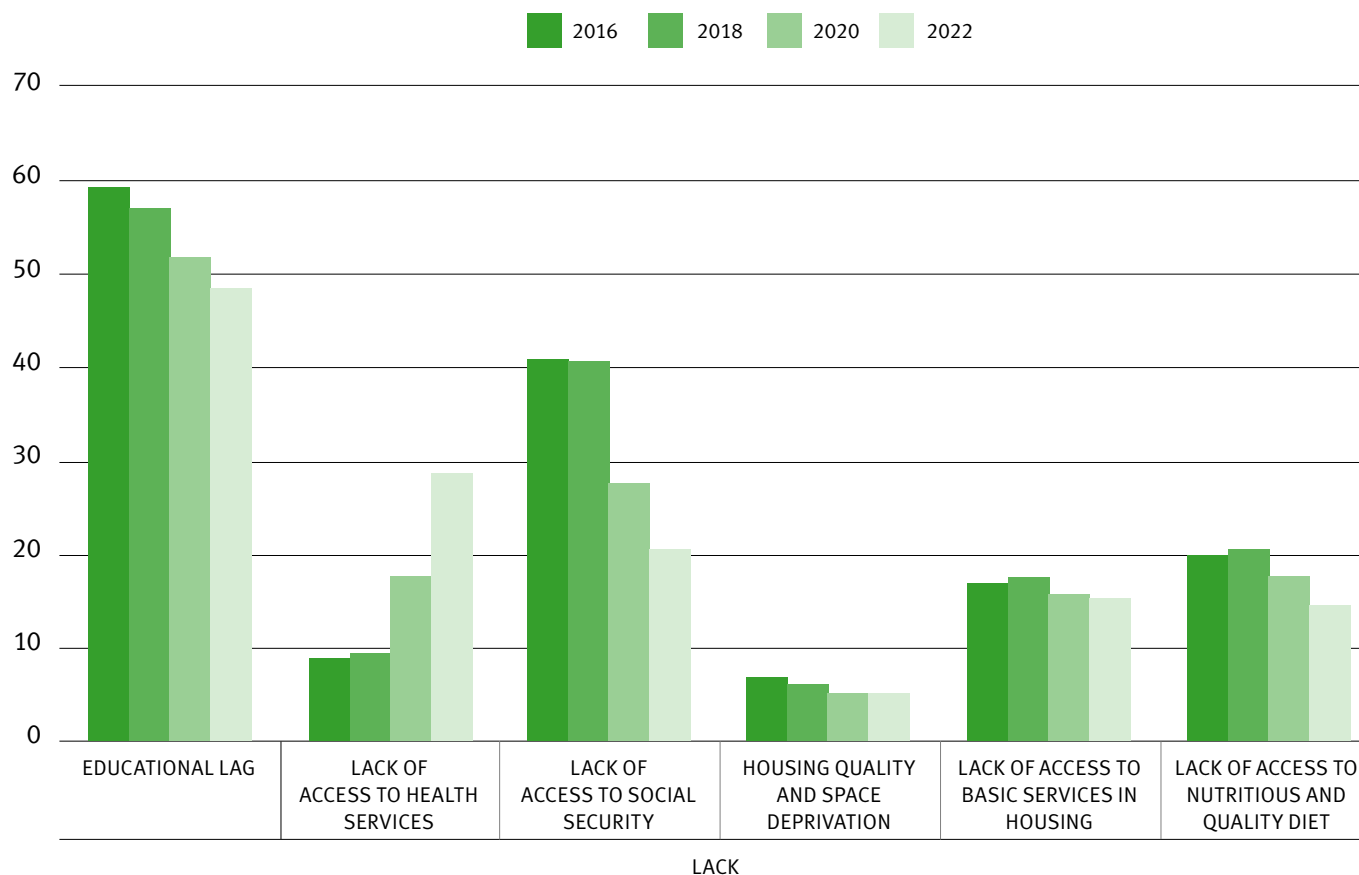
From 2016 to 2018 the percentage of elderly people in poverty increased 0.9 percentage points, going from 42.7% to 43.6%. By 2020, however, it was 38.1%, and in 2022, 31.6% (Coneval, 2023).

**GRAPH 5.7 PERCENTAGE OF THE POPULATION AGED 65 AND OVER
IN POVERTY AND EXTREME POVERTY FROM 2016 TO 2022**



Source: In-house elaboration with data from Coneval (2023).

**GRAPH 5.8 INDICATORS OF SOCIAL DEPRIVATION IN PERSONS AGED 65 AND OVER
FROM 2016 TO 2022**



Source: In-house elaboration with data from Coneval (2023).

According to Coneval's clarification to identify people living in poverty, there is the economic welfare space, which considers the income available for the purchase of goods and services¹³. In 2022, 37.5% of the population aged 65 and over had an income below the income poverty line (LPI, for its acronym in Spanish) and 8.8% had an income below the extreme income poverty line (LPEI, for its acronym in Spanish).

Compared to 2020 (previous measurement), these percentages decreased by 8.6 and 4.6 percentage points, respectively (Coneval, 2023). This indicates that the elderly was in a better income situation.

According to the Total Current Income Per Capita (ICTPC, for its acronym in Spanish) classification, monetary transfers¹⁴ were the main source of income for people 65 and over (47.2%). These are flows from retirements and pensions, compensations, scholarships, donations from non-governmental organizations, remittances, and benefits from social

¹³ Specifically, ICTPC results from dividing the sum of monetary and non-monetary income of all household members by the number of people in the household according to their age (Coneval, 2021).

¹⁴ The most important cash transfers for the elderly were: 1) contributory pensions, 2) non-contributory pensions (from social programs) and 3) those from other households (Coneval, 2021).

Income poverty measurements of the population aged 65 and over indicate that the elderly found their income situation better than in previous years.



Image: "Pensions for the elderly will reach 10 thousand pesos says Lopez Obrador" at <https://vallartaindependiente.com/2021/11/12/pensiones-de-adultos-mayores-seran-de-10-mil-pesos-mensuales-dice-Lopez-Obrador/#prettyPhoto>

programs. The second source of income was remuneration for subordinate work (30.3%). In this section we will focus on pensions, specifically non-contributory¹⁵ paid by the government.

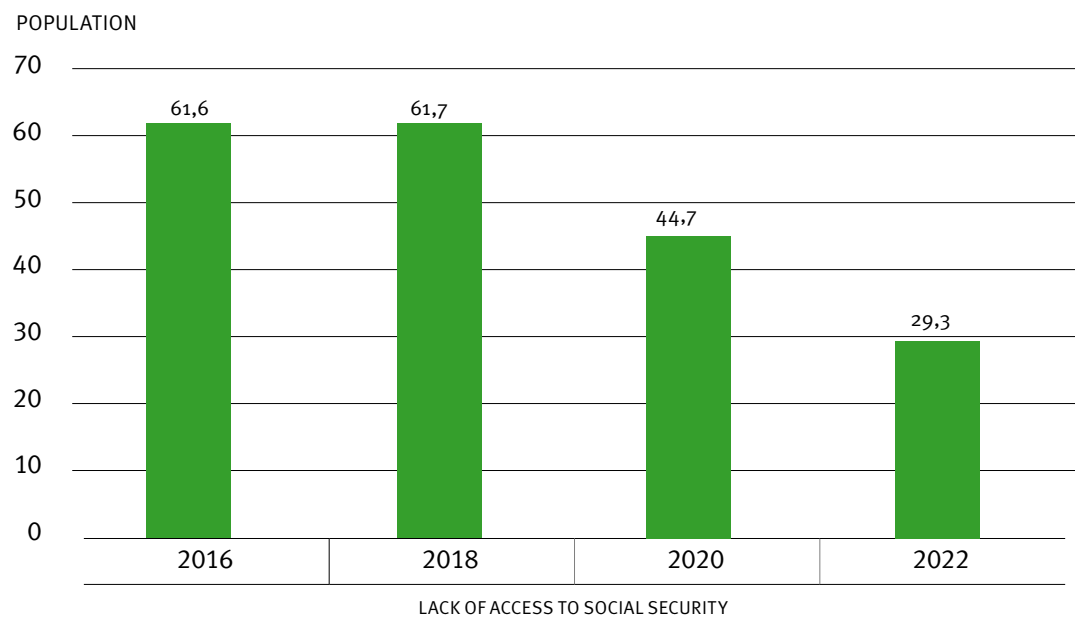
It should be noted that, according to Coneval (2023), the percentage of the population aged 65 and over with an income from programs for the elderly is lower than the average of the extreme poverty lines by income and who do not have a pension (Graph 5.9). This would lead us to consider that the Welfare Pension for the Elderly (PBPAM, for its acronym in Spanish) played an important role in the incomes of the poorest households. It stands out in terms of scope and budget. No other social program received such as impulse in 2019–24.

The PBPAM went from 11% in 2018 to 20.1% in 2022 (Graph 5.10), being the program with the largest share within the total number of social programs in each year.

In 2020, the elderly, like the rest of the population, had various sources of income, which can be identi-

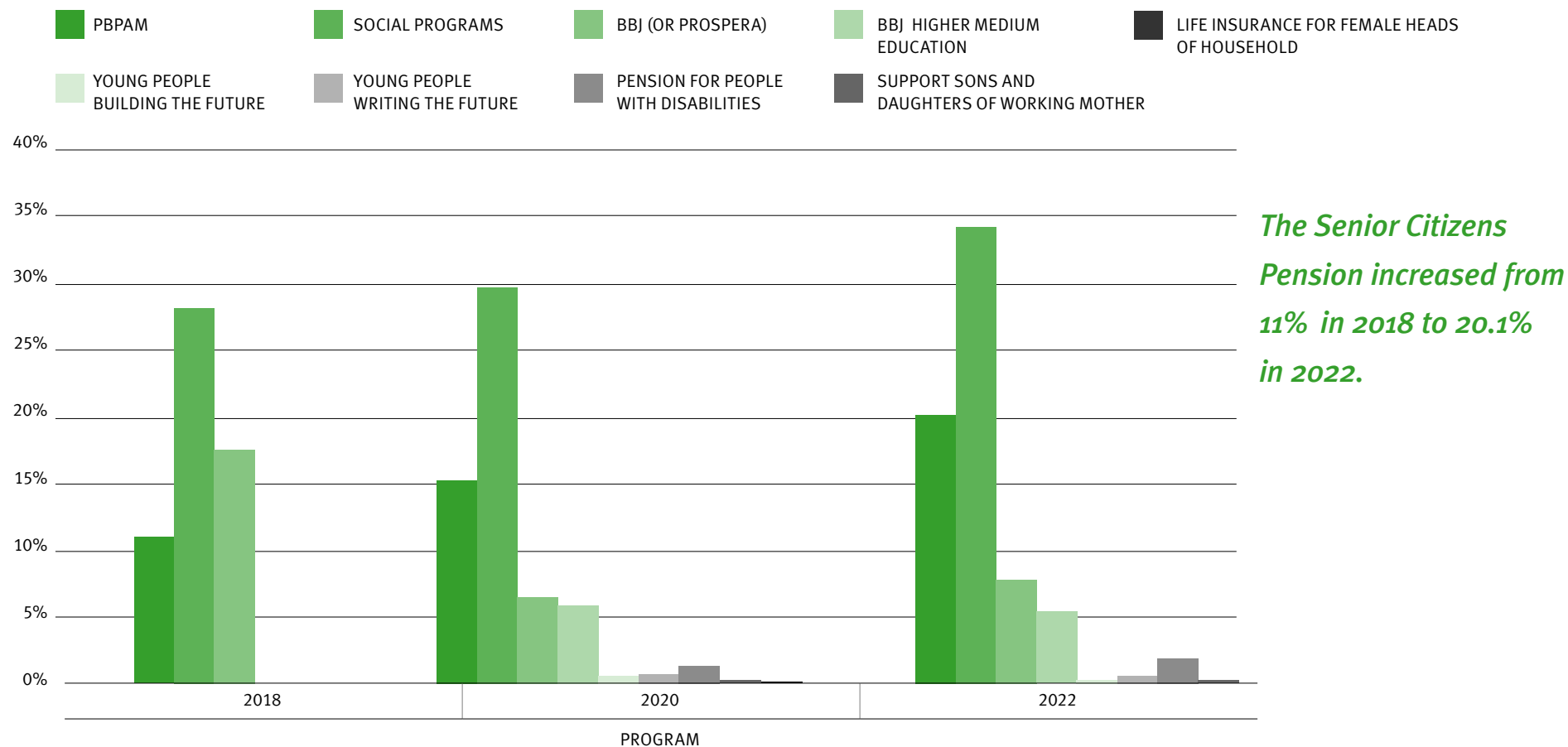
¹⁵ Also called social pensions: they are financed by current spending without a contribution from workers, employers or public institutions. In Mexico, these are the Welfare Pension for the Elderly (PBPAM) and the Pension for People with Disabilities (Macias, 2024).

GRAPH 5.9 POPULATION AGED 65 AND OVER WITH AN INCOME FROM PROGRAMS FOR THE ELDERLY BELOW THE AVERAGE OF THE EXTREME POVERTY LINES BY INCOME AND WITHOUT A PENSION (RETIREMENT)



Source: In-house elaboration with data from Statistical Annex 2022 of Coneval (2023)

GRAPH 5.10 AVERAGE COVERAGE OF THE SENIOR CITIZENS PROGRAM (PBPAM)
AND SOCIAL PROGRAMS IN 2018, 2020 AND 2022



Source: Jaramillo-Molina, 2023

fied by income and at an individual level. In the case of people aged 65 and over, slightly more than half (55.7%) had non-contributory pension income (social programs) and the average amount was 1,292 pesos per person per month, while other smaller sectors, such as those who received remuneration for subordinate work (9.8%), received on average higher income for this concept (6,990 pesos). On the other hand, one third had access to retirement benefits (contributory pension¹⁶) and the average monetary value was even higher (7,362 pesos) (Coneval, 2021).

In general, people receiving pension income were better off than the total population aged 65 and over. For example, in 2020, the percentage of the non-poor and non-vulnerable population that received a pension was higher (29.4%) than in the total of people in this age group (26.5%).

However, different conditions were observed among those who only received a contributory pension and those who only received a non-contributory pension, which influenced their poverty situation (Table 5.5), as 54.1% of the elderly population that only received

People receiving pension income were in a better situation than the total population aged 65 and over.

TABLE 5.5 POPULATION AGED 65 AND OVER, BY TYPE OF PENSION AND POVERTY STATUS, MEXICO, 2020				
TYPE OF PENSION	PENSIONS		POVERTY	
	MILLIONS	%	MILLIONS	%
Contributory pension only	2.1	17.3%	0.3	6.4%
Non-contributory pension only	4.7	39.9%	2.4	54.1%
Receive both	1.9	15.8%	0.3	5.8%
Do not receive pension	3.2	27.0%	1.5	33.7%
Total	11.9	100.0%	4.5	100.0%

Source: In-house elaboration with data from Coneval (2021).

¹⁶ Those granted by institutions such as IMSS, ISSSTE, ISS-FAM, Pemex, CFE, municipal and state regimes in which workers, employers and government contributed a percentage of their salary to finance their pension (CIEP, 2017).

a non-contributory pension was in poverty, while among those who only received a contributory pension this percentage was much lower (6.4%) (Coneval, 2021).

In 2020, 8.7 million people aged 65 and over received a pension, either contributory, non-contributory or both; this was equivalent to 73% of the total this population group. A current challenge for the Mexican government will be to seek new sources of financing for the universal pension system as it is currently financed by fiscal resources. As the allocation of resources to pensions has been increasing in recent years, this could pressure the country's public finances.

Graph 5.11 shows the evolution of public spending on contributory and non-contributory pensions (PB-PAM). Year by year both increase in real terms, but at different growth rates. From 2018 to 2024, spending on contributory pensions grew 41% and the PBPAM by 879%. The dynamics of demographic aging implies that each year there are more pensioners.

Public spending is under pressure from pensions, both contributory and non-contributory, the later where PBPAM comes in; therefore, they must look for more sources of financing since there is little fiscal

Public spending is pressured by pensions (contributory and non-contributory); therefore, more sources of financing should be sought, as this has led to the neglect of needs such as health and security and the neglect of life stages like early childhood (Signos Vitales, 2023c).

slack, which has led to neglecting other needs such as health, security, and even other stages of life such as early childhood (Signos Vitales, 2023c).

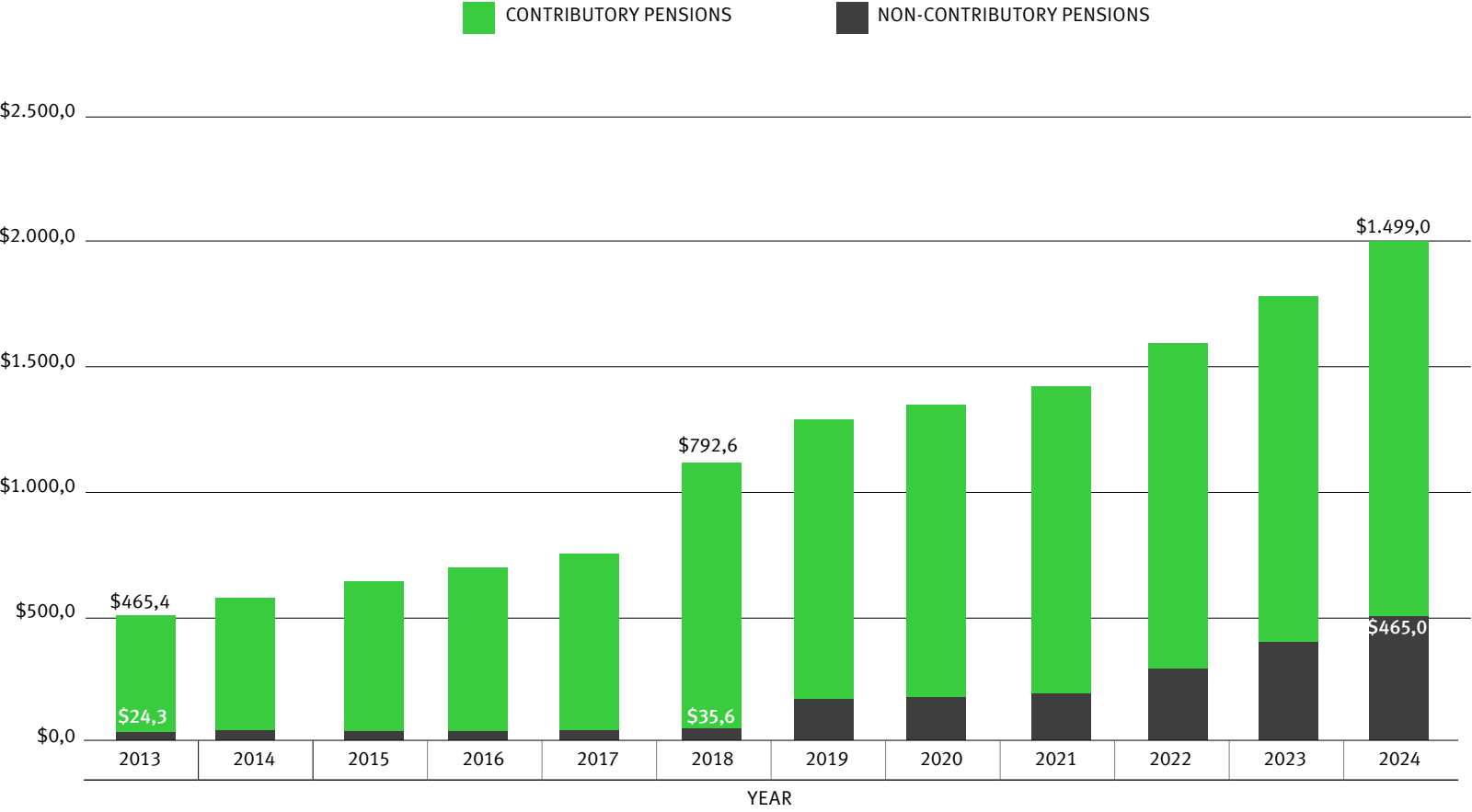
As we know, the initiative for constitutional reform of the contributory pension system in Mexico consists of modifying Article 123 of the Constitution by promoting:

- » That workers receive 100% of their last salary;
- » It establishes a limit of \$16,777 pesos per month;
- » A welfare pension fund set up with various sources of funding, etc.

Although the law establishes that all initiatives must present the source of financing and the budgetary impact, these requirements were not presented.

In this regard, the CIEP prepared an analysis of the weight of pensions in public spending. This study es-

**GRAPH 5.11 EXPENDITURE ON CONTRIBUTORY AND NON-CONTRIBUTORY PENSIONS
(BILLIONS OF PESOS)**



Source: CIEP (Macias, 2024).

establishes that without implementing the proposals, that is, only considering population dynamics and the updating according to inflation, by 2030 7.1% of GDP would be devoted to paying all pensions (Macías, 2024).

Moreover, if the initiatives were approved under the assumption of increasing pensions following the PBPAM, that would mean 15% per year. Under this scenario, 7.8% of GDP could end up being spent on pensions.

This is undoubtedly an important issue. For 2024, the legacy in terms of pension payments will represent 27.3% of total government revenues, 22.0% of total net spending and 5.8% of GDP. This is double the amount allocated to other important areas such as health, where a cut of 20 billion pesos was made (Lopez, 2024).

Lopez Obrador's legacy in terms of the pension payment represented 27.3% of total government revenues, 22.0% of total net spending and 5.8% of GDP. This is double the amount allocated to other important areas such as health, where a cut of 20 billion pesos was made (Lopez, 2024).

REMITTANCES

According to the ENIGH (INEGI, 2023), transfers are the second largest source of total current income (17.2%). These include retirements and pensions; scholarships from the government; donations from institutions; benefits from government programs; and income from other countries. Retirements and pensions represent 47.3% of total transfers, followed by benefits from government programs (16.3%), in-kind transfers from other households (13.1%) and donations from institutions and other households (11.6%). Income from other countries represents 6.04% of total transfers.

That income from other countries gives a picture of the weight they have in household income. However, the way in which they are captured does not reveal their reality in Mexican households. According to data from the Banxico¹⁷, by 2024 it is surprising that remittances sent to Mexico are close to one third (about 32%) of the social development budget (3,756

¹⁷ The difference between the figures captured by ENIGH and Banxico lies in the origin of the information. While the former is the result of a survey of Mexican households, the central bank's administrative records are the result of records from companies that intermediate remittances and money transfers. Banxico's records thus are a more accurate reflection of the money flows.

Transfers are the second largest source of total current revenue (17.2%), including scholarships, grants, donations and benefits from government programs ENIGH (INEGI, 2023).

By 2024, remittances will account for 32% of the social development budget (3,756 billion pesos) (IMCO, 2023).



Image: Remittances at <https://www.laizquierdadiario.com/Remesas-los-millones-de-los-que-se-quiere-apropiar-Donald-Trump>

billion pesos) (IMCO, 2023). In theory, this income could reduce poverty levels or increase GDP in certain regions.

The growth of remittances has been far superior to the growth of household consumption and the economy as a whole. In Lopez Obrador's administration, while remittances grew cumulatively by around 90%, private consumption and the economy did so by only 11% and 5%, respectively. Meanwhile, social spending will have grown by 38.3% (IMCO, 2023). Recent evidence and studies also support the fact that remittances are pushing up demand for money, which grew by about 97% in the same years (Banxico, s.f.a).

However, these resources have not been distributed equally. In the last six years, 56.7% of the increase is explained by the growth in the receipt of remittances in 124 municipalities out of 2,488 of which there are records¹⁸ (Banxico, s.f.b). In these six years and for that small group of municipalities, the growth will have been 121.4%, going from concentrating 41.4% to 48.6% of total remittances.

While the expansion and diversification of payment systems, and access to them in remote communities,

¹⁸ These are municipalities that have received at least one remittance since 2013 and until mid-2024.

In Lopez Obrador's administration, while remittances grew cumulatively by around 90%, private consumption and the economy did so by only 11% and 5%, respectively. Meanwhile, social spending will have grown by 38.3% (IMCO, 2023).

may have driven growth in a number of places, the analysis indicates that growth is explained to a greater extent by larger cities with access to services that facilitate the collection of remittances and which are not necessarily migrant expellers. It is enough to look at the first percentile of municipalities with the highest growth, which includes various mayoralties of Mexico City (9 of 16) and border cities such as Tijuana, Durango and Monterrey, but also cities that have hosted a greater number of migrants (from other countries) on the southern border, such as Comitán de Domínguez, Ocosingo and Tapachula (all in Chiapas). In the last five years, the growth in the receipt of remittances in Mexico City and Chiapas was 164% and 417%, respectively¹⁹.

¹⁹ The data related to operations (number of transfers) come from the information request with register CTC-BM-39193.

On the other hand, the growth in the amount traded differs from that in the volume (number of transfers). Between 2018 and 2023, the volume of operations grew by approximately 47.0%, while the amount increased 83.9%. At the federal entity level, this gap is even more evident. With preliminary data, by 2023 we know that the average remittance in Chiapas amounted to 679 dollars (the highest in the country); between 2018 and 2023 the average transfer grew by approximately 96%. This state is followed by Oaxaca (524 dollars) and Queretaro (521). In other words, two of the three poorest states receive such flows per transfer that entire communities could leave the income poverty line behind, even if they received only one transfer per household. On the other hand, the growth of the average remittance was higher than the revaluation of the peso against the dollar for the same period of time.

By the end of 2023, the average remittance exceeded 400 dollars in at least 20 states. Household coverage increased by 47% (44% without considering Chiapas, a recipient of migrants in transit), from 4.357 million to 6.398 million households. In other words, the number of households receiving remittances grew by 2 million (1.874 million without considering Chiapas).

In the last five years, the growth in remittances received in Mexico City and Chiapas was 164% and 417%, respectively.

Oaxaca and Chiapas, 2 of the 3 poorest states, receive such flows that entire communities could leave the poverty line behind, even receiving only one transfer per household.



Image: "Coronavirus, new threat to Mexican seasonal workers in the U.S. Photo: MHP Salud at <https://ipsnoticias.net/2020/04/coronavirus-nueva-amenaza-temporeros-mexicanos-eeuu/>



In 227 municipalities, 72.7% of households receive two monthly remittances, each averaging 440.3 dollars, and in 39% of cases these municipalities are not migrant senders (Signos Vitales, 2023b).

Image: "Remittances sent to Mexico increased 8.7% between January and November 2023" Photo: EFE at <https://forbes.com.mx/las-remesas-enviadas-a-mexico-aumentaron-un-8-7-entre-enero-y-noviembre-de-2023/>

Therefore, either migration figures (Mexicans leaving the country) are underestimated, or the transfers are not being used for current household spending in Mexico.

Statistics show that many regions of the country receive at least two remittances per household, in much larger proportions than those reported by of-

ficial surveys such as ENIGH and ENIF. According to ENIGH 2022, annual income from abroad was 2,644 pesos, which, multiplied by 37.6 million households and 18 pesos per dollar, adds up to only 5,523 million dollars in income from abroad.

In 227 municipalities, 72.7% of households receive two monthly remittances, each averaging 440.3 dol-

lars, and in 39% of the cases these municipalities are not migrant senders (Signos Vitales, 2023b). These municipalities show a remittance coverage three times higher than that of the West and Bajío region (the region that receives most remittances), and more than five times the national average (Cardenas, 2023). Despite the significant amount of remittances, poverty remains persistent. The average income from remittances (880.6 dollars, assuming two transfers per household) is above the extreme income poverty line.

Although there are doubts about the origin of part of the remittances, most of them are still the product of the work of Mexicans in the United States and sent to their families. After discounting remittances captured by foreigners in transit and suspicious remittances, in 2024 Mexican families will receive close to 54 billion dollars (about 82% of the total). This amount represented close to 3.0% of GDP and 10.1% of labor income in Mexico, which totaled 9,668.6 billion pesos in the first quarter of 2024 (INEGI, s.f.).

The increase in income has boosted consumption in several regions, especially the center-north and south (by 1.7% and 1.2%, respectively) (Signos Vitales, 2023a). The second and third quintiles of the population have benefited the most. This increase



Image: "Private consumption stagnated in July, INEGI reports. Photo RobertoGarcia Ortiz at <https://www.jornada.com.mx/noticia/2023/10/03/economia/se-estan-co-en-julio-el-consumo-privado-reporta-inegi-2106>

The increase in income boosted consumption in several regions, especially the center-north and south (by 1.7% and 1.2%, respectively) (Signos Vitales, 2023a).

had a significant impact on private consumption. Without remittances, consumption would have fallen by 11.6% instead of 10.6% during the health crisis (Siguinos Vitales, 2023b). Thus, income from remittances encourages consumption in some regions of the country, although unevenly according to income level, and the real income received by households has not been sufficient to eradicate extreme poverty.

Various studies and reports have indicated that the increase in remittances may be related to money laundering, especially in regions controlled by organized crime (Mexico, IMF, 2023). This phenomenon has been favored by the lack of rigorous controls on international transfers and the porosity of the Mexican financial system. According to a U.S. State Department report, up to 10% of remittances entering Mexico could be linked to illegal operations, more than 6 billion dollars per year (U.S. State Department, 2023). The dependence on remittances and the possibility of a significant fraction coming from illicit sources pose serious challenges to the country's economic stability and security.

Instead of fostering an economy based on formal and productive employment, this situation perpetuates informality and reinforces the influence of organized

crime in certain regions. In addition, the use of remittances to launder money can distort the local economy, inflate property values, and generate inequalities in communities that rely heavily on them (Mexico, IMF, 2023). The negative remittance legacy is reflected in the vulnerability of the Mexican economy to external factors and the perpetuation of illicit activities that undermine the rule of law. While the Lopez Obrador administration celebrated the increase in remittances as an achievement, it is essential to address their negative implications and work on implementing policies that promote sustainable and legal economic development.

Several studies and reports have indicated that the increase in remittances may be related to money laundering, especially in regions controlled by organized crime (Mexico, IMF, 2023).

HOUSEHOLD EXPENDITURES

On the other hand, it is crucial to know what Mexican families spent in order to understand the dynamics of household consumption. According to the ENIGH (INEGI, 2023), the main item of expenditure was "food, beverages and tobacco" with 37.7% of the total; then transportation and communications (19.3%); education and leisure (9.8%); housing and services (9.5%); personal care (7.7%); cleaning and housekeeping (6.1%); clothing and footwear (3.8%); health (3.4%) and 2.8% on transfers.

The 10% of households with the lowest income (decile I) had an average monthly expenditure of 4,907 pesos, while the 10% with the highest income reported spending 34,080 pesos. With the exception of Mexico City, the states with the highest expenditures are in the north (Queretaro, Baja California, Nuevo Leon and Baja California Sur), while the states that reported the lowest expenditures are in the south (Guerrero, Veracruz, Tlaxcala, Oaxaca and Chiapas).

Some of the relevant data from 2018 to 2022, refer to household spending on healthcare, which grew 30.9% and was the item with the highest growth among household expenditures. In real terms, the

increase was 28.4%, from 4,401 pesos to 5,650 pesos and in lower income households (deciles I to IV), out-of-pocket spending in health increased between 32.2% and 54.9%.

From 2018 to 2022, all households increased their spending on housing, with the exception of deciles IV and V. The largest increases were presented by deciles I, II and III (variation of 30.0%, 17.2% and 12.6% respectively). Finally, in 2022, on average, people paid less consumption taxes, but more income taxes compared to 2020. The 50% with lower incomes contribute to the tax system on average through consumption taxes, while the 50% with higher incomes contribute more through income taxes (INEGI, 2023).

Although taxes related to income are the most progressive (that is, those who earn more, pay more), from 2020 to 2022 the tax system lost progressivity, going from a Gini index of 0.630 to 0.619²⁰. Greater equality is interpreted as a lower tax burden on higher income deciles (in relation to lower income deciles), so values closer to 1 are more progressive (CIEP, 2023).

²⁰ Using the Gini index on tax contributions, greater equality is interpreted as a lower tax burden (CIEP, 2023).

From 2018 to 2022, household spending on healthcare was the fastest growing item at 30.9%.

Spending on housing also grew, especially in all deciles I, II and III (lower income) with a variation of 30.0%, 17.2% and 12.6%, respectively.

ALTERNATIVE POVERTY DATA

The University Program for Development Studies (PUED in Spanish) of UNAM calculates multidimensional poverty based on the 2010 general guidelines and criteria for the identification and measurement of poverty (DOF, 2010). Using as main input the ENIGH's Socioeconomic Conditions Module (MCS) for the years 2008 to 2014 and the Statistical Model for Continuity of the MCS-ENIGH for the years 2016 to 2022.

In contrast to the data presented by Coneval (presented in the first section), poverty levels in Mexico for 2022 are not as encouraging as assumed. In 2022, multidimensional poverty reaches 41.8% and extreme poverty 8.7%. Although both percentages are lower than those reported in 2020 (previous measurement), they are higher than those reported by Coneval (36.3% and 7.1%, respectively).

The PUED-UNAM descriptions explain that the decreases in poverty data presented by Coneval occur in the dimension of well-being (income) and not in the area of social rights (social deprivation). Based on counterfactual exercises, It shows how labor compensation is the most important source of monetary poverty and extreme monetary poverty, so that the

Poverty levels by 2022 are not as encouraging as assumed. In 2022 multidimensional poverty reached 41.8% and extreme poverty 8.7% (PUED, s.f).

TABLE 5.6 PUED-UNAM MULTIDIMENSIONAL POVERTY DATA		
YEAR	POVERTY (%)	EXTREME POVERTY (%)
2008	44.4	11.1
2010	46.1	11.3
2012	45.5	9.8
2014	46.2	9.6
2016	43.6	7.7
2018	41.9	7.4
2020	44.5	9.2
2022	41.8	8.7

Source: In-house elaboration with data from PUED-UNAM (PUED, s.f).

effects of labor compensation in 2022 jump sharply with respect to 2016 and 2018. This fact is necessarily reflected in the volume of people who would increase poverty levels.

The PUED-UNAM calculations were made based on the ENIGH, limited to the information available at the time, and it should be noted that these data are estimates based on atypical data²¹. Given the atypical behavior of Total Current Income (TCI) in 2022, as reported by Coneval, and the improvement in the capture of labor income (especially in the two quintiles), it was necessary to guarantee continuity under the construction of a Statistical Model for Continuity (Cortes, 2023a) under which the 2022 estimates, presented in Table 5.6, were constructed.

²¹ The estimates arise from, when comparing the distribution of Total Current Income Per Capita (ICTPC) from the 2016, 2018, 2020 and 2022 ENIGHs, they note an atypical shift of the distribution curve, with respect to the previous years of the series.

The PUED-UNAM descriptions explain that the decreases in poverty data presented by Coneval occur in the welfare dimension (income) and not in the social rights space (social deprivations).



Image: "Extreme poverty in Mexico is concentrated in the countryside: ECLAC" at <https://argonmexico.com/2023/04/27/pobreza-extrema-en-mexico-se-concentra-en-el-campo-cepal/>

LEGACY 2. INCOME AND EXPENSES OF INDIVIDUALS

LABOR VULNERABILITY:

- Labor income: main source of income for Mexicans (65.7% of the total).
- Minimum wage increase: from 88.36 pesos per day in 2018 to 207.44 in 2023 and to 248.93 pesos in 2024. However, 7 out of 10 people have an insufficient salary to overcome the poverty line (34.8 million people).
- In 2024 there were 35.5 million workers without social security and 33.2 million without social affiliation.
- Young people (15 to 29 years old) who work have access to more precarious jobs than adults and their unemployment rate (15%) is double that reported by adults at 7% (30 to 34 years old).

SOCIAL PROGRAMS, PENSIONS AND POVERTY:

- 34% of the population receives cash transfers, but its incidence among the poorest (decile I) decreased from 25% to 21% from 2018 to 2022.
- The Welfare Pension for the Elderly (PBPAM) was the most representative program.
- The 10% of households with the lowest income spent 4,907 pesos on average per month, while the 10% with the highest income reported spending 34,080 pesos per month.
- UNAM's University Program of Development Studies estimated that by 2022 the multidimensional poverty in 41.8% of households, while extreme poverty reached 8.7%, figures higher than those reported by Coneval.

Legacy: the universal pension is the most emblematic program of the six-year term. More salaries and social programs hardly reduce poverty.



5.3 Economic inequality



Although progress has been made in reducing poverty, levels of inequality persist. According to the UN, economic inequality is the difference that exists between the distribution of goods or income in a group, societies or countries (ACNUR, 2018). There are several factors that allow inequality to persist, such as difficulties in gaining access to education, inability to access spaces in decision making, gender inequality and/or conflicts such as wars or contexts of violence.

According to Oxfam, the presence of extreme inequality in Mexico is a burden that characterizes the

country and reveals differences between affluence and poverty of great magnitude. Likewise, there is a vicious circle between inequality and economic and political concentration, as well as economic and social consequences of inequality (Esquivel, 2020).

A reflection of the deep inequality is shown by the level of concentration of wealth in a few and the comparison with the level of poverty of the rest. According to Oxfam (2024), since 2020 the combined wealth of the world's five richest men doubled. During the same period, the accumulated wealth of about 5 billion people globally shrunk. Looked at another way, if

A reflection of the profound inequality is shown by the level of concentration of wealth in a few and the comparison with the poverty level of the rest.

each of the five richest men spent \$1 million a day, it would take them 476 years to exhaust their combined wealth (Riddell *et al.*, 2024).

Inequalities do not stop when comes to gender. According to the same source (Oxfam, 2024), men own 105 trillion dollars more wealth than women. The persistence of inequality is consistent worldwide and Mexico is no exception.

According to another Oxfam report (2024), extreme inequality indicates that Mexico's 14 ultra-rich concentrate 8.18 out of every 100 pesos of the country's private wealth, understanding an ultra-rich individual as someone with a fortune of more than one billion dollars. In particular, one of the ultra-rich alone accounts for 4.48 of those 100 pesos. This not only positions him as the richest person in Mexico and Latin America, but also makes him concentrate almost as much wealth as the poorest half of the Mexican population, around 63.8 million people.

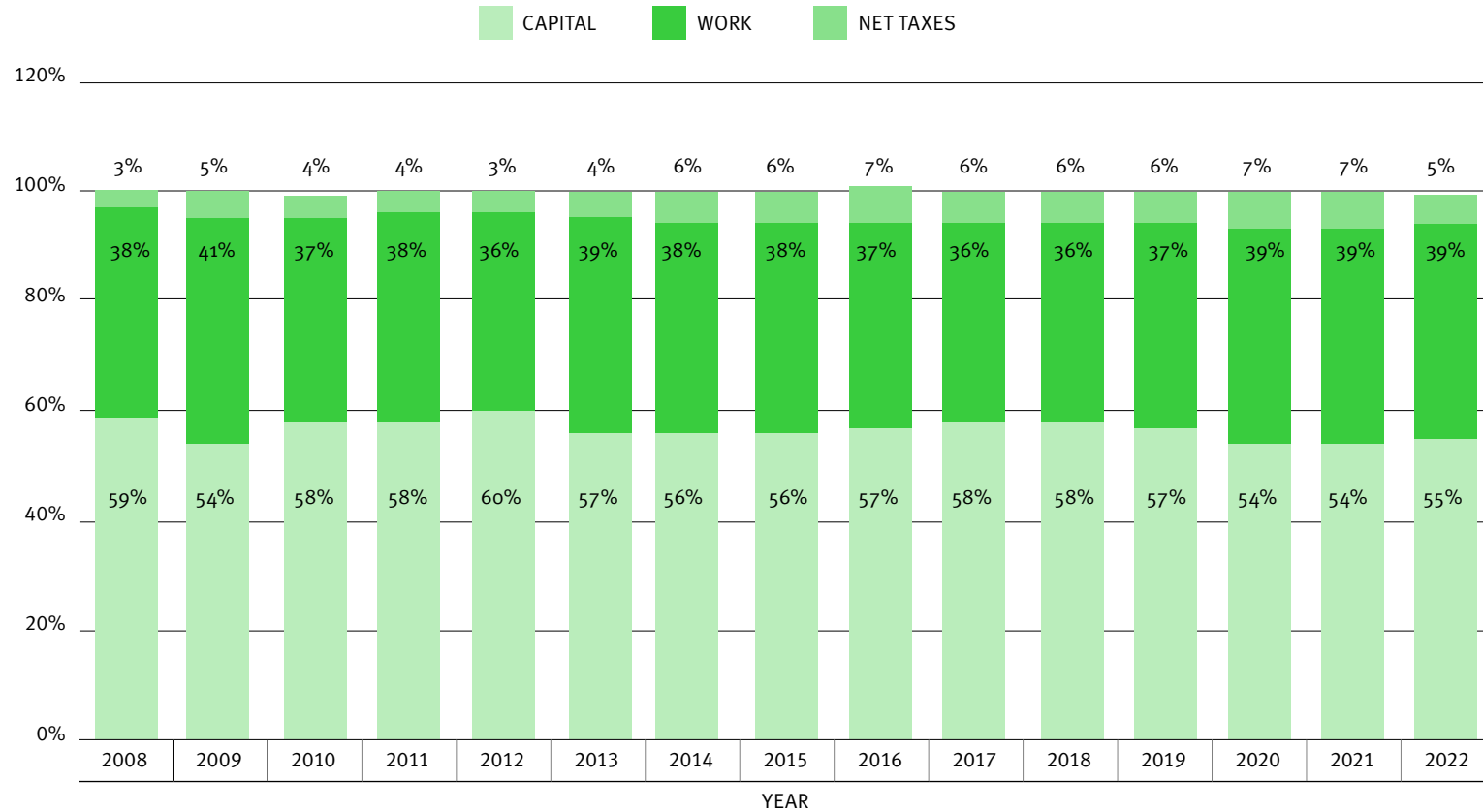
The report also depicts how the excessive concentration of wealth and power is closely related to political power. The ultra-rich are so because of the lack of government intervention to regulate their accumulation of power and influence, which is why such wealth grows and accumulates in the aftermath of crises.

Extreme inequality indicates that the 14 ultra-rich individuals in Mexico concentrate 8.18 out of every 100 pesos of the nation's private wealth (an ultra-rich person is considered to have a fortune above one billion dollars).

The high concentration of market power of large companies is one of the main sources of economic power. Large monopolies have the ability to set prices in the main sectors of the economy, to the detriment of the population's pockets. Inflation was 8.7% between September 2021 and the same month of 2022. Higher increases were observed in goods and services like air transportation (20.2%), hotels (11.6%) and automobile insurance (11.0%). In these markets there is a high concentration in one or few companies in which at least one of Mexico's ultra-wealthy is involved.

Oxfam's study shows that there are profits of this type by companies which take advantage of economic shocks in global crises.

GRAPH 5.12 GDP DISTRIBUTION



Source: Oxfam (2024).

The graph shows that for every 100 pesos produced in the Mexican economy in different years, more than half goes to capital, a smaller proportion to labor, and the government barely earns between 3 and 5 pesos per year.

Corporate profits captured 60% of the increase in prices in the Mexican economy from September 2021 to September 2022, the period of the highest increase in the cost of living in the last two decades (Oxfam, 2024).

On the other hand, a structural characteristic of the Mexican economy is that more than half of the total income (GDP) is taken by those who have capital resources, concentrated in a group of corporations. Graph 5.12 shows that for every 100 pesos produced in different years, more than half went to capital, a smaller proportion to labor, and the government barely earned 3–5 pesos per year.

These gains occurred under a scenario of zero economic growth in Mexico, while globally this was 6.6% between 2018 and 2022 in real terms. In that period, the number of people in the country with a wealth of more than one million dollars increased from 109 thousand to 347 thousand (a growth of 218%), while globally this figure grew by 48%.

Additionally, the Global Poverty Report 2023 analyzes the household wealth of 5.4 billion people around the world and projects that global wealth will reach 629 trillion dollars in 2027. Although global wealth decreased for the first time since the global

It is necessary to recognize that economic power and political power go hand in hand and that it is necessary that clear rules must be established to enable the redistribution of wealth in a country with great inequalities.

Since 2013, the Federal Economic Competition Commission (Cofece) promotes economic efficiency and protects competition in markets to avoid oligopolistic or monopolistic profits. However, it is under threat of disappearing.

financial crisis of 2008, Latin America showed an increase of 2.4 trillion. The largest increases in wealth were recorded in Russia, Mexico, India and Brazil (USB, 2023).

Not all has been prosperity for large fortunes in Mexico. The proportion of wealth captured by the richest

1% fell from 31.0% of the total in 2020 to 28.3% in 2022. However, this group increased its total wealth from 1.1 trillion dollars to 1.4 trillion, a 24% increase, well above inflation (De la Torre, 2024).

Evidently economic and political power go hand in hand in Mexico. It is necessary to establish clear rules that allow for the redistribution of wealth in a country with great inequalities. For this reason, it is important to highlight the existence of agencies in charge of overseeing competition. The Federal Commission for Economic Competition (Cofece) has been in charge of promoting economic efficiency and protecting competition in markets to avoid oligopolistic or monopolistic profits since 1992. Yet, it is under threat of disappearing. This would mean the loss of the power to investigate and sanction anti-competitive behavior, facilitating less competition in markets and strengthening the relationship between capital and political power, amplifying inequality.



Image: Federal Economic Competition Commission logo

FRAGILE ROLE OF THE STATE AS MONOPOLY REGULATOR

A strong and effective state is the greatest strength against the concentration of corporate power and inequalities. Within the economic system, the state serves as a provider of public goods, a corrector of market failures and owner and operator of national enterprises (Ridell et al., 2024). Governments must assume a proactive role in shaping their economies to increase social welfare, and therefore have to guarantee public services that help to exercise social rights (health, education, housing and/or food security, among others); investing in roads, transportation and energy; strengthening and financing legal



Image: "U.S. scolds Mexico for Slim's monopoly, Lopez Obrador rewards him with more deals" at <https://poderlatam.org/2022/02/ee-uu-regana-a-mexico-por-monopolio-de-slim-Lopez-Obrador-lo-premia-con-mas-contratos/>

and regulatory capacity; improving transparency and accountability, and other actions that guarantee people's access to more and better opportunities that promote the common good.

Mexico set the basis for the containment of monopolies more than 167 years ago (Constitution of 1857). Article 28 of the current constitution prohibits monopolies and monopolistic practices and establishes Cofece as an autonomous body whose objective is to guarantee free competition in order to prevent, investigate and combat monopolies, concentrations and other restrictions to the functioning of the market (CPEUM, 1917).

The changes proposed by the constitutional reform presented in February 2024 by President Lopez Obrador regarding Autonomous Constitutional Organizations (OCA) weaken the State's regulatory capacity by creating conflicts of interest in regulatory policy. Some of the problems foreseen relate to the loss of technical rigor in the regulatory performance; another concern refers to conflicts of interest due to the loss of autonomy; likewise, an undesirable politicization could be generated since the change implies turning entities that combat harmful practices into offices with politicized and short-term visions, thus

affecting economic competition (Garcia and Amador, 2024).

The role of the state as regulator of monopolies is at risk due to the initiative passed by the Chamber of Deputies at the end of August 2024. This has led to the concern of the International Chamber of Commerce Global and its Mexico chapter, since the elimination of Cofece would weaken the mechanisms that ensure fair competition and would promote an increase in prices and lesser quality of products offered. Likewise, the legal and regulatory uncertainty derived from its elimination could disincentivize domestic and foreign investment, even affecting GDP growth and job creation, impacting the welfare of consumers (ICC, 2024).

If the Chamber of Deputies eliminates Cofece, it will weaken fair competition and promote price increases and lesser quality of products.

WEAK TAXATION TO SUSTAIN COMMITMENTS

There is a strong concern about the fiscal situation of the government. It arises from the performance of public finances in 2023 and 2024, since fiscal stability is not assured, nor is there a guarantee of rights (IMCO, 2024a).

Although fiscal revenues have reached historic highs, they have not been sufficient to compensate for the reduction in oil revenues, which has led to discretionary cuts in important sectors such as health, education and security. Additionally, public debt has continued to grow and could become unsustainable in the medium term.

According to IMCO (2024a), certain weaknesses have been observed in public revenues. In 2023, revenues grew but not enough²², as they were 1.2% below target. In the last 20 years, only in 2020 (due to the pandemic), total revenues fell short of the target by 3.3% (221 billion pesos).

²² Public sector revenues in 2023 were 7.04 trillion pesos. Although this amount is higher than that observed in 2022, it was 84.3 billion pesos below the amount originally estimated in the Federal Revenue Law (7.12 trillion pesos).

The lag reported in 2023 is mainly explained by a drop in oil revenues. Tax revenues, on the other hand, maintained their upward trend and consolidated their position as the main source of public sector revenues, accounting for almost two-thirds of the total.



Image: "Can Mexico stop its oil production decline?" at <https://oilprice.com/Energy/Crude-Oil/Can-Mexico-Stop-Its-Oil-Production-Decline.html>

When comparing performance by administrations, that of Lopez Obrador will have been the lowest of the last four in terms of growth of public resources. In that of Vicente Fox (2000–2006), the real increase in total public sector revenues was 45.7% (1.5 trillion pesos), with Felipe Calderon (2006–2012), 20.3% (971 billion), and with Enrique Peña Nieto, 14.7% (847 billion). With Lopez Obrador, up to his fifth year in office, 6.7% (443 billion pesos at 2023 prices).

Meanwhile, oil revenues will total 1.08 trillion pesos in 2023, 31% less (484 billion pesos) than in 2022, the second lowest amount in the last 15 years. Even worse, there is no plan to replace oil revenues which up to February 2024 accumulated a drop of 14.5% (183 billion). In other words, in 2023 oil contributed only 15% of total income, while under Peña Nieto this proportion was 19%, under Felipe Calderon 39% and with Fox 40% (end-term figure).

Although tax revenues increased, they were insufficient to compensate for reduced oil revenues and were also lower than planned. By end –2023, the tax intake reached 4.5 trillion pesos, a record figure. These revenues increased 12.4% (497 billion pesos) with respect to the previous year, the largest rise since 2015. However, the Finance Secretariat had

forecast 4.6 trillion. That is, they were 2.2% (103 billion pesos) lower than expected.

However, throughout 2023, the public sector spent 8.12 trillion pesos (25.6% of GDP), a real increase of 1.8% over 2022 (7.55 trillion pesos). However, although social development was a priority, with almost half of total spending allocated to this item (3.86 trillion pesos), the "Health" and "Public Safety and Citizen Protection" items spent less than 55% of their authorized budget (SHCP, 2023).

The growth of public resources in the last four governments was:

Fox: 45.7%

Calderon: 20.3%

Peña Nieto: 14.7%

Lopez Obrador: 6.7%

Oil revenues were:

Fox: 40%

Calderon: 39%

Peña Nieto: 19%

Lopez Obrador: 15% (in 2023).

Health spending reached 808 billion pesos in 2023, a decrease of 3.4% (28 billion pesos) compared to 2022. This reduction happened as different systems of the federal public sector stopped spending a combined 6.9% of their total budget, 60 billion of the 868.1 billion pesos approved for the year. This is the biggest reduction to health spending in the last two decades, both in percentage terms and amount.

The reduction was especially concentrated in systems that serve people without social security. In 2023, the Health Secretariat (SSA) experienced a 49.5% decrease (103.8 billion pesos) compared to the approved budget. Although this cut is associated with the transition from Insabi to IMSS-Bienestar, the additional spending of the latter was only 48.2 billion pesos, not even half the cut in SSA, and thus is likely to continue to affect millions without access to health services.

Another affected institution was Pemex. It was to spend 678.4 billion pesos but fell 15% short of that amount (102 billion). Most of the cuts are due to a reduction in physical investment, which limits the possibility of improving the company's productivity and increases the risk of greater financial insolvency in the future.



Image: "Mexico, between poverty and an endless health crises" at <https://elpais.com/mexico/2023-10-02/mexico-entre-la-pobreza-y-una-interminable-crisis-de-salud.html>

One of the most affected sectors was health spending. It reached 808 billion pesos in 2023, a decrease of 3.4% (28 billion pesos) compared to 2022.

As in the last 15 years (2008–2022), in 2023 the public sector's total net expenditure exceeded its revenues, resulting in a deficit of 1.08 trillion pesos, equivalent to 3.4% of GDP. The contracting of debt to finance this deficit, in a context of high interest rates, was reflected in an increase of 21.5% in real terms in the financial cost, so that the public sector disbursed an average of 87.1 billion pesos per month in interest and debt commissions.

Regarding 2024, IMCO (2024b) reports that in the first and second quarters of the year, the government's debt increased by 1.61 trillion pesos, equivalent to 32 times UNAM's 2024 budget (50.4 billion pesos). Between 2025 and 2029 the government will have to pay 42.7% of the total debt recorded as of June 2024 (7.16 trillion pesos).

The disproportionate growth in spending against the increase in revenues in the first half of 2024 was reflected in the largest budget deficit recorded in a January-June period at least for 19 years, 744.2 billion pesos.

Given this scenario, organizations such as IMCO and Mexico Evalua called on the government to ensure the sustainability of public finances and guarantee the social rights of Mexicans (IMCO, 2024a).

In the first and second quarters of this year, the government's debt increased 1.61 trillion pesos. Between 2025 and 2029, the public sector will have to pay 42.7% of the total debt stock recorded at the end of June 2024 (that is, 7.16 trillion pesos (IMCO, 2024b).

Several organizations, such as IMCO and Mexico Evalua, called on the government to ensure the sustainability of public finances and guarantee the social rights of Mexicans (IMCO, 2024a).



LEGACY 3. ECONOMIC INEQUALITY AND FISCAL WEAKNESS

ECONOMIC INEQUALITY:

- » EXTREME INEQUALITY IN MEXICO IS A BURDEN THAT CHARACTERIZES THE COUNTRY.
- » A STRONG AND EFFECTIVE STATE IS THE GREATEST STRENGTH AGAINST THE CONCENTRATION OF CORPORATE POWER AND INEQUALITIES.
- » THE ELIMINATION OF AUTONOMOUS CONSTITUTIONAL AGENCIES (OCAS) WEAKENS THE REGULATORY CAPACITY OF THE STATE AND CREATES CONFLICTS OF INTEREST.

FISCAL WEAKNESS:

- » WEAK TAXATION TO SUSTAIN GOVERNMENT COMMITMENTS.
- » THE PERFORMANCE OF PUBLIC FINANCES DOES NOT ENSURE FISCAL STABILITY OR GUARANTEE ENTITLEMENTS.
- » DURING VICENTE FOX'S TERM, A REAL INCREASE IN PUBLIC SECTOR REVENUES WAS 45.7% (1.5 TRILLION PESOS), WITH FELIPE CALDERON, 20.3% (971 BILLION), AND WITH PEÑA NIETO, 14.7% (847 BILLION). UNDER LOPEZ OBRADOR, IN FIVE YEARS, ONLY 6.7% COMPARED TO 2018 (443 BILLION PESOS).
- » IN 2023, OIL REVENUES ONLY CONTRIBUTED 15% OF THE TOTAL, UNDER PEÑA NIETO, 19%, WITH FELIPE CALDERON, 39% AND UNDER FOX. 40%. THERE IS NO PLAN TO REPLACE OIL REVENUES.

Legacy: weakened institutional structure and fiscal fragility undermine the guarantee of acquired rights.



5.4 Inequality of opportunities: from cradle to working life



A lower-class person in Mexico has only a 51% chance of changing his or her reality for the better. Although the country has a rich culture and a great and complex history, it also faces one of the most painful problems: inequality. Why is it that a country so large and rich in natural resources is also one of the most unequal in the world?

Inequality can be seen more broadly as the effect of unequal access to job opportunities, health services, greater life expectancy and quality of life, as well as unequal access to assets and social mobility, among

other aspects. Being born and living in conditions of poverty or extreme poverty impacts the social mobility of individuals, i.e., the possibility to change their socioeconomic status (Orozco *et al.*, 2019).

We can approach inequality from two points that converge in people's lives. On the one hand, inequality of results, which depends on the individual's own efforts; on the other hand, inequality of opportunities, where factors beyond the individual's control influence his achievements (Cortes, 2023b).

A Mexican born in a very poor household in northern Mexico is about 3.5 times more likely to escape poverty than one born into the same situation in the south (Orozco et al., 2019).

As we live in a society that values and rewards effort, it is important to emphasize that policies designed to eliminate inequality of opportunities have a very close relationship with inequalities of results²³. The reduction of inequality of results (the weight of effort) is a necessary condition for promoting a scenario with less inequality of opportunities (the weight of circumstances) (Atkinson, 2015). If we only identify merit as the degree of effort, we would not be considering the importance of the circumstances that each person faces in determining his or her life outcomes. In fact, this would make it impossible for the State to conceive this difference as a public problem to be solved, leading to a society with unequal opportunities with no options for social mobility (Velez and Monroy-Gomez-Franco, 2023).

Equality of opportunity generates educational benefits with a positive effect on individuals and improves the perception of fairness among people. It implies that factors beyond the control of the individual (such as the characteristics of the household of origin, gender, skin color, ethnicity, etc.) do not determine their level of income, wealth, educational attainment or general living conditions. At least 50% of economic

inequality in Mexico is due to differences over which individuals have no control, i.e., it is the result of unequal opportunities (Velez and Monroy-Gomez-Franco, 2023).

An individual's family and place of birth practically dictates his chances of escaping poverty in Mexico. The socioeconomic origin of people from the moment of their birth determines their chances of future success. For those born in the lowest rung of the economic distribution, the probability that they will not overcome this condition of poverty is almost 75%.

According to the classification criteria of the Centro de Estudios Espinosa Yglesias (CEEY), due to disparities between regions, a Mexican born into a very poor household in the north is about 3.5 times more likely to escape poverty than one in the south, where at least 45% of economic inequality results from unequal opportunities (Orozco *et al.*, 2019).

An individual's family and place of birth practically dictates his chances of escaping poverty in Mexico. The socio-economic origin of people from the moment of their birth determines the chances of future success.

²³ The accumulated advantages of a few winners have a threshold of differences for the rest (majority) of the population.

Being born in, and living under, conditions of poverty influence the opportunities that individuals have to forge ahead. In Signos Vitales (2022) we conducted a study based on the CEEY Survey (ESRU–EMOVI, 2017), finding that regional differences in the population in poverty are greater in the south. Considering the poorest 40% of the population (quintiles I and II) in the north, 62 out of every 100 people born below the poverty line remain poor for the rest of their lives. In the Metropolitan Zone of Mexico City, this proportion increases to 67 and in the south to 85 (Signos Vitales, 2022).

Is education the key to greater social mobility? People's chances of entering the labor market and earning better wages will depend to a large extent on their educational attainment, the education of their parents, the level of wealth and the quality of education (among other factors). However, raising educational levels is not enough to ensure that people have jobs and decent wages.

There is evidence that family circumstances explain between 53% and 77% of the inequality in education or wealth, whilst territorial variables contribute between 14% and 26% (Plassot, Rubio and Soloaga, 2019). Likewise, Plassot, Rubio and Soloaga (2019)

Parental education and the level of assets in the household are the main variables contributing to inequality of opportunity in education (Plassot, Rubio & Soloaga, 2019).



Images: "The inequality gap widens" at <https://www.trespm.mx/nacional/se-amplia-brecha-de-desigualdad-en-educacion>; "10 innovative schools in Mexico" at https://www.canva.com/es_mx/aprende/15-escuelas-innovadoras-de-mexico/

reveal that parental education and the level of assets in the household are the main variables that contribute to inequality of opportunities in education.

To reach high educational levels the weight of parental education on inequality is very important and represents from 24% for the secondary level to 34% for university (and reaches 43% in territories identified as CDMX or Metropolis), p. 15.

The northern region shows greater relative mobility due to a lower persistence of children of parents with university degrees compared to other regions. The above reveals some of the patterns of social mobility with results in inequality of opportunities.

In the wealth dimension, the level of parental assets contributes to more than 20% of inequality. In addition, it is documented that the 20% of the poor population (first quintile) has decreased the probability of moving to the fifth quintile (the 20% with greater wealth) for the younger generations; from 25 to 35 years old, 52.2; from 36 to 45 years old, 56.5; from 44 to 55 years old, 54.9 and from 56 to 65 years old, 105.5.

The Northern region presents greater relative mobility due to a lower persistence of children of parents with university degrees, in relation to other regions. The above reveals some of the patterns of social mobility with result in inequality of opportunities.

Today, young people's access to the labor market is largely determined by their network of contacts, the information they have and the places where they live, that is, largely by their circumstances of origin. An additional problem within the labor market is its link to the social protection system, which depends on the type of employment held (formal or informal). Informality, however, offers the flexibility that the labor market does not have but a lack of social security protection.

The importance of the first job may be fundamental for the accumulation of human capital, since, in addition to indicating the level of skills that individuals can possess, it eventually affects the ability to migrate or move up to better job opportunities. An

unfavorable start in the labor market could have continuing implications throughout the individual's career (Llamosas and Rangel, 2019).

The conditions of entry to the labor market and of belonging to a certain social class have a considerable influence on people's occupational careers, where mobility to a different and higher class is an event that occurs to few people in the current labor market (one out of every three men and one out of every four women). Thus, the first job (occurring at an early age in Mexico) is a kind of social inheritance of workers, which conditions and crystallizes not only future employment possibilities, but also opportunities for social welfare and the accumulation of social advantages or disadvantages throughout the life course (Mancini, 2019).

Labor unprotection in the first years of work is high, especially for women. This initial condition marks the course of life: 13% of those who had social security in their first job lose this protection along the way. Moreover, 60% of those who did not have it remain without this protection. This phenomenon explains the effect of the characteristics of the first job on the conditions of current employment (Llamosas and Rangel, 2019).

The lack of job protection in the first years of work is high, especially for women.



Image: "The first job is crucial if the first of the youth is in the formal sector, it is very difficult that they will leave formality: Becerra" at <https://enfoquenoticias.com.mx/el-primer-empleo-es-fundamental-si-el-primer-empleo-del-joven-es-formal-es-muy-dificil-que-salgan-de-ahi-becerra/>

It is necessary that the public policy of financial inclusion can focus on two groups, young people (beginning their working life) and the elderly, in order to concentrate efforts and achieve a greater impact throughout the life cycle of the population.

The lack of a social protection system is a long-standing problem that the 2018–2024 administration failed to improve. This legacy encourages people to move from a formal system to the informal one without a great incentive to remain in the former, in which the differences in the number and quality of benefits in itself makes it a generator of inequality of opportunities, especially for specific groups of the population such as young people and women.

The lack of a social protection system is a long-standing problem that the 2018-24 administration failed to improve. This legacy also encourages people to jump from a formal to an informal system.

THE IMPORTANCE OF THE FINANCIAL SYSTEM FOR SOCIAL MOBILITY

The financial system plays a decisive role in facilitating access by individuals and companies to instruments that enable them to manage their income cycles more efficiently, manage and diversify risks to their wealth, and take advantage of productive opportunities and consolidate their assets (Del Angel, Diaz Infante and Perez, 2023).

Evidence confirms the relationship between the development of the financial system and the promotion of economic growth (Rajan and Zingales, 1998; Levine, 2005). If Mexico is a country with low or no economic growth, it is necessary to consider what the level of inclusion and penetration of the financial system should be for specific segments of the population, particularly those in poverty²⁴, generating the impetus for greater social mobility.

The effects of inequality are not limited to the level of income, wealth, or education level that people may achieve, but also to the access to financial services, which has an impact on social mobility. A study by

²⁴There is information on this subject in Demirguc-Kunt, Laeven and Levine (2004).

CEEY analyzes the generational impact of financial services on households. In other words, the relationship between financial services and social mobility²⁵ (Del Angel, Diaz Infante and Perez, 2023).

Its results reveal that those whose parents had access to financial services have a greater probability of intergenerational social mobility, achieving a position in higher quintiles with respect to their parents. As Figure 5.13 shows, wealth mobility is greater for children with parents who had access to at least one financial service. On the other hand, the poorest 40% of the population (quintiles I and II) without access to financial services have a lower wealth index in their current household (blue bar). The wealthiest 20% (quintile 5) have a higher persistence of wealth if their parents had access to financial services.

The above corroborates part of what has been analyzed with respect to social mobility and the relationship with financial systems. In other words, the existence of a transmission of ownership of financial services from parents to children has been identified. Therefore, it is necessary for public policy on financial inclusion to focus on two particular groups,

²⁵ Mobility is understood as the changes in socioeconomic position experienced by members of the society (Orozco *et al.*, 2019).

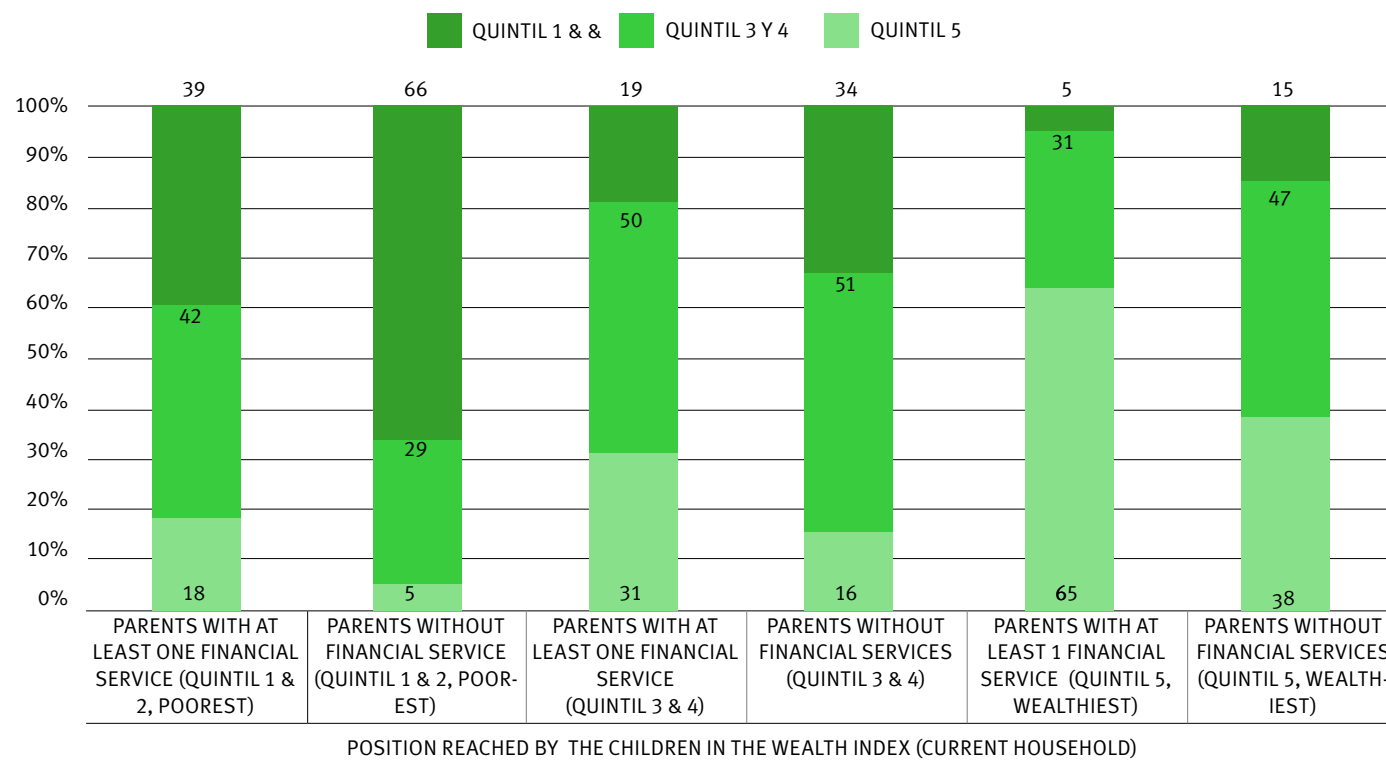
People whose parents had access to financial services have a higher probability of intergenerational social mobility, achieving a position in higher quintiles with respect to their parents.

young people (beginning their working lives) and the elderly, in order to target efforts and achieve a greater impact throughout the life cycle of the population. Otherwise, the transmission of financial behavior would perpetuate exclusion from the formal financial system to the detriment of social mobility right where it is most needed (Del Angel and Martinez, 2024).

Financial services make it possible to build assets for future investments such as education or health, promoting the management of savings and asset accumulation that can be achieved through the financial system so that they can be used to reinforce human capital (Del Angel, Diaz-Infante and Perez, 2023). The financial system contributes to the formation of wealth and the accumulation of assets, which in turn have an effect on the formation of human capital in both education and non-cognitive skills²⁶.

²⁶ These skills include discipline, self-control and perseverance in achieving goals that can foster healthy financial behaviors such as saving or prudent use of credit, etc.

**GRAPH 5.13 WEALTH MOBILITY BETWEEN TWO GENERATIONS
CONSIDERING WHETHER OR NOT PARENTS HAD ACCESS TO FINANCIAL SERVICES**



Source: Del Angel, Diaz-Infante & Perez, 2023.

Financial services allow building assets for future investments such as education or health, promoting the management of savings and asset accumulation that can be achieved through the financial system (Del Angel, Diaz-Infante & Perez, 2023).

LEGACY 4. INEQUALITY OF OPPORTUNITIES: FROM CRADLE TO WORKING LIFE

- » THE PLACE WHERE ONE IS BORN PRACTICALLY DICTATES THE POSSIBILITIES OF ESCAPING POVERTY CONDITIONS IN MEXICO.
- » FOR THOSE BORN VERY POOR, THE PROBABILITY THAT THEY WILL NOT OVERCOME THIS CONDITION IS ALMOST 75%.
- » PARENTAL EDUCATION AND LEVEL OF ASSETS ARE THE MAIN VARIABLES THAT DETERMINE INEQUALITY OF OPPORTUNITY IN EDUCATION.
- » THE CONDITIONS OF ENTRY TO THE LABOR MARKET AND SOCIAL CLASS INFLUENCE PEOPLE'S OCCUPATIONAL CAREERS. ONLY 1 OUT OF EVERY 3 MEN AND 1 OUT OF EVERY 4 WOMEN MOVE UPWARDS.
- » 60% OF THOSE WHO DID NOT HAVE PROTECTION IN THEIR FIRST JOB REMAIN IN THAT CONDITION FOR THE REST OF THEIR LIVES.
- » PEOPLE WHOSE PARENTS HAD ACCESS TO FINANCIAL SERVICES ARE MORE LIKELY TO HAVE INTERGENERATIONAL SOCIAL MOBILITY.
- » 40% OF THE POOREST POPULATION (QUINTILES I AND II) WITHOUT ACCESS TO FINANCIAL SERVICES PRESENT A LOWER INDEX OF WEALTH IN THEIR CURRENT HOUSEHOLD.

Legacy: Educational deterioration will have an impact on the social mobility of this generation.



5.5 Perspectives on poverty and inequality



FORMATION OF A LEVEL GROUND

We need to create a society with greater equality and access opportunities for all, especially for specific groups of the population. We know that economic resources and education make a difference, that territory or place of origin also has an influence, in addition to particular characteristics of people such as the gender, ethnicity, skin tone, etc.

All people should have the same opportunities, having access to the same basic services regardless of their place of origin or any of the characteristics

mentioned above. On the other hand, the market's competition rules should not cause capacities to be limited.

There are studies dedicated to the analysis of proposals for the formation of a level playing field. One published by CEEY (Velez and Monroy-Gomez-Franco, 2023) promotes a minimum agenda of public policies in favor of equal opportunities, proposing at least four alternatives:

1. Decouple access to goods and services from people's circumstances;

2. Change the formal institutions of markets such as the labor market to reduce the penalization faced by some groups through paternity leave and/or greater labor flexibility;
3. Monitor strictly the equal treatment policies, as well as incentives for their adoption by all market participants; and
4. Have compensation policies for the most disadvantaged.

Table 5.7 shows a set of minimum actions taken from CEEY's proposal, as well as from some other contributions from experts that could outline a path more in line with a reality that affects our country.

Recognizing the failures of the current social policy and its effects on people's lives, it is possible to define actions aimed at solving poverty and inequality in Mexico.

ASSESSMENT OF CURRENT AND REQUIRED POLICIES TO ERADICATE POVERTY

If a more just society is to exist, community and State must be transformed to make equal opportunities a pillar of the public agenda and social contract, seeking to make it a reality and thereby reduce poverty. As we have evidenced, the fight against poverty is a rubric of practically all governments in Mexico (Signos Vitales, 2023a). Although the transformations of the different social programs have had an impact on poverty levels, the same patterns of poverty reduction continue to be reproduced, which in turn reproduces patterns of poverty and inequality.

Such has been the commitment of Mexican governments that a large amount of resources has been allocated to combat poverty. Until 2023, the budget of federal programs and actions has averaged 1.17 trillion pesos per year according to the inventory of programs of Coneval (s.f.). In other words, close to 18.7 trillion pesos have been spent on federal programs and actions from 2008 to 2023. Nevertheless, we continue to be a country afflicted by poverty, which has seen little improvement in its quality of life.

From 2008 to 2023, close to 18.7 trillion pesos were spent on federal programs and actions against poverty. However, Mexico continues to be a country afflicted by poverty and has seen little improvement in its quality of life (Coneval s.f.).

TABLE 5.7 MINIMUM POLICY AGENDA FOR POVERTY ALLEVIATION AND EQUAL OPPORTUNITIES

ACTIONS	DESCRIPTION
Give particular attention to the precariousness of employment and the wages received by individuals.	Multidimensional poverty is not only related to insufficient income, but is also directly associated with labor vulnerability, since work is the main source of income for Mexicans. Taking action to strengthen wages is a necessary measure.
Decoupling access to goods and services from people's circumstances	A policy approach “based on the place” to promote investment in physical infrastructure and connectivity for territorial units. These should focus on eliminating territorial restrictions to development, in order to allow access of the entire population to quality infrastructure that meets their needs throughout the life cycle.
Changing the formal institutions of markets such as the labor market	The aim is to reduce the penalties faced by some groups through parental leave and/or greater labor flexibility.
Strict monitoring of equal treatment policies as well as providing incentives for their adoption by all market participants	Eliminate hiring decisions and biases caused by the perceived negative personal characteristics of individuals, which promotes that they do not have the opportunity to eventually escape poverty.
Compensation policies for the most disadvantaged	Actions such as reserving a number of spaces or positions for members of certain social groups. Continuous indicators should be established that consider the progress of the state of equal opportunities until such actions prove unnecessary.
Education and skills	Addressing the mismatch between the demand for middle higher education and the existing supply (high rejection rates) on the one hand, and school desertion on the other. Another mechanism is the recovery of skills’ learning.

Source: In-house elaboration with information from Velez y Monroy–Gomez–Franco (2023) y Gomez (2023 y 2024)

So far we have been able to identify some of the failures in the fight against poverty in Mexico, among which are:

1. The conceptual approach to poverty, which is the responsibility of a single secretariat, with social programs aimed at the poor population;
2. A poverty scheme without an approach based on rights, which produces and reproduces social exclusion. In other words, there are no clear policies aimed at equalizing opportunities and access to social rights, which perpetuates underdevelopment;
3. Lack of systematic evaluation processes to generate learning, correct errors and improve policies;
4. Contexts of insecurity and violence in which power groups obtain economic and political benefits, allowing criminal governance to appropriate territories and control or prevent access to basic services for the population (coercive governance). Faced with the insufficiency or weakness of solid governmental institutions, the criminal groups often take advantage of, and benefit from, the government's shortcomings or deficiencies by not providing goods or services to the population (Hernandez, 2023); and,

5. Poverty under a connotation where monetary transfers underline the importance of electoral politics and not that of rights and results (Hernandez, 2022).

Bringing inequality of opportunities to zero and eradicate poverty implies the transformation of many institutions to eradicate inequalities in treatment and access to rights that are built on differences in gender, ethnicity and skin color, as well as compensating for the effects of inequalities between regions and households in access to social rights such as education, health, social protection and basic services (Velez and Monroy-Gomez-Franco, 2023).

In order to build a State that addresses poverty and inequalities, we must start with the analysis of all the components of inequality, including new challenges such as the vulnerability of the labor market to automation; the development of cognitive and socio-emotional skills that increase employability in non-automated sectors;

implement adaptation measures in the regions and communities most exposed to the negative effects of shocks, ensuring that these adaptation measures are taken from the educational to the productive sphere (Velez and Monroy-Gomez-Franco, 2023).

In order for the State to address poverty and inequality, new challenges must be included such as the labor market in the face of automation; the development of cognitive and socioemotional skills for employability in non-automatable sectors; implementation of measures from the educational to the productive sphere (Velez & Monroy-Gomez-Franco, 2023).

CONCLUSION

In this section we have made the state of social Mexico visible from a multidimensional perspective. We described the legacies of President Lopez Obrador's government and the state of social rights as a result of his government's policies. It is fair to acknowledge the interventions in order to build a less poor and more equitable Mexico; however, it is necessary to accept the challenges that this represented and the balances of this government.

We live in a Mexico with close to 130 million people with different needs and social deprivations. The new government inherits the motto "first the poor" and "leave no one behind", since improving the opportunities and living standards of the poorest remains a challenge in Mexico. As we have seen in this chapter, the legacy on social issues includes even more specific actions. The implementation of social programs during the Lopez Obrador administration had regressive effects. This implies that they were received by people who did not necessarily need them, that is, the distribution of social programs moved from the poor to those with higher incomes, leaving the poorest behind.

Lopez Obrador's government did not improve the opportunities and living standards of the poorest, which continues to be a challenge in Mexico.

Eradicating extreme poverty continues to be another of the challenges inherited by the new government. Although there is talk that poverty was reduced by 5.1 million people, this reduction occurred in poverty, but there is no recognition of the increase in extreme poverty. From 2018 to 2022 (latest data) extreme poverty increased by more than 400,000 people; the poorest of the poor were neglected.

Another legacy of the 2018–2024 administration is related to the reproduction of inequality schemes. Improving effective access to social rights promotes equal opportunities and during the administration of Lopez Obrador, monetary transfers through social programs were the main strategy to combat poverty. Although poverty and inequality are structural problems in Mexico today, direct monetary transfers have an adverse political-electoral connotation and are insufficient to generate a sustained and permanent exit of the poor from that condition. Policies that promote a level playing field for the Mexican population were rather neglected.

The persistence of labor precariousness is another point that makes up the legacy of the past administration. It is fair to recognize that there are issues that are result of structural problems that go back

for many years, making the solution of such problems very complex; such is the case of precarious labor conditions. The increase in the minimum wage as a social policy underscores the importance of labor income and the effect it has for certain groups of the population, but not for the poorest. Although the increase in the minimum wage is good news, we cannot fail to emphasize that it is still insufficient, given that practically 7 out of every 10 people who work still do not have a sufficient income (35.5 million people), 74% of the young population (15 to 29 years of age). Moreover, informality excludes the population (who are not in the formal sector) from the advantages of a social security scheme and therefore from minimum wage increases. This means 54.5% of all those working.

An additional point has to do with coverage and care for older adults. From 2018 to 2024, the Welfare Pension for the Elderly was the emblematic social program, with greater coverage and budget for the population aged 65 and over. The advances were clear in the significant decrease of that group under conditions of poverty, from 43.6% in 2018 to 31.6% in 2022, and in extreme poverty, from 8.6% in 2018 to 4.6% in 2022. However, the budget for this program in 2024 represented 27.3% of total government revenues and

The legacy of a government that permeated society with a promising discourse for the poorest; however, deprivations persist and accumulate, which means that thousands of families remain in precarious conditions.

5.8% of GDP. If the trend continues, the spending to pay both contributory and non-contributory pensions will increase to 7.1% of GDP by 2030. Considering the recent reforms of the pension system, it would reach 7.8% of GDP.

In social matters, there was more hope than encouraging results. The state of social rights, and the results in terms of poverty, inequality and social mobility, reveal that there is still a long way to go. The realities of an unequal Mexico include the legacy of a government that permeated the country with a discourse encouraging for the poor but with results, however, heterogeneous in the lives and assets of Mexican families. Deprivations persist and accumulate, which means that thousands of families remain in precarious conditions, and the challenges continue. Mexico is one of the countries that knows best poverty and deprivation, but persistent vulnerabilities indicate that the structural challenges of social Mexico remain and in some cases are increasing. The reality experienced by Mexicans makes clear the inertia of policies that have left the poorest behind.

The reality experienced by Mexicans makes clear the inertia of policies that have left the poorest behind.



LEGACY 5. PERSPECTIVES ON POVERTY AND INEQUALITY

- » ALL PEOPLE SHOULD HAVE THE SAME OPPORTUNITIES, HAVE ACCESS TO THE SAME BASIC SERVICES REGARDLESS OF THEIR PLACE OF ORIGIN OR PARTICULAR CHARACTERISTICS SUCH AS GENDER, ETHNICITY, SKIN COLOR, ETC
-

- » POLICIES TO PROMOTE EQUAL OPPORTUNITIES AND REDUCE POVERTY:

- » TO PREVENT PRECARIOUSNESS OF EMPLOYMENT AND WAGES
 - » GUARANTEE ACCESS TO RIGHTS SUCH AS EDUCATION AND HEALTH
 - » STRICT MONITORING OF EQUAL TREATMENT POLICIES
 - » COMPENSATION POLICIES FOR THE MOST DISADVANTAGED
 - » POLICIES AGAINST EDUCATIONAL INEQUALITY AND SCHOOL DROPOUT.
-

- » THE FAILURES OF THE FIGHT AGAINST POVERTY ARE:

- » A POVERTY SCHEME WITHOUT A RIGHTS-BASED APPROACH
 - » ABSENCE OF SYSTEMATIC EVALUATION PROCESSES
 - » CONTEXTS OF INSECURITY AND VIOLENCE
 - » A VISION OF POVERTY UNDER A POLITICAL-ELECTORAL CONNOTATION
-

Legacy: policies to combat poverty based on clientelist objectives.



6 EDUCATION: A CHALLENGE THAT THREATENS THE FUTURE



Image: <https://wradio.com.mx/2024/04/25/en-mexico-hay-escuelas-que-no-cuentan-con-todos-los-servicios-basicos/>

6.1 Education policy and its term results



Education policy in Mexico has followed dynamics that reflect the little importance given to that sector by the Lopez Obrador government. As pointed out in Signos Vitales (2023), the education system underwent fundamental changes originating from the reversal of the 2019 educational reform such as the cancellation of programs for students who lost extended school days and food services (in the case of full-time schools); the change of study plans and textbooks that disdain learning; the opacity of educational statistics and the ideologization of education. Altogether a series of elements with negative long-term effects (Signos Vitales, 2023). The objective of education is

the formation of prepared, critical and autonomous young people, aware of the reality in which they live. However, the course of educational governance denotes an imprecise project, with a doctrinaire vision at the expense of educational quality and an interconnected society (Guevara, 2023). Education is a right for Mexicans ratified in the International Covenant on Economic, Social and Cultural Rights (ICESCR, 1966), which states that education should be oriented to the full development of the human personality and the sense of its dignity, so that individuals can participate effectively in a free society, favoring understanding and tolerance between nations.

The education system underwent a series of changes that will have negative long-term effects.

The third article of the constitution establishes that the State, constituted by the federation, states and municipalities, is in charge of providing and guaranteeing preschool, primary, secondary, high school and university education (CPEUM). However, educational losses, the quality of learning and social inequalities prevented the full exercise of this right in greater depth during this administration.

The educational legacy in Mexico points to negative impacts in at least four areas:

1. Reduced learning,
2. Increased school dropout rates,
3. Widening of gaps (greater inequality) and,
4. Fewer opportunities to get ahead.

In this section we analyze the potential effects of educational policy in Mexico, the measures taken during the Lopez Obrador administration and their consequences. It concludes with a balance of the current state of education and an agenda for urgent action.

EARLY CHILDHOOD AND PRESCHOOL EDUCATION

Education is an important way to develop the potential of human beings and enable them to realize their full capacities in order to have a prosperous future. It is not enough for the State to offer educational services to children and youth in Mexico, many do not manage to complete compulsory education or acquire fundamental learning (Backhoff, 2024).

Currently, only 28 out of every 100 people finish higher education. It is in high school where trajectories are broken; out of every 84 young people who enter, only 52 finishes (Mexico Evalua and Tec de Monterrey, 2024a). These data present the challenge of making education compulsory up to higher education as established by law. It is necessary to recognize the progress made and to assess the setbacks at each educational level.

One of the advances in early childhood care has been the publication in 2020 of the National Strategy for Early Childhood Care, a consequence of the 2019 educational reform (Sotomayor, Carranza and Ruiz, 2024). This strategy, at least, included initial education as part of basic education and recognized it as a

One advance was the publication in 2020 of National Strategy for Early Childhood Care, a consequence of the 2019 education reform (Sotomayor, Carranza y Ruiz, 2024). Initial education was included into basic education and was recognized as a child's right (Presidencia de la Republica, 2019). Its results still show inefficiencies.

right for children (Presidencia de la Republica, 2019), although its results show that there are still inefficiencies.

In 2022, the National Early Education Policy (PNEI, for its acronym in Spanish) was issued, covering all programs for children from 0 to 3 years of age. It recognizes the need to improve the quality of standardized and non-school-based early education services. It also established the commitment to promote the development and adoption of minimum quality standards and ordered the Public Education Secretariat (SEP) to establish the necessary actions to implement the PNEI strategies (SEP, 2022).

A first challenge faced by the State to intervene in the developmental levels of girls and boys is the low use of early childhood care and education services. According to the National Survey of Health and Nutrition (Ensanut in Spanish) (Shamah, *et. al.*, 2022) only 7.1% of infants receive educational care during their first 3 years of life. In 2023, 67.6% of preschool-age children received some educational service, still far from the 100% coverage required by law.

Likewise, the right of children to access early education services was affected by, among other factors, the pandemic. Given the closure of schools and the

authorities' late response, there was a drop in the coverage of early childhood and preschool education, from 4.1% to 3.0% and from 72.1% to 63.7% from 2019 to 2022, respectively (Mexico Evalua and Tec de Monterrey, 2024a). The decrease in enrollment occurred due to school closures. Figures show that public sector early education lost more than 5 thousand infants (0–3 years old) from 2018 to the end of the 2023–2024 cycle, while the private sector lost more than 36 thousand (Graph 6.1).

The losses are more dramatic when analyzing the preschool level; both public and private sectors lost students, more than 368 thousand preschool children in the former and 169 thousand in the later. In fact, the number of private preschools dropped by 3,377 between the 2018–2019 and 2023–2024 cycles (SEP, s.f.).

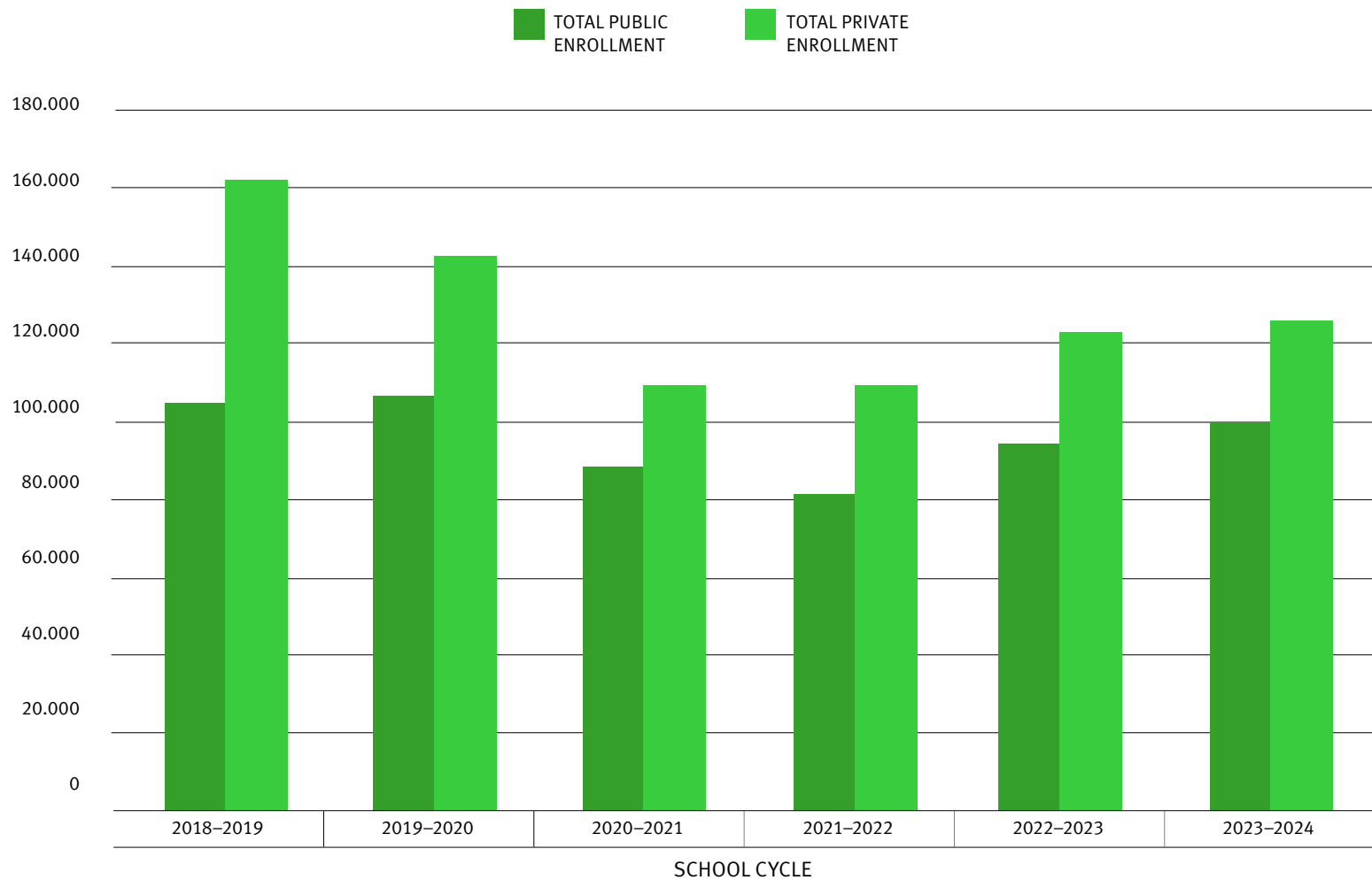
According to the Pact for Early Childhood (Sotomayor, Carranza, and Ruiz, 2024), Mexico has at least three immediate challenges to continue advancing in the quality of care for children:

- » Recognize a common framework for all types of early childhood education available in the country (school-based and non-school-based). Otherwise differentiated institutional models will continue to

Both public and private schools lost students. That loss was above 368 thousand preschool children in the public system and more than 169 thousand in the private sector.

A drop of 3,377 private schools happened between the 2018–19 and 2023–24 cycles (SEP, s.f.).

GRAPH 6.1 SCHOOL ENROLLMENT FOR EARLY CHILDHOOD EDUCATION, PUBLIC AND PRIVATE SECTORS



Source: In-house elaboration with data from the Consultation System of Education Statistics (SEP, s.f.).

be nurtured and the transition to a comprehensive model will be hindered.

- » Promulgate the PNEI Implementation Plan, which promotes the necessary actions to improve the quality services that children deserve.
- » Promote a national agreement in favor of education for the youngest children, recognizing their rights and capabilities (Sotomayor, Carranza and Ruiz, 2024).

The legacy of the Lopez Obrador administration in the area of early childhood education was characterized by an emphasis on attention and expansion of coverage. However, the policies implemented apparently had the opposite effect.

The restructuring of childcare support programs failed to guarantee equitable and quality access for children as did the now defunct Full-Time Schools (ETC for its acronym in Spanish). This ended food and education support for 3.6 million children and adolescents, jeopardizing future educational opportunities for this stage of life¹ (Mexicanos Primero, 2022).

¹ This increased educational risks (learning time), increased inequality risks (effects on the most vulnerable communities) and undermined the commitment to comprehensive education, since the ETCs addressed nutritional, cultural and sports aspects.

The administration of Lopez Obrador in terms of early childhood education was characterized by an attempt to provide attention and expansion of coverage. However, the policies implemented seem to have gone in the opposite direction, since the restructuring of programs to support daycare centers failed to guarantee equitable and quality access for children as did the now defunct Full-Time Schools (Mexicanos Primero, 2022).



Image: In 2019 the government cancelled the program "estancias infantiles" for early childhood attention at <https://www.infobae.com/mexico/2025/04/13/vuelven-las-estancias-infantiles-movimiento-ciudadano-propone-que-funcionen-las-24-horas/>

COVERAGE AND PERMANENCE: BASIC, SECONDARY AND HIGHER EDUCATION

Enrollment data and its follow-up reveal the problems in guaranteeing the coverage of the educational system as well as the permanence of its students. Despite efforts such as the implementation of the Benito Juárez scholarships for the different educational levels, SEP data (s.f.) indicate that total enrollment suffered a loss of 1.61 million students from 2018 to 2023.

Basic education (kindergarten, preschool, primary and secondary) suffered a loss of more than 1.3 million students in public schools between the 2018–2019 and 2023–2024 school cycles, while more than 214 thousand were lost in private schools. The total loss (public and private) reached 1.586 million. This affected males (715,219) more than females (656,806) (SEP, s.f.).

Table 6.1 shows the total enrollment (public and private) in basic education for the school cycles in this administration and the growth rate. In each academic year students were lost, the greatest fall in 2020–2021.

TABLE 6.1 TOTAL ENROLLMENT IN BASIC EDUCATION AND RATE OF GROWTH		
SCHOOL CYCLE	TOTAL ENROLLMENT IN BASIC EDUCATION	RATE OF GROWTH
2018–2019	25,493,702	
2019–2020	25,253,306	–0.94
2020–2021	24,597,234	–2.60
2021–2022	24,113,780	–1.97
2022–2023	24,109,222	–0.02
2023–2024	23,907,414	–0.84

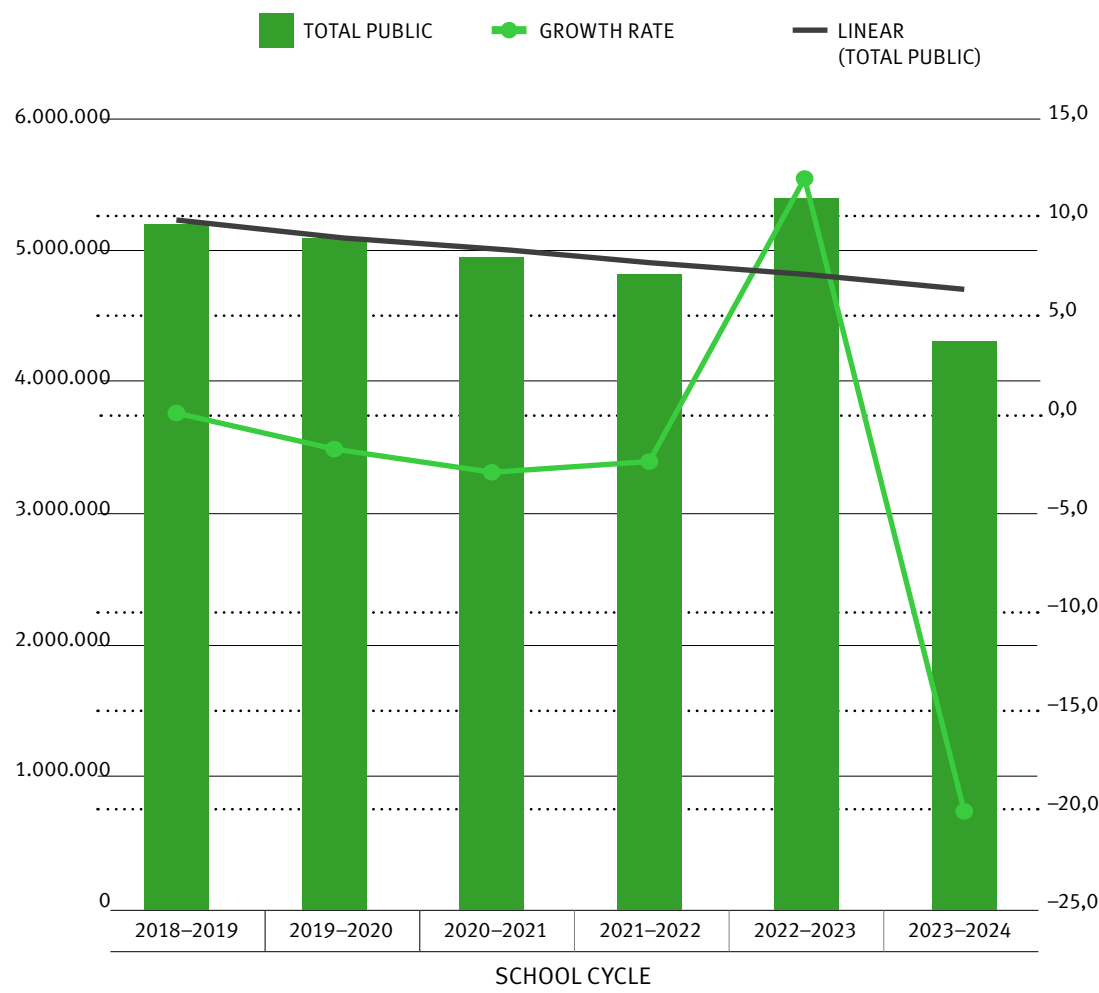
Source: In-house elaboration with data from SEP (s.f.).

In terms of High School level, there was a fall of more than 879 thousand students in public schools, 463 thousand men and 415 thousand women. This downward trend was before the pandemic. Mexico Evalua estimates that the drop was 366,954 students from 2018 to 2021 (Fernandez, Herrera, and Reyes, 2022). This is despite the implementation of the Benito Juarez Scholarships for High School Education. Graph 6.2 shows the downward trend in public school enrollment and its growth rate, most of which shows negative values.

Finally, in higher education (bachelor's and master's degrees), although enrollment increased each year, the number of students who do not complete their studies also increased. The number of graduates has remained relatively stable (Graph 6.3).

The recognition of education as a fundamental right is, up to now, a discourse with no real support. Mexico has a great challenge to guarantee this right. It is necessary to find strategies to retain and increase the number of students. Dropping out of school is fed by two routes: school abandonment and rejection. The causes of dropout are a structural threat that the administration did not control with its strategies, including scholarships.

GRAPH 6.2 PUBLIC HIGH SCHOOL ENROLLMENT AND GROWTH RATE

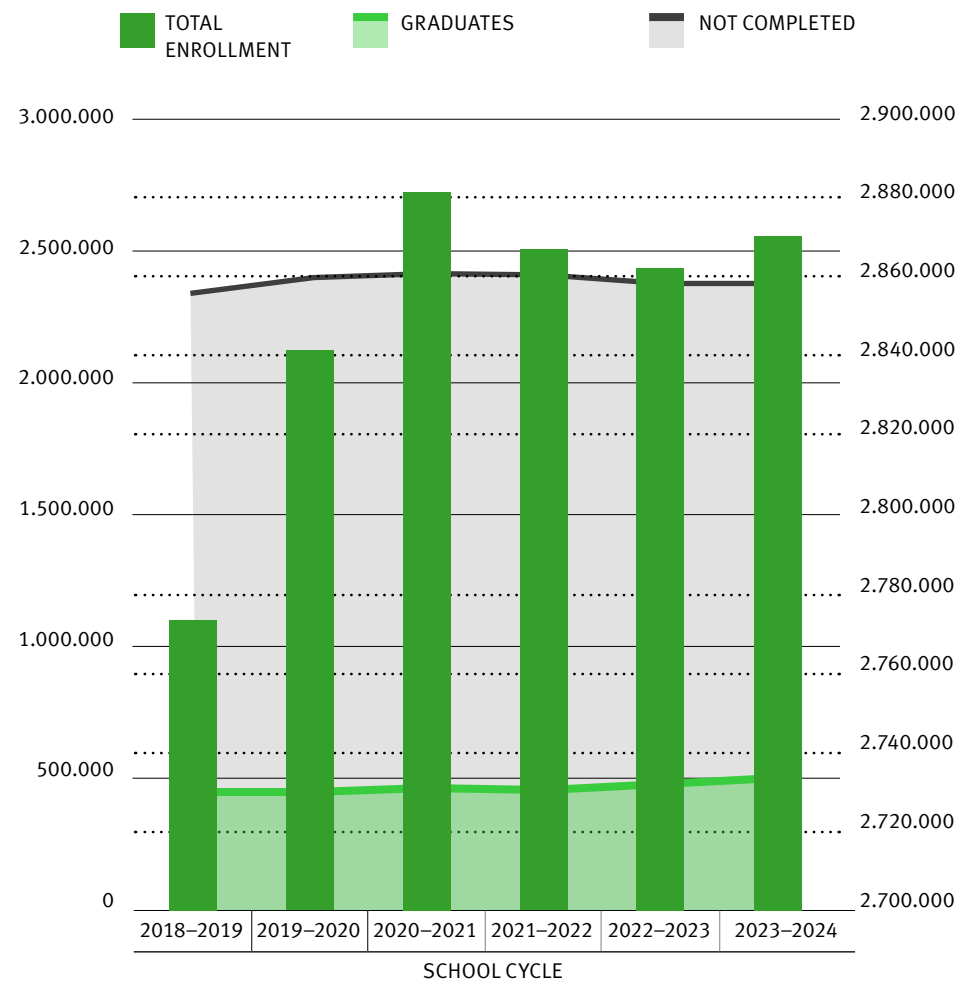


Source: In-house elaboration with data from SEP (s.f).

Moreover, the higher education budget in 2024 grew by barely 3.1% with respect to 2023. This figure is much lower than the one approved in 2015 (14.6% less), which complicates effective access to the right to education. Mexico's harsh social reality permeates children and youth not only in terms of coverage. School dropout is one of the many challenges in guaranteeing the right to education, whether voluntary or forced, as well as to complex internal and external factors.

The legacy of the 2018–2024 administration in terms of coverage and permanence in basic, middle and higher education was mixed. Although efforts were made to expand access, such as the promotion of scholarship programs and the creation of public universities, the effectiveness of these initiatives has been questioned. Structural challenges such as school dropout, educational quality and insufficient infrastructure have persisted, limiting the impact of these policies in terms of significantly improving permanence and academic performance. This has generated a panorama of limited progress in the educational system.

GRAPH 6.3 TOTAL ENROLLMENT IN HIGHER EDUCATION (ES)
NUMBER OF GRADUATES WHO DID NOT FINISH THE SCHOOL CYCLE



Source: In-house elaboration with information from SEP (s.f).

HIGHER EDUCATION AND WELFARE UNIVERSITIES

Higher education training (bachelor's degrees, engineering, master's degrees, doctorates, etc.) is offered by federal public universities, state public universities, state public universities with solidarity support, technological institutes, technological, and intercultural universities, public research centers, and teacher training colleges (CEFP, 2024). One of the changes in higher education as a result of the amendment to Article 3 of the Constitution is the State's compulsory participation. In 2021 the new General Law of Higher Education came into force (DOF, 2021). It is considered the start for authorities, institutions and academic communities to coordinate their actions to implement the commitments set forth by that law.

The greatest challenge for higher education by the State is, therefore, being both mandatory and free. It implies expanding coverage, reducing inequity in access, raising quality, consolidating institutions and providing them with sufficient financing. With coverage currently at around 42%, compliance will be gradual. Analyzing the budget to make higher education compulsory in Mexico, an average annual increase of

0.5% in real terms is highlighted, while compared to that approved in 2023, the 2024 budget is higher by 3.2% real. In 2018, the budget allocated for Education was 119,819.2 million pesos, while an amount of 165,466.5 million was approved for 2024 (Table 6.2). A 16.8% of the total budget of the National Education System from 2018 to 2024 was destined to higher education.

In the 2023–2024 school year, coverage was 44.5% of the potential population (4.9 million students²). Per capita spending on higher education in the 2018–2019 cycle was 63,614 pesos of 2024.

In the 2022–2023 cycle it was 56,248 pesos, a reduction of 7,367 pesos per student. This decrease was due to the increase in enrollment of half a million students in the last 5 years, while spending on higher education increased at an average annual rate of only 0.9% in real terms. Two of the programs that concentrate most of the resources to education are Pp U006 "Subsidies for decentralized state agencies ODES" (45.7% of the total approved in the last six years) and E010 "Higher and postgraduate education services" (36.3% of the total for higher education).

² Public and private.

TABLE 6.2 EDUCATION FUNCTION BY SUB-FUNCTION IN HIGHER EDUCATION
FSP 2018–2024 MILLION PESOS AND PERCENTAGES

FN/SUB FUNCTION	2018	2019	2020	2021	2022	2023	2024	PARTICIPATION % AVERAGE (2018–2024)	REAL VARIATION 2024/2023	TMCA (%) 2024/2018
Higher Education	119,819.2	127,409.3	134,680.1	139,113.3	145,226.4	153,078.8	165,466.5	16.8	3.2	0.5
Other Educational Services and Activities	25,293.8	24,851.2	27,852.4	28,794.1	33,037.1	47,074.0	55,256.3	4.0	12.0	8.5
Postgraduate	7,689.0	7,790.0	7,999.7	8,753.0	9,168.3	9,665.2	10,322.0	1.0	1.9	0.0

Source: Center for the Study of Public Finances (CEFP, 2024).

Table 6.3 shows the budget for the second program "Subfunction Higher Education³" from 2018 to 2024. In 2018 the Higher Education Institutions had a budget of 43,932.6 million pesos and by 2024 it increased to 60,090.4 million. The budget of the educational infrastructure program for secondary, high school and

higher education decreased from 2018 to 2024. A significant average annual increase stands out in the "Youths writing the future" program (15.0%), while there were sharp falls in the "Program of Maintenance and Infrastructure Education" (average annual decrease of 58.1%) and the "Program for teachers' professional development (a reduction of 25.4%).

³ The budget allocated to the National Education System within the functional classification of Programmable Expenditure is identified in the purpose of Social Development in the Education Function, which is distributed among six functions (Basic Education; Secondary and High School Education; Adult Education; Higher Education; Other educational services and inherent activities; and Postgraduate Education).

The educational policy strategy is the distribution of scholarships seeking to reduce school dropout rates and thus increase terminal efficiency. For Higher Education there are two programs: One is the "Elisa Acuña Scholarship Program" for students of national

TABLE 6.3 BUDGET OF THE "HIGHER EDUCATION" SUBFUNCTION PEF 2018–2024
MILLIONS OF PESOS AND PERCENTAGES 1/3

	BUDGETED PROGRAM	2018	2019	2020	2021	2022	2023	2024	REAL VARIATION	TMCA (%) 2024/2018
Key	TOTAL	119,819	127,409	134,680	139,113	145,226	153,079	165,466	3	1
Ao21	Military education system	812	857	906	880	994	1,079	1,198	6	2
Ao22	Military research and development in coordination with public universities, public institutions of higher education and/or other public higher research centers.	100	114	114	118	122	129	135	0	0
A900	Gender Equality Program SDN	–	2	6	0	–	–	10	N.A.	N.A.
E001	Development and implementation of agricultural education programs	1,288	1,287	1,329	1,419	1,464	1,541	1,635	1	–1
E003	Development and linkage of scientific and technological research with the education sector	422	419	–	–	–	–	–	N.A.	N.A.
E004	Teacher education services in the CDMX	1,085	1,055	1,118	1124	1,185	1,288	1,378	2	–1
E010	Higher Education and Graduate Services	43,933	47,638	49,297	51,211	52,923	56,231	60,090	2	0
E047	Educational physical infrastructure and maintenance program	–	8	7	4	4	0	0	–35	–58
G001	Regulating educational services	166	151	146	144	217	234	305	24	5
I008	FAM Secondary, High School and Higher Education Infrastructure	3,991	4,522	4,667	4,609	5,127	6,109	6,277	–2	3

TABLE 6.3 BUDGET OF THE "HIGHER EDUCATION" SUBFUNCTION PEF 2018–2024
MILLIONS OF PESOS AND PERCENTAGES 2/3

	BUDGET PROGRAM	2018	2019	2020	2021	2022	2023	2024	REAL VARIATION	TMCA (%) 2024/2018
Key	TOTAL	119,819	127,409	134,680	139,113	145,226	153,079	165,466	3	1
K009	Social infrastructure projects in the education sector	250	351	374	240	127	138	891	517	18
K027	Infrastructure maintenance	196	–	34	–	–	18	–	N.A.	N.A.
M001	Administrative support activities	76	74	78	82	84	88	93	2	–1
P001	Educational Policy Design	82	72	74	77	169	179	225	20	13
R016	Scholarship Program for the children of active Armed Forces personnel	404	447	447	461	478	505	529	0	0
S243	Elisa Acuña Scholarship Program	6,579	3,940	3,854	3,843	3,998	1,624	1,705	0	–24
S244	Inclusion and Educational Equity Program	53	38	–	–	–	–	–	N.A.	N.A.
S247	Teacher Professional Development Program	656	247	244	132	137	145	152	0	–25
S267	Strengthening Educational Quality	1863	1117	–	–	–	–	–	N.A.	N.A.
S283	Youth Writing the Future	–	4320	7776	10176	10584	11162	11701	0	15
S300	Strengthening Educational Excellence	–	–	1039	149	751	793	832	0	–12
U006	Subsidies for de-centralized state agencies	56377	58951	61134	63012	65377	69058	75417	4	0

TABLE 6.3 BUDGET OF THE "HIGHER EDUCATION" SUBFUNCTION PEF 2018–2024
MILLIONS OF PESOS AND PERCENTAGES 3/3

	BUDGET PROGRAM	2018	2019	2020	2021	2022	2023	2024	REAL VARIATION	TMCA (%) 2024/2018
Key	TOTAL	119,819	127,409	134,680	139,113	145,226	153,079	165,466	3	1
U040	Teaching Career at UPES	350	355	255	–	–	–	–	N.A.	N.A.
U079	Expansion of Secondary, High School and Higher Education	–	–	350	–	–	795	834	0	N.A.
U080	Support for education centers and organizations	437	445	445	445	461	487	511	0	–2
U081	Support to address structural problems of UPES	700	–	–	–	–	–	–	N.A.	N.A.
U083	Universities for Well-Being Benito Juárez García	–	1000	987	987	1025	1476	1548	0	3

Source: Center for the Study of Public Finances (CEFP, 2024).

and state universities, polytechnic and technological universities (UNAM, IPN, UAM and ENANH). It should be noted that in 2018, it had a budget of 6,579.3 million pesos, which decreased in 2019 to 3,939.5 million and to 1,623.8 million in 2023. For 2024, 1,750.0 million were approved.

The other program for higher education is "Youths Writing the Future", channeled to the entire school

population enrolled at this educational level in a public school. The objective of this program is to give support to students to provide an inclusive and equitable education to the population living in poverty or highly vulnerable conditions. The beneficiary institutions are: Intercultural Universities, Teacher Training Colleges, Rural Teacher Training Colleges, and the Benito Juárez García Welfare Universities (among others). The objective of the program is to

cover 1.9 million scholarship recipients who should be attending higher education. For 2024 the program had resources to serve 410 thousand students. As evidenced, although enrollment has increased in higher education, the number of those who do not complete a degree is 4.8 times greater than the number of those who graduate. The dropout rate continues to be high.

The 203 "Welfare Universities" muddies the picture further as they offer degrees in engineering, administration, medicine and others, without having adequate facilities or sufficient teaching staff. The desertion rate is 85% in some campuses, and it is not clear whether their degrees are really recognized by SEP, degrees that are not taken seriously by companies or even the government. Their existence is questionable at least; to bring education to marginalized or low-income areas, it would have been better to extend and strengthen existing systems such as Conalep or the Technical Colleges, which have been operating their campuses for decades (Rojas, 2024c). The challenges facing higher education are complex and not only in budget terms, but also in terms of the education quality and the subsequent insertion of graduates into the labor market.



Image: "The scholarships "Youths writing the future" that AMLO provides 2021 arrived" at <https://polemon.mx/llegaron-las-becas-jovenes-escribiendo-el-futuro-2021-que-da-amlo/>

The poor implementation of the Welfare Universities and the ineffectiveness of social programs mark Lopez Obrador's legacy in higher education.

The legacy of the administration of Lopez Obrador in higher education is marked by the deficient implementation of the Welfare Universities and the ineffectiveness of social programs. Despite being presented as a solution to broaden access to education, the former faced problems of infrastructure, lack of trained personnel and insufficient resources. In addition, their creation diverted funds from consolidated public universities, affecting their financing and quality. As a result, the sustainability and effectiveness of Welfare Universities in offering quality education and responding to the real needs of the labor market and academic development is questionable.

Welfare Universities have diverted funds from other public universities, affecting their funding and quality.

LEARNING

One of the permanent challenges of the educational system is related to the learning of children and youth. In order to generate learning, a series of elements have an influence, ranging from the educational organization (administrative and academic), the contents of educational programs, teacher preparation, resources, etc. According to Backhoff (2024), learning is understood as the degree to which students master the knowledge and skills taught in schools. In order to measure it, evaluations should be applied constantly. The National Institute for the Evaluation of Education (INEE in Spanish) was, at the time, in charge of the evaluation and generation of educational guidelines until its elimination in 2019, hindering the identification of challenges within the educational system. Although INEE was replaced by the National System for the Continuous Improvement of Education (Mejoredu, for its acronym in Spanish), it has not yielded the results for which it was created. Moreover, Mejoredu is on the list of institutions set to disappear due to the constitutional reform of the Executive sent to Congress in September-October 2024, along with several autonomous constitutional bodies.

INEE was in charge of the evaluation and generation of educational guidelines in Mexico until its elimination in 2019, hindering the identification of challenges within the education system.

The objective of national assessments has been to structure the contents of curricula and programs in the country, while international assessments have served to measure school competences qualified as relevant to obtain better life opportunities in an increasingly technological and science-centered world (Backhoff, 2024). In 2022, the results of the PISA test showed a decrease in learning in the different areas. This was a phenomenon that we had already been warning about in Signos Vitales (2023⁴) and that deepened in this latest measurement. The results show that in 2022 mathematics performance declined compared to 2018; only one-third of 15-year-old students master basic mathematics skills. And only half of the students master science and reading competencies.

The negative effects on learning were worse for the poorest. The highest percentages in PISA Level 0 and PISA Level⁵ correspond to socio-economic groups I and II while PISA 2, PISA 3 and PISA 4 levels are

4 Signos Vitales (2023). Mexico Social under review. Available at: www.signosvitalesmexico.org

5 PISA Level 0 and 1: indicate that students do not possess the minimum learning expected for their age; PISA Level 2 indicates a minimum level of performance. PISA Levels 3 and 4 refer to a progressive application of learning in order to manage problem solving and PISA levels 5 and 6 points to high levels of performance (Schleicher, 2019).

The negative effects on learning were worse for the poorest. The highest percentages in PISA Level zero and PISA Level 1 correspond to the lowest socioeconomic groups (I and II).

PISA results reveal lower learning levels than even students from the lower socioeconomic groups in countries such as Vietnam, Chile or Uruguay.



Image: "Mexico regresses in Pisa test" at <https://lucsdelsiglo.com/2023/12/05/retrocede-mexico-en-prueba-pisa-nacional/>

reached by higher income groups (mainly IV and V). Graph 6.4 shows that 43% of group 1 students at PISA level 0, with 38% barely identifying information and developing procedures with instructions. With group V, it is 27%.

Additionally, PISA data in reading indicate that the most disadvantaged groups (which represent 64% of young people) are at PISA Level⁶, which means that they cannot find or understand the information in a text. This percentage is lower than those in group V (Graph 6.5).

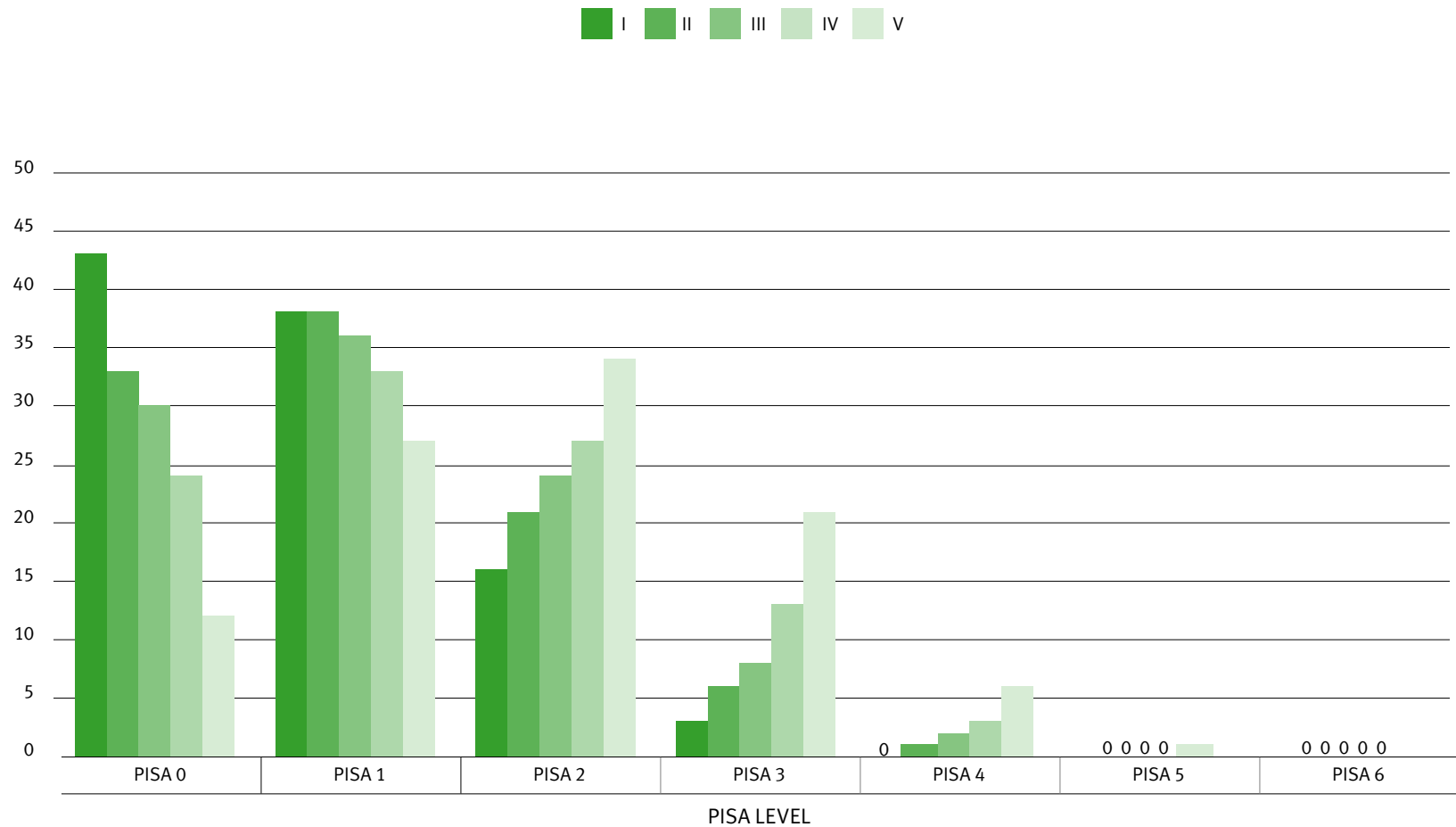
Mexico Evalua and Tec de Monterrey have analyzed these data and reveal lower learning levels than even students from low socioeconomic groups in countries such as Vietnam, Chile or Uruguay. The lag in the development of these and other competences can mean the loss of opportunities to learn new knowledge and skills, continue educational trajectories and successfully transition to the world of work.

6 PISA level zero indicates that the student cannot solve reading tasks; PISA level 1 indicates that the student reads words but does not understand them; PISA level 2 indicates that the student uses small texts and explicit data; PISA level 3 indicates that the student understands information that is not explicit; in PISA level 4 the student understands information from different sources; PISA level 5 makes external inferences from a text; and PISA level 6 reflects on the source of the reading (OECD, 2023).

The legacy of the 2018–2024 administration in the area of educational learning is evidenced by the lack of progress in improving its quality. Despite the initiatives introduced, the results of international assessments such as PISA have shown stagnation or even setbacks in essential competences such as math and reading, which will deepen with the "New Mexican School". The elimination of teacher evaluations and the absence of solid training programs have limited opportunities to raise academic performance. This context has weakened the formation of students, affecting their ability to face the challenges of an increasingly competitive global environment.

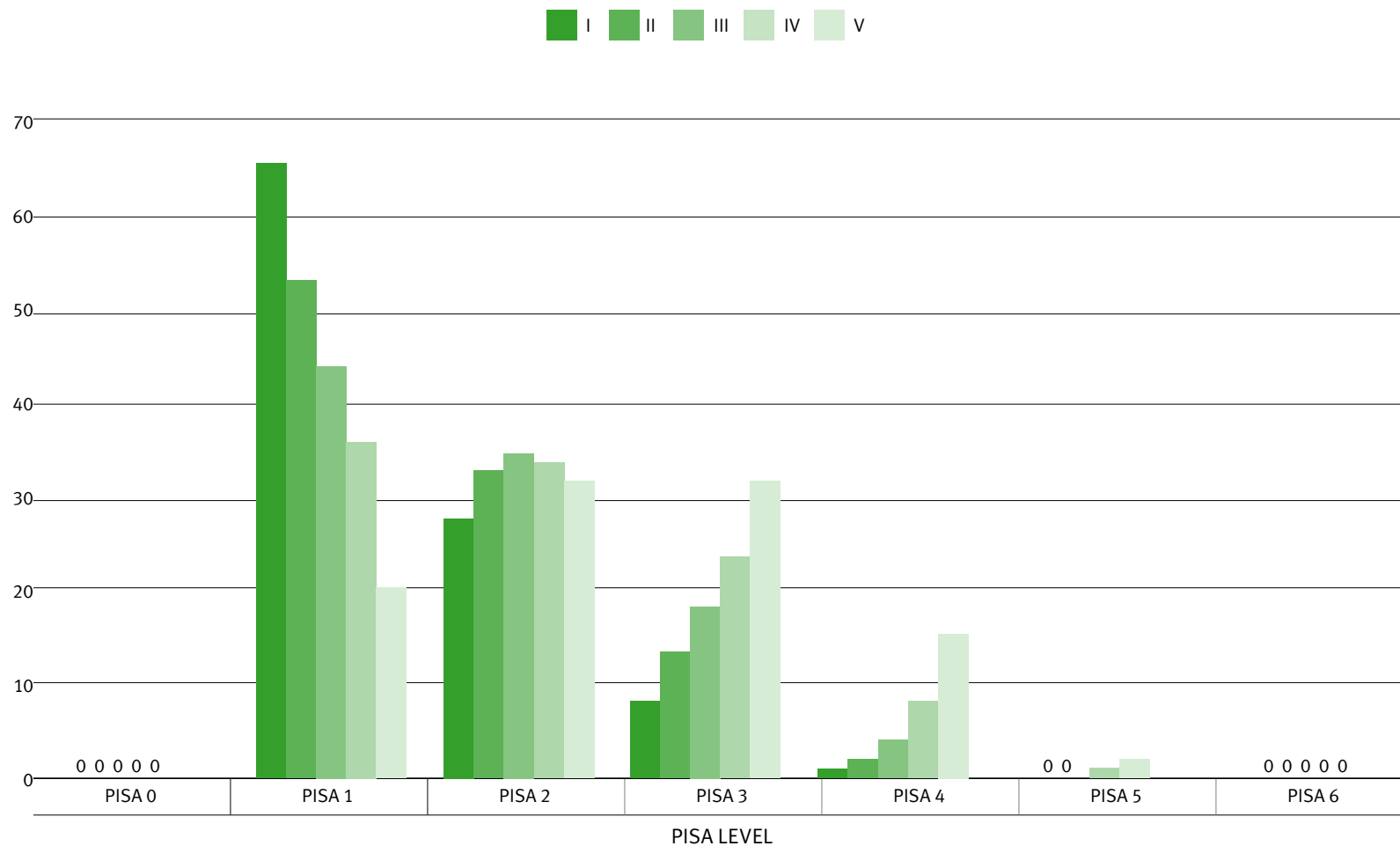
The legacy of the 2018–2024 federal administration in the area of educational learning is evidenced by the lack of progress in improving the quality of teaching.

GRAPH 6.4 PERCENTAGE OF STUDENTS BY PISA MATHEMATICS LEVEL
AND SOCIOECONOMIC GROUP IN MEXICO IN 2022



Source: In-house elaboration with data from PISA test, (OCDE, 2023).

GRAPH 6.5 PERCENTAGE OF STUDENTS BY PISA READING LEVEL
AND SOCIOECONOMIC GROUP IN MEXICO IN 2022



Source: In-house elaboration with data from PISA test, (OCDE, 2023).



LEGACY 1. EDUCATION POLICY AND RESULTS OF THE SIX-YEAR PERIOD

THE LOSS OF LEARNING HAS DEEPENED:

- » ACCORDING TO THE PISA TEST, IN 2022 THERE WAS A DECREASE IN LEARNING AND IT REACHED 2009 LEVELS.
- » ONLY ONE-THIRD OF 15-YEAR-OLD STUDENTS MASTER BASIC MATH COMPETENCES. AND ONLY HALF ARE PROFICIENT IN SCIENCE AND READING COMPETENCES.

SCHOOL DROPOUT RATES INCREASED AT ALL LEVELS:

- » BASIC EDUCATION HAS LOST MORE THAN 1.3 MILLION IN PUBLIC SCHOOLS BETWEEN THE 2018–2019 AND 2023–2024 SCHOOL CYCLES.
- » SECONDARY AND HIGH SCHOOL EDUCATION RECORDED A DECREASE OF MORE THAN 879 THOUSAND STUDENTS IN PUBLIC SCHOOLS.
- » THE GREATEST CHALLENGE FOR HIGHER EDUCATION IS THE DECLARATION OF ITS COMPULSORY AND FREE STATUS, SINCE IT REQUIRES EXPANDING ITS COVERAGE AND PROVIDING IT WITH FINANCING.

Legacy: learning loss jeopardizes the scholastic development of generations of students.



6.2 The New Mexican School:

«Free textbooks

Education in Mexico has adhered to the free textbooks designed over the years, laying the foundations for the nation's modernization. The textbooks were generated under the direction of valuable intellectuals, pedagogues and scientists (Rojas, 2024a). The new textbooks, however, disdained the learning that already was challenging for many Mexicans.

The process of educational changes in the administration of Lopez Obrador was opaque and lacked a framework based on scientific evidence, elements that even prompted members of the educational community to highlight the irregularities. The main change was the replacement of learning subjects by formative fields that integrate interdisciplinary knowledge, being: 1) Languages; 2) Knowledge and

scientific thought; 3) Ethics, nature and society; and 4) Humanity and community.

Changes in textbooks for basic education significantly reduce teaching resources for systematic thinking. Books by subject are not included, as for example, there used to be a mathematics textbook with 222 pages for the first grade of elementary school (Reyes and Fernandez, 2023). The new book of the New Mexican School called "Multiple Languages" offers everything but based on cartoons and there are only about 12 pages that could be related to the subject, written at a journalistic level, without clear definitions or problems to be solved, all of them at a recreational level that does not connect concepts or develop mathematical skills (Rojas, 2024a).

The new textbooks disdain the learning that already was challenging for many Mexicans.

In the case of the new book called "Our Knowledges", there is a type of dictionary that in 8 pages defines some mathematical concepts such as symmetry, lines and tables. Topics such as decimal numbers and angles are touched upon without any practical exercises. There are errors in mathematical definitions and their applications (Rojas, 2024a). In addition, absent topics have been identified in the case of first grade, such as the monetary system, hundreds, weight, capacity, time, lengths, additive problems, addition and subtraction as an algorithm, absences that students will carry throughout their school progression. In the case of the sixth year of primary school, children have lost 180 pages of mathematical knowledge necessary for secondary level, replaced by about 20 pages without problems to be solved (Rojas, 2024).

In the case of history, only 6% of what was presented in previous textbooks is presented. An analysis shows how the fourth, fifth and sixth grade textbooks eliminated content on universal and Mexican history. In the fourth grade, content was eliminated that ranges from the first inhabitants of the Americas to the Mexican independence war. The new book has only 12 pages of history, covering only the era of explorations in the colonial period without addressing pre-Hispanic Mexico. The fifth book had 192 pages

Topics absent in first grade: the monetary system, hundreds, weight, capacity, time, lengths, additive problems, addition and subtraction.



Image: "Want to see what's in the free textbooks?" at <https://www.infobae.com/mexico/2023/08/04/quieres-ver-que-hay-en-los-nuevos-libros-de-texto-de-la-sep-asi-puedes-acceder-a-ellos/>

that included the era of independent Mexico up to the year 2020; the new book only has 7 pages that cover from the independence to the triumph of the republic (omitting the Reform War and the Restored Republic). The sixth-grade book had 136 pages dedicated to universal history, while the new one only includes 7 pages that talk about the Porfiriato, the Revolution and the post-Revolution without addressing universal history at all (Krauze, 2023).

The design of these new textbooks contains conceptual and organizational errors. The way in which the pedagogical proposal is landed is conducive to the abandonment of the rigor required for teaching the basics of each discipline. There are errors in the level of language that students can access, isolated mathematics lessons that require previous concepts, a mixture of disciplines with little precision and no formative purpose, and failures in the reading of QR codes (Reyes and Fernandez, 2023).

Moreover, these new didactic resources do not consider the impact of the pandemic and lack didactic orientations. Given this context, there is a worrisome uncertainty regarding the scope of study plans and programs. This puts at risk the systematicity of teaching that encompasses learning such as languages

and communication, mathematical thinking, critical thinking, social-emotional skills and topics associated with the environment, as all should be included in the graduation profile of primary education.

In short, the pedagogical approaches of the New Mexican School change: from student-centered teaching to group (community) teaching; subjects such as mathematics to thematic fields that integrate different knowledges (multidisciplinary); theoretical teaching processes (detached from reality) to project-centered teaching (from communities), and evaluation that certifies learning (Backhoff, 2023).

The legacy of the Lopez Obrador administration in terms of the New Mexican School, particularly in the free textbooks, is the subject of strong controversy. The distribution of books with conceptual and pedagogical errors, together with the lack of consultation with experts in their preparation, led to criticism of the quality of the educational material. Additionally, their ideological contents have been pointed out as inappropriate for the school context, affecting the confidence of teachers and parents in the educational system. This has cast doubt on the effectiveness of the New Mexican School in improving the academic formation of students.

The new didactic resources do not consider the pandemic's impact and lack didactic guidance.

The ideological contents present in the texts have been deemed inappropriate for the school context.

Lopez Obrador's legacy in education, particularly in free textbooks, is the subject of strong controversy. The distribution of books with conceptual and pedagogical errors, together with the lack of consultation with experts in its preparation has generated criticism about the quality of the educational material.

EDUCATIONAL PROGRAMS AND SCHOLARSHIPS

The rescue of children and young people back to the classroom goes beyond the granting of universal scholarships even though this measure proved ineffective. In the last five years, it has not been possible to stop school abandonment.

This began long before the pandemic. In the first two years of the government (2018 and 2019), 367 thousand young people stopped moving from secondary school to high school. Today, even with the scholarships, there are 116 thousand fewer young people in high school compared to 2018. At the same time, the lack of targeting has benefited 54% of the students from wealthy households, while they benefited 2% in 2018 (Herrera, Sanchez and Fernandez, 2024).



Image: "How to register online for the Benito Juárez Scholarships for elementary school" at <https://comisariopantera.mx/como-registrarse-en-linea-para-las-becas-benito-juarez-para-primaria/>



Image: "Educational inequality in Mexico: 6.4 million children do not go to school, 2024" at <https://www.diarioelindependiente.mx/2024/01/desigualdad-educativa-en-mexico-64-millones-de-menores-no-van-a-la-escuela>

In Signos Vitales (2023) we revealed the regressive effects of the programs among which are educational scholarships: only 26% of the poorest students (decile I) receive the "Benito Juárez Basic Education Scholarship and 7% the "Benito Juárez High School Scholarship. In 2018 more than half of the households (52%) belonging to decile I were beneficiaries of Prospera (Jaramillo Molina-2023).

The universality of this social policy has been less far-reaching than that implemented in the 2018–2024 administration.

This change implies the loss positive impacts on education, income, and even within the labor market specifically for women, as Prospera also had effects on the latter (Parker and Todd, 2019).

Scholarships have benefited 54% of students from affluent households; only 26% of the poorest students in the country receive a "Benito Juárez Basic Education Scholarship".

TEACHER TRAINING

A decisive component in student learning refers to the role by teachers. Continuing training for them is fundamental and equally important to the various political agendas. The central role of teachers, and school administrators, is vital for education (Mexico Evalua and Tec de Monterrey, 2024a).

However, the expenditure allocated to teacher training shows a reduction of 83% in 2024 compared to 2018 (Mexico Evalua and Tec de Monterrey, 2024a). This makes it difficult to offer quality technical training with the required depth. It is not only necessary to improve salaries, but also essential to allocate resources for professional training. In 2024, each teacher had only 123 pesos for annual training, while in 2016 the amount was 1,644 pesos. Other conditions reveal problems for teachers as a whole, such as social valuation, working conditions, challenges in evaluation and accountability, and resistance to change and lack of innovation (Signos Vitales, 2023).

Continuing education is crucial to support teachers. According to PISA results, current teacher training programs have not had a positive impact on improving student learning. In fact, its last measurement

(2022), shows significant setbacks. Table 6.4 presents a decrease in the scores obtained, as in the case of Mathematics and Science, obtaining values equal or similar to those obtained in 2006.

The need to invest in and promote continuous teacher training is important to strengthen learning in the country, as well as to develop new essential training models for learning oriented to relevant modalities of quality for teachers. To understand the impact that the Lopez Obrador administration had on continuing teacher's training, it is important to look at comparisons with countries in the region and international standards.

TABLE 6.4 AVERAGE SCORES OF YOUNG PEOPLE IN MEXICO IN THE PISA TEST						
Area	2006	2009	2012	2015	2018	2022
Reading	410	425	424	423	420	415
Mathematics	406	419	413	408	409	395
Sciences	410	416	415	416	419	410

Source: In-house elaboration with data from OCDE (2023).

The number of students per teacher is an indicator that the literature relates to educational quality (UNESCO, 2022). Having fewer students per teacher has positive effects on learning. The average student-teacher ratio for Latin American and Caribbean (LAC) countries is 35.6 for pre-primary, 33.2 for primary and 23.1 for secondary school. Data for OECD countries indicate fewer students per teacher (14.9 in pre-primary, 14.5 in primary and 13.0 in secondary).

In Mexico, the student-teacher ratio in primary education in 2022 (latest year available) is in a range of 20–29 students. Countries such as Brazil, Colombia, Honduras and Ecuador fall within this same range. Panama, Dominican Republic and Costa Rica have less than 20 (UNESCO, 2024).

The level of education spending budgeted in each country is key to stimulating investment in their education systems. These resources can be channeled to teachers, to finance new positions, increase salaries, develop initiatives to improve working conditions or allocate resources for training. However, in Mexico, the percentage of teachers who have participated in some training course in recent years has decreased. The data for the primary level indicates that the proportion of teachers in some course in language,

mathematics or science fell from 49.9% in 2013 to 32.3% in 2019. A similar effect occurred with teachers in terms of obtaining a degree (such as graduate courses). In 2013, 15.2% of teachers had obtained a higher degree, while the figure for 2019 was 10.8% (latest available data) (ECLAC, 2022).

UNESCO (2024) has identified high teacher attrition rates that force education systems to constantly recruit and train new teachers. Therefore, the recuperation of those resources invested in them takes longer to bear fruit⁷. Unfortunately, international data on teacher training and associated costs are still limited (UNESCO, 2024). However, total expenditure per student in higher education can act as a proxy for that cost.

Figures vary considerably across countries. Those countries with the lowest expenditure are Colombia, Greece and Mexico, which spend 4,192, 4,601 and 7,341 dollars respectively. The countries with the highest expenditures are Luxembourg (51,978 dol-

The ratio of students per trained teacher in primary education in 2022 (latest available year) is in the range of 20–29 students per teacher. Countries such as Brazil, Colombia, Honduras and Ecuador fall into this same range.

⁷ An example of this is the UK. The National Audit Office estimated that more than 920 million pounds was spent on recruiting and training professionals annually in 2013 and 2014. However, when analyzing teacher retention, only 77.6% were still in the profession two years after obtaining their degree in 2016. This implied the loss of 208 million pounds per year (UNESCO, 2024).

lars), the United States (35,347) and the United Kingdom (29,687 dollars) (OECD, 2022). This lack of investment impacts not only the quality of teaching but also the motivation and professional development of teachers, who lack opportunities to develop skills that are crucial in changing educational contexts.

Attracting qualified teachers is critical to educational quality and learning, so teacher salaries may determine the retention of qualified candidates. The prospects for salary improvement as a function of career advancement are therefore important. Although such as Botswana, The Gambia and Qatar have the lowest figures for salary as a multiple of GDP (0.3, 0.4 and 0.4 respectively), there are better opportunities for professional advancement compared to countries such as the Lao People's Republic or Guinea where they offer low increases (1.8 and 1.6 times their initial salaries, respectively). The case of Mexico is not necessarily better, as it also reports one of the lowest figures for teacher salaries as a multiple of GDP (0.5), while Colombia has a higher figure (1.1). Moreover, teachers in Mexico can earn up to 3.3 times the starting salary as their career advances while in Saudi Arabia offers the opportunity to increase the starting salary by up to 4.5 times (UNESCO, 2024).



Image: "Teaching appointments 2023" at <https://www.infobae.com/americas/peru/2023/01/04/nombramiento-docente-2023-resultados-finales-de-la-prueba-del-minedu/>

Mexico reports one of the lowest figures for teacher salaries as a multiple of GDP (0.5), while in Colombia is 1.1.

As their career advances, teachers in Mexico can earn up to 3.3 times their starting salary, while Saudi Arabia offers the opportunity to increase it by up to 4.5 times (UNESCO, 2024).

On the other hand, both ECLAC and the World Bank have warned about the serious consequences of the education crisis in Latin America, exacerbated by the lack of investment in teacher training programs. ECLAC report highlights that, even before the pandemic, many countries were not on track to meet the inclusive and quality education goals set out in the 2030 Agenda. The lack of investment in teacher training seriously compromises the capacity of countries to improve educational outcomes, especially in contexts of vulnerability (ECLAC, 2022). Likewise, the World Bank warns that the education crisis, aggravated by the pandemic, jeopardizes progress in human capital, and highlights the need to reverse this situation through greater investment in teacher training and professional development (World Bank, 2021).

In conclusion, the disinterest of the Lopez Obrador administration in investing in continuing teacher training represents an adverse legacy that will have profound and lasting consequences for Mexico's educational system. The drastic reduction in resources for teacher training, coupled with the lack of comprehensive and equitable education policies, has severely weakened the ability of teachers to adapt to the

pedagogical and technological changes needed in an increasingly competitive world. This lack of investment not only perpetuates educational inequalities, especially in rural areas, but also jeopardizes the future of millions of students who will see their learning and development opportunities curtailed. Without a properly trained teaching force, Mexican students will continue to go backwards in standardized tests such as PISA, which will affect the country's educational and economic progress for years to come.

The Lopez Obrador administration's disinterest in investing in continuing teacher education represents an adverse legacy that will have profound and lasting consequences for Mexico's education system.

EDUCATION AND INFRASTRUCTURE BUDGET

According to an analysis made by Mexico Evalua and Tec de Monterrey (2024b), one of the four areas⁸ with urgent challenges is school infrastructure. In this sense, budgetary limitations must be considered in relation to existing needs. The lack of basic services such as electricity, drinking water and adequate sanitation negatively affects more than 40% of basic education institutions in the country. However, during the last 10 years, around 320 billion pesos were invested in basic education infrastructure (Mexico Evaluates and Tec de Monterrey, 2024b). Of all basic education schools in the country, 87% are public (school year 2023–2024). Thus, the State's task in terms infrastructure is enormous.

The budget allocated to the National Education System, within programmable expenditure, is distributed in six sub-functions (Basic Education; High School Education; Adult Education; Higher Education; Oth-

⁸ "Aprender Parejo" (Learn equally) is the interdisciplinary research project that proposes evidence-based educational policies to help synchronize educational opportunities. It focuses on four areas of urgent educational challenges: 1) Educational trajectories; 2) Infrastructure; 3) Skills for the 21st century; and 4) Governance and social co-responsibility

er educational services and inherent activities and Postgraduate). In 2018, the budget allocated to this item was 710.31 billion pesos; for 2024, Congress approved 1,032.62 billion, an average annual increase of 1.4% in real terms, and 4.3% higher in real terms than that of 2023 (Table 6.5).

Regarding Basic Education, in 2018, 458,290 million pesos were allocated and by 2024 it amounted to 650,708 million pesos, an average annual increase of 1.0% and higher than that approved in 2023 by 5.4% in real terms. In the case of High School education, in 2018 94,220.1 million pesos were allocated and in 2024 145,417.1 million. This implies an average annual increase of 2.4% in real terms, while compared to that approved in 2023, the 2024 was lower by 1.5% in real terms.

There have been clear efforts to comply with the principles of compulsory, universal and free education over the years. In the 2010–2011 school year, the maximum number of schools for basic education was reached, primary education reached its highest point in the 2000–2001 school year, preschool in 2010–2011 and secondary education in 2022–2023 (Mexico Evalua and Tec de Monterrey, 2024b). For the 2023–2024 school year, there were 201,509 schools

Lack of basic services such as electricity, potable water and adequate sanitation negatively affects more than 40% of basic education institutions in the country.

65 out of every 100 schools do not have computers or internet. This proportion is lower for private schools (19%) (Mexico Evalua and Tec de Monterrey, 2024b).

**TABLE 6.5 EDUCATION SPENDING BY SUBFUNCTION,
FSP 2018–2024 MILLIONS OF PESOS AND PERCENTAGES**

FN/SUBFUNCTION	2018	2019	2020	2021	2022	2023	2024	PARTICI- PATION % AVERAGE 2018–2024	REAL VA- RIATION 2023– 2024	TMCA % 2024– 2018
Education (TOTAL)	710,304.60	754,299.30	786,271.10	813,170.20	859,569.20	945,011.10	1,032,621.40	100	4.3	1.4
Basic Education	458,290.50	486,005.90	496,688.60	511,554.40	536,220.60	589,264.00	650,707.50	63.2	5.4	1
High School Education	94,220.10	103,595.30	114,240.90	120,564.10	131,314.60	140,856.00	145,417.10	14.4	–1.5	2.4
Adult Education	4,992.10	4,647.50	4,809.30	4,391.30	4,602.00	5,073.10	5,452.10	0.6	2.6	–3.4
Higher Education	119,819.20	127,409.30	134,680.10	139,113.30	145,226.40	153,078.80	165,466.50	16.8	3.2	0.5
Other Educational Services and Inherent Activities	25,293.80	24,851.20	27,852.40	28,794.10	33,037.10	47,074.00	55,256.30	4	12	8.5
Postgraduate	7,689.00	7,790.00	7,999.70	8,753.00	9,168.30	9,665.20	10,322.00	1	1.9	0

Source: Center for the Study of Public Finances (CEFP, 2024).

in basic education (from pre-school to secondary); another 14,334 for high school education and 2,461 for higher education (SEP, s.f.).

The largest resources are allocated to basic education. Between 2013 and 2024, more than 452 billion pesos were spent on educational infrastructure in Mexico. While 7.7% was allocated to high school and 22.1% to Higher Education. However, it is not known how much of the resources have been invested (Mexico Evalua and Tec de Monterrey, 2024b).

In the 2022–2023 school year, 40% public basic education schools lacked some service (electricity, drinking water, independent toilets or sinks); in the case of private schools, this number was lower (8%) and 65 out of 100 lack computers or internet, this proportion is lower for private schools (19%) (Mexico Evalua and Tec de Monterrey, 2024b).

The lack of basic services such as water or electricity has a greater impact on community and indigenous schools. Of indigenous schools, 27.0% did not have water for toilets, compared to 4.5% of general schools (urban or semi-urban). Also, among indigenous schools, 84% did not have adequate furniture for the library and 53% lacked sports courts. Only

In the 2022–2023 school year, 4 out of 10 public basic education schools lacked some service (electricity, drinking water, independent toilets or sinks).



Image: "There are 89 thousand schools without drainage: Coneval" at <https://www.eluniversal.com.mx/nacion/hay-89-mil-escuelas-sin-drenaje-coneval/>

37% of basic education schools are adapted for these needs and only 25% have materials adapted for their use.

Between 2013 and 2024, 451,230 million pesos were allocated to school infrastructure for the three educational levels; in basic education 316,579 million (70.2%); 34,892 million to high school (7.7%) and 99,759 million to higher education (22.1%). Nonetheless, the quality of the schools is still poor.

During this period, spending on basic education is 3.2 times higher than for higher education and 9.1 times that of high school education. Although infrastructure is not a sufficient condition to increase educational coverage, these gaps show the difficulties in complying with its obligatory nature. An example is that compulsory higher school education was elevated to constitutional status in 2011 and the higher education coverage goals should have reached 50% by 2024, but only 44% was achieved.

The amount of resources for infrastructure from 2013 to 2024 was 451,230 billion constant pesos. Table 6.6 shows that close to 3 out of every 10 pesos (133,136 million) were executed through programs coordinated and executed by SEP. Meanwhile, the execution of 7 out of every 10 pesos (318,094 mil-

High school education was elevated to constitutional status in 2011 and higher education coverage targets should reach 50% by 2024, but only 44% have been achieved.



Image: "These are the most dangerous high schools in Mexico City" at <https://plumasatomicas.com/noticias/cdmx/prepas-inseguridad-cdmx/>

**TABLE 6.6 SCHOOL INFRASTRUCTURE SPENDING BY BUDGET LINE, EDUCATION LEVEL AND FEDERAL ADMINISTRATION
2013 TO 2024, MILLIONS CONSTANT PESOS**

EXECUTE/LEVEL	ADMINISTRATION 2013–2018	(%)	ADMINISTRATION 2019–2024	(%)	TOTAL
Resources exercised by the federal government (Item 11)	\$27,603.00	20.7	\$105,533.00	79.3	\$133,136.00
Basic	\$6,701.00	6.0	\$104,573.00	94.0	\$111,273.00
High School	\$11,131.00	98.8	\$135.00	1.2	\$11,266.00
Higher Education	\$9,771.00	92.2	\$825.00	7.8	\$10,596.00
Resources exercised by state governments (Item 33)	\$258,269.00	81.2	\$59,825.00	18.8	\$318,094.00
Basic	\$166,959.00	81.3	\$38,347.00	18.7	\$205,306.00
High School	\$20,803.00	88.1	\$2,822.00	11.9	\$23,626.00
Higher Education	\$70,506.00	79.1	\$18,656.00	20.9	\$89,163.00
Total	\$285,872.00	63.4	\$165,358.00	36.6	\$451,230.00
Basic	\$173,660.00	54.9	\$142,919.00	45.1	\$316,579.00

Note: “The School is Ours” (LEEN) program is financed with resources from Item 11 “Public Education” and implemented by the federal government.

Source: Mexico Evalua and Tec de Monterrey (2024b).

lion) fell on the states' educational authorities. The 2013–2018 government exercised more resources through the states than at federal level: 21% of the 133,136 million pesos of the budget's Item 11 were exercised through SEP and 81% of the 318,094 million pesos by the states.

For the Lopez Obrador administration, these proportions are inverted: 79% of the resources between 2019 and 2024 were exercised through Item 11 and only 19% of Item 33 resources were exercised in the current administration (Table 6.6). As noted, this spending pattern responds to the 2019 education reform. By creating the School Committees of Participatory Management and entrusting them to exercise resources for school infrastructure, through the program "The School is Ours" (LEEN in Spanish) with the participation of states.

The collapse of spending on high school and higher education infrastructure in this administration (2019–2024) is evident. Through SEP, spending for the former went from more than 11,131 million to only 135 million pesos. The same occurred in higher education.

The decrease was lower across the states. For the basic education total of 316,579 million, the admin-

The collapse of spending on high school and higher education infrastructure is evident in the 2019–2024 administration.

Through SEP, spending for high school went from 11,131 million pesos to only 135 million.

istration participated with 55% during 2013–2018 while the 2018–2024 administration did so with 45% (Table 6.6).

Of the total for this administration, 451,230 million pesos per program, 24% went to Schools at 100 (basic education), 23% to LEEN (basic education), another 22% to the Fund of Multiple Contributions⁹ (FAM, for its acronym in Spanish) (basic education), 11% in FAM (higher education); 9% in Schools at 100¹⁰ (high-

9 The FAM of Item 33 "Federal Contributions for States and Municipalities" are the resources allocated annually by Congress as a result of the educational decentralization initiated in 1992 with the National Agreement for the Modernization of Basic Education. It is distributed in three modalities: basic education (64%), high school education (5%) and higher education (31%).

10 The "Schools at 100" program is also budgetarily anchored to FAM resources. It is a financing mechanism for meeting school infrastructure needs at all educational levels. To en-

er education); 4% in Schools at 100 (high school); 2% to expansion of high school; Expansion of Higher Education and FAM high school. Finally, 1% for School with Dignity (basic education).

Investment is directed towards the maintenance and rehabilitation of existing infrastructure and the development of new educational with a particular focus on the incorporation of technology and the Internet. The importance of the provision of spaces lies in the impact it has on the quality of learning. The legacy of President Lopez Obrador's administration in the budget to improve equipment and infrastructure of schools was characterized by its significant reduction. Despite the promise to prioritize education, the misused "austerity" restricted resources for renovating facilities, acquiring educational materials and modernizing technology in schools. This led to disparities between regions, particularly affecting rural areas, where educational infrastructure remains deficient, limiting opportunities for academic development and continuing to perpetuate educational inequality.

sure sufficient resources, the federal government and the 32 states signed an agreement in which the states committed to allocate 25% of the FAM resources for a period of 20 years starting in 2019 and ending in 2039, a total of 50 billion pesos.



Image: "Schools are aging; maintenance is lacking" at <https://www.mural.com.mx/envejecen-escuelas-falta-mantenimiento/ar2309879>

Lopez Obrador's legacy in terms of the budget to improve the equipment and infrastructure of schools was characterized by a significant reduction in investment. The misused "austerity" restricted resources for renovating facilities, acquiring educational materials and modernizing technologies in schools



LEGACY 2. THE NEW MEXICAN SCHOOL: FREE TEXT BOOKS

► THE NEW TEXTBOOKS DISREGARD MATH AND LANGUAGE LEARNING AND REDESIGN THE SYSTEM:

- » The main change was the substitution of specific subjects by formative fields.
- » Little space for mathematics, with errors in definitions and applications. Absent topics that will drag students through school.
- » In sixth grade, children have lost 180 pages of mathematical knowledge needed for secondary school, replaced by about 20 pages with no problems to solve.
- » There are conceptual and organizational errors.

► ONLY 26% OF THE POOREST STUDENTS IN THE COUNTRY (DECILE I) RECEIVE THE "BASIC EDUCATION BENITO JUAREZ SCHOLARSHIP" AND 7% IN HIGH SCHOOL EDUCATION.

► SPENDING ON TEACHER TRAINING WAS REDUCED BY 83% IN 2024 COMPARED TO 2018. TODAY, EACH TEACHER HAS ONLY 123 PESOS FOR ANNUAL TRAINING.

► IN 2022–2023, 4 OUT OF 10 PUBLIC SCHOOLS LACKED SOME SERVICE (ELECTRICITY, WATER, INDEPENDENT TOILETS OR SINKS). IN PRIVATE SCHOOLS IT WAS 8%.

► 84% OF INDIGENOUS SCHOOLS DO NOT HAVE LIBRARY FURNITURE AND 53% LACK SPORTS FIELDS. ONLY 25% HAVE MATERIALS FOR THEIR USE.

Legacy: the reform of the educational model presents unknowns and threats due to flaws in the new textbooks that compromise future educational performance.



6.3 The Education System in 2024: the legacy



Analyzing the entire context of education implies reviewing the human, physical and monetary resources available. In Signos Vitales we have sought to visualize the challenges and weaknesses of the system and, above all, raise our voices regarding the possible effects of the decisions taken on the future lives of children and youths (Signos Vitales, 2022; 2023).

Education is a tool to generate bigger and better opportunities to progress, especially for the most disadvantaged individuals. Learning, its preparation and quality, are indispensable to achieve this. The current education blurs a prosperous and fruitful vision of education with the decisions taken and their

direction without guidelines. It would seem that the intention was to destroy all what had been previously built, without fear of putting an end to the progress achieved. The results show at least the following problems:

1. INCREASE IN LEARNING POVERTY, which is linked to productivity. In other words, the expected capacity or productivity of infants is lost with respect to their potential. In Latin America and the Caribbean, productivity was expected to be only 56% of their total potential. In Mexico there is evidence of the increasing learning poverty of children and youth, which compromises the future of the new generations.

2. **LOW EDUCATIONAL MOBILITY:** Although there has been significant progress in increasing the schooling of Mexicans, there is evidence of setbacks. Between 2016 and 2022 more than 30% of those between 18 and 24 years of age did not overcome their parents' schooling. The composition of school advancement is concentrated in people with parents of higher educational level; the educational background of the previous generation in today's youth matters (Espinoza, De la Torre and Velez, 2023).
3. **FEWER STUDENTS IN THE CLASSROOM:** According to educational statistics, the efforts focused on the different levels of education with scholarships were null. The loss of school enrollment in basic education meant 1.6 million children and youth out of the classrooms. The Net Education Rate (NER) in basic education (children 6 to 14 years of age) was 93.5% in 2018 and in 2023 it dropped to 90.2%. These drops affected all educational levels.
4. **EDUCATIONAL PROGRAMS WITH REGRESSIVE EFFECTS:** The Benito Juárez Scholarships give more to those who have more and less to those who need them most. The Prospera program demonstrated positive effects on education levels among young people living in poverty (Parker and Todd, 2017).

The proposal implemented by President Lopez Obrador did not reach the coverage of Prospera. In 2022 only 26% of the poorest students (decile I) received Benito Juárez scholarship for basic education and 7% that for high school. In 2018, more than half (52%) belonging to decile I were Prospera beneficiaries (Jaramillo-Molina, 2023).

In 2018 more than half of the poorest households (52%) belonging to decile 1 were Prospera beneficiaries (Jaramillo– Molina, 2023).

In 2022, only 26% of the poorest students received scholarships.



Image: "High school dropout rate is 77% " at <https://www.educacionfutura.org/el-77-de-desercion-escolar-esta-en-bachillerato/>

NO SUPPORT FOR SCIENCE AND TECHNOLOGY

Science, technology and innovation (STI) policies in the world have a strategic place in the agenda of governments. The global scenario demands the promotion of scientific knowledge capabilities, technological innovations and social progress. Although our country strengthened STI by building research centers over time, achieving a certain presence in the world of knowledge, economic disincentives and the lack of policies in favor of science are evident and threaten the accumulation of monetary and human capital and, therefore, economic growth. A weak institutional and scientific infrastructure, a small research community and insufficient public and private investment are among the elements that impede Mexico of being a country that significantly promotes science and thus social progress (Seade and Cabrero, 2024).

Current public policy implementation has also not been consistent or inclusive; rather, it has lacked long-term vision. As a result, the development of STI in the country has been haphazard and has not been considered a priority for national development (Vale-ro *et al.*, 2019).

Economic disincentives and the lack of government policies in favor of science are evident and threaten the accumulation of monetary and human capital and, therefore, economic growth (Seade and Cabrero, 2024).

We long for a country thriving in STI, driven by the promotion of quality education, improved housing conditions, the eradication of poverty, the strengthening of the market, and the commitment of the State. Mexico is going through a crisis in STI, starting with insufficient investment, reduction of scholarships, the disappearance of funds and trusts, as well as centralization and illegality, which have eroded the progress achieved.

In comparison with OECD countries, Mexico ranks last with only 1.02 researchers employed per 1,000 members of the labor force. Denmark, the country at the top of the list, reports 15.65.

Allocating resources to strengthen public policies in STI is essential and urgent. In R&D spending, Mexico is below the OECD average, as well as countries like Turkey, Spain and Italy, additionally showing a downward trend (UNDP, 2020).

Regarding investment in STI, the Science and Technology Law (last reformed in 2020) included international recommendations, which stipulated that the annual amount allocated to science should at least be 1% of GDP. Mexico has never reached that level. In addition, in the new Law on Humanities, Science, Technology and Innovation, or LMHCTI (Camara de Diputados, 2023), there is no mention of that goal (Puga and Valderrama, 2022).

Additionally, in 2021 there was a significant reduction in the number of scholarships for study abroad, from 7,514 in 2015 to 2,087 (Conacyt, s.f.). This represents a setback in access to educational opportunities for Mexican students. By 2023, the allocated budget was reduced to a quarter of what it was at the beginning of the Lopez Obrador term, resulting in a huge fall in the number of projects receiving funding. According to the president's fourth annual report to Congress, 25 times fewer projects were funded in 2021 than in 2017 (108 vs. 2,700).

In contrast, specific measures against the scientific field by Conacyt during the 2018–2024 administration were evidenced in the suppression of economic funds, the disappearance of at least 65 trusts related

to science, the elimination of economic incentives for researchers from private universities affiliated to the National System of Researchers, the accusation of corruption towards the private sector in the management of R&D funds, as well as the perceived politicization of science (Signos Vitales, 2021). In addition, 96 research funds that were constituted from 1995 onwards disappeared when the Science and Technology Law was modified in November 2021 (Valderrama *et al.*, 2024). This had a severe impact on many researchers, especially those associated with Public Research Centers, who lost the only legal mechanism that allowed them to use internally generated funds for their research.

Moreover, the centralization of science was evident in the 2018–2024 government. For example, the new LMHCTI included the dismantling of Conacyt (now Conahcyt), the centralization of decision-making, the restriction of scientific research to priorities defined by the Executive, the reduction of academic freedom and, consequently, the stonewalling of progress and innovation. The law also impacted the Scientific and Technological Consultative Forum as, although the new law did not explicitly mention it, it abolished it,

Compared to OECD countries, Mexico is in the last position, with only 1.02 researchers employed per 1,000 members of the labor force.

There was a significant decrease in the number of scholarships for study abroad, going from 7,514 in 2015 to 2,087 in 2021 (Conacyt, s.f.).

jeopardizing the existence of the board of directors made up of associations and organizations that facilitated the formulation of proposals regarding scientific research, development, innovation policies and programs.

Attacks on science continued and with it the risk of developing new scientific tools. The main effects are summarized in Table 6.7.

The centralization of science during the 2018–24 government: dismantling of Conacyt (now Conahcyt), centralization of decision-making, restriction of scientific research to priorities defined by the Executive, reduction of academic freedom and, as a result, stonewalling of progress and innovation.



Image: "Conacyt leaves 1,500 researchers from private universities without support" at <https://www.razon.com.mx/mexico/conacyt-corta-apoyos-1-498-investigadores-414904>

TABLE 6.7 MECHANISMS TO WEAKEN THE CTI SECTOR (1/2)

WEAKENING MODE	DESCRIPTION
Dismantling	Of the Scientific and Technological Consultative Forum and the National Conference on Science, Technology and Innovation, which operated until 2019.
Science spending	According to the Science and Technology Law (LCT), national spending for this sector should be equivalent to 1% of GDP. Although this percentage has never been reached, the budget allocated to Conacyt allowed it to have stable resources that represented an average of 18% of its total spending (Puga and Valderrama, 2022). In November 2020, all the funds (sectoral, mixed and institutional) were eliminated and with them the trusts (the mechanism by which they operated). The trusts' resources were extracted and transferred to other federal government projects, away from S&T (Dutrenit, Puchet and Taguena, 2024).
Political use of the scientific apparatus	Dismantling of autonomous representation structures to facilitate a vertical decision-making process.
Reform of laws	Article 3 of the Constitution on education matters (Secretaria de Gobernacion, 2019) / General Law of Higher Education (Camara de Diputados, 2021).
Conacyt Budget	The budget for Conacyt was reduced gradually. By 2023 the resources allocated (31,655 million pesos) were only 2.1 million higher than in 2022 and will represent only 46.0% of the 2015 budget and 77.6% of that of 2018. In 2023, Item 38, for its operations had a decrease of more than 2,217 million pesos (Toche, 2022).

Attacks on science continued and with it the risk of developing new scientific tools.

TABLE 6.7 MECHANISMS TO WEAKEN THE CTI SECTOR (2/2)

WEAKENING MODE	DESCRIPTION
Scientific and technological production	S&T production shows the capacity of its system to generate knowledge. Mexican scientific production during the period 2003–2016 shows gaps with respect to other countries. At the beginning of the period, Turkey produced 6,000 more articles than Mexico and at the end of the period it produced 19,000 more. While Mexico during this period doubled its capacity to generate knowledge, Turkey almost tripled it, as did Brazil (Cabrero, 2024).
Human capital	Mexico is advancing slowly in terms of the expansion of human capital: Mexico has advanced from 0.5 researchers per thousand inhabitants of the Economically Active Population (PEA) to 1 in the last 25 years. The OECD average went from 5 to 8 in the same period.
Funded projects	In 2017, 2,700 projects received funding from Conacyt. By 2021, 108.
Decrease in scholarships abroad	Scholarships for study abroad went down from 7,514 in 2015 to 2,087 (less than half) in 2021 (Conacyt, s.f.).

Source: In-house elaboration with information from Signos Vitales (2021), Toche (2023), Conacyt, (s.f), Puga & Valderrama (2022), Dutrenit, Puchet & Tagüeña (2024) and Cabrero (2024).

It is necessary to set a course with a vision that allows for the healthy development of the scientific sector. It is imperative to propose a new institutional design as the head of the system, as well as the reestablishment of a national policy of incentives and linkages between academia and the productive sectors and industry.

It is also essential to create advisory bodies on S&T issues for the executive and legislative branches of government so that their decisions are based on solid knowledge. In short, a system capable of facing current and future challenges is required (Dutrenit, Puchet and Taguena, 2024).

A MINIMUM URGENT AGENDA

Education and science in Mexico require decisiveness. We present a series of actions to halt the decline of education and strengthen the advancement of science.

Mexican society requires more and better efforts to rescue education and strengthen science.

**TABLE 6.8 URGENT MINIMUM AGENDA FOR EDUCATION, SCIENTIFIC PROGRESS
AND TECHNOLOGY (1/2)**

ACTION	OBJECTIVE
Possibility of establishing leveling courses	Address basic learning gaps and challenges, especially among children of lower socioeconomic levels, through personalized instruction.
Preparation of textbooks under the coordination of the educational authorities and publishers	Construction of textbooks where the State maintains its steering role in education with the possibility of reusing the books for several years. Recovering the previous contents and in secondary schools reactivating the agreement with the CANIEM where the copies are property of the library and are loaned to students for one year.
Evaluation of curricula with educational experts	Decide which books need support material, which do not need to be modified, and which books or plans should be modified.
Creation of a Secretariat for Higher Education, Science, Technology and Innovation	To guarantee the right to education by strengthening the National System of Higher Education, Science, Technology and Innovation. This call should be carried out under the constitutional precepts of the Mexican State, in coordination with the states and municipalities. In order to consolidate most of the budget allocated for the fulfillment of the Special Program for Science, Technology and Innovation, historically divided between the SEP and the Council.
Redesignify teachers	To provide teachers with the tools, incentives, resources and capabilities to face the challenges of the educational system..

**TABLE 6.8 URGENT MINIMUM AGENDA FOR EDUCATION, SCIENTIFIC PROGRESS
AND TECHNOLOGY (2/2)**

ACTION	OBJECTIVE
Strengthening the relationship between education and science	Integrate science, technology, art and mathematics (STEAM) within the Educational System.
Redefining the Academies of Sciences	To transform the passive reality of science in favor of the adoption of advances under an active awareness that allows the generation of knowledge and advice to decision makers.
Encouraging collaboration between academia and industry	Create a structure similar to that of institutions such as the Spanish Higher Council for Scientific Research (CSIC) or the French National Center of Scientific Research (CNRS) or the Max-Planck Society in Germany. This would stimulate the generation of knowledge, attract world-class scientific talent and allow Mexico to boost economic development, innovation and the resolution of crucial problems for society.
Creation of a national system of public centers	Strengthen the country's research with a national system of public centers that coordinates inter-institutional collaboration and can create new centers, in order to attract talent and drive development and innovation.
Opening of a National Institute of Artificial Intelligence	Develop AI tools under the command of an institute capable of generating applications such as in medicine or education. Under a public-private partnership that allows industries to participate in the development and financing of projects. The sophistication of processes has resulted in innovations that change the way we interact with the world.

Note: 1) The CSIC is an autonomous public agency. It has 121 institutes and three national centers, with more than 15,000 employees and produces 20% of Spain's research. 2) The CNRS has 10 national institutes distributed in 32 research centers. It has Nobel laureates and Fields medalists (the highest recognition in the area of mathematics).

Source: Own with data from (Azevedo, *et.al.*, 2020) (Signos Vitales, 2023); Rojas (2024b,c) and Valderrama, *et al.*, 2024.

Mexican society requires more and better efforts to rescue education in the country. Those actions require placing identified lags, along with the present and future challenges, at the center of the national agenda. Quality and excellence in education are necessary for science to play a decisive role (Seade 2024).

CONCLUSION

The legacy and challenges facing education and science in Mexico are numerous and profound. A reformulation of education is necessary in order to rescue the future of children and youth. Decisions made in the 2018–2024 administration in the education sector begot a lost opportunity to rebuild and strengthen the National Education System. Moreover, the risk of losing the advances in innovation and knowledge is another fundamental part of this government's legacy. The New Mexican School scheme reflects the significant reduction of teaching resources for systematic thinking in our children through new textbooks that reflect indoctrination and loss of knowledge.

It is necessary to recognize the complexity of addressing existing problems and emerging challenges. However, it is the responsibility of the educational

authorities to make up for the lags and implement the necessary actions to overcome the educational crisis that increases the number of students out of the classroom and the impoverishment of learning, which leads to a widening of gaps and the impossibility of obtaining better opportunities to succeed, putting at risk the future of Mexican children and youth.

The future of learning for millions of children will largely determine their ability to progress. Much of the potential for growth and prosperity depends on the promotion and support of education and science. It is therefore imperative to pay attention to the effects of the changes implemented in the Lopez Obrador administration, with a view to recover knowledge and implement a culture where science and technology shape the path of Mexico's economic growth and development.

It is essential to recover knowledge and a culture where science and technology shape the path of Mexico's economic growth and development.



LEGACY 3. THE EDUCATION SYSTEM IN 2024

- ▶ EVIDENCE OF LEARNING LOSS AMONG CHILDREN AND YOUTH, WHICH COMPROMISES THE FUTURE OF NEW GENERATIONS.
-

- ▶ ABANDONMENT OF SCIENCE:

- » Political use of the scientific apparatus: Dismantling of autonomous structures.
 - » Dismantling of the Consultative Forum and the National STI Conference since 2019.
 - » Decrease in overseas scholarships: from 7,514 in 2015 to 2,087 in 2021.
-

- ▶ A MINIMUM URGENT AGENDA IS NEEDED FOR THE ADVANCEMENT OF EDUCATION, SCIENCE AND TECHNOLOGY IN MEXICO THROUGH:

- » The recovery of learning with remedial courses.
- » The development of textbooks under a science-based framework and with the coordination of educational authorities.
- » The redefining of teachers.
- » The creation of a national system of public centers.
- » The opening of a National Institute of Artificial Intelligence.

Legacy: abandonment of science and technology and institutional dismantling with lasting consequences.



7 HEALTH: THE GRAVEST SOCIAL DEBT



Image: <https://aristeginoticias.com/0402/mexico/65-mas-casos-de-cancer-en-mexico-para-2040-unam/>

7 Health: the gravest social debt



INTRODUCTION

Mexico is a diverse country and so are the needs of its population. To describe the living conditions of people, it often helps to focus on indicators that assist in dimensioning them. So, from time to time, it is necessary to take stock in order to recognize the progress and challenges in different areas. In health this exercise is indispensable. The balances and results leave a legacy that highlights the importance of health in the government's agenda. While it is necessary to recognize the health interventions on behalf of the population, it is also fair to start from the health system's weaknesses and the inconsistencies

in decision making, especially as the consequences are lived day by day in a more deteriorated Mexico.

One of the most dramatic legacies of the Lopez Obrador administration is in health issues. The decrease in coverage alone left 30.3 million more people without access to health services in 2022 than in 2018. The failure of the substitution of Seguro Popular (Popular Insurance, for its translation in Spanish) by Insabi and its subsequent transfer to IMSS-Bienestar shows the inability to respond to the population that does not have social security, and therefore cannot access health services, medical treatment and/or care for chronic diseases with direct impacts on the quality of life. This has led Mexicans to increase out-of-pocket

One of the most dramatic legacies of the Lopez Obrador government is in health issues. The decrease in coverage alone left 30.3 million more people without access to healthcare services in Mexico in 2022 compared to 2018.

spending on health, directly affecting family income levels and assets.

In this chapter we describe the points that construct the legacy of health in Mexico during the 4T government. We review the effects of measures and their results, the actions implemented that directly affected people's lives, and the importance of health decisions in the windows of opportunity that soon close and leave direct consequences in people's lives. Finally, we mention a series of recommendations to strengthen the national health system and show the long road that lies ahead.

The failure replacing the Seguro Popular with Insabi and its subsequent transfer to IMSS-Bienestar shows the inability to respond to the population without social security.



7.1 Context: access to health care «and quality of service

ESSENTIAL HEALTH SYSTEM DATA

There are more than 129 million people in Mexico and knowing the population's health status is crucial. Public health faces challenges such as coverage and quality of its services, budget and infrastructure. Political, social and economic changes determine the strength and equity in access to the system of the population (PAHO, s.f), so it is essential to know both the state of the population's health and the system's capacity to respond to the various needs and challenges.

Before knowing the response capacity of our health system, it is necessary to start with the health status

of the population. According to the OECD (2023), Mexico presents a deplorable situation in at least 3 indicators compared to the average of OECD countries. It has the highest rate of avoidable mortality (due to preventable and treatable causes): 665 deaths per 100,000 people, while the OECD average was 237 and in Switzerland only 133. Life expectancy at birth in Mexico was 75.4 years, while the OECD average is 80.3. Among chronic health conditions, with respect to the percentage of adults with diabetes, Mexico had the highest rate with 16.9% along with Turkey and Chile (14.5% and 10.8% respectively) (OECD, 2023).

The Pan American Health Organization (PAHO) also presents basic indicators that indicate the health

In at least 3 indicators Mexico presents a deplorable situation with respect to the average of OECD countries: mortality rate, life expectancy, prevalence of diabetes.

trend in Mexico and the world. Table 7.1 shows some of them, indicating that Mexico spends less than half of the public expenditure on health as a proportion of GDP that the Americas. It also has a lower life expectancy at birth; a higher infant mortality rate and an out-of-pocket expenditure of almost twice as much as that reported by the Americas region.

Almost all OECD countries meet the requirements for universal coverage; however, Mexico reported a drastic increase in the population lacking access to health services. While in 2018 only 16.2% of the Mexican population lacked such access, by 2022 (last measurement) there was a drastic increase to 39.1% (Coneval, 2023a). Considering the conditions of those who do have access to health services, the satisfaction with the availability of quality health services refers to effective coverage. OECD countries reported that 67% of their population was satisfied with the availability of health services in the place where they live (2020 data), while countries such as Mexico, Colombia and Chile show lower percentages (57%, 41% and 39%) respectively.

Likewise, high quality care requires that services be safe, clinically effective and responsive to the needs of the population. Antibiotic prescriptions and the

TABLE 7.1 DASHBOARD OF BASIC INDICATORS IN MEXICO AND THE AMERICAS REGION (LATEST YEAR AVAILABLE)		
CORE INDICATORS	COUNTRY/REGION	
	MEXICO	REGION OF THE AMERICAS
Fertility rate	59.3	35.3
Public expenditure on health as % of GDP	3	6.3
Out-of-pocket health care spending (%) of current health care spending	41.4	22.1
Life expectancy at birth (years)	75.3	77.3
Infant mortality rate	12.3	9.5
Maternal Mortality Ratio per 100,000 live births)	59	69.4

Source: In-house elaboration with data from OPS (s.f).

number of avoidable hospitalizations are examples of indicators that measure the safety and appropriateness of primary care. Breast cancer screening is an indicator of the quality of preventive care; 30-day mortality after acute myocardial infarction (AMI) and stroke measures the clinical effectiveness of secondary care.

In this regard, the high quality of health care in Mexico indicates that it is one of the countries with one of the lowest rates of primary care¹. On the other hand, breast cancer is the second most common cause of cancer death among women (OECD, 2023). Timely screening by mammography is essential, allowing treatment to be initiated at an early stage. In 2021, screening rates by mammography were highest in Denmark, Finland, Portugal and Sweden (80% or more among women aged 50–69 years). They were the lowest in Mexico, Turkey, Slovak Republic and Hungary (all below 30%).

¹ The WHO defines primary health care (PHC) as "essential health care accessible to all individuals and families in the community through means acceptable to them, with their full participation and at an affordable cost for the community and the country. It is the core of the country's health system and is an integral part of the overall socioeconomic development of the community".

Breast cancer is the second most common cause of cancer death among women (OECD, 2023). Detection rates were lower in Mexico (below 30%).



Image: "IMSS invites to have a mammography" 2018 at <https://www.elsoldesanluis.com.mx/local/soledad/invita-imss-a-realizarse-estudio-de-mastografia-1907013.html>

As for the quality of acute care, both 30-day mortality after AMI and stroke are two variables established to measure it. Taking both indicators together, Mexico and Latvia had by far the highest mortality rates in 2021 (23.7 and 15.9 per 100 admissions of persons aged 45 years or older respectively), while Iceland (5.4), Norway (2.6), the Netherlands (2.9) and Australia (3.3) had the lowest rates (OECD, 2023).

A resilient health system requires sufficient resources. However, more resources do not necessarily translate into better health outcomes. At Signos Vitales, we have continuously monitored health figures (Signos Vitales, 2023). Per capita health spending summarizes the overall availability of resources. The number of practicing physicians and nurses provides information on the supply of health workers, while the number of hospital beds shows acute care capacity.

In that sense, the number of doctors and nurses is an important indicator to monitor how resources are used. In 2021, the number of physicians ranged from less than 2.5 per 1,000 inhabitants in Turkey to more than 5 per 1,000 in Norway, Austria, Portugal, and Greece. On average, there were just over 9 nurses per 1,000 population in OECD countries in 2021, while Mexico had fewer than 3, as do Colombia and Turkey.

In 2021, the number of physicians in Mexico ranged between less than 2.5 per 1,000 population and 3 nurses per 1,000 population.

This is in contrast to countries such as Finland, Switzerland and Norway, which have 5 physicians per 1,000 inhabitants (twice as many) and 18 nurses (6 times more).

Finland, Switzerland and Norway have more than 18 (OECD, 2023).

The number of hospital beds provides an indication of the resources available to provide inpatient services. The Covid-19 pandemic highlighted the need for sufficient hospital beds. In OECD countries, there were on average 4.3 beds per 1,000 people in 2021. Japan reported the most (13). Colombia had 1.7, Costa Rica 1.2 and Mexico, with only 1.0, were the countries with the lowest numbers.

The trend in the use of digital health is another indicator associated with the capacity of health sys-

tems. This is a measure of the ability to use data and technology to obtain beneficial outcomes for both individual and collective health. This implies consideration of at least 4 dimensions of digital health: 1) analytical readiness; 2) data readiness; 3) technology availability; and 4) human factor training. About 95% of OECD countries are among the leading countries in at least one category. Currently 35 countries have some strategy related to digital health, while Mexico and Turkey do not. This may hold back the prevention of profound harm during pandemics and the lowering of healthcare costs (OECD, 2023).

Finally, the analysis of the health sector's capacity is accompanied by the study of the government's capacity to deal with health crises such as the one caused by Covid-19. In this context, the Independent Commission on the Covid-19 pandemic in Mexico highlighted the consequences of the pandemic and also analyzed the government's capacity to deal with it (Sanchez and Sepulveda, 2024). Mexico not only experienced a health crisis, but also a crisis of government failure. Under the study of at least 5 comparative indicators with the rest of the world², it is clear

² The reduction in life expectancy; orphanhood caused by the deaths of young adults; mortality among health personnel; and excess mortality from all causes.

that the government's management was dismal, resulting in:

1. A dramatic reduction in life expectancy. Between 2019 and 2021, this decrease was between 4 and 4.6 years. This meant a setback of approximately 30 years. This drop in life expectancy is 2.4 times higher than the world average (1.6 years).
2. One of the most heartbreaking realities is the high incidence of orphanhood caused by pandemic. The number of orphaned infants reached 215,281 children from March 2020 to December 31, 2022.
3. An unusually high rate of premature mortality³. Death statistics show that Covid-19 was the second leading cause of death in 2020, the first in 2021 and the fifth in 2022. This affected not only the elderly, but also young adults. In 2021, Covid-19 was the leading cause of death in the 35-44, 45-54 and 55-64 age groups, the second leading cause of death in the 25-35 age group and the fifth leading cause of death in the 15-24 age group.
4. The country with the highest number of healthcare worker deaths. From January 2020 to Novem-

³ In 2019, about 47,000 deaths of people between 35 and 44 years of age were recorded; in 2020 and 2021, more than 69,000 (a 47% increase). For the 45 to 54 age group, this increase was 70%.

From the study of 5 comparative indicators with the rest of the world, it is clear that the government's management of the pandemic was dismal (Sanchez & Sepulveda, 2024).

ber 2021, 4,572 healthcare workers died from Covid-19. This figure is 1.6 times higher than in the United States. If the period is extended to May 2023 this number increases to a total of 4,843.

5. An unprecedented catastrophe: From March 2020 to December 2023, a total of 833,473 excess deaths were counted. This has led Mexico to the 4th place worldwide in excess deaths, only after Peru, Bolivia and Ecuador⁴ (Sanchez and Sepulveda, 2024).

The limited response capacity of the health system is evident, as were the results of a dramatic crisis underestimated by the government. This is the consequence of the reforms implemented, which we will analyze in the following section.

The legacy reflects a remarkable inability of the sector to respond, especially considering the collapses caused by the pandemic. Although this is the result of years of inadequate policies, the decrease in coverage, the toll in deaths and other effects reveal that the gaps have deepened. Today, Mexicans have less access, in terms of coverage and quality, and a limited capacity for management and response.

⁴ The quantitative analysis considers the weight of structural factors in the excess deaths in the countries.

We can see not only the limited response capacity of the health system, but also the results of a crisis of dramatic dimensions underestimated by the government.

The decrease in coverage, the toll in deaths and other effects reveal that the gaps have deepened. Today, Mexicans have less access, both in terms of coverage and quality, and limited management and response capacity.



LEGACY 1. CONTEXT: ACCESS TO HEALTH CARE AND QUALITY OF SERVICE

DEATHS BY COVID-19

LEADING CAUSE OF DEATH:

35–44 YEARS OLD/45–54 YEARS OLD/55–64 YEARS OLD

SECOND LEADING CAUSE OF DEATH IN 2021:

35–44 YEARS OLD/45–54 YEARS OLD/55–64 YEARS OLD

AFTER THE PANDEMIC:

215,281 CHILDREN LEFT ORPHAN

DEATH OF HEALTHCARE WORKERS:

4,572 WORKERS/1.6 TIMES HIGHER THAN IN THE USA
(JAN 2020–NOV 2021).

4TH PLACE WORLDWIDE IN DEATHS DUE TO COVID-19:

833,473 EXCESS DEATHS

MARCH 2020 – DECEMBER 2023

HEALTH SERVICES

DRASTIC INCREASE IN POPULATION
WITHOUT ACCESS TO SERVICES

IN 2018: 16.2% IN 2022: 39.1%

AVOIDABLE MORTALITY RATES:

665 DEATHS PER 100,000 PEOPLE

HIGHEST PREVALENCE RATE OF DIABETES:

16.9% OF ADULTS

Legacy: the management of the pandemic left a human tragedy in the country whose consequences will last for generations.



7.2 Health system architecture



Mexico has a health system that combines the public and private sectors. The public system includes social security (IMSS, ISSSTE, Pemex, among others) and the Ministry of Health (SESA⁵, Insabi, now IMSS-Bienestar, general hospitals). The private sector includes hospitals, private clinics⁶ and insurance companies.

Social security is focused on serving workers in the formal sector, their families and pensioners. The Health Secretariat is for the self-employed, unem-

ployed and/or informal sector workers, and the private system is for those who can afford it. That is, there is Social Security, the Health Secretariat and the Private System. To give a broader context, it would be necessary to specify how the health system has functioned in Mexico and this has a historical perspective. Before explaining the results, it is necessary to describe the health models implemented over the years.

The evolution of the Mexican health system has faced challenges addressed since the second half of the twentieth century, with at least three generations of reforms. The first generation began in 1943 when

The evolution of Mexico's health system has faced challenges since the second half of the 20th century, with at least 3 generations of reforms.

⁵ Health services offered by states.

⁶ This includes private hospitals such as the Angeles group, Medica Sur and Star Medica, as well as the medical offices attached to Similar Pharmacies.

three important health institutions were created: the Health Secretariat, the Mexican Social Security Institute (IMSS) and the Children's Hospital (the last two in charge of tertiary care, training of specialists and scientific research). At that stage, the health system did not reach many poor people in rural areas, in addition to the fact that between 1940 and 1970 there were radical changes in its epidemiological profile, which meant that this model soon reached the limit of its capacity to meet the needs of the population (Frenk *et al.*, 2003) (Table 7.2).

At the end of the 1970s, a second generation of reforms was launched and in 1983 the Constitution was modified to establish the right of every individual to health protection (article 4º, DOF, 1983). Thus, state health systems were created, providing care through a program based on the primary care model (health promotion and protection). The decentralization process began in 1983 with those legal changes and the subsequent creation of the financial protection system known as Seguro Popular (SP), to be analyzed below.

These are the first steps towards strengthening the system and recognizing health as a human right (Cobo and Flores, 2022).

TABLE 7.2 MAIN MODELS OF CARE FOR THE POPULATION WITH NO SOCIAL SECURITY IN MEXICO 1943–2023	
YEAR	CARE MODEL
1943	Creation of the SSA, the IMSS and the Children's Hospital
1973	Social Solidarity
1979	IMSS-Coplamar
1983	Start of decentralization
1993	Coverage expansion program
1997	IMSS-Solidaridad
2002	IMSS-Oportunidades
2003	Seguro Popular
2014	IMSS-Prospera
2016	Universalization agreement
2019	IMSS-Bienestar
2020	Insabi
2022	IMSS-Bienestar and Mas Bienestar
2023	Insabi disappears and its functions are integrated into IMSS-Bienestar.

Source: CEFP (2023).

Subsequently, the third generation of reforms was implemented in the early 1990s with systemic changes to reorganize basic functions of the system (financing, administration and provision). This allowed the Health Ministry to play a leading role in improving the quality of services by extending a package of essential health interventions to vulnerable groups in rural areas (Frenk, *et al.*, 2003).

The Seguro Popular model began in 2004, through the progressive health reform published in 2003 (Gobierno de Mexico, 2003). This public health insurance scheme operated through voluntary affiliation aimed at people who did not have social security (via an employment relationship) and who could not afford a private hospital, with the aim of reducing health (out-of-pocket) expenses of families.

With this affiliation, beneficiary families received access to a set of health care benefits included in the Catalog of Health Services (Causas), which contemplated (until 2019) a total of 284 medical interventions grouped in five categories⁷: 1) Prevention and health promotion; 2) General and specialty medicine;

⁷ Seguro Popular achieved important advances in the performance of the health system, especially in the expansion of financing for 294 basic health interventions and 66 catastrophic conditions through 2018.



Images: "How useful has been seguro popular?" at <https://cruce.iteso.mx/para-que-ha-servido-el-segu-ro-popular/>;

"Disappearing the Seguro Popular would be a serious mistake that would affect the poorest, warned former Secretaries of Health" at <https://www.infobae.com/america/mexico/2019/08/07/desaparecer-el-segu-ro-popular-seria-un-grave-error-que-afectaria-a-los-mas-pobres-alertaron-ex-secretarios-de-salud/>

3) Emergencies; 4) General surgery; and 5) Obstetrics (CEFP, 2023). This model was based on a tripartite scheme with contributions from the federal and state governments and from members (according to their economic capacity).

In addition, access to high-specialty medical services was granted for the care of high-cost diseases that could endanger the lives of families and their economic stability through the Catastrophic Expense Protection Fund. Breast or prostate cancer are examples of such health problems, that is, those which could leave any person or family bankrupt (catastrophic expense).

This provided access to high-specialty medical services for the treatment of diseases, which changed its name during the Lopez Obrador administration to the Health Fund for Wellbeing (Fonsabi in Spanish), where since 2019 there has been a decrease in the resources paid to cover diseases that cause catastrophic expenses.

As shown in Table 7.3, this fund had more than 10 billion pesos in 2016. Once in office, the Lopez Obrador government decreased those resources to 6 billion in 2019 and to a mere 1 billion in 2022 (Table 7.3).

TABLE 7.3 RESOURCES PAID TO COVER DISEASES THAT CAUSE CATASTROPHIC EXPENSES (CANCER, HIV, ETC. MILLIONS OF PESOS)

YEAR	RESOURCES PAID
2012	\$8,972
2013	\$10,218
2014	\$9,882
2015	\$10,546
2016	\$10,701
2017	\$9,036
2018	\$8,738
2019	\$6,021
2020	\$5,963
2021	\$2,832
2022	\$1,024

Source: Campos & Cano (2023).

Until 2018, this health care model was the one in place in Mexico. However, with the arrival of Lopez Obrador to power, some components changed. Under the name of the National Health Plan, it was theoretically sought to improve the country's public system and provide coverage to those who did not have social security. Neither Social Security nor private sector modify their systems. However, there were important modifications in the Health Secretariat with the closing down of Seguro Popular and the implementation of the Health Institute for Wellbeing (Insabi, for its acronym in Spanish).

Lopez Obrador eliminated the 2003 health reform (SP) from national and state government laws and returned to a centralized health system with integrated public financing and delivery, as well as reduced private participation. On January 1, 2020, Insabi began operating under the vision of three main ethical principles: "universality, free health services and anti-corruption". In sum, the general values of the Lopez Obrador government reflected an anti-market model against the global flow of health policy trends that did not necessarily comply with its principles (Reich, 2020⁸).

8 Reich, M. R. (2020).

Table 7.4 describes the main changes, effects and results prior to 2018 with the Seguro Popular implementation and compares the effects of Insabi and IMSS-Bienestar. The impacts of this change will take time to show and be evaluated; however, some issues such as lack of coverage in childhood vaccination and/or lack resource utilization, as well as the consequences (such as cancer survival rates), as well as distribution measures (in affected groups by income, federal entity, ethnic groups and/or rural or urban place of residence) will have to be considered.

Some of the lessons not learned is that although the Seguro Popular model had major weaknesses and challenges related to infrastructure, it managed to progressively equalize the access and rights of those who did not have social security. The results of the health changes of the Lopez Obrador administration revealed lower coverage, greater shortages, lower levels of vaccination, fewer paid cancer treatments, etc., elements that showed the collapse of the health system, reflecting in turn a greater lack of access to this right and thus more uncovered health needs (Table 7.4).

Several lessons can be drawn from the Seguro Popular to Insabi change (Reich, 2020). First, undoing

TABLE 7.4 MAJOR CHANGES IN HEALTH CARE MODELS BEFORE AND AFTER 2018 (1/2)

MODEL	SEGURO POPULAR (SP)	DISMANTLING OF THE SP, IMPLEMENTATION OF INSABI AND TRANSFER OF FUNCTIONS TO IMSS-BIENESTAR
REFORM / CHANGES	The 2003 reform exemplifies the design of evidence-based policies. However, the reform stalled because essential updates did not materialize.	The government rejected the Seguro Popular on November 14, 2019. Insabi was put into effect instead with the promise of free medical care.
FOUNDATION	The package of high-cost interventions was based on the expansion of the Catastrophic Cost Protection Fund that began with childhood cancer and HIV.	The president's speech to dismantle the Seguro Popular was based on accusations of financial mismanagement, claiming that Seguro Popular "it was neither seguro (safe in Spanish) nor popular".
DIFFICULTIES	The difficulties among the states called for stronger structures. They lacked the infrastructure to absorb the demand for services.	As it was created without operational rules or a management plan or sufficient funds, it was not possible to expand and consolidate the scheme of health institutions for the uninsured. The criteria for defining the health needs of the population and thus the conditions and interventions to be covered by Insabi were also not specified. The scheme for purchasing medicines through the United Nations Office for Project Services (UNOPS) was changed with a distribution strategy that lacked capacity, infrastructure and experience.

TABLE 7.4 MAJOR CHANGES IN HEALTH CARE MODELS BEFORE AND AFTER 2018 (2/2)

MODEL	SEGURO POPULAR (SP)	DISMANTLING OF THE SP, IMPLEMENTATION OF INSABI AND TRANSFER OF FUNCTIONS TO IMSS-BIENESTAR
RESULTS	The Seguro Popular expanded access and established explicit rights for those without social security in order to equalize the right to health care. The performance of the health model can be measured by population health outcomes or public satisfaction with health services and facilities through measures of access, quality and efficiency. Prior to 2018, continued progress was reported such as access to treatment for breast cancer and childhood leukemia. In addition, from 2012 to 2018, policies were introduced to improve fiscal accountability and identification of duplicity in affiliation.	Insabi reproduced rationing schemes instead of SP prioritization processes. This increased waiting times for services and created drug shortages, while also decreasing responsiveness to patients' needs. There was no clarity as to Insabi's legal responsibility for covering specialized tertiary level care. Access to Insabi health services reached only 28% of the population in 2020, while SP had reached 43% in 2018. Insabi's primary responsibility to provide free and universal coverage failed and its functions were transferred to IMSS-Bienestar.
CHALLENGES	Although rights and benefits were progressively equalized between workers with social security and those without, the system remained segmented according to place of work.	The slow expansion of IMSS-Bienestar has left a quarter of Mexicans without access to social protection.
CONCLUSION	Seguro Popular was an adaptive process of implementing incremental reforms toward universal and effective health coverage.	The dismantling of the health sector and the balance that it represents are perhaps the deepest debt left by this government and the greatest challenge that the new one will face. A series of structural reforms that consider the flaws and lags of the health scheme are required to achieve fundamental changes in the performance of the health system.

Source: In-house elaboration with information from Knaul *et al.* (2023).

and/or improving past reforms is much easier than implementing a new system. The decision to eliminate rather than replace or improve the Seguro Popular left unanswered questions on how to assign the timely operation of resources and how the previous catalog of services (Causes) to be provided by Insabi (now IMSS-Bienestar) would be replaced. The effective integration of policy actions such as financing, payments, regulation and persuasion⁹ presented important challenges for the objectives of the government, showing that they are not free, are not universal, and are quite opaque (Reich, 2020).

The restructuring also showed that the motivation came more from broad ethical principles than from detailed technical analysis. Neither the technical analyses to justify the actions and changes implemented nor a clear plan to evaluate the measures adopted were made public, which complicates the evaluation of current policies for the coming years. In addition, the government's values showed an anti-market bias, contrary to the global policy trends to include the private sector in the reform of the health system.

⁹ Policies related to functions such as revenue collection, resource distribution, and the provision of goods and services offer an opportunity for reform across all levels of health (financing, payment, organization, regulation, and persuasion) (Roberts *et al.*, 2004).

The Seguro Popular had major weaknesses and challenges related to infrastructure, but it succeeded in progressively equalizing access and rights for those without social security.

This has led to the restoration of the old model of centralized power that reduces the role of private facilities and enterprises. Such centralization can introduce problems such as widespread inefficiency and underperformance (Reich, 2020). Therefore, it will be important for the government to put in place effective mechanisms to measure corruption, waste and efficiency of the new health system as it consolidates to assess the impacts.

On the other hand, restructuring of the health system shows that even important reforms such as Seguro Popular can be completely eliminated when the results of the system (mostly positive) are not sufficiently clear or appreciated. This can persuade voters of its supposed ineffectiveness, leading to political changes with effects that are difficult to reverse. The Lopez Obrador administration has placed much more emphasis on political than technical issues in making decisions at the federal level.

Seguro Popular and Insabi reveal the clear influence of a personalized form of policy with polarization effects¹⁰. The elimination of past policies occurred without a careful evaluation of the benefits previously provided, and the damages that are likely to if a health model or scheme (Insabi at the time or IMSS-Bienestar now) is not effectively implemented (Reich, 2020). The real losers of this type of health policy reform are the millions of Mexicans who will pay the costs with their health, welfare and lives.

The legacy of health management was based on the dismantling of everything previously built, without a plan, operating rules and sufficient budget to serve the population without social security, with direct effects on people's health and pockets. The following are the results of these changes, which directly affect the quality of life and health of millions of Mexicans.

¹⁰ The disagreement over health policy included the promoter of Seguro Popular and former Secretary of Health (Julio Frenk) and the former Secretary of Health of Mexico City (Asa Cristina Laurell) (Reich, 2020).

The elimination of past policies (such as Seguro Popular) occurred without a careful evaluation of the benefits previously provided, and the harms that would most likely occur if a health model or scheme were not effectively implemented (Reich, 2020).



Image: Terrible health services at <https://movimientoantorchista.org.mx/salud-publica-infraestructura-deteriorada-pesimo-servicio-y-sin-medicamentos>

THE EFFECTS ON ACCESS AND COVERAGE

One of the most important effects of the implementation of Seguro Popular was the increase in the access to health services. The gap in access to them fell by 22.9 percentage points between 2008 and 2018 while Seguro Popular was in operation (Graph 7.1). This was due to the progress in affiliation. The affiliated population increased 11-fold between 2004 and 2015.

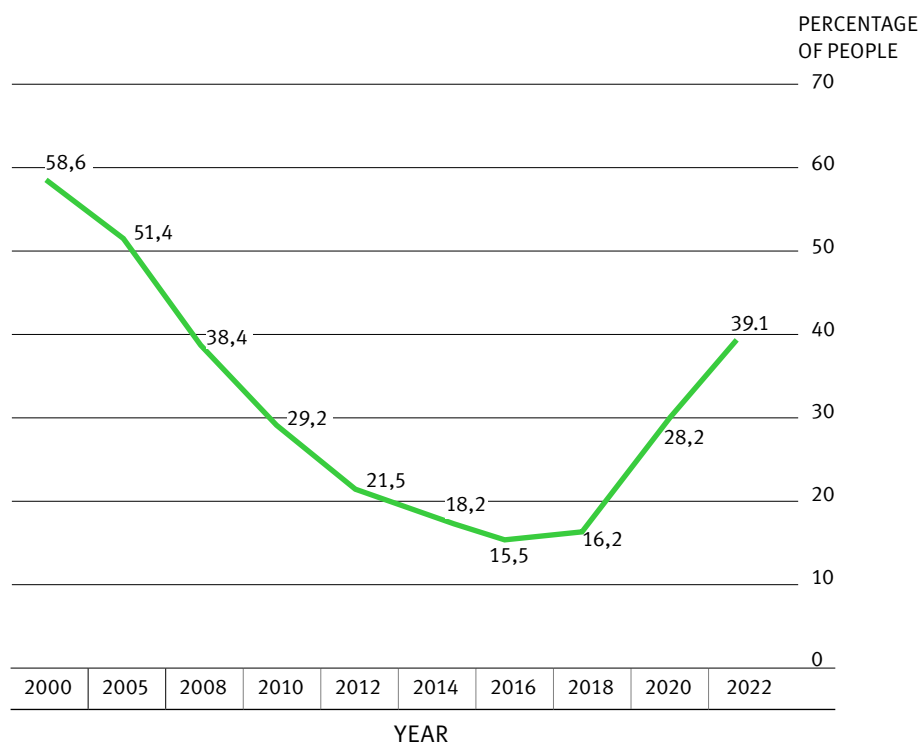
The number of people affiliated with Seguro Popular increased from 5 million in 2004 to 57 million in 2015 (48% of the population) (Coneval, s.f.1). For its Seguro Medico Siglo XXI¹¹ aimed at early childhood care (0–5 years), began operating in 2007 and reported in 2019 over 4.4 million affiliated children.

One of the SP's strengths in terms of access to health services was the care it provided to part the low-income individuals. That is, the lowest income deciles were mostly affiliated to SP. Between 2017 and 2019 the number of people affiliated with Seguro Popular was between 53.5 and 51.9 million (CEFP, 2023) and

¹¹ Its objective was to finance, through a public universal health insurance scheme, the care of children under 5 years of age included in the Social Protection Health System, through the granting of health interventions complementary to high specialty medical services for high-cost diseases (Coneval, s.f.).

The deprivation due to access to health services decreased by 22.9 percentage points between 2008 and 2018 while the Seguro Popular was in operation.

GRAPH 7.1 EVOLUTION OF THE INDICATOR OF DEPRIVATION OF ACCESS TO HEALTH SERVICES 2000 – 2018



Source: In-house elaboration with information from Coneval (s.f.1 & 2023a).

the largest number belonged to the poorest 30% of the country (deciles I, II and III) Table 7.5).

Likewise, in percentage terms, the progressiveness of the health reform implemented in 2003 is confirmed in terms of attention to the poorest. Graph 7.2 describes that in 2018, 72% of the people with the lowest income level in Mexico (decile I) were affiliated to the SP, while 5% reported having Social Security affiliation (IMSS, ISSSTE, Pemex, etc.), a further 17% reported having affiliation in both schemes and only 7% were not affiliated.

The Seguro Popular model was perfectible and presented some challenges derived from its implementation. According to experts, between 2012 and 2018 there was an aging of the 2003 reform and a lack of continuous improvements to respond to policy (Unger-Saldaña, Lajous and Reich, 2023). This occurred because the health services financed by the Seguro Popular were mainly provided in existing health care centers operated and regulated by the country's 32 state health secretariats and the Federal Health Secretariat. As a consequence, the achievement of coverage through Seguro Popular was heterogeneous and depended on local capacity to provide services (Knault, *et al.*, 2023).

TABLE 7.5 PEOPLE ENROLLED IN THE SEGURO POPULAR PROGRAM BY INCOME DECILE 2017–2019			
DECILE	2017	2018	2019
I	30,643,292	29,984,440	28,298,820
II	18,165,104	18,730,934	18,943,336
III	3,667,975	3,772,175	3,735,844
IV	844,136	855,426	778,864
V	112,985	113,507	73,117
VI	49,293	49,770	31,732
VII	13,236	13,655	8,609
VIII	4,509	5,270	3,579
IX	4,081	4,546	2,662
X	576	636	355

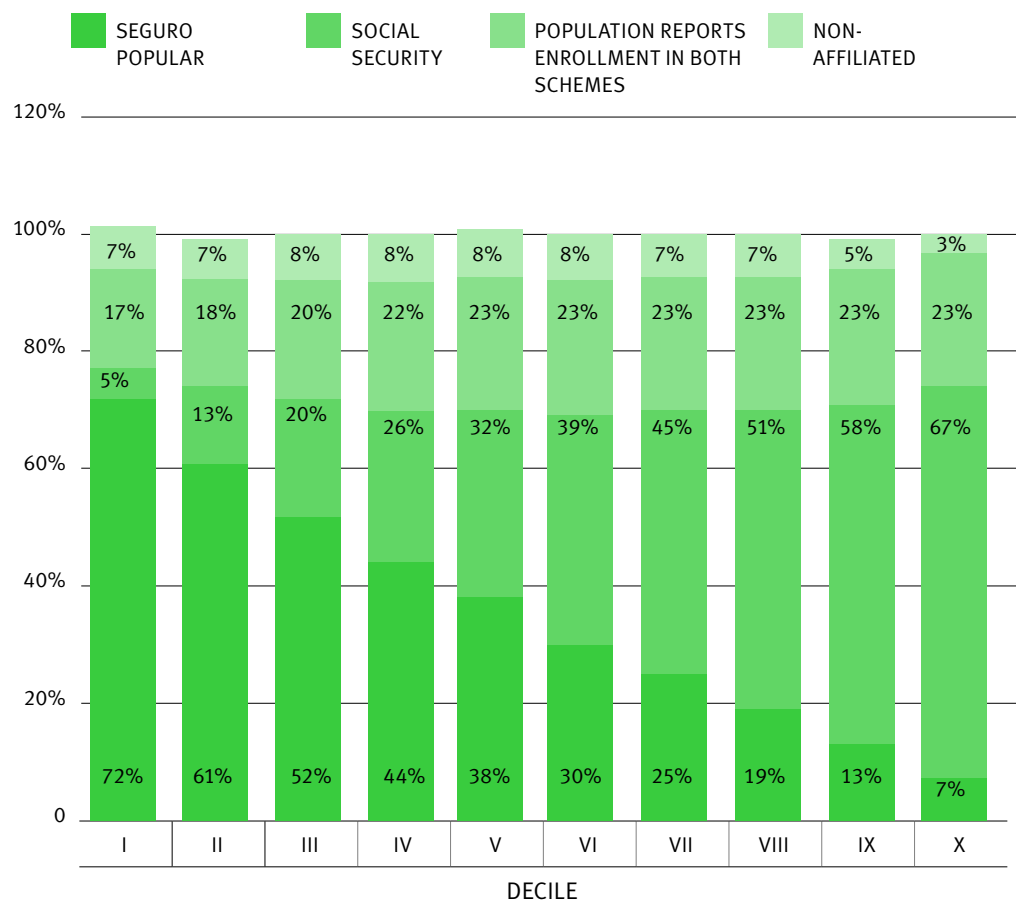
Source: CEFP (2023).

The Seguro Popular heterogeneous effects on health outcomes are attributed to its approach by increasing enrollment and expanding the number of services without making similar efforts regarding access to primary care services, diagnostic tests, or increase the quality of care at all levels. For example, although the number of affiliates increased dramatically from 7,000 to 40,000 affiliates per 100,000 people between 2006 and 2018, no increase was observed during this time in the number of primary care centers and only a marginal increase in that of physicians from 19 to 25 per 100,000 population (Unger-Saldaña, Lajous, and Reich, 2023).

Not surprisingly, given the increase in the use of health services with SP, one of the challenges was the responsiveness of state systems due to lack of infrastructure and/or human resources.

Waiting times for care were also one of the worst rated aspects. Despite the significant challenges this implied, the SP responded to and attended to the population without social security who could not afford to pay for services in the private sector. In other words, the population with the greatest conditions of poverty and vulnerability was served, under a wide

**GRAPH 7.2 COMPOSITION OF SOCIAL SECURITY AND SEGURO POPULAR
AFFILIATION BY DECILES OF CURRENT INCOME
TOTAL PER CAPITA 2018**



Source: In-house elaboration with information from Coneval (s.f.1).

range of services that managed to reduce the out-of-pocket expenses of Mexican families.



Image: The Seguro Popular was closed on 1 January 2020 at <https://www.meganoticias.mx/hermosillo/noticia/inicio-el-cierre-del-seguro-popular/117963>

Given the increase in the use of health services with Seguro Popular, one of the challenges was the response capacity of the state systems due to the lack of infrastructure and/or human resources, so that one of the worst rated aspects were the waiting times to receive care. Despite the significant challenges this implied, the Seguro Popular provided response and attention to the population without social security who could not afford to pay services in the private sector either. That is, the population with the greatest conditions of poverty and vulnerability was served.



LEGACY 2. HEALTH SYSTEM ARCHITECTURE

MAJOR RESTRUCTURINGS:

- » THE 2003 HEALTHCARE REFORM (SEGURO POPULAR) WAS ELIMINATED, RETURNING TO A CENTRALIZED SYSTEM WITH REDUCED PRIVATE PARTICIPATION.
- » INSABI WAS BORN IN 2020 UNDER THREE PRINCIPLES: "UNIVERSALITY, FREE HEALTH SERVICES AND ANTI-CORRUPTION.
- » ALTHOUGH IT WAS PERFECTIBLE, SEGURO POPULAR WAS A MODEL THAT SUCCEEDED IN PROGRESSIVELY EQUALIZING ACCESS AND RIGHTS FOR THOSE WHO DID NOT HAVE SOCIAL SECURITY.

SEGURO POPULAR RESULTS:

- » Expanded access and established explicit rights for those without social security. 22.9% of the population had access to health services.
- » Low-income care: In 2019 51.9 million people were affiliated with the SP, the majority were poor (deciles I, II and III).

INSABI RESULTS:

- » By rationing services, increased waiting times, generated drug shortages and decreased responsiveness.
- » There was no clarity of legal responsibility for covering specialized care at the tertiary level.
- » INSABI served only 28% of the population in 2020, while Seguro Popular reached 43% in 2018.
- » INSABI failed and its functions were transferred to IMSS-Bienestar.

Legacy: Seguro Popular dismantling had consequences and the balance is a deep debt left by this government.

7.3 Legacy: Insabi and IMSS-Bienestar



As already described, Insabi replaced the SP in early 2020. Insabi (associated with the Health Secretariat) was eliminated in 2023 and its functions were absorbed by IMSS-Bienestar (associated with IMSS). That is, a trial-and-error approach to reform the public health system (Unger-Saldaña, Lajous and Reich, 2023).

In January 2020, two months before the onset of the Covid-19 pandemic in Mexico, SP was dismantled. While the SP along with the social security system gradually increased health coverage to 110.9 million people in 2016; the substitution by Insabi caused a drop in affiliation. In 2018, 87.2% of the population still had affiliation (109.7 million people), this number dropped to 72.9% in 2020 (92.4 million people)

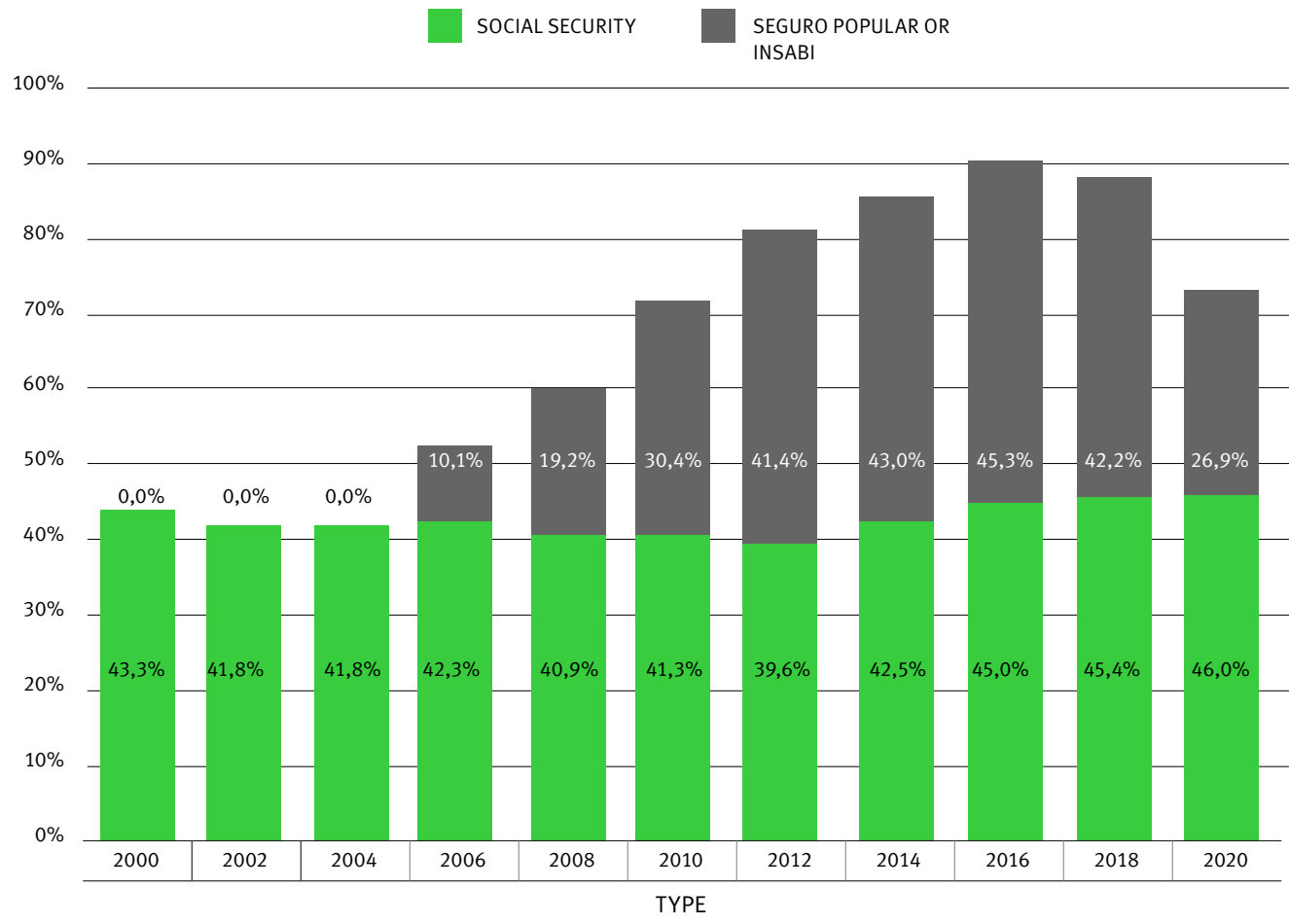
(Knaul, *et al.*, 2023). In particular, there was a 15.3% drop in the transition from SP to Insabi that occurred between 2018 and 2020 (Graph 7.3).

The implementation of Insabi came with a lot of misinformation about its operation. However, this was the least of problems since a greater challenge was looming: the pandemic. On February 27 the first case of Covid-19 was announced in Mexico and by March 18 the first dead was announced. The saturation of hospitals, lack of beds and being among the first places in deaths, were the face of the pandemic in Mexico.

Mexico ranked 4th worldwide in excess deaths, only after Peru, Bolivia and Ecuador. This implied that

The Lopez Obrador administration pushed through a health reform that eliminated Seguro Popular and replaced it with the Insabi in early 2020. Insabi was eliminated in 2023 and its functions were absorbed by IMSS-Bienestar.

**GRAPH 7.3 PUBLIC HEALTH INSURANCE COVERAGE
(% OF TOTAL POPULATION) 2000 – 2020**



Source: Knaul, *et al.*, 2023

approximately 6.4 Mexicans out of every 1,000 died as a result of the pandemic, either from direct causes associated with Covid-19 or indirect ones. There also was a fall in life expectancy between 2019 and 2021 of between 4 and 4.6 years, a dramatic decline to levels of more than 30 years ago. Moreover, 76% of this decline was directly attributed to deaths due to Covid-19. This drop in life expectancy is approximately 2.4 times higher than the world average (1.6 years) (Sanchez and Sepulveda, 2024).

The pandemic has been the most profound catastrophe Mexico has experienced in a century, with a total of 833,473 excess deaths from March 2020 to December 2023 and a total of 4,843 deaths of health care personnel, the highest figure in the Western Hemisphere. This picture could have been different. Even the Australian Lowy Institute ranked Mexico as the second country (after Colombia) with the worst management of the Covid-19 pandemic (Forbes, 2021).

In addition to the lack of actions and poor decisions in the health sector to care for the population without social security, the pandemic's toll was compounded by the accumulation of lags. Countries such as Australia, Chile, Brazil and Italy¹² (among others) formed

¹² In Australia, a Committee to Investigate and Monitor the

commissions of inquiry on governmental responses to the pandemic. The Mexican government had no interest in reviewing the actions of its public health authorities in the face of the effects, health threats and deaths caused by Covid-19. Faced with such a chaotic scenario, a group of researchers and academics from various disciplines interested in learning lessons to prevent future catastrophes, formed the Covid-19 Pandemic Inquiry Commission by the end of 2023. This as a voluntary effort independent of the government that showed interest in sizing up the challenges.

The pandemic was not the only problem. With the reforms to the General Health Law, the Health Welfare Fund for catastrophic diseases was eliminated. This included 33 billion pesos (Diario Oficial de la Federación, 2020), and the federal government was free to dispose of the money originally destined for catastrophic diseases for any purpose, including outside the health sector.

Response to the Pandemic was created; in Chile, a Special Commission of Inquiry into the government's actions in relation to health, economic, social and labor impacts; in Brazil the Parliamentary Commission of Inquiry of Covid-19 reviewed the actions and omissions of the administration of President Jair Bolsonaro and in Italy the Parliamentary Commission of Inquiry on the management of the Pandemic was created to review the actions of the government and public health authorities (Sanchez and Sepulveda, 2024).

The results of the pandemic indicate that Mexico ranked 4th worldwide in excess deaths, only after Peru, Bolivia and Ecuador.

Approximately 6.4 Mexicans out of every 1,000 died from the pandemic either from direct causes associated with Covid-19 or indirect causes.

With this, the government of Lopez Obrador reduced funding for the treatment of breast, cervical and childhood cancers, which Insabi was supposed to attend. This led to homicide claims against the federal government due to the lack of supplies and treatments for childhood cancer (Milenio, 2020). At the same time, chemotherapy treatments in private hospitals doubled in the first year of the government. In 2018 private hospitals applied 48,221 treatments, in 2019 this figure increased to 94,524 (98.5% more) the highest rise recorded since 2013 (INEGI, 2022).

The promise of establishing a health system like Denmark's, guaranteeing access to health care for people without social security, whilst also attending the illnesses and needs of the population, was far from reality. In 2022 there were a total of 29,469 deaths of children under 15 years of age (INEGI n.d.). The leading cause of death in girls aged 5 to 9 years is malignant tumors (cancer) and in boys it is the second leading cause of death (after accidents). Among girls between 10 and 14 years of age, cancer continues to be the leading cause of death, and in boys, the second (INEGI, n.d.). In total, 1,315 children under 15 years of age died from cancer (malignant tumors) in 2022 (INEGI, 2023).

The Seguro Popular spending on childhood cancer between 2012 and 2016 was 500 million pesos; in the following years it dropped to 300 million pesos; however, in 2021 it was only 21 million pesos (a 97% cut) (Roldan and Mexico Evalua, 2024). The number of treatments paid for went from 1,600 in 2018 to only 300 in 2021 (Secretaria de Salud, 2022). Not only were children impacted. All oncology patients without social security were affected by the cuts in the Catastrophic Cost Protection Fund. Some data are shown below.

In the case of breast cancer, the expenditure went from 1,995 million pesos in 2018 to only 170 million in 2021 (a 93% cut), while the number of treatments paid for went from 7,400 to 2,500. Cervical cancer had 300 million pesos in 2018 but only 15 million in 2021 (a 95% cut) and the number of treatments fell from 2,500 in 2018 to 800 in 2021 (Mexico Evalua, 2024a).

Even according to Insabi's semiannual report (Secretaria de Salud, 2023), the programmed goal for cervical cytology (pap smears) performed on women between 25 and 34 years of age living in localities of less than 2,500 people was not achieved. The programmed target was 11,529 and the figure reached

The government of Lopez Obrador:

- » *Eliminated the Health Fund for the Welfare for catastrophic illnesses.*
- » *Greatly reduced funding for treatment of breast, cervical and childhood cancers.*

was 4,580. This had a negative impact on the potential timely detection of dysplasia or cervical uterine cancer in the program's target population.

Moreover, in recent years the use of Pharmacy Adjacent Doctor's Offices (CAF in Spanish) increased. According to the Ensanut (Shamah *et al.*, 2022), this has been the first health care contact for the population, including people who have social security (IMSS, ISSSTE, Pemex, etc.). In 2021, CAFs provided services to 11% of IMSS beneficiaries, 11% of ISSSTE beneficiaries, 11% of other public health services, 29% of people with social security, and 29% of people with private health insurance. The highest proportion was for people without access to social security, with 24% (Shamah *et al.*, 2022).

Additionally, medical personnel also protested against the unfulfilled promise of obtaining permanent positions: 3,200 workers hired by IMSS-Bienestar only had contracts (Aristegui, 2024). Far from the figures pointing to the ineptitude and ineffectiveness of the decisions taken in the health sector, the government itself accepted it in April 2023 when Insabi was closed down with the argument that "it did not work as expected". It revealed what was a tragedy for Mexico. A perfectible but sound model (SP) was tak-



Image: "Today is International Childhood Cancer Day, how to detect it?" at <https://www.elsoldehermosillo.com.mx/local/hoy-es-dia-internacional-del-cancer-infantil-como-detectarlo-4836337.html>

en to a level of disaster, showing an unprecedented deterioration in the country.

The decisions taken so far in the health sector reveal part of the legacy in access and health care. Government inefficiency is evidenced by the increase in the shortage from 2018 to 2022 when the SP was dismantled and Insabi established, which is a reversal of the same magnitude of progress. In other words, in only four years (2018–2022) the gap in access to health in-

creased by the same 22.9 percentage points by which the gap was reduced in one decade (2008–2018), implying that 30.3 million more people were left without access to health services from 2018 to 2022.

This picture reveals that by 2018, the health system, which suffered from fragmentation –deficiency of infrastructure at the state level– required an evidence-based reform that was not implemented, leaving it much weaker. Another part of the legacy of the institutional dismantling in health is that central areas of care for catastrophic diseases such as cancer, including disaster preparedness and epidemiological surveillance, were neglected. This once again highlights the human rights crisis and the financial challenge for families and the health system.

In just four years (2018–2022), the lack of access to health services increased by the same 22.9 percentage points that its deprivation had fallen over a decade (2008–2018). This meant that 30.3 million more people were left without access to healthcare services from 2018 to 2022.



LEGACY 3. INSABI AND IMSS-BIENESTAR: TRIAL AND ERROR

ELIMINATION OF INSABI AND THE NEW IMSS-BIENESTAR

- » INSABI (ASSOCIATED WITH THE HEALTH SECRETARIAT) WAS ELIMINATED IN 2023 AND ITS FUNCTIONS WERE ABSORBED BY IMSS-BIENESTAR (ASSOCIATED WITH IMSS).

IN THE FACE OF INSABI'S INEFFICIENCY

- REDUCTION IN FUNDING FOR BREAST, CERVICAL AND CHILDHOOD CANCERS, FAMILIES HAD TO USE PRIVATE SERVICES:
 - » SEGURO POPULAR SPENT **500 MILLION PESOS IN 2016; AND ONLY 21 MILLION PESOS IN 2021.**
 - » FOR BREAST CANCER **\$1,995 MILLION PESOS IN 2018, \$170 MILLION PESOS IN 2021.** PAID TREATMENTS WENT FROM 7,400 TO 2,500.
 - » **OUT-OF-POCKET SPENDING REACHED 41.4%** OF CURRENT HEALTH SPENDING.
 - » IN 2020, 1.4 MILLION HOUSEHOLDS FACED CATASTROPHIC EXPENSES.
- NEGLECT OF CATASTROPHIC DISEASES, DISASTER PREPAREDNESS AND EPIDEMIOLOGICAL SURVEILLANCE.

THE INDEPENDENT COMMISSION OF INQUIRY

- » IN RESPONSE TO THE GOVERNMENT'S LACK OF SELF-CRITICISM, THE INDEPENDENT COMMISSION OF COVID-19 PANDEMIC RESEARCH WAS ESTABLISHED AT THE END OF 2023.

Legacy: delay and neglect of serious diseases with catastrophic costs and neglect of epidemiological surveillance.



7.4 Public and private finances: health spending



The degree to which health costs are distributed affects access to care. Financial protection, understood as the percentage of health spending covered by government schemes, averages 75% of total health spending in OECD countries. Mexico reports that only 50% of all health spending was covered by the government (OECD, 2023).

The absolute amount of resources invested is not a perfect predictor of better outcomes; however, there is evidence that countries with higher health spending and a greater number of health workers do manage better outcomes. On average, OECD member countries had a per capita expenditure of just under 5,000

dollars per person. In the United States it was 12,555 dollars, while in Mexico it was only 1,181¹³ dollars. Likewise, barriers to access universal health coverage persist and sadly Mexico is an example of this. On average, out-of-pocket spending in OECD member countries represents less than one-fifth of health spending, while in Mexico it is 40%. This affects the poorest to a greater extent since they are three times more likely to delay or not seek medical care than the 20% of people with higher incomes (OECD, 2023).

The trend in health investment in Mexico has been changing over time. That investment (total current

¹³ Adjusted for differences in purchasing power.

The percentage of expenditure covered by governmental schemes amounts to 75% of total health expenditure in average for OECD countries. Mexico reports that only 50% of all health spending was covered by the government (OECD, 2023).

expenditure¹⁴) was 4.5% of GDP in 2000 and peaked at 6.1% in 2009; it declined steadily to 5.4% in 2019 and 6.1% in 2021 (Banco Mundial, s.f.). Currently Mexico continues to lag behind most Latin American countries with similar development levels. In 2021, health spending was 9.7% of GDP in Argentina, 9.8% in Brazil, 9.0% in Chile, 9.0% in Colombia, 7.5% in Costa Rica and 9.3% in Uruguay. The average for the Latin America and the Caribbean (LAC) region was 8.3% of GDP (OECD, 2023) (Graph 7.4).

The analysis of public spending on health makes it possible to observe the way in which the State redistributes resources toward the effective fulfillment of the right to health. In this sense, one of the main indicators reflecting government action is public spending on health as a percentage of GDP. Graph 7.5 shows that in 2009, this percentage was 3.0% of GDP, and remained so until 2015. After 2015 and up to 2019, this indicator showed a downward trend, going from 3.1% of GDP to 2.8%. In 2020, the indicator reached its highest point in recent decades, at 3.4%

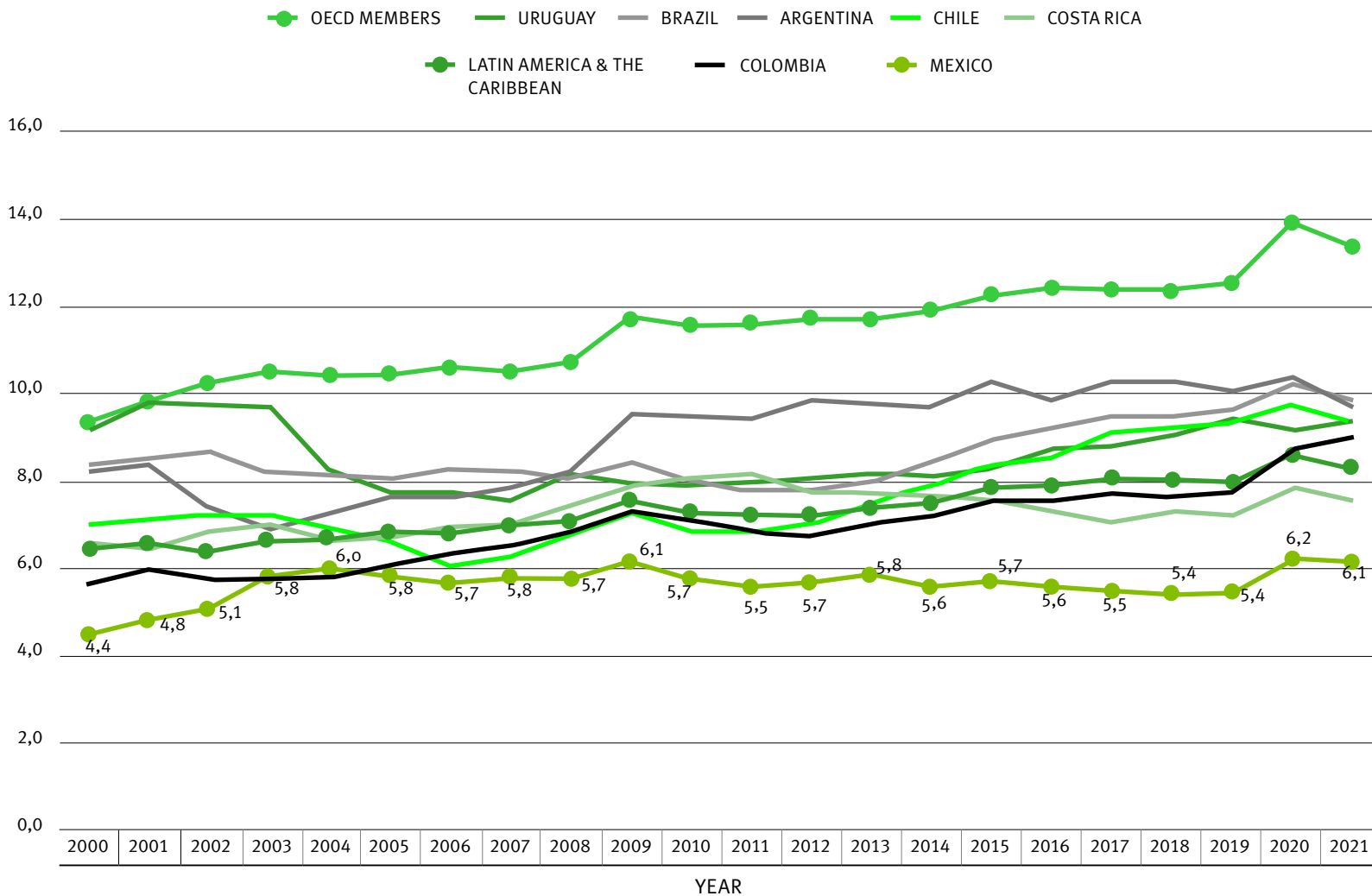
¹⁴ Level of current health spending expressed as a percentage of GDP. Estimates of current health expenditures include health care goods and services consumed during each year. This indicator does not include capital spending on health, such as buildings, machinery, or stockpiles of vaccines for emergencies or outbreaks.

of GDP, which responded to the budget reallocation to address the priorities derived from the pandemic; however, in 2021 it reached a figure similar to 2015 and 2010, at 3.1%, although still above the 2016–2019 level.

Until 2013 public spending on health had increased, mainly due to the mandatory expansion of Seguro Popular and the Fund for a New Generation for children¹⁵ (Coneval, s.f.2). It then fluctuated until the Covid–19 driven increase. After the 2003 reform, the financial imbalances between the population covered by social security (IMSS, ISSSTE, Pemex, etc.) and those without were reduced. However, in 2016, there were still marked gaps, as in 2020 IMSS invested almost twice as much (627 dollars per person) as Seguro Popular (390) and practically five times more than IMSS-Oportunidades (113). As worryingly, the Health Secretariat’s budget, dedicated to the popu-

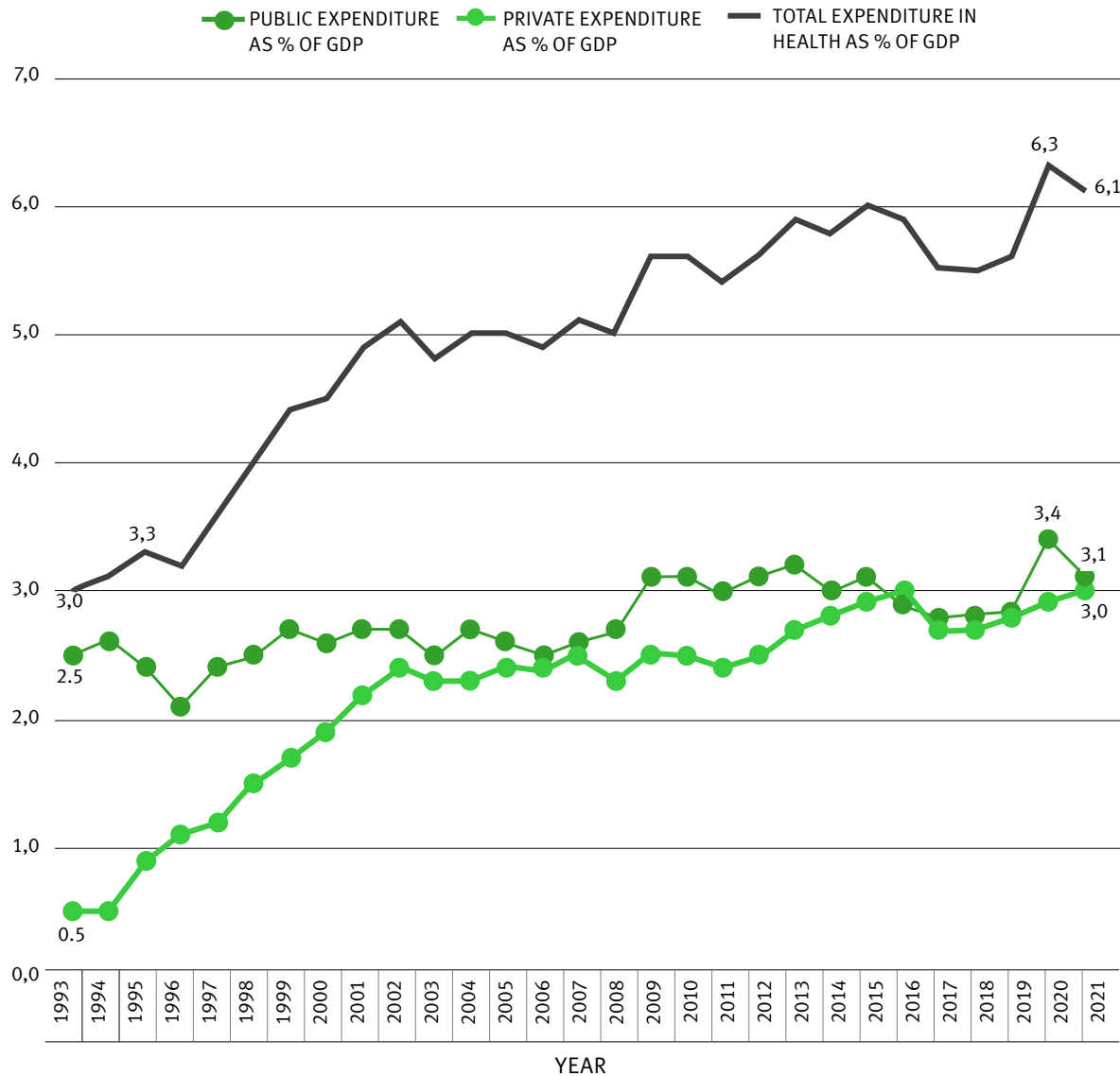
¹⁵ The purpose of the “Medical Insurance for a New Generation” is to help reduce impoverishment levels due to health reasons through universal health insurance for children under five years of age, without social security and born on or after December 1, 2006. Medical insurance is provided through the financing of preventive actions, laboratory tests, outpatient medical care and second and third level care included in the Universal Health Services Catalog or the Catastrophic Expense Protection Fund, as well as additional coverage for ailments not included in the Social Health Protection System (Coneval, n.d.2).

**GRAPH 7.4. EVOLUTION OF CURRENT EXPENDITURE ON HEALTH
AS A PROPORTION OF GDP IN SELECTED ECONOMIES (2021 OR LATEST AVAILABLE YEAR)**



Source: World Bank (s.f).

GRAPH 7.5. PERCENTAGE OF PUBLIC AND PRIVATE SPENDING ON HEALTH
IN RELATION TO GDP 1993 – 2021



Source: Coneval (2023b).

One of the main indicators to reflect government action is spending on health as a percentage of GDP. In 2009, it was 3%, and remained so until 2015. After 2015 and until 2019, this indicator has experienced a decreasing trend.

lation without social security, decreased by 5.9% in real terms between 2016 and 2020, going from 437 to 411 dollars per person.

In Mexico, private health spending (out-of-pocket spending, voluntary payment schemes and external sources) reached a historic low of 45.4% of total health spending in 2013, then increased to almost 50% in 2019 and would remain so in 2021, one of the highest rates in Latin America. It is precisely out-of-pocket spending, which reflects the money that families pay directly for health care, which is one of the components of private spending. In Mexico, such spending represented the highest rate (41%) among OECD member countries, where less than one-fifth of total health spending was financed by families (18%). Economies such as Peru, Brazil and Spain reported much lower figures (22%, 23%, and 21% respectively) (OECD, 2023) (Graph 7.6). Thus, in Mexico household outlays for health expenditures are higher and this may cause families to fall below the poverty line or deepen existing poverty, reflecting the lack of financial protection for them during the transition between health care models in Mexico (Graph 7.6).

As previously described, the elimination of SP, the subsequent implementation of Insabi and its replace-

ment by IMSS-Bienestar, created huge challenges for the uninsured population. A prime example is access to high-cost treatments that were previously covered. In addition, there has been only limited formal evaluation of the impact of the new reforms on health outcomes, financial protection and public health.

A challenge to be met is the financial protection of families. According to Knaul (*et al.*, 2023), between 1998 and 2020 financial protection improved with the SP, since the initial tendency to low financial protection stabilized after 2010, but catastrophic spending remained below 3.0% until 2018. After that, the proportion of people facing excessive health spending almost doubled between 2018 and 2020, from 2.4% to 4.4%¹⁶. This figure had not been reported since 2004 (Graph 7.7).

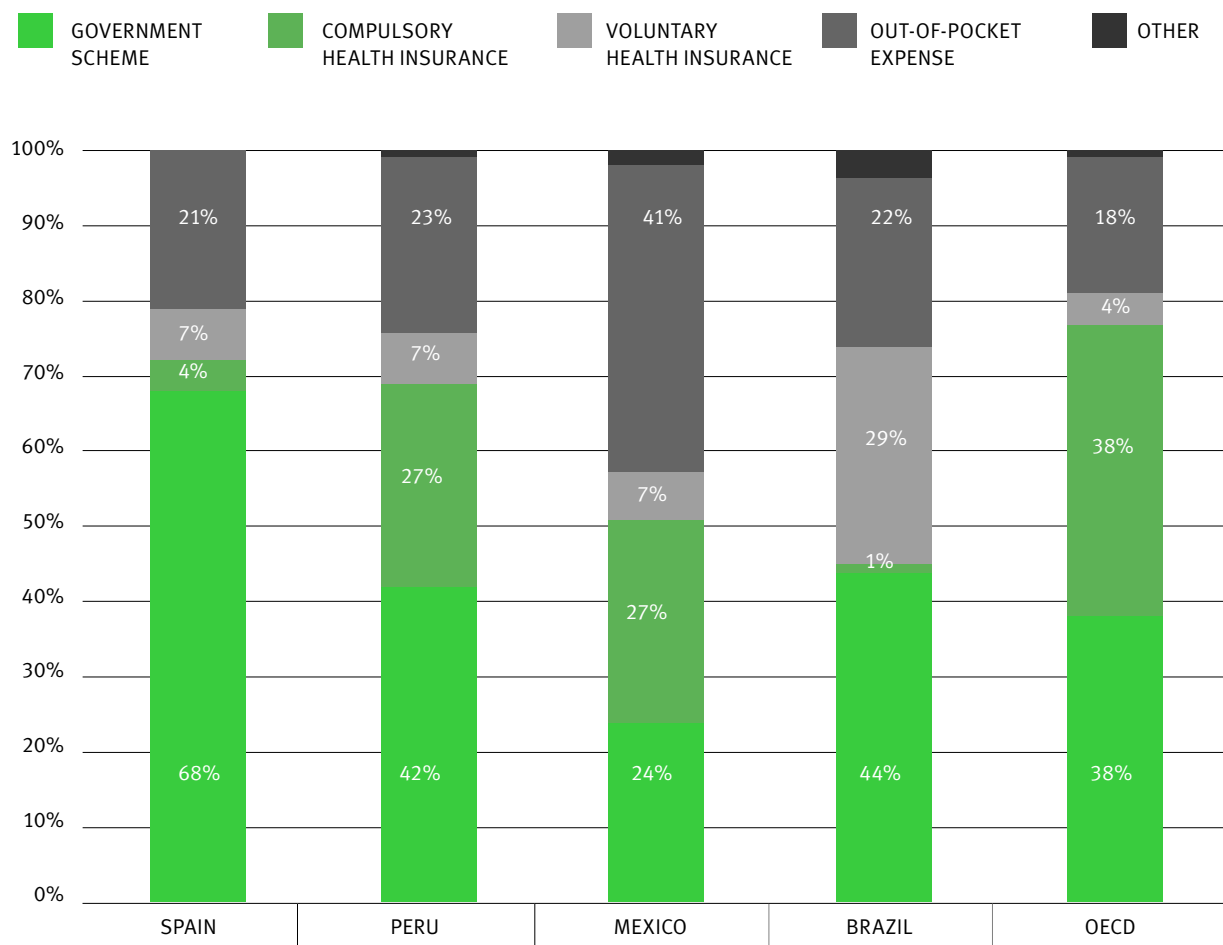
In addition, Mexicans who had access to the public health coverage made greater use of the private sector, with a direct impact in their pockets. For example, outpatient medical care in private clinics, rather than in public health care services, increased from 31% in

¹⁶ Catastrophic health expenditure refers to the burden that health care expenses represent for the income of individuals or households; this burden becomes catastrophic when it is greater than 40% of the ability to pay. Impoverishing expenditure refers to expenditure that leads families (households) to fall below the poverty line or to deepen within poverty.

Between 1998 and 2020, financial protection improved with the Seguro Popular.

The proportion of people facing excessive health care spending nearly doubled between 2018 and 2020, from 2.4% to 4.4%.

GRAPH 7.6. HEALTH SPENDING BY TYPE OF FINANCING IN 2021
OR MOST RECENT YEAR (SELECTED ECONOMIES)



Source: In-house elaboration with data from OECD (2023).

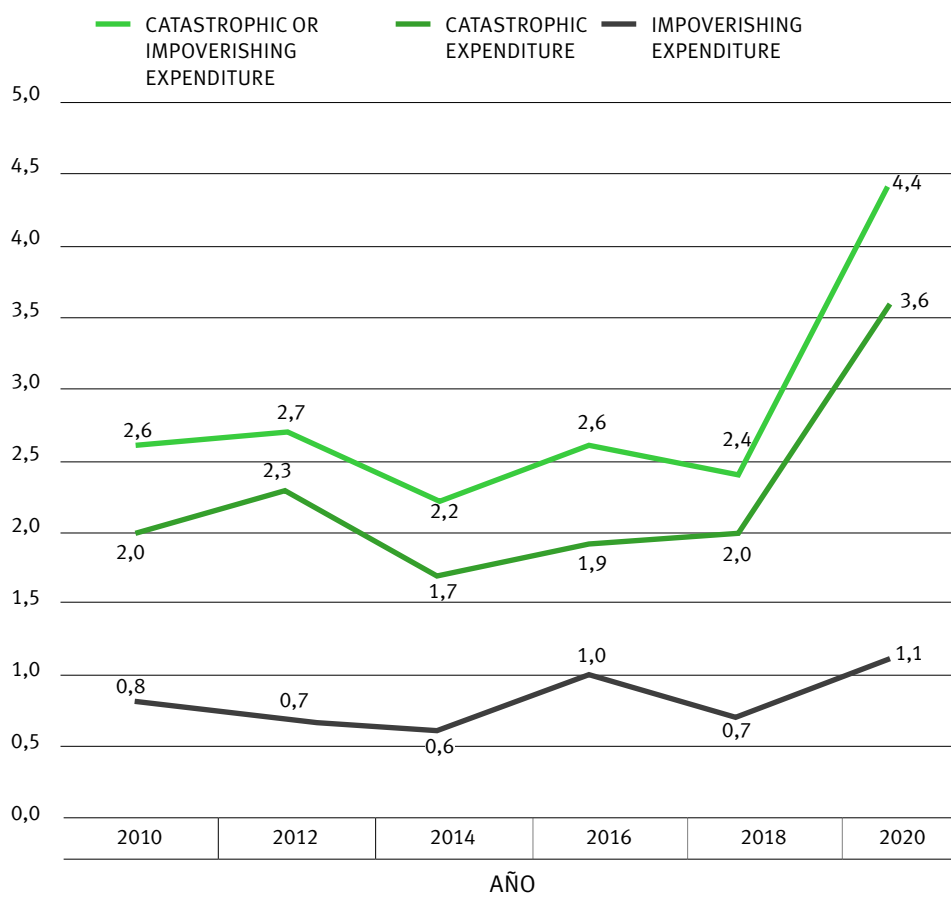
2012 to 43% in 2018. During the pandemic, the population without social security relied heavily on private health care (69% in 2020 and 66% in 2021). At least 3 factors limiting access have been identified:

1. the costs of transferring to specialized hospitals in addition to the cost of food and lodging.
2. the non-existence of tertiary care hospitals in some states, and
3. insufficient specialized personnel, a more dire situation in rural areas (Coneval, 2023b).

Thus people without social security had to disburse part of their income to procure second and third level services (increasing the probability of incurring catastrophic expenses). In 2020, the incidence of catastrophic spending is higher for those affiliated with Insabi; the behavior is similar for people without any affiliation, with an incidence of catastrophic expenditure per person of 4.35% and 4.14%, respectively. For people affiliated with other institutions it was 2.81% (Coneval, 2022).

Estimates from Coneval (2022) point out that, in 2018, 2.1% of households faced catastrophic expenditures, while in 2020 this figure nearly doubled (3.9%), affecting 1.38 million people. This was worse for house-

**GRAPH 7.7 EVOLUTION OF HEALTH CARE SPENDING
[CATASTROPHIC, IMPOVERISHING] FROM 2010 TO 2020**



Source: Knaul et al. (2023).

Catastrophic health care spending happens when it is greater than 40% of the ability to pay.



Estimates by Coneval (2022) indicate that in 2018, 2.1% of households paid catastrophic expenses, while in 2020 this figure nearly doubled to 3.9%, affecting 1.38 million households. This was aggravated for those households with income below the extreme poverty line (4.6%).

Image: "Without access to health, more than 50 million Mexicans" at <http://boletin.org.mx/Noticia/sin-acceso-a-salud-mas-de-50-millones-de-mexicanos>

holds with incomes below the extreme poverty line (4.6%) in contrast to those considered non-vulnerable by income (3.7%).

Those numbers highlight the collapse of a public health system aggravated by the Covid-19 pandemic. Together with the dismantling of SP, its replacement by Insabi and its subsequent absorption by

IMSS-Bienestar, they show an abandonment of the sector, leaving the population without security and adrift, having to pay more to care for their health. This has a direct impact on their pockets and wellbeing. The remnants of this collapse continue to collect lags that add up and accumulate to the detriment of the lives of millions.

OPACITY OF RESOURCES

The lost six-year period in the area of health also reflects the actions aimed at caring for people without social security after the failure of Insabi. Spending registered by IMSS-Bienestar (item 19 of the federal budget), receives additional resources from Fonsabi and seems to have surpassed that registered by its predecessors (Insabi and SP) with an increase in 2022 of 38.6% of the actual budget exercised in relation to 2021¹⁷, and the budget approved in 2023 remains at similar levels (Coneval, 2023b). However, this "progress" seems a simulation as spending for people without social security is minimal.

According to an analysis by Mexico Evalua (2024b¹⁸), much of the apparent increase in health spending for people without social security is due to higher transfers to trusts for the Health for Wellbeing Fund (Fonsabi), which makes it difficult to know if the money was spent correctly or even in the sector. To get a better picture of health spending, as of the second quarter of 2024, total health spending by the federal government totaled 380 billion pesos, a real growth

¹⁷Real variation of 38.6% from 2021 to 2022 (Coneval, 2023b).

¹⁸<https://numerosdeerario.mexicoevalua.org/2024/08/15/las-paradojas-del-gasto-en-salud-a-junio-2024/>

The lost six-year period in health also reflects the actions aimed at caring for people without social security after the failure of Insabi; spending for people without social security is minimal.

of 17.9% (57.8 billion pesos) compared to the same period of 2023. This is the largest amount since 2003 for a first quarter on record (Mexico Evalua, 2024b).

The 2024 Economic Package for health approved a historic budget of 962 billion pesos, so the increase as of June is consistent. However, the annual calendar advance is only 39.5%, a lower rate than in previous years. During Peña Nieto's six-year term, 43.7% of the health budget had already been spent (Mexico Evalua, 2024b).

IMSS-Bienestar is exceeding the spending of its predecessors (Insabi and Seguro Popular) which would lead to believe that this benefits people without social security. However, this has not been the case. The Health Secretariat has spent 23.9 billion as of the



Image: "Ceiling of IMSS in Cancun collapsed" at <https://www.elimparcial.com/mexico/2024/03/25/colapsa-techo-en-imss-cancun-en-sala-de-urgencias-cual-fue-la-causa/>

The Health Secretariat spent 23.9 billion pesos as of the second quarter of 2024, 60% less (36.1 billion) than in 2023 and 71.4% less than in 2018 (59.8 billion).

second quarter of 2024, which represents 60% less (36.1 mmdp) compared to 2023¹⁹, and 71.4% less than in 2018 (59.8 billion). This drop is due to the closing down of Insabi, which belonged to the Health Secre-

¹⁹ Spending on health function, other than net spending by the Ministry of Health, which includes spending on social protection functions (Mexico, Evalua, 2024b).

tariat. On the other hand, IMSS-Bienestar (Insabi's substitute) spent 75.7 billion pesos, which compensates for Insabi's disappearance.

This could be seen as a good sign for people without access to social security. However, part of the in-

crease in IMSS-Bienestar is due to the fact that some resources that should be delivered to the state health secretariats through the Health Services Contribution Fund (FASSA, for its acronym in Spanish) were given directly to IMSS-Bienestar. FASSA records transfers to the states for 52.3 billion, a 13.0% drop (8.0 billion) versus 2023 or 13.5% (8.1 mmdp) less than in 2018.

In order to truly measure health spending on people with no social security, the spending by the Health Secretariat, IMSS-Bienestar (budget item 47), the IMSS-Bienestar Program (item 19) and FASSA are considered. Altogether sum 163 billion pesos, an increase of 25% over 2023 (33 billion) but only 5.9% more than in 2018 (9.1 billion). That is, barely an average increase of 1% per year which contrasts with the expansion of health spending in the system that serves insured persons, which was 221.6 billion pesos in June 2024 and grew 23% (41.1 billion) from 2018.

In that sense, spending per person without social security was 2,477 constant pesos of June 2024, 13.8% less (397 pesos) than the same period in 2018. That is because, although total spending is higher now, it is shared among more people: the target population of IMSS-Bienestar is 12.3 million higher than that of SP in 2018.

The 23 states part of IMSS-Bienestar stopped receiving 18% (8.4 billion pesos) of FASSA resources in 2024. The states that were not part had a very limited increase (3%), i.e., 374 million pesos with respect to 2018.

The Ministry of Health transfers resources to Fonsabi, but the government withdraws a large part of them without explaining their destination (Mexico Evalua, 2024b).

In turn, FASSA resources for general services transferred to states part of IMSS-Bienestar, report a drop of 24.7% (855 million pesos) in 2024 compared to 2018. Payment to those states not part of it increased by 46.8% (297 million). Likewise, in 2024, the resources provided by the federal government for personal services for the states in IMSS-Bienestar dropped 24.8% (7.4 billion pesos) with respect to 2018. States not part of it had an increase of 7.8% (853 million) Mexico Evalua, 2024b).

Compared to 2018, the 23 states that are part of IMSS-Bienestar will no longer receive 18% (8.4 billion pesos) of the FASSA resources in 2024, as part of that money goes directly to the Institute. The states not part had a small increase (3.0%), i.e. 374 million pesos compared to 2018.

TABLE 7.6 EXPENDITURES OF THE CATASTROPHIC EXPENSE PROTECTION FUND (FONSABI)

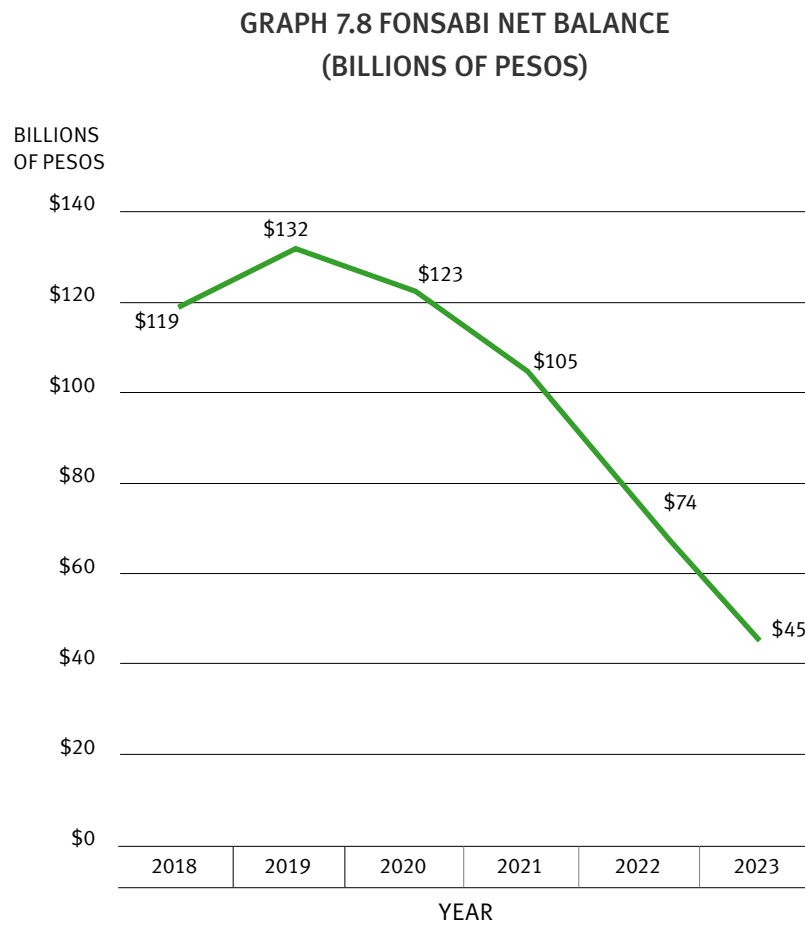
EXPENDITURE	2020	2021	2022
1. . Catastrophic diseases medicines and infrastructure.	\$9,408	\$11,945	\$1,024
2. Obligation to transfer one billion pesos to Insabi.	\$32,512	\$9,838	\$1,495
3. Obligation to transfer the remaining balance to Tesofe when the balance exceeds 32 billion pesos.	\$21,811	\$57,264	\$6,647
4. Instruction to concentrate in the remaining Tesofe	-	\$35,481	\$58,163

Source: Mexico Evalua (2024a).

According to Mexico Evalua (2024b), the Health Secretariat transfers resources to Fonsabi and catalogs them as expenditures, but the government withdraws a large part of these resources without stating their new destination. In 2021 and 2022, Fonsabi had surpluses thanks to budget transfers from the Finance Secretariat; however, they were not used to finance medical treatments, but due to new guidelines were returned to the Federal Treasury (Tesofe

in Spanish)²⁰. In 2021 Fonsabi returned 92.7 billion pesos and in 2022 64.7 billion. (Table 7.6 sum of rows 3 and 4 for both years). That is, a total of 157 billion pesos were transferred to Tesofe, money that

²⁰At the end of 2019, the General Health Law (LGS) was amended to allow Fonsabi resources to be returned to Tesofe when the balance exceeds 32 billion pesos. Likewise, in the Federal Revenue Laws for 2021 to 2024, SHCP was granted the power to send resources from Fonsabi to Tesofe at its discretion. These powers allowed that 71.4% (229.2 billion pesos) of Fonsabi resources from 2020 to 2023 to be reimbursed to Tesofe. Once these resources are returned, they are no longer traceable (Mexico Evalua, 2024a).



Source: Mexico Evalua (2024a).

was spent by the Executive in a discretionary manner; it is not known where.

Although Fonsabi's revenues increased during 2024, its expenditures remain high. It has been documented that the increase in expenditures has reduced Fonsabi's net balance throughout time (Graph 7.8). Although the federalization of health services by the Lopez Obrador administration sought to expand the operational capacity of Insabi and now IMSS-Bienestar, this effort implied a setback in the health conditions of the population and health workers. The lack of transparency of this administration was a constant that complicates the analysis of resources and compromised the support for the health of Mexicans.

The Lopez Obrador administration implied a setback in the health conditions of the population and health workers. The lack of transparency of this administration was a constant feature that complicated the analysis of resources and compromised support for the health of Mexicans.



LEGACY 4. PUBLIC AND PRIVATE FINANCES: HEALTH CARE SPENDING

COMPARATIVE HEALTH CARE SPENDING

PER CAPITA EXPENDITURE ON HEALTH CARE IN OECD COUNTRIES:

5,000 DLS IN UNITED STATES

1,181 DLS IN MEXICO

22% PERU / 23% BRAZIL / 21% SPAIN

POPULATION WITHOUT SOCIAL SECURITY DEPENDED ON PRIVATE CARE 69% IN 2020, AND 66% IN 2021.

\$2,477 CONSTANT PESOS IN 2024; 13.8% (397 PESOS) LOWER THAN IN 2018.

Although spending is now higher, it is distributed among more people: the target population of IMSS-Bienestar is 65.8 million and that of Seguro Popular was 53.5 million people.

OPACITY OF RESOURCES

IN 2018: 16.2% IN 2022: 39.1%

IMSS-BIENESTAR IS EXCEEDING THE SPENDING OF ITS PREDECESSORS (INSABI AND SEGURO POPULAR), BUT IT IS NOT KNOWN).

Legacy: opacity has been a constant that complicates analysis and compromises the effectiveness of public policy.

7.5 Closing windows



At Signos Vitales, we have made efforts to identify the effects of public policies on the health and life of Mexicans. The challenges are even more profound given the results of the 2018-24 administration. Unfortunately, the points discussed here represent windows that close and perpetuate the poor health of Mexicans, especially with regard to care during specific stages of life, missing medical treatments, drug shortages, other problems and deaths.

Table 7.7 shows a series of alerts that were not heeded and ended the lives of thousands of Mexicans. It is necessary to mention that although the Covid-19 pandemic did highlight the shortcomings, its deficient

management determined the toll in lives and lost opportunities that affected the health of Mexicans.

Moreover, within the population, there are groups that faced even more adverse conditions such as indigenous people who reported a drastic increase of almost 4 times in the lack of access to health services in 2022 with respect to 2018. This population group went from only 15.3% of the indigenous population lacking health services to 56.9% in 2022 (Coneval, 2023a). This reflects the fact that there are specific groups within the population whose rights are even more violated than those of the rest.

The 2018–2024 administration left windows that are closing, perpetuating the poor health of Mexicans, in the care by stages of life, missing medical treatments, medicine shortages, and deaths.

TABLE 7.7 HEALTH CONTEXT BEFORE AND AFTER 2018 (1/2)

BEFORE 2018		AFTER 2018	
Infant mortality reduced by half	We went from 22.2 deaths per 1,000 live births in 2000 to 11.0 in 2018.	Increases in the maternal mortality ratio (per 100,000 live births)	In 2000 there were 51.6 maternal deaths per 100,000 live births. A decreasing trend took that level to its lowest point in 2015 (35.0). In 2019 it stood at 37.9.
Increase in the number of interventions covered by the universal health care catalog	From 91 covered interventions in 2004 to 255 in 2007 and 294 in 2018.	The largest increase in the population without access to health services was recorded	In 2022 more than 50.3 million people (39.2% of the population) did not have access to health services), an increase of 151% or 30.3 million more people compared to 2018.
Commencement of Catastrophic Expense Protection Fund	In 2004 the Fund started with 8 conditions considered in health care and gradually increased to include 66 in 2018.	Support for high-cost diseases dismantled	Fonsabi spending for cervical, breast and childhood cancer plummeted in 2021 by more than 90% compared to 2018 and paid cases by more than 60% (Mexico Evalua 2023).
The XXI Century Medical Insurance was created. It was a fund to cover neonatal and early care, joining the SP in 2007.	This fund covered between 108 and 110 health interventions in the first two years, which increased to 151 in 2018.	Early childhood neglect	1 out of every 2 children (45.9%) did not have access to health services and practically 6 out of every 10 (57.4%) did not have a complete vaccination schedule.

TABLE 7.7 HEALTH CONTEXT BEFORE AND AFTER 2018 (2/2)

BEFORE 2018		AFTER 2018	
Increased investment in health care in Mexico	It increased from 4.5% of GDP in 2000 to 6.1% in 2009.	Shortage of medicines and decrease in the number of consultations provided	From the beginning of 2019 to August 2023, there were 10,264 of medicine shortages (Cero Desabasto, s.f.). In addition, more than 32 consultations were not provided from 2019 to 2020; this decrease also occurred hospitalization units of more than 10 million during the same years (Gobierno de Mexico, s.f.).
Increase in health investment per person	Investment increased from 657 pesos in 2000 to 993 pesos in 2016 and then stagnated.	The highest number of excess deaths was recorded	There is an excess of all-cause mortality of 801,342 from 2020 to 2022 (an excess of 35.9%).

Source: In-house elaboration with data from Coneval (2023a); Campos & Cano (2023), Government of Mexico (s.f), Cero Desabasto (s.f).

Indigenous groups reported a drastic increase of almost 4 times in the lack of access to health services in 2022 with respect to what was reported in 2018. That is, this population group went from only 15.3% to 56.9% in 2022 (Coneval, 2023a).

MINIMUM HEALTH AGENDA

The way forward should be based on broad criteria of health system performance in order to improve it. According to an analysis by Unger-Saldaña, Lajous and Reich (2023), it is necessary first to improve effective access to public health services. Affiliation is not enough to expand access and promising it does not work either. The high use of private physicians (particularly medical offices attached to pharmacies) reflects the neglect of primary care in the public sector. It is therefore essential to expand capacity by improving the working conditions of primary care workers, expanding it to secondary and tertiary care hospitals. This will require a budget expansion.

Second, expanding access and improving quality. The experience with diseases covered by the high-cost SP program shows that performance indicators and problem identification are required to ensure continuity of care for chronic diseases and good quality in the process and outcomes. This implies sustained political commitment, effective regulatory organizations, and timely incentives and sanctions throughout the health system.

Third, continuous monitoring and evaluation with transparency and accountability is required to ensure

that public health objectives are achieved. The above panorama provides an overview of the situation of the health sector in Mexico. The Covid-19 pandemic exposed the profound shortcomings of the system and demonstrated the government's inability to guarantee the right to health. Therefore, it is essential to point out strategies to strengthen the health system, with lines of action and/or specific recommendations.

Funsalud (Cobo and Flores, 2022) carried out an exercise to expose the conditions of the health system, managing to recover a series of proposals for action, the result of reflection and discussion with experts (academics, representatives of international organizations, former members of health institutions and health personnel), which were put forward as starting points in the face of the devastation to the health of Mexicans, including financing, health service coverage, infrastructure, and mechanisms for the purchase and distribution of medicines (among others), as shown in Table 7.8.

The way forward should be based on broad criteria of the performance of the health system in order to improve it: effective access to services, caring for the working conditions of people in primary care, improving the quality of care, etc.

TABLE 7.8 RECOMMENDATIONS TO STRENGTHEN THE NATIONAL HEALTH SYSTEM (1/2)

TYPE OF RECOMMENDATION	ACTION
Financing mechanisms	Increase investment in the health sector based on a comprehensive fiscal reform and the revision of the expenditure budget.
	Design financing structures focused on meeting the costs of diseases.
	Re-establish a single list of beneficiaries for the calculation of IMSS-Bienestar resources, which contains the main information of the affiliated persons.
	Create a scheme that matches needs between institutions.
	Establish a clearinghouse to "match" the financing of the different institutes as it works in the banking system. Strengthen Fonsabi
Organic modifications to the National Health System	Develop strategies, manuals and guidelines for IMSS-Bienestar that clarify the powers of each one and of the SESAs, considering regional differences and the needs of the system.
	Restructure the medium- and long-term educational plans of health personnel to update them and reinforce the preventive vision.
	Modify the powers of the Health Secretariat to strengthen it as a regulatory and governing body.
	Consolidate the intelligence and planning area in the Health Secretariat to strengthen its steering role.

TABLE 7.8 RECOMMENDATIONS TO STRENGTHEN THE NATIONAL HEALTH SYSTEM (2/2)

TYPE OF RECOMMENDATION	ACTION
Coverage of services	Implement a defined benefit package (either explicit or implicit with exceptions).
	Strengthen the technical and institutional capacities of public servants within and outside the health system, at the federal and state levels, in the centralized and decentralized administration.
	Design for the whole health system community health programs and policies for small regions and municipalities; strengthen municipal health and service delivery powers and budgets.
	Establish a clinical record of beneficiaries throughout the health system linked to an identity code.
Purchasing, distribution and supply mechanisms	Establish a dialogue with the government, experts and industry to create an efficient mechanism.
	Strengthen the mechanisms for oversight of resources and processes at the operational and administrative levels, in order to reduce corruption and increase transparency.
Planning and infrastructure mechanisms	Strengthen the capacity of the states to diagnose, monitor, design and implement their own programs.
	Conduct an evaluation of the current situation of the health system based on indicators of interest for the specific characteristics of the Mexican system and the population.
	Modernize the infrastructure of the health system at the administrative and operational levels and create a trans-sexennial program that establishes strategies to be developed by different sectors and institutions.
Federalism	Implement collaboration mechanisms between the different levels of government (federation, states and municipalities).
	Create groups of municipalities where investment in successful interventions per social determinant of health is strengthened.
	To seek a balance between the centralized and decentralized model of distribution of health competencies.

Source: In-house elaboration with information from Funsalud (Cobo and Flores, 2022).

CONCLUSIONS

We have been able to identify some of the weaknesses and shortcomings of the public health system. The need to improve it is evident in the quality of the Mexican's health. The review has shown the results of health reforms directly in their lives. Although the health challenge is part of Mexico's structural problems, there were efforts that improved access, quality and lives of millions with the Seguro Popular model that showed improvements such as the reduction of infant mortality; the increase in interventions covered by the health catalog; the beginning of financial protection for families with the fund for protection against catastrophic expenses; increases in vaccination rates in early childhood, among others.

During the Lopez Obrador administration, there were unprecedented setbacks in health, such as increases in maternal mortality; the increase in the population without access to health services; the dismantling of support for high-cost diseases; shortages of medicines and the number of deaths due to Covid-19. The health and life of Mexicans was left adrift. The most vulnerable continue to lack access to health services and more people lack a dignified care.

Increases in the maternal mortality ratio (deaths per 100,000 live births). In 2020 and 2021 there was a setback of decades as that ratio increased to 61.0 and 66.5 deaths, respectively.

The most extensive debt left by his government is the attack on the health of millions of Mexicans who do not have access to social security, the deterioration of services for those who do, and the health treatments that are lost. Every action counted and many decisions taken compromised people's lives. The reproduction of a segmented scheme and the dismantling of health institutions are a sign of the lack of ability to solve problems and a clear indication of incompetence. Health is the responsibility of the Mexican State, the effects of health governance reflect the challenges in terms of health access, effective access to treatment of catastrophic diseases, shortage of medicines, vaccination of our children and the increase in deaths.

Effective access to the right to health should be a reality not conditioned by the family's income and/or resources. In order to make this right valid, it is

more than necessary to act and not only the promise of a better Mexico, without forgetting that a healthier country will result in a more productive society. Until now, negligence has been the mark on the health and lives of Mexicans who no longer count.

During the Lopez Obrador administration there were unprecedented health setbacks, such as increases in maternal mortality, the increase in the population without access to health services, the dismantling of support for high-cost diseases, the shortage of medicines and the excess number of deaths due to Covid-19.



LEGACY 5. THE CLOSING WINDOWS

BEFORE 2018	AFTER 2018
▶ INFANT MORTALITY WAS REDUCED: FROM 22.2 TO 11 DEATHS PER 1,000 LIVE BIRTHS BETWEEN 2000 AND 2018. ▶ REDUCTION IN MATERNAL MORTALITY: FROM 75.5 MATERNAL DEATHS PER 100,000 LIVE BIRTHS IN 2000 TO ONLY 35 IN 2015. ▶ INCREASED THE NUMBER OF INTERVENTIONS COVERED BY THE HEALTH CATALOGUE: FROM 91 IN 2004 TO 255 IN 2007 AND 294 IN 2018. ▶ STARTED THE FUND FOR PROTECTION AGAINST CATASTROPHIC EXPENSES: IN 2004 THE FUND STARTED WITH 8 CONDITIONS CONSIDERED AND GRADUALLY INCREASED TO INCLUDE 66 IN 2018 ▶ SIGLO XXI MEDICAL INSURANCE WAS CREATED: A FUND FOR NEONATAL AND EARLY CHILDHOOD CARE. ▶ INCREASED INVESTMENT IN HEALTH: FROM 4.5% OF GDP IN 2000 (657 PESOS) TO 6% (993 PESOS) IN 2016 AND THEN STAGNATED.	▶ INCREASE IN MATERNAL MORTALITY: from 35.0 maternal deaths per 100,000 live births in 2015 to 66.5 deaths in 2021. ▶ INCREASE IN PEOPLE WITHOUT ACCESS TO HEALTH SERVICES: 30.3 million people between 2018 and 2022. • INDIGENOUS PEOPLE WITHOUT ACCESS TO HEALTH SERVICES: increased from 15.3% to 56.9% between 2018 and 2022. • FONSABI SPENDING FOR CERVICAL, BREAST AND CHILDHOOD CANCER: plummeted more than 90% in 2021 vs. 2018. Paid cases decreased by more than 60%. • ACCESS TO HEALTH SERVICES: 1 In 2 children (45.9%) did not have health services and almost 6 in 10 (57.4%) did not have complete vaccination scheme. • CONSULTATIONS: more than 32 million consultations and 10 million hospital admissions were not provided from 2019 to 2020.

Legacy: serious lag in health care resulting in deaths

LEGACY MINIMUM HEALTH AGENDA

RECOMMENDATIONS FOR STRENGTHENING THE NATIONAL HEALTH SYSTEM

- Implement financing mechanisms through a comprehensive fiscal reform and the revision of the expenditure budget.
- Elaborate strategies and guidelines for IMSS-Bienestar's actions that establish its powers, considering regional differences.
- Implement a defined benefits package. Strengthen the technical and institutional capacities of public servants.
- Strengthen the mechanisms for oversight of resources and processes at the operational and administrative levels.
- Establish planning and infrastructure mechanisms.
- Modernize the infrastructure of the health system at the administrative and operational levels and create a trans-sexennial program.
- To seek a balance between the centralized and decentralized model of distribution of health competencies.

8 THE ENERGY PANORAMA OF MEXICO

<https://www.milenio.com/politica/comunidad/fumigan-al-valle-de-mexico-por-uso-de-combustoleo>

8.1 Mexico faces the challenge of energy transition



INTRODUCTION

The world is accelerating its move towards an energy transition. By 2025 the European Union will generate 52% of its electricity from renewable sources and worldwide the share will reach 35% (IEA, 2024). Meanwhile, by the first half of 2024, in the United States, Mexico's main trading partner, photovoltaic technology accounted for 59% of new electricity capacity additions. Between 2023 and 2025, photovoltaic and wind generation are estimated to grow by 75% and 11%, respectively (EIA, 2024). In contrast, Mexico and other countries in the region maintain their dependence on fossil fuels, with electricity generation with clean energy in the first half of 2024 barely approaching 21% of the total (IMCO, 2024a).

The energy crisis was exacerbated by climate change. Rainfall decreased, hydroelectric generation plunged, while global temperatures increased. These events put electricity systems around the world against the ropes. In Mexico, the effect was, contradictorily, the decrease in electricity generation from renewable sources. Mexico is lagging behind and going in the opposite direction while a large part of the world is advancing at an accelerated pace.

To a large degree this is the result of having anchored the development of the energy sector to Pemex, but also to its most inefficient and polluting subsidiary, Industrial Transformation (refining). Between 2019 and the first half of 2024, Pemex received direct transfers (capital contributions of money) from the federal

Between 2023 and 2025, photovoltaic and wind generation in the US are expected to grow by 75% and 11%, respectively (EIA, 2024). In Mexico, the generation of electricity with clean energy in the first half of 2024 barely approached 21% of the total (IMCO, 2024a).

government close to 50 billion dollars. Despite this, the company barely sustained its operations and relied on private producers, which between 2018 and 2023 went from producing 22.4 to 90.9 thousand barrels per day (tbd). This prevented a greater collapse of national production, since in those years Pemex stopped producing 299.2 tbd (CNH, s.f.). Without less crude to send to refineries, the government's plan to increase the volume of refining was frustrated. Unlike Pemex, and in the midst of international crises and conflicts, the five largest oil companies in the world reported profits of 281 billion dollars (Sweney, M., February 19, 2024).

On the other hand, diverting resources from the rest of the energy sector and concentrating them in Pemex led to disparities between the needs of the economy and the growth of the electricity sector. During the Lopez Obrador administration, the GDP growth rate was higher than that of the electricity market as a whole, a phenomenon not seen in decades. As a consequence of the design, strategy, management and inadequate planning during this administration, the energy sector as a whole is under greater stress and is overexposed, to a greater extent than in the past, to the volatility of international markets given its low domestic production.

Between 2019 and June 2024 Pemex received transfers from the federal government close to 50 billion dollars. Pemex barely sustained its operations and relied on private producers, which from 2018 to 2023 went from producing 22.4 to 90.9 thousand barrels of oil per day, which prevented a bigger fall of production.



Image: "Private oil producers in Mexico have a new production target for 2024" at <https://www.bloomberglinea.com/latinoamerica/mexico/petroleras-privadas-en-mexico-no-tienen-nueva-meta-de-produccion-para-2024/>

THE ENERGY TRANSITION IN MEXICO, UNITED STATES AND REST OF THE WORLD

The various international conflicts which led to a major energy crisis forced entire nations to make profound changes, both in the supply chain and in the energy consumption basket itself, in order to ensure the supply of energy. The measures have been of various kinds. The United States took profound actions to diversify its energy balance. This involved the flourishing of the natural gas industry on its East Coast and an unprecedented breakthrough in solar energy production.

In 2023, 54% of electricity generation in the U.S. came from photovoltaic technology, up from just 6% in 2010. Between the last quarter of 2022 and the third quarter of 2023, five states lead the way in the use of this technology, with a rate of more than 17% of their generation: California (27.5%), Nevada (25.1%), Massachusetts (24.4%), Hawaii (18.5%) and Vermont (17.9%) (EERE, 2024). By the first half of 2024, 59% of added capacity was solar. Between 2023 and 2025, it is expected to grow by 75%, with wind energy 11%. In the same period, coal-fired generation is expected to fall 18% (EIA, 2024).

The European Union has set its sights on generating 50% of its electricity from renewable energies, wind and solar, by the end of 2024 and increasing it to 52% by 2025 (IEA, 2024).

At the same time the European Union has accelerated the pace so that by the end of 2024 it should generate about 50% of its electricity from renewable energies, increasing to 52% by 2025, of which 33% will be wind and solar (IEA, 2024). If Europe transits the second half of 2024 without major shocks, coal and natural gas combustion is estimated to have been reduced by 24% and 10%, respectively (IEA, 2024). And as a result of an increase in the share of low-emission resources, the EU will lead the decline in emissions worldwide, with an average annual reduction of 13%, from 205 g CO₂/kwh in 2023 to 155 g CO₂/kwh in 2025 (IEA, 2024).

In the years prior to the rearrangement of energy supply chains, and even before the pandemic, the U.S.

maintained a growing trend in the supply of natural gas to the EU, obtaining a larger market share. The large energy companies had increasing revenues as they transitioned through the energy crisis, the paralysis caused by Covid-19, and the period accentuated by Russia's invasion of Ukraine.

It is estimated that from February 2022 to early 2024, five of the largest oil and gas in the world (BP, Shell, Chevron, ExxonMobil and TotalEnergies) had profits of 281 billion dollars (Sweeney, M., February 19, 2024). Pemex offered the opposite case as it experienced its worst moments between 2019 and 2021, with the Mexican government having to rescue it by transferring, until mid-2024, close to 50 billion dollars (without considering tax discounts and other forms of support).

In addition, climate change (temperatures 1.5° above pre-industrial levels) and La Niña and El Niño phenomena put electrical systems to the test, given the scarcity of water and the increase in temperature in various regions of the planet. Economies such as Mexico, India and Vietnam were severely affected. In the first five months of 2024, hydroelectric power generation in India and Vietnam was reduced by 8% and 20% with respect to the year before, whilst demand for electricity increased by 11% (IEA, 2024).

Moreover, the simultaneity of these phenomena triggered the increase of international gas prices. The countries with the greatest dependence on foreign trade suffered more from this crisis. From Asia to Mexico, the energy crisis had an impact on the consumption basket of their populations to varying degrees. By the third quarter of 2022, electricity prices in Germany and France were close to 450 dollars per MWh, while a year earlier in Japan they were around 225 dollars per MWh (IEA, 2024).

Meanwhile, by 2023, the electrification of the world's economies was on a growth path. That year generation from renewable sources approached 30%, and should reach 35% by 2025 (IEA, 2024). For the first time, renewable energy is expected to surpass coal's global share (33%) by 2025. This was notably driven by the growth of solar and wind energy (mainly from 2022), with growth rates of 13%, 15% and 18% in 2023, 2024 and 2025, respectively (IEA, 2024).

The expansion of the Indian and Chinese economies has led to a greater demand for various energy inputs, from methane to butane, which are used extensively in the petrochemical industry to produce fertilizers and industrial plastics, respectively. This brought about an increase in the price of inputs for food pro-

Climate change (temperature 1.5° higher than pre-industrial levels) and the La Niña and El Niño phenomena tested electricity systems to their limit given the shortage of water and the increase in temperature in regions of the planet.

duction, but also of the same gas used in households (the perfect substitute for LPG in Mexico), rising from \$0.292 dollars per gallon in March 2020 to record highs. Between October 2021 and March 2022, the reference price –Mont Belvieu– remained at around 1.45 dollars per gallon, a price not seen since November 2011. The increase was 397.9% in 19 months (EIA, s.f.) and compromised emerging economies, including Mexico.

On the demand side, households in developing countries increased their consumption. According to estimates by the International Monetary Fund, in 2022 fossil fuel subsidies reached a historic amount of 7 trillion dollars (7.1% of world GDP) (Black, S., *et al.*, 2023). Mexico was no exception; that year the government used subsidies to address the high prices of hydrocarbons, allocating 397.3 billion pesos, which exceeded the government's surplus oil revenues (269.2 billion pesos) (SHCP, s.f.). At the time, Mexico Evalua pointed out that this subsidy had left a fiscal gap for the government of 128 billion pesos, similar to the entire expenditure of the various autonomous branches of government (138 billion) (Mexico Evalua, 2023)¹.

¹ It is important to point out that, according to Mexico Evalua, it is not correct to compare the oil surpluses (Pemex plus

The federal government allocated 397.3 billion pesos to address the price of hydrocarbons, which surplus oil revenues (269.2 mmdp) (SHCP, n.d.). Mexico Evalua pointed out that this subsidy left a fiscal gap for the federal government of –128 billion pesos (2023).

The measure was accompanied by price controls and government intervention (the creation of Gas Bienestar) in the L.P. gas market. As a consequence, the cost structure of small companies could be affected given the highly-concentrated market, as was pointed out then by the competition commission, Cofece². Thus subsidies (explicit and implicit) to fossil fuels reached 7.6% of GDP, the highest among USMCA countries: Canada reached 2.0% of GDP and the

federal government), which amounted to 394.5 billion pesos, because in reality the federal government's contribution from higher oil revenues was 269.0 billion pesos. The remaining 125.3 billion were Pemex's.

² Available at: <https://www.cofece.mx/transicion-hacia-mercados-competidos-de-energia-gas-lp/>



Image: "Gas Bienestar will reach Puebla in 2022" at <https://www.elsoldepuebla.com.mx/finanzas/gas-bienestar-llegara-a-puebla-en-2022-7641774.html>

U.S. 3.2%. The administration closed with subsidies equivalent to 6.2% of GDP, after 5.6% in 2019 (Black, S., *et al.*, 2023)³.

Mexico was, and remains, overexposed to variations in both supply and demand of almost any hydrocarbon traded on international markets, either due to industrial activity or to the negative externalities gen-

³ Subsidies are broken down into explicit and implicit subsidies. The former reflect subsidies because supply costs are higher than retail prices, while the implicit reflect subsidies because the efficient price is higher than the retail price, excluding any explicit subsidies.

erated by climate change. By the first half of 2024, Mexico produced only 21.0% of its electricity from clean sources (IMCO, 2024a), far short of its 35% commitment. Without profound institutional changes and new investments, and with the capacity additions planned by the Federal Electricity Commission (CFE), of combined cycle plants, which consume natural gas, the trend is toward more burning of fossil fuels, contrary to the behavior of the international market and the U.S.

RELEVANCE OF THE ENERGY SECTOR IN THE MEXICAN ECONOMY AND THE TRANSITION COST

The contribution of the energy sector to the Mexican economy has gone from strength to weakness. In the third quarter of 1996 it represented 12.1% of Mexico's GDP (1.730 trillion pesos), the highest share since then, although it reached a value of 2.135 trillion in the second quarter of 2006. It should be noted that in 1996 the size of the economy was equivalent to 56.1% of the current one. As of the second quarter of 2024, this sector's share is 6.1%, barely half of the peak level. The loss of value between 1996 and 2024 is 9.7% (about 168.1 billion pesos at 2018 prices) and 26.9% (573.9 billion) with respect to the highest production level of 2006. The loss in this share is accentuated due to the drop in the energy sector and the growth of other activities (Graph 8.1).

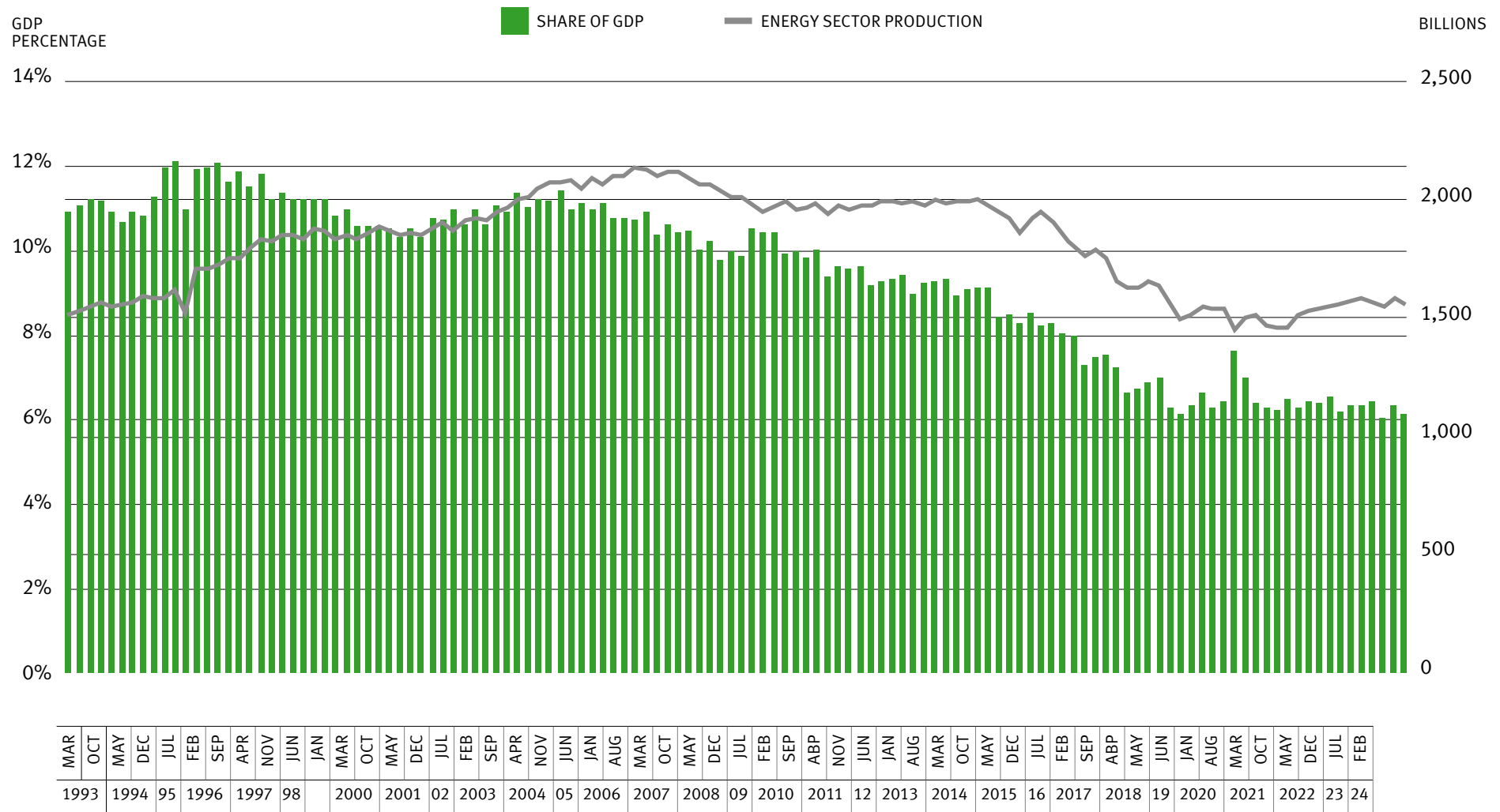
The energy GDP has not fallen more thanks to the robust progress of the generation, distribution and transmission market since the start of the North American Free Trade Agreement (now USMCA). In this sense, the electricity sector has been immersed in more profound changes than the oil sector, starting with the self-supply scheme, which at the time al-

In 1996 the energy sector represented 12.1% of Mexico's GDP (1.730 trillion pesos), when the size of the Mexican economy was 56.1% of the current one. As of the second quarter of 2024, the share is 6.1%, barely half of what it was 28 years ago.

lowed private companies to generate their own energy. At the same time, the Akal oil field showed signs of abundance until 2004, when the oil GDP (only considering oil and gas extraction) reached 1.069 trillion pesos (INEGI, s.f.).

This was followed by the reform of the electricity industry, which opened the electricity market to private companies. Between 2012 and 2018 the electricity industry had an accumulated growth of 15.3% (60.6 billion pesos) (INEGI, s.f.) and the rest of the sectors of the economy, excluding the energy sector, grew 14.8%. After the collapse of oil production in the last decade, the Peña Nieto administration's energy reform allowed the importation of hydrocarbons such as natural gas. So it was possible to replace products

**GRAPH 8.1 VALUE OF ENERGY SECTOR PRODUCTION AND ITS SHARE IN MEXICAN GDP (%) 1993 – SECOND QUARTER 2024
(AT PRICES OF 2018)**



Note: The following activities are used as independent variables for the calculation: oil and gas extraction, generation, transmission, distribution and commercialization of electric power, water and natural gas supply through pipelines to the final consumer, manufacture of petroleum and coal, manufacture of fertilizers, pesticides and other agrochemicals, manufacture of plastic products, manufacture of electric power generation and distribution equipment, and transportation through pipelines.

Source: In-house elaboration with information from INEGI.

such as gasoline and diesel, to open markets and promote more competitive prices. However, to mitigate the fall in the sector's production, it was crucial to reverse the decline in that of oil.

It was expected that private investment in exploration and extraction in unconventional fields would make up to some extent for the loss caused by the more mature fields, such as Akal, and increase natural gas extraction. At the time, between mid-2014 and early 2016, international oil prices plummeted by up to 70%, the longest fall since 1986 (World Bank, 2018). Investments were delayed and the government of Lopez Obrador stopped them. However, without first oil tenders (from the previous administration), domestic production during the Lopez Obrador administration, poor in itself, could have been even lower. From January to July 2024 private oil production was 90.9 tbd (5.8% of total production), while in 2017 it was only 2.0 tbd. Between 2017 and 2024, Pemex production decreased by 453.5 tbd (CNH, s.f.). This means that the results of those tenders would take several years to materialize.

As the electricity market was developed, at the same time, also in previous governments, the necessary investments were made for the transportation of natural

The reform to the electricity industry opened the generation market to private companies. Between 2012 and 2018 it had a cumulative growth of 15.3% (60.6 billion pesos) (INEGI, s.f.) and the rest of the sectors of the economy grew 14.8%.



Image: "The renewable energy Mexico is losing" at <https://expansion.mx/opinion/2022/07/06/energia-renovable-mexico-esta-perdiendo>

gas through pipelines. Although it is not used intensively by a large part of the industry and households (because the infrastructure is still limited), it allowed for a reduction in pollution and an increase in the efficiency of the electricity industry by substituting the most polluting fossil and mineral fuels, such as fuel oil and coal. In other words, the installed capacity allowed the electricity system to continue operating despite the drop in oil refining, which supplied fuel oil. In this sense, the production of electricity relied on the Independent Power Producers (PIE, for its acronym in Spanish) since they started operating between 2013 and 2014 (prior to the energy reform). PIEs sold their production exclusively to (CFE), i.e., the state-owned company had a purchasing monopsony.

In fact, PIEs, through CFE Generation V, has been the only subsidiary that year after year generated profits for the company. At the end of 2023, PIEs injected 102,861 GWh, 29.7% of the total, into the National Electric System Network (SEN, for its acronym in Spanish) (Sener, 2024a). The changes had been profound, with some pending changes that will be discussed below, and those necessary for the energy system as a whole not to lapsed during the Lopez Obrador administration, although it did reach its limits.

The Independent Power Producers (PIE), through CFE Generation V, has been the only subsidiary that consistently generated profits for CFE. At the end of 2023, PIEs injected to the National Electric System Grid 102,861 GWh, or 29.7% of the total (Sener, 2024a).

The Electricity Industry Law and the opening of the electricity market, accompanied by the energy transition, allowed CFE and the electricity system to operate with greater autonomy from oil, but above all from the most inefficient and polluting sector (refining), and embark on a more robust and sustainable growth path. In this sense, during the Peña Nieto administration, the energy sector component that maintained a downward trend is that related to petroleum products.

Meanwhile, the Lopez Obrador term can be distinguished by showing a phenomenon not seen in decades: the GDP growth rate (cumulative of 3.6% between 2018 and 2023) was higher than that of the

generation, transmission and distribution of electricity⁴, that plunged 27.2% in the same period⁵ (INEGI, s.f.).

Industry standards dictate that the planning of the electricity system is done at maximum demand, that is, summer demand (with the highest temperature). The incorrect diagnosis of Energy Secretary, Rocio Nahle, led policy makers to think that the country had excess installed capacity, as she would also argue later about fuel oil. This was compounded by the cancellation of daylight-saving time. Thus the electricity system was pushed to its limits; between 2023 and 2024 there were blackouts in places unheard of in decades, such as Mexico City or states of industrial relevance in northern and central-northern Mexico. With data from the information request with folio 330007724001954, it is known that by 2023 there were 22,654 events of circuits outside⁶ and 75% of them occurred in only seven states: Baja California

(9.0%), Chihuahua (10.9%), Michoacan (5.2%), Nuevo Leon (8.6%), Sinaloa (18.1%), Sonora (15.0%), and Tamaulipas (7.7%).

Despite the impending crisis in the electricity sector, low economic growth during the administration and a handful of actions during its second half mitigated the decline in energy sector output:

1. Capital spending at the refineries, mainly Dos Bocas refinery,
2. Increase in oil processing in the National Refining System (SNR, for its acronym in Spanish),
3. The use of natural gas in electricity generation (with its ups and downs) and consequently led to a greater use of transportation through ducts and finally, given the restrictions in the electricity market and not as a result of government policy,
4. The expansion of distributed generation. However, until oil and gas extraction picks up or is replaced, there will be no way to reverse the downward trend (according to our calculations, by mid-2024 it will contribute around 45% of energy sector production).

The incorrect diagnosis of the Secretary of Energy pushed the electric system to its limits, such that between 2023 and 2024 there were blackouts in places not seen in more than three decades. It is known that in 2023, there were 22,654 circuit events outside.

4 We took as a proxy variable the activity of generation, transmission, distribution and commercialization of electricity, water supply and natural gas through pipelines to the final consumer.

5 We estimate that the decline is mainly due to electricity transmission and distribution.

6 According to CFE, this type of event is equivalent to an average of 3,840 users losing service, which could represent between one and two entire neighborhoods.

THE LEGACY:

anchoring development from the energy sector to the refining industry

The energy sector is anchored to the progress of Pemex, mainly to a refining system lacking capacity, a company that does not evolve nor diversifies its product portfolio. Thus, the value chain has moved towards one of greater dependence on fossil fuels. Mexico's economy is based on a declining energy sector that has high (direct and indirect) costs that will limit the growth of the economy or its regions and will generate imbalances that will have to be compensated, one way or another and sooner rather than later. Poor management and inadequate planning of the electricity system will ultimately undermine this situation. Under these conditions, there is no visible scenario in which Mexico will move towards the energy transition and fulfill commitments, while it distances itself from its main trading partners.

The Mexican economy is supported by a decadent energy sector that has very high costs (direct and indirect) and will limit the growth of the economy or its regions and will generate imbalances that will have to be compensated, in one way or another and sooner rather than later.



LEGACY 1. MEXICO FACES THE CHALLENGE OF THE ENERGY TRANSITION

- » IN THE FACE OF INTERNATIONAL CONFLICTS AND THE ENERGY CRISIS, SEVERAL COUNTRIES HAVE MADE CHANGES IN THEIR SUPPLY CHAIN OR IN THEIR CONSUMPTION BASKET.
- » IN 2024, MEXICO PRODUCED ONLY 21% OF ITS ELECTRICITY FROM CLEAN SOURCES, FAR SHORT OF THE 35% TARGET.
- » THE GOVERNMENT GAVE PEMEX AROUND \$50 BILLION DOLLARS IN DIRECT TRANSFERS (WITHOUT CONSIDERING OTHER TYPES OF AID).
- » AT THE END OF THE LOPEZ OBRADOR ADMINISTRATION, FOSSIL FUEL SUBSIDIES AMOUNTED TO 6.2% OF GDP, THE HIGHEST IN NORTH AMERICA.
- » THE ENERGY SECTOR REDUCED ITS SIZE FROM 12.1% OF GDP IN 1996 TO 6.1% IN 2024.
- » THE PERSISTENT DROP IN OIL PRODUCTION MARKED A BEFORE AND AFTER IN ITS CONTRIBUTION TO THE NATIONAL ECONOMY.

Legacy: Mexico has ceased to be an oil power



8.2 Oil and hydrocarbons: shortages of private investment and refining capacity

INTRODUCTION: MEXICO AND ITS EAGERNESS TO PRODUCE HYDROCARBONS

In the Lopez Obrador administration, investment in oil exploration, mainly private, did not reach even half of the requirements to meet extraction goals (2.8 vs. 7.5 billion dollars per year on average) (CNH, s.f.b). Pemex was unable to meet these requirements on its own. Given the scarce investment (public and private), proven reserves (1P) fell to historic lows. Between 2018 and 2024 these reserves decreased by 7.5% (486 million barrels) (CNH, s.f.). Moreover, the overexploitation of the most mature fields led to their depletion. Restitution was not sufficient, even with private contributions.

Without new discoveries, oil production (without condensates) continued to fall. Between 2018 and 2024 it declined 12.7% (230.7 tbd). That drop led the administration to sacrifice exports (which fell 12.8%) to increase the production of domestically refined products (that increased 29.4%). That is a different path from that chosen by the last three federal administrations, especially that of Peña Nieto. This change resulted in a 40.6% (75.2 tbd) increase in the production of waste (fuel oil) (Pemex, s.f.b), a relative and absolute amount higher than the production of other fuels such as gasoline and diesel. This showed that even sending the same amount of oil as in the past to the National Refining System (SNR, for its acronym in Spanish), Mexico will not reach the same result (production level). Inefficiencies have increased by about 10%.

In the Lopez Obrador administration investment in oil exploration, mainly private, did not reach half the level required to achieve extraction goals (CNH, s.f.b).

Given the drop in exploitation, bottlenecks to private investment and the increase in waste production, the 2018–2024 government modified the rules of electricity dispatch to favor the consumption of fuel oil by CFE power plants. To cover the domestic demand for gasoline and diesel Pemex would need to increase its production by 126.8% and 146.0%, 382.8 and 440.9 tbd respectively, keeping everything else constant). For this to happen, Mexico would have to process nearly 2.0 million barrels per day (mbd), an amount that it is unlikely to be able to produce by 2028 even in the most optimistic scenario, considering the entry into operation of the Dos Bocas and Deer Park refineries and using all the SNR at its full potential, reaching a refining capacity of 2.29 mbd.

The 2018–2024 government had to modify the electricity dispatch rules to favor fuel oil consumption by CFE power plants.

PRODUCTION PLATFORM AND DEPLETION OF MATURE FIELDS

Mexico's oil production has depended to a great extent on a small set of fields. As of July 2024, there were 6,706 wells in operation, a figure similar to that of April 2009 (6,728). However, at that time 2,642 tbd of oil was produced, and for the latest data only 1,565 tbd⁷. That is, in the last 15 years the average production per well went from 392.7 to 233.4 barrels of oil (a fall of 40.6%) (CNH, s.f.).

The best years for Pemex as an oil producer are gone. The peak in production in the Akal field in 2003 and 2004 (2,038 tbd) (CNH, s.f.) marked a watershed in Mexico's oil production⁸. The increase in prices in the years following the production peak –which concealed the operating loss– was accompanied by a decline that tended to depletion, partially offset by the increase in production from the Ku-Maloob-Zaap fields. Thus, in 2004, these four fields alone produced 2,339 tbd (69 out of every 100 barrels pro-

⁷ Condensates are not considered.

⁸ The highest point of oil production in Lopez Obrador's government was in 2019, when 1,679 tbd were produced (including private participation), which represents 82.4% of the maximum production level (2004) from the Akal field alone, and 49.6% of Pemex's historical maximum production (3,383 tbd in 2004).

duced); in January-June 2024, 512 tbd (a plunge of 78.1%). In that semester, only 15.1 tbd were produced in Akal, the lowest figure on record (CNH, s.f.).

Mexico's most prolific field was depleted. As we warned since the second half of 2020⁹, it is likely that this will also be the case with the highest producing fields Maloob and Zaap, which reached a production peak in 2018 (432 tbd) and 2014 (306 tbd) (CNH, s.f.), respectively. In the case of Ku, and until mid-2024, it also had the lowest production levels, only 10.1 tbd. In 2018 the production of this field was 82.3 tbd (CNH, s.f.). From 2018 the production in the three fields stagnated and even declined a year before the drastic decrease in economic activity caused by the pandemic. The loss in production has been irreparable. Since our projections in 2020, which did not undergo major modifications in the following years, we estimate very unlikely that production will exceed 1,800 tbd (Graph 8.2).

Given the low oil production and scarce exploration, proven reserves (1P)¹⁰ have fallen since 2010 by 4,441

⁹ Available at: <https://signosvitalessmexico.org/petroleos-mexicanos-la-devastadora-patologia-que-enfrenta-el-pais/>

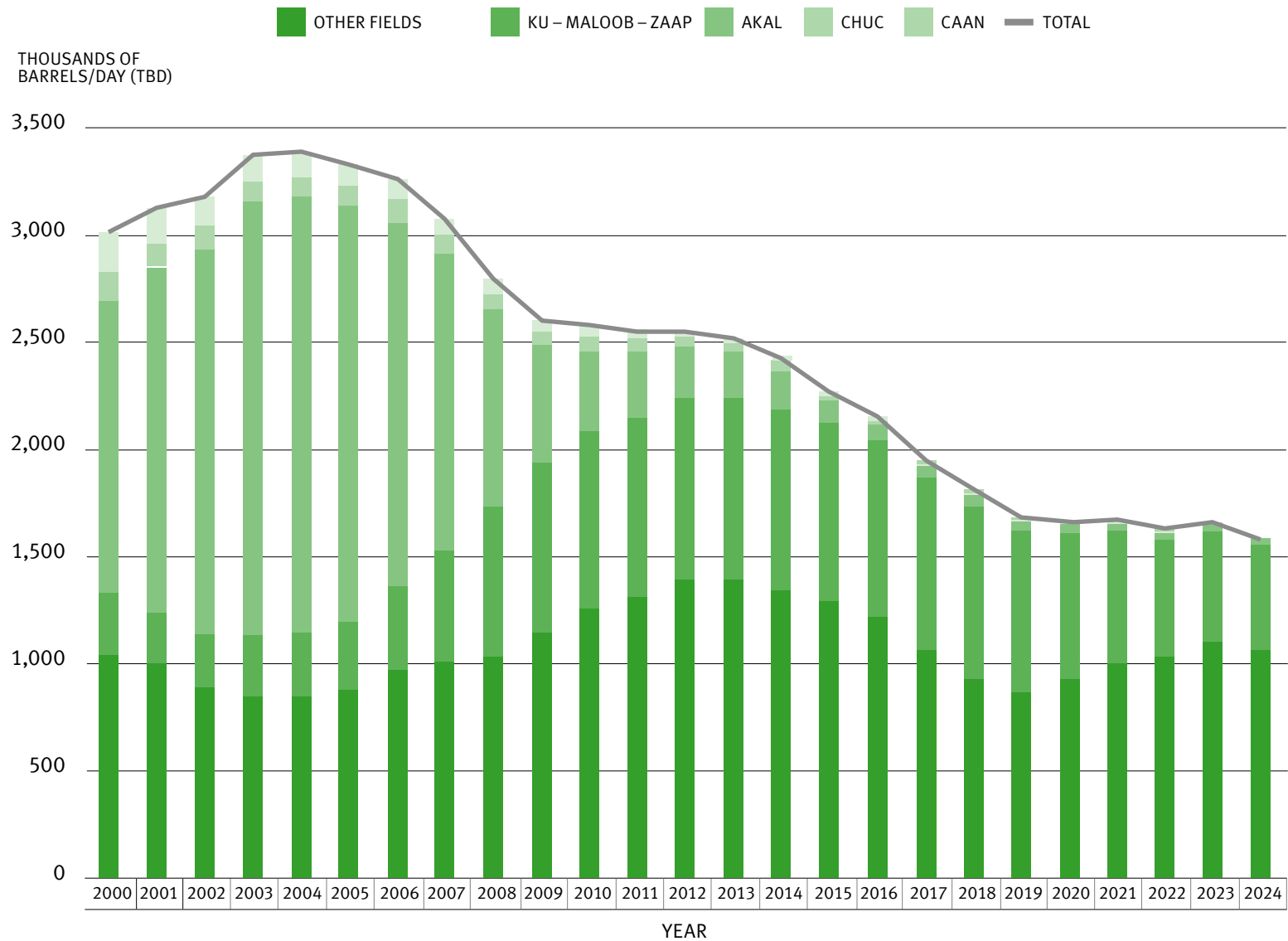
¹⁰ With a probability of at least 90% that the volume to be recovered will be equal to or greater to that estimated.

The most prolific oil fields have been depleted and it is likely this will also happen with the Maloob and Zaap fields, which peaked production in 2018 at 432 tbd (CNH, s.f.).



Image: "Ku Maloob Zaap production has fallen 28.5% in the six-year term" at <https://energiaa-debate.com/produccion-de-ku-maloob-zaap-ha-caido-28-5-en-el-sexenio/>

GRAPH 8.2 TOTAL OIL PRODUCTION AND MAJOR FIELDS (MBD) (2000–2024*)



Source: In-house elaboration with information from CNH. *The figure for 2024 is January-June.

million barrels (mb), a reduction of 42.6%. The decline accelerated after 2015. Between 2018 and 2024 they fell by 486 mb. In 2024, these reserves are estimated at 5,978 mb. Likewise, between 2014 and 2024, the reserves for the four aforementioned fields plunged 82.3% (4,094 mb) (CNH, s.f.). Between 2010 and 2024, the reserves of these same fields have seen their participation in the total decrease from 47.8% to 14.8%. However, and as we have been saying for the last four years, the only way to increase proven reserves is with new discoveries, and these can only be made through exploration, an activity that has been negatively affected given Pemex's red numbers and the restrictions on private investment. Pemex remains at a crossroads.

According to the National Hydrocarbons Commission (CNH), to increase production from 1.67 to 2.35 mbd during Lopez Obrador's administration, a yearly average of 26.6 billion dollars year should have been invested, with Pemex contributing 19.1 billion, and the rest (7.5 billion) from private companies (CNH, 2019). In 2024, the investment will be about 21.34 billion dollars, and in exploration and production this fell short (17.95 billion), 94% of the requirements of capital of the company. However, this was the case throughout Lopez Obrador's administration. Addi-

Given the low oil production and low investment in exploration, proved reserves (1P) have been declining since 2010. Between 2018 and 2024 they have maintained the downward trend (a fall of 486 mb).

To increase production from 1.67 to 2.35 million barrels per day (mbd) during Lopez Obrador's administration, an average of 26.6 billion dollars per year had to be invested (CNH, 2019).

tionally, the lack of private investment ended up collapsing the sector's financial needs. Between 2019 and 2024, the approved private investment in exploration, evaluation and development averaged 4.5 billion dollars¹¹. However actual investments barely reached 2.8 billion¹² (CNH, s.f.b). The results of the lag in investment (mainly from 2019 to 2021)¹³ are obvious since oil production was barely sustained.

¹¹ It is considered the approved investment per year of Bidding Rounds 1, 2, 3, Migrations and Associations.

¹² Estimated Vital Signs with information as of July 2024.

¹³ In 2023 investments reached a maximum of 3,074 million dollars; the figure for 2024 is likely to be higher. Between January and July, investments were 8.8% higher than in the same period of 2023

Oil extraction is not only important in itself, but it is also the main source of Pemex's profits, generates income in dollars (from exports) and provides inputs to the SNR. In other words, it provides viability to the business and the value chain. It is important to point out that refining (industrial transformation) is not the best option, since it is the activity that generates the greatest losses for Pemex.

In the Lopez Obrador administration, Pemex accumulated net losses of 918.5 billion pesos¹⁴ (Pemex, s.f.a). Pemex Industrial Transformation (refining) losses of 706.5 billion, 76.9% of the total. In the Peña Nieto administration, due to lesser crude shipments to the SNR and lower input costs, refining losses represented about 27% (Pemex, s.f.a). During that time, losses were concentrated in Pemex Exploration and Production (PEP) and especially in 2015, after the average price per barrel of oil went from 86.08 dollars in 2014 to 43.39 dollars in 2015, hitting a low of 35.63 dollars in 2016 (Pemex, s.f.a).

In the Lopez Obrador administration, losses could be mitigated in the last two years (2022–2023) for two reasons:

Between 2019 and 2024, the approved investment in exploration, evaluation and development plans averaged \$4.5 billion dollars, however, the actual investments made in exploration and extraction barely reached \$2.8 billion dollars (CNH, s.f.b), not even half of what should be invested by the private sector.

- » Increase in the price of Mexican oil, which from 2019 to 2023 went from US\$55.53 to US\$70.98 per barrel on average, passing through a maximum of 89.35 dollars per barrel in 2022, which is why PEP generated cumulative net profits of 399.2 billion pesos in the last two years (Pemex, s.f.a).
- » Reduction in tax burden. Between 2019 and 2023 the rate of the Shared Utility Tax (DUC in Spanish) went from 65% to 40%, to finally reach 30% in 2024. In the same period, the ratio of taxes and duties to total revenues went from 24.5% to 12.8%. By the first half of 2024 this ratio was 11.2%. Thus, between 2018 and 2023, total duties and taxes went from 461.6 to 220.0 billion pesos (Pemex, s.f.a).

¹⁴ For the years 2019 to 2023.

At the beginning of 2024, the payment for the last quarter of 2023 was condoned. Additionally, Pemex was allowed to defer the payment of the DUC corresponding to the month of August until October 30¹⁵. These events explain why Pemex's contribution to the exchequer was the lowest in many years. According to Mexico Evalua,

The reduction and postponement of taxes in 2024 caused the delivery of resources from Pemex to the federation, as of June, to fall 45.6% (76.9 billion pesos) compared to the same period in 2023. Likewise, both the reduction and the postponement of the DUC led to a diametric turnaround compared to the end of the last term: in 2018 Pemex kept 44% of oil revenues and the federation 56% (Mexico Evalua, 2024).

With the increase in Pemex's income and the decreases in the tax burden, it will keep 83% of the oil income against the federation's 17% (Mexico Evalua, 2024).

The policy of reducing and postponing the DUC had a historic cost: in the first half of 2024, the federal government's oil revenues (i.e., those not kept by

¹⁵ At the time of this report it was not known whether Pemex had complied with this commitment.

the oil company) amounted to only 91.7 billion pesos, the worst level since 1990 on record (Mexico Evalua, 2024).

However, if we consider that Pemex received 158.6 billion pesos from the government in the same period, the result is a net loss of 66 billion pesos (Mexico Evalua, 2024). Then, as Mexico Evalua concludes,

This is the first time that the government contributes more to Pemex than Pemex contributes to the government (Mexico Evalua, 2024).

In this regard, during the Felipe Calderon administration, duties and taxes contributed by Pemex represented 35.1% of federal government revenues; under Peña Nieto, these were considerably reduced to 15.2%; in that of Lopez Obrador (up to 2023), Pemex barely provided 5.9% of the treasury's revenues. If we deduct from this the contributions received by the company, the net contribution to public finances was only 2.3% of the government's total income (Barnes, 2023).

With the discounts and deferrals of 2024, as well as the contributions that will be added, Pemex's contribution in the Lopez Obrador administration should stand at a figure close to 2% or even less.

With the increase in Pemex's income and the decreases in the tax burden, it will keep 83% of the oil income against the federation's 17% (Mexico Evalua, 2024).

On the other hand, the drop in prices caused by the pandemic exposed Pemex's serious financial and operating condition. With an average price of 36.24 dollars per barrel, PEP had net losses of 201.9 billion pesos (Pemex, s.f.a). Therefore, it is estimated that the oil rent is zero when the price reaches 46 dollars per barrel (Vital Signs, 2022). Below this price, Pemex, but in particular PEP, stops contributing and instead needs more governmental support. However, it should be noted that the financial support was insufficient to improve the company's strained financial position. Between 2019 and the first quarter of 2024, that support, including equity contributions, discounts to the DUC, tax incentives and other aid, amounted to 1.73 billion pesos (IMCO, 2024b). In the second quarter the situation worsened and that the company received 165.6 billion pesos more, 145 billion in capital contributions and 20.6 billion of DUC discounts (IMCO, 2024c). Thus, up to the first half of 2024, Pemex received support of 1.895 trillion pesos in the Lopez Obrador administration. The most recent estimates indicate that it could reach 2.0 trillion pesos.

In addition, as we have noted since 2022¹⁶, Pemex exchanged financial debt for commercial debt, thus cre-

¹⁶ Available at: <https://signosvitalessmexico.org/wp-content/uploads/2024/05/Report-10.pdf>

During the Felipe Calderon administration, duties and taxes contributed by Pemex accounted for 35.1% of federal government revenues; under Peña Nieto they fell to 15.2%; in the Lopez Obrador administration (as of 2023), Pemex barely contributed 5.9% of the treasury's income.

ating a false idea of zero increase in debt. In fact, the suppliers' debt grew (from 7.6 to 19.7 billion dollars between 2018 and the first half of 2024) and total financial debt (short and long term) decreased from 105.8 to 99.4 billion dollars in the same period (Pemex, s.f.a). As a result, the company's liabilities continued to increase. Unlike financial commitments, the increase in debt owed to suppliers can have implications for the real economy, that is, supplier companies.

Pemex's financial debt is no longer a minor issue, and it is still a matter of concern in terms of public finances. The exchange rate losses were evident with the outbreak of the pandemic, the short-term maturities accumulated and with it the need to refinance or pay them. In the end, the decrease in Pemex's tax

contribution financed the payment of debt, mainly that denominated in foreign currency.

As of the second quarter of 2024, 80.7% (80.2 billion dollars) of Pemex's debt was denominated in a currency different from the peso, mainly US dollars (72.3% of the total) (Pemex, s.f.a). Thus, 21.7% (21.6 billion dollars) of the debt was short-term, which contrasted with the figures at the end of 2018 (9.2% or 9.7 billion dollars) (Pemex, s.f.a).

In agreement with Victor Gomez,

The recomposition of Pemex's debt maturity structure is a consequence of [the Lopez Obrador administration's] management, as since 2019 they focused their refinancing strategy on revolving lines of credit with floating interest rates. As a consequence, as a result of the crisis associated with the pandemic, this decision conditioned the trajectory of shorter maturities in the following years (Gomez, V., 2024).

Also, in this period, the swapping of debt in the domestic market took it from 13.8 to 19.2 billion dollars, slightly modifying the composition of the portfolio, from 13.0% to 19.3% of the total debt (Pemex, s.f.a), as a result of the reduction of debt denominated in

currencies other than the peso (a reduction of 12.8% in dollar terms) and the increase in the national share.

Thus, the administration placed the oil company in a dilemma that has no economic or financial logic: Pemex was debating between increasing its shipments abroad (exporting) or sending oil to the SNR, generating losses for the company. However, this loss was to be compensated with a net contribution to the treasury close to zero, which tended to be negative in 2024, and was intended to cover Pemex's working capital needs. In other words, with Lopez Obrador, the net internalization (absorption) of Pemex's liabilities into the public treasury, before the company's poor operating results, and into domestic debt, began.

Until the first half of 2024, Pemex received from Lopez Obrador's 1.895 trillion pesos in support. Recent estimates indicate that this support could reach 2.0 trillion pesos.

DOS BOCAS, DEER PARK, THE SNR AND IMBALANCES TO COME

A reduction in the volume of oil production has the effect of limiting exports or domestic supply, and with it, shipments to refineries or inventories. In this sense, Pemex's participation in both the international and domestic market is diminished. The Peña Nieto administration opted to maintain the same level of oil exports by considerably reducing the shipment of crude oil to the SNR (49% or 587.4 tbd between 2012 and 2018) (Pemex, s.f.b) and, as shown, the effect of the decarbonization of the Mexican economy had immediate effects on the level of output.

Between 2018 and 2023, the volume of oil production fell 12.4% (224.7 tbd), while crude sent to the SNR increased by 29.4% (180.1 tbd) (Pemex, s.f.b) and exports fell by 12.8% (151.1 mbd)¹⁷. The decision was in the opposite direction of the previous government. For a company in Pemex's situation, increasing refining meant reducing exports as oil production did not increase.

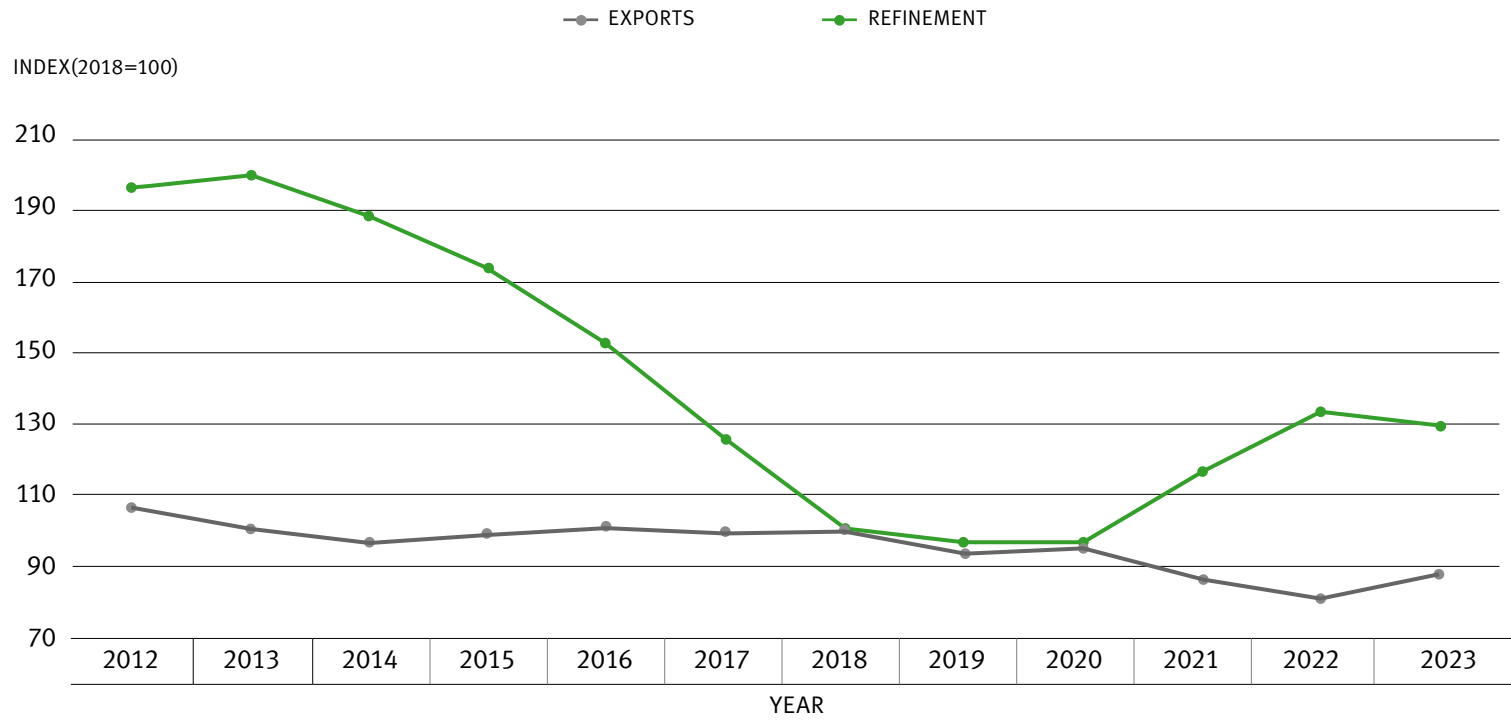
¹⁷ By 2023, 57% of exports will correspond to Maya-type crude oil (heavy crude).

Between January and July 2024, 933.4 tbd of crude was shipped to the SNR. This figure represented 71.6% of the historical maximum of 1,303.4 tbd reached in 2004. That is, in spite of the rhetoric created in this regard, the amount of oil processed was below that of 20 years ago, when even with that level of processing Pemex imported 94.5 and 2.4 tbd of gasoline and diesel, respectively (Pemex, s.f.b). Although in retrospect the refining volume remained at historically low levels, the latest data suggests that the oil policy was radicalized in the last year of the administration (annual increase of approximately 17.9%) (Pemex, s.f.b) (Graph 8.3).

In 2016 the same amount of crude oil was sent to the SNR (933.1 tbd), however, the production of gasoline, diesel, kerosene and L.P. gas was 325.3, 216.2, 42.8 and 17.2 tbd, respectively; by mid-2024 the production of the aforementioned petroleum products was 299.6, 181.8, 33.8 and 14.3 mbd, respectively (Pemex, n.d.b). That is, the SNR became more inefficient. This means that, if in 2025 the same amount of oil was sent to refining as in 2004, about 90% of the oil products would be produced as at that time.

Lopez Obrador began the net internalization (absorption) of Pemex's liabilities into the public treasury, in the face of the poor operating results of the company, and in the domestic debt market.

GRAPH 8.3 CRUDE OIL SHIPPED TO THE SNR VS CRUDE OIL EXPORTS (2018 = 100)
2012 – 2023



Source: In-house elaboration with information from Pemex's Institutional Database (BDI).

Inefficiencies in the SNR have increased and result in the same shipments, but less marketable products.

For the same period in 2024, gasoline production was 299.6 tbd and remained at the lowest production levels in at least three decades, even when it increased in the last five years (by 21.8%, 45.1 tbd) (Pemex, s.f.b). During Lopez Obrador's administration, production of diesel, kerosene (jet fuel) and L.P. gas increased by 15.4% (18 tbd), 4.7% (1.6 tbd) and 38.6% (3.9 tbd); on the other hand, that of fuel oil did so by 40.6% (75.2 tbd) (Pemex, s.f.b). That is, the more oil sent to the SNR, the higher the production of fuel oil grows to a greater extent than the rest of petroleum products.

Between January and July 2024, waste production at SNR constituted 29.3% (304 tbd) of production and was higher than gasoline production by 28.8% (299.9 tbd) (Pemex, s.f.b). According to Rosanety Barrios, SNR produces 29 times a higher proportion of waste compared to the refineries located in Houston (Barrios, R., February 12 2024). That is, Pemex cannot compete with the most efficient companies in the market. This implies that its production costs are higher, not only in nominal terms, but also in relative ones. More oil is required to produce the same of gasoline or diesel. Moreover, the waste (fuel oil, output) has a lower price than crude oil (input).



Images: Deer Park (up) and Dos Bocas (down) at <https://forbes.com.mx/refineria-de-deer-park-deja-a-pemex-utilidad-de-956-mdd-en-2022/> <https://expansion.mx/empresas/2024/11/03/refineria-dos-bocas-suspende-produccion>

The trend in the 2018–2024 government was marked by the reduction in the volume of exports and the increase in the volume shipped to the SNR for processing into petroleum products.



Image: "Power and money. Bartlett Law: government owner of sun and wind" at <https://hidalgo.quadratin.com.mx/opinion/poder-y-dinero-ley-bartlett-gobierno-dueno-de-sol-y-viento/>

The impact of increased refining and of fuel oil production led the Lopez Obrador administration to modify the institutional framework for electricity dispatch. Thus, the so-called Bartlett Law sought to strengthen the fuel oil value chain, creating more demand in the domestic market through greater consumption by CFE power plants as international restrictions reduced it in maritime transportation due to the high sulfur content of fuel oil. Thus, priority in electricity dispatch would be given to CFE plants regardless of the fact that they were more polluting and had higher variable costs than cleaner sources (Graph 8.4).

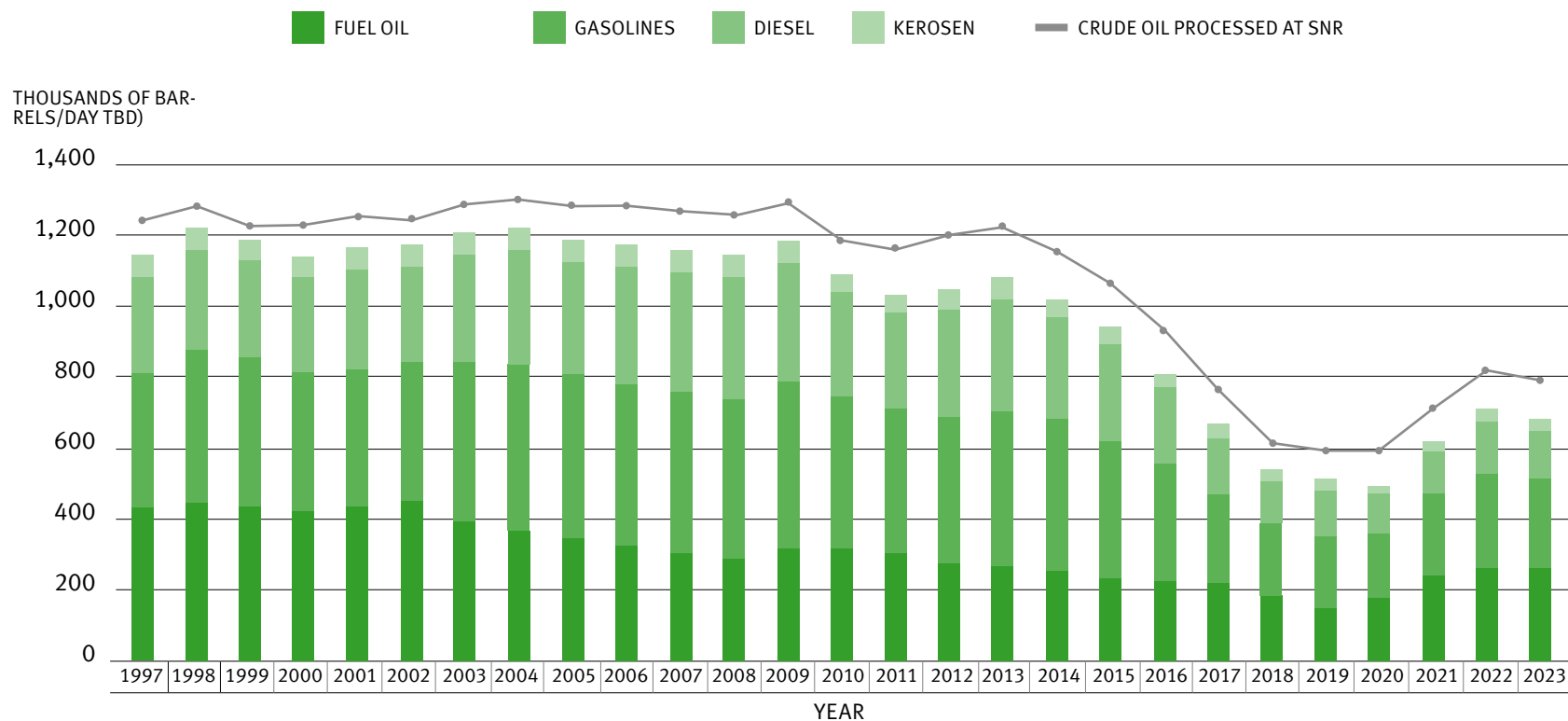
Despite the growth in the production of the different products, they continue to contribute less to domes-

Priority in electricity dispatch would be given to CFE plants, regardless of pollution levels and cost.

tic supply. This can be summed up in Pemex's inability to meet the needs of the Mexican economy. Given the supply deficit, Pemex and private companies import most of the petroleum products. In 2023, Mexico imported 470 tbd of gasoline from the U.S. (EIA, s.f.b), 65.1% of the Mexican supply (that is, just one-third of the supply is covered by Pemex production).

In this regard, since the Peña Nieto administration's energy reform came into effect, the growth of imports, mainly from private companies, became more relevant until it stopped its growth. Between 2013 and 2018, gasoline imports increased from 184 to 511 tbd (177.7%) (EIA, s.f.b). In Vital Signs we observed that since the second half of 2021 the private sector

**GRAPH 8.4 PRODUCTION OF FUEL OIL, GASOLINE, DIESEL AND KEROSENES IN THE SNR
BY VOLUME OF CRUDE OIL PROCESSED (MBD) (1997 – 2023)**



Source: In-house elaboration with information from Pemex's Institutional Database (BDI) (s.f.b).

decreased its market share, however, by the second half of 2024 it was somewhat difficult to know precisely its contribution to the total supply, which, as of September 2023, we estimate at 15.0%¹⁸. The above went hand in hand with the decrease in U.S. imports between 2018 and 2023 by 8.0% (41 tbd) (EIA, s.f.b).

Replacing imports with domestic production of gasoline and diesel means that Pemex will have to increase its gasoline production between 126.8% and 146.0% (382.8 and 440.9 tbd)¹⁹. The range differs according to the interpretation given to the so-called energy sovereignty. If the objective is to eliminate imports of U.S. origin of any hydrocarbon completely, then the upper limit should be considered. However, as will be seen, this last proposal is out of all proportion and logic.

Firstly, it should be noted that the SNR has the capacity to process 1,615 tbd. Secondly, only three of the six refineries that make up the SNR are designed to process heavy crude oil, the one Pemex produces most. With the addition of Dos Bocas and Deer Park,

¹⁸ Official figures were not available at the time of this study. According to the Secretariat of Energy itself, the site where the data was hosted was under maintenance.

¹⁹ Considering the cumulative figures from January to June 2024 and with a gasoline production of 302 tbd.

Pemex could process, in the most optimistic scenario, 2.29 mbd. According to Vital Signs estimates, to produce the necessary amount of gasoline (without restricting import permits to private companies), with a market in equilibrium (without inventories), between 1.9 and 2.0 mbd of oil would have to be processed. This assuming the shipment of 680 tbd of heavy oil (22° API maya type) to both refineries (at maximum capacity).

By the first half of 2024, heavy and extra-heavy crude oil production made up 39.5% of the country's production (CNH, s.f.) and historically, heavy crude oil production has been increasing. Likewise, between January and July 2024, 630.6 tbd of heavy crude oil (10° API ' 22.3°) were produced (CNH, n.d.). And by type of crude oil, the production of both heavy and light crudes reports the highest losses since records have been kept; between 2016 and 2024 their production plunged by 40.5% and 38.5%, respectively (CNH, s.f.)²⁰. Doubts about the viability of the project may arise from the supply of inputs (oil). In summary, oil production was clearly on the decline with increasing refining capacity, with a view to generating excess installed capacity.

²⁰ The variation corresponds to liquid hydrocarbons.

The impact of increased refining and fuel oil production led the Lopez Obrador administration to modify the institutional framework in the area of electricity dispatch. The "Bartlett Law" sought to strengthen the fuel oil value chain.

At the same time, given the level of reserves, the decline in production and the low levels of investment, which led to adjustments to the forecasts of the National Hydrocarbons Commission (CNH), the probability of exceeding 2.0 mbd seems more distant. According to the CNH, in its last production prospect 2022–2028 (third quarter 2022) it estimated for 2024 in its three scenarios (low, medium and high) an oil production that could be of 1,654, 1,750 or 1,792 mbd (CNH, 2022). In fact, and with great difficulty, by the end of 2024 we will have barely approached 1,600 mbd, below the most conservative estimate. With these same official estimates, it is expected that by 2028, and in the most optimistic scenario, oil production could reach 2,076 mbd²¹; in a conservative scenario it would reach 1,836 mbd (CNH, 2022).

Then, by the time the expanded refining system reaches the maximum possible volume (2.29 mbd) – most likely after 2025– there will be a small window

²¹ According to CNH, for this scenario to be fulfilled, an optimistic adjustment in the production profiles for the Akal, Ayatsil, Bedel, Ku-Maloob-Zaap, Ixachi, Nejo, Quesqui, Xanab, Yaxche, Cuitlahuac and Cuervito assignments, as well as the Round 1.2 contracts, is required and CNH.M4-EBANO/2018; of the development of the base and incremental scenarios of the exploratory assignments and considers an additional exploratory component in contracts, which consists of drilling an additional well in the contracts in the exploratory stage subject to the degree of progress.

Private import quota may not be replaced by domestic production and Mexico will need to import oil or gasoline in any scenario.

of opportunity between 2027 and 2028 in which not even using all of the oil produced domestically would be enough to substitute all the imported gasoline. In other words, private import quota cannot be substituted with domestic production and Mexico will need to import (oil or gasoline) in any scenario. In this sense, there will be no own inputs (oil) and the existing capacity may be insufficient or risky to push it to its limits.

So, either the federal government ends up importing between 210 and 450 tbd of oil (initially most likely light crudes), saturating the SNR, or it continues importing gasoline and other petroleum products, except diesel²², to cover the market share. To date, it is not known what direction will be taken by the permits to import hydrocarbons to private companies in the administration 2024–2030.

On the other hand, a fact that we have pointed out in *Vital Signs*, is that the consumption of oil prod-

²² We estimate that Pemex could cover total diesel domestic demand with a refining level of 1.9 mbd of oil.

ucts such as gasoline stopped for years. The event is unusual as many other phenomena related to energy consumption, because Mexico is a country that in statistics grew (almost nothing, but it did) while its energy sector paled. With the latest data on gasoline sales in 2023 we know that these were 738.0 tbd (private and Pemex)²³ (Sener, s.f.), but in 2018 only Pemex had sold 763.7 tbd (Pemex, s.f.b), that is, neither a greater control of imports nor a greater production of refined products resulted in the recovery of the level of sales in 2018. The above also suggests that if the Mexican economy had a non-zero growth, then there could be an unsatisfied demand, which, according to our estimates and for the period from January to June 2024 was close to 65.7 tbd (a deficit of 8.8%)²⁴.

This has raised well-founded suspicions on the part of Vital Signs²⁵, since, if the above were true, the market would show imbalances and shortages would be evident. Moreover, the expansion of the Mexican economy in the last two years has been higher than

Data from the Tax Administration System (SAT) evidenced the existence of a black market for fossil fuels: smuggling and huachicol. According to SAT's information, in 2021 this black market could have come to represent 21.2% (101.6 tbd) of the total supply (SAT, 2022).

the historical growth of the last three decades. In this regard, data from the Tax Administration System (SAT in Spanish) revealed the existence of a black market for fossil fuels, made up of so-called huachicol (illegal extraction of hydrocarbons). According to SAT's information, in 2021 this black market could have represented 21.2% (101.6 tbd) of total supply (SAT, 2022)²⁶. Also, the evidence gathered by Vital Signs shows a clear expansion of organized crime in its various forms, and huachicol is a crime rooted in one of the areas of greatest consumption, the center of the country.

On the other hand, one of the effects that this policy may have in the long term is an improvement in the

²³ Accumulated from January to September 2023.

²⁴ Considering the long-term trajectory of gasoline demand for the period from January 1997 to November 2018.

²⁵ The documentary and statistical support can be found in our report "The Mexican economy under review".

²⁶ SAT stopped publishing its estimate of the hydrocarbon black market by 2023.



Image: "1 million 200 thousand barrels? What does it mean?" at <https://petroleoenergia.com/1-millon-200-mil-barrilesque-significa/>

terms of trade, which will translate into a reduction of the trade deficit with the United States. Between January and August 2024, the trade balance showed a deficit of 10.44 billion dollars, but the oil trade balance alone amounted to a 6.48-billion-dollar deficit (Banxico, s.f.). If the trade surplus with the United States widens, the exchange rate could tend to a new equilibrium level in the long run. However, it should be noted that this improvement may be supported

by the high level of Pemex Industrial Transformation leverage and exacerbated by the growth of the black market for hydrocarbons, mainly due to smuggling, since, as SAT itself and other international organizations have documented, smuggling occurs through false invoicing. Evidence suggests that the black market can already be higher than the private supply (that is, legal imports).

THE LEGACY: moving from a net oil exporter to a net oil importer based on public finance capacity

President Lopez Obrador's administration made a turnaround in crude oil processing and towards the end of his administration this strategy intensified. The expansion of the installed capacity makes complex changing it, due to the high cost of having such capacity idle. Given the blocking of private investment in the sector and the cancellation of oil rounds 3.2 and 3.3, this strategy has placed Mexico in a condition in which it will have to go from being a net oil exporter to a net oil importer. In the first years it will most likely be light crude, and there is no investment that can avoid it (energy projects take years to mature) at least in the short term.

The viability of this policy will depend on the strength of the country's public finances and its domestic savings, since the government will have to allocate more of these savings to meet Pemex's financial and capital needs, given its inability to generate sufficient revenues to meet them. In turn, the swapping of external for internal debt may have been caused by the prolonged periods of exchange rate appreciation.

While public finances go through a phase of net depetrolization, as Pemex's contribution tend to 0% of public revenues, the economy, but mainly transportation and electricity, will continue to carbonize, thus reversing the cost assumed during the Peña Nieto administration. This policy will inherently result in the final price of fossil fuels being subsidized, diverting resources from the economy, or else prices will be adjusted to the free market given the unfeasibility of oil refining. Moreover, the already questionable quality of hydrocarbon statistics and the opacity of information on hydrocarbons, can lead to national security risks in the face of a growing black market for hydrocarbons, formed by huachicol and smuggling fossil fuels, which is taking a larger market share every day, most likely greater than the contribution of the private sector.



President Lopez Obrador's administration has made a turnaround in the processing of crude oil. Towards the end of his administration this strategy was intensified. In view of the blocking of private investment in the sector and the cancellation of oil rounds 3.2 and 3.3, this strategy has put Mexico in a position where it will have to transition from a net oil exporter to a net oil importer.

LEGACY 2. OIL AND HYDROCARBONS: DEBT, REFINING CAPACITY AND HUACHICOL

- » THE INVESTMENT IN OIL EXPLORATION AND EXTRACTION AVERAGED 2.8 BILLION DOLLARS PER YEAR, BUT 7.5 BILLION DOLLARS WERE REQUIRED.
- » WITHOUT NEW FINDS, OIL PRODUCTION CONTINUED TO FALL (12.7%, 230.7 TBD) BETWEEN 2018 AND 2024.
- » PEMEX HAD ACCUMULATED NET LOSSES OF 918.5 BILLION PESOS, 706.5 BILLION FROM PEMEX INDUSTRIAL TRANSFORMATION
- » PEMEX'S NET CONTRIBUTION TO TOTAL FEDERAL GOVERNMENT REVENUES WAS 2.3%, AS OPPOSED TO 15.2% AND 35.1% IN THE PEÑA NIETO AND FELIPE CALDERON ADMINISTRATIONS.
- » PEMEX RECEIVED, BETWEEN CAPITAL CONTRIBUTIONS, DISCOUNTS AND OTHER SUPPORT, CLOSE TO 1.9 TRILLION PESOS..
- » PEMEX'S FINANCIAL DEBT WENT FROM \$105.8 TO \$99.4 BILLION DOLLARS, BUT THAT OWED TO SUPPLIERS WENT FROM \$7.6 TO \$19.7 BILLION DOLLARS BETWEEN 2018 AND 2024.
- » WITH MORE REFINING, WASTE (FUEL OIL) PRODUCTION GREW 40.6% (75.2 TBD), AND GASOLINE PRODUCTION 21.8% (45.1 TBD).
- » WITH INCREASED REFINING CAPACITY, MEXICO WILL HAVE TO IMPORT PETROLEUM PRODUCTS OR OIL.
- » IN 2021 THE BLACK MARKET FOR FOSSIL FUELS (HUACHICOL PLUS SMUGGLING) REACHED 21.2% OF TOTAL SUPPLY. CRIMINAL SUPPLY WAS HIGHER THAN THAT OF PRIVATE LEGAL IMPORTERS.

Legacy: Pemex is a bankrupt company that can only survive with financial injections from the government.



8.3 Electricity, the big bottleneck



INTRODUCTION:

THE ELECTRICITY SYSTEM LIMITS AND CONSTRAINTS TO ECONOMIC PROGRESS

In 2023 electricity generation increased by 1% while peak demand grew 10% (Ramirez, C., June 27, 2023). That year was critical, with unscheduled blackouts lasting around 12 minutes, with the consequent stoppages in industry, with companies in the south being the most affected, followed by the center-north and center, with 81.6%, 58.6% and 55.0% of companies with more 100 workers (Banxico, 2024). It reflected the Lopez Obrador administration. The lag reached electricity generation, where there had been no such problems for several years. Investment in generation, transmission and distribution fell by 49%, 17%

and 37% compared to the Peña Nieto administration (Mexico Evalua, 2024b). The different components of the value chain became compromised.

Crucially, as soon as Lopez Obrador's term began, the long-term auctions were cancelled. Moreover, there were institutional or administrative obstacles that reduced the efforts to increase the installed capacity of electricity generation, at the pace and under the conditions required by the country in a global environment amidst climate change. There are currently about 4,000 mw left idle due to the inaction of the Energy Regulatory Commission (CRE, for its acronym in Spanish). CFE's additions to generation capacity came mainly from natural gas (fossil fuel).

The backlog reached electricity generation: investment in generation, transmission and distribution fell 49%, 17% and 37% compared to Peña Nieto's government (Mexico Evalua, 2024b).

With the increase in global temperatures and fall in rainfall, generation of clean energy has collapsed, mainly by CFE. Emptying dams to produce (clean) electricity was used by CFE in order to give the impression that it provides most of clean energy generation, not without first favoring the Mexican Electricians Union (SME in Spanish). To all this was added the cancellation of the daylight-saving time. The only stronghold of the electricity market has been Distributed Generation, however, its 632% expansion since 2018 proved insufficient, even though in 2027 it will reach 5.3% of the total installed capacity (Sener, 2024d).

In addition to the lack of generation, there is scarce investment in transmission and distribution, activities that are exclusive to CFE and from which the profit margin could reach 52% and 35%, respectively (Zarate, P., May 5, 2024). Between 2018 and 2023 the transmission grid grew at a lower rate than the economy, so that a large infrastructure backlog is inherited, adding further pressure to public finances. The deficit in transmission lines is around 6,769 km. In the next six years the Energy Secretariat plans to expand transmission lines by 5,719 km without a strategy for the south of the country, i.e., the global and regional deficit (with the south lagging behind) will persist even if the economy grows at a zero rate.

As soon as Lopez Obrador's administration took office, long-term auctions were cancelled. The resultant deficit translates into potential congestion in the network, to the detriment of the wholesale electricity market and the reliability of the National Interconnected System.

THE VEINS OF THE ECONOMY: POWER TRANSMISSION AND DISTRIBUTION

According to the Program for the Development of the National Electric System 2022–2036 (Prodesen, for its acronym in Spanish), the country requires at least 26 billion dollars of investment in electricity generation and 20 billion more in electricity transmission and distribution to cover an energy demand of 110 Gigawatts in the next three years (Moreno, 2022). However, as soon as Lopez Obrador's administration began, long-term auctions were cancelled. This deficit causes grid congestion, to the detriment of the wholesale electricity market and the reliability of the National Interconnected System (SIN, for its acronym in Spanish).

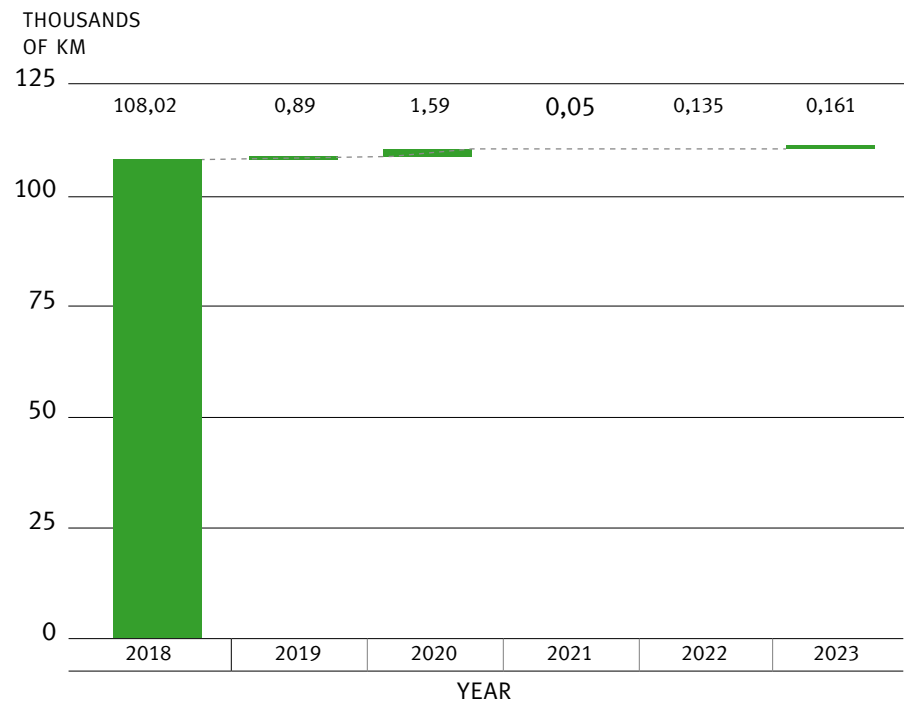
Unlike other business areas, such as generation and supply to consumers, electricity transmission and dis-

tribution are tasks assigned solely to the State, i.e., it has a monopoly. However, the Lopez Obrador energy reform focused on generation. At the end of 2018, the National Transmission Network had 108,018 km of lines (Cenace, s.f.). At the end of 2023, 110,846 km (Cenace, s.f.b), only 2.6% (2,828 km) more, even below GDP growth during the same period (3.6% cumulative) (Graph 8.5). In 2023 only 161 km were added.

According to estimates by the Energy Commission of the International Chamber of Commerce (ICC), for Mexico to grow at the rate of recent decades (2.4% per year), it should build at least 58,900 km of transmission lines, and ramp up infrastructure for 100,974 MW, considering plant factors and assuming combined cycle, photovoltaic, and wind processes. The total investment required would amount to 1.985 trillion pesos, 132.3 billion pesos per year for the next 15 years; of this total, 413.4 billion correspond to transmission lines (ICC Mexico, November 8, 2023).

That investment estimate assumes a steady increase in GDP. One of its most important conclusions is that, for each percentage point of GDP growth, 800 km per year in transmission lines must be installed (ICC Mexico, November 8, 2023).

GRAPH 8.5 POWER TRANSMISSION LINES IN 2018 AND ADDITIONS TO THE GRID DURING THE ADMINISTRATION OF LOPEZ OBRADOR (THOUSANDS OF KM)



Source: In-house elaboration with information from Cenace (s.f.) (s.f.b).

Between 2018 and 2023 the transmission network only grew 2.6% (2,828 km) vs. a GDP growth of 3.6%. We estimate the deficit in transmission lines to be around 6,769 km.

The economy grew 3.2% in 2023 (INEGI, s.f.), which implies that transmission lines should have grown by 2,560 km. Thus, the difference last year alone was 2,399 km. Likewise, an accumulated deficit of 4,370 km in transmission is estimated for 2018–2022 (ICC Mexico, 2023). When adding the 2023 gap, we estimate that the accumulated deficit in the Lopez Obrador administration reached 6,769 km. What the government, through CFE, failed to do is equivalent to 2.4 times what was done. It is important to stress that the infrastructure deficit has been increasing and that the State, through CFE, is responsible for it.

In view of this deficit, and according to the Energy Secretariat through the Prodesen 2024–38, between the second half of 2024 and until 2030 the expansion of electric grids will be concentrated in some states in Mexico's north and center: Sinaloa, Coahuila, Chihuahua, Hidalgo, State of Mexico and Guanajuato. In total there are 194 transmission projects and 135 distribution projects. These electric transmission projects total 5,719 km of transmission lines (Sener, 2024b). Most transmission line additions will occur in 2025 and 2030, with a total of 2,802.1 and 1,553.4 km, respectively. However, such expansion will not be enough to cover the backlog left, even if the growth rate of the economy were to be zero in the period.

The economy grew 3.2% in 2023 (INEGI, s.f.), which means, according to estimates by the International Chamber of Commerce Mexico, that transmission lines should have grown by 2,560 km, but they did by 161 km, 2,399 km less.

The accumulated deficit in the Lopez Obrador administration was 6,769 km in transmission lines.



Image: "CFE readies these projects" at <https://forbes.com.mx/por-fin-se-haran-mas-lineas-de-transmision-la-cfe-alista-estos-proyectos/>

Additionally, there are also electricity losses. In 2024 transmission and distribution losses will represent 10.8% of system's net electric energy (close to 40 thousand GWh) (Sener, 2024c). The conditions in which the transmission and distribution network is found represent considerable losses, both in terms of energy and financial, for companies, families and governments. As we have pointed out, the weakness of the infrastructure, especially electricity, calls into question the growth of the economy and, above all, the viability of the expansion of the manufacturing sector.

The same National Energy Control Center (Cenace in Spanish) has determined that the lack of infrastructure of the National Transmission Network (RNT in Spanish) produces the highest number of operational alert states (EOA in Spanish). In 2023, the delay and/or lack of infrastructure caused 150 EOAs (38.1% of the total) and another considerable percentage is due to failures of the RNT itself (37.3%). Similarly, failures in the RNT and the General Distribution Network produce the highest percentage of Emergency Operating States, 83.7% (60), with only 2.9% (2) produced by weather conditions (Cenace, s.f.b).

Electricity supply should not be a problem. However, CFE's financial figures provide a wealth of evidence that shows the underlying reasons for this situation. According to Mexico Evalua (2024b), five phenomena contribute to this condition:

1. Although in the discourse there is talk of support for CFE, investment in real terms averaged 39.02 billion pesos, the lowest in several governments. The drop with respect to Peña Nieto's administration is 21%. In Calderon's it was 54.85 billion pesos; under Fox, 43.12 billion.
2. Investment in generation, transmission and distribution was lower by 49% (12.85 billion pesos), 17% (1.88 billion) and 37% (3.36 billion), compared to the Peña Nieto administration. In addition, in 2023 government spending on generation was the second lowest of the six-year term.
3. Mismanagement in the CFE has been the hallmark of Manuel Bartlett's administration, with CFE's expenditures 22% lower than the approved amount. In the Peña Nieto government, under-expenditures averaged 11%. In 2023 it was 7.7 billion pesos, a 15.2% under-expenditure. The pretense of austerity resulted in the largest under-expenditures in the last decade.

The weakness of the infrastructure, especially electricity, is challenging the growth of the economy, and especially the viability of the expansion of the manufacturing sector.

4. CFE's installed capacity grew only 4.54% compared to 2018. With Peña Nieto, by 8.41% compared to 2012. In 2023 the situation became critical because the maximum energy demand grew 10% and generation only 1% (Ramirez, C., June 27, 2023). Therefore, Mexico Evalua concludes that it should not be surprising that electricity generation today is 12.5% (1,787 GWh) lower than its 2018 level. In general, the annual average gross electricity generation of CFE and independent producers was lower for all years of the Lopez Obrador administration than in 2018, when on average they produced 21,557 GWh (Mexico Evalua, 2024b). Nevertheless, as it has been emphasized, the economy grew, even if at a rate of less than 1% per year, surprising considering the circumstances.

5. The electricity shortage has triggered an increasingly common problem: blackouts. Events that must remind many of the Mexico of 40 years past. At the close of 2023 there were 13.1 outages per 100 end-users with an average duration of 11.9 minutes, the longest episodes since 2017 (Mexico Evalua, 2024b). According to the latest June 2024 survey of regional economic activity, the south reported the highest fraction of manufacturing companies with more than 100 workers with interrup-

tions (81.6%), followed by the north-central region (58.6%), central (55.0%) and northern (49.7%) (Banxico, 2024) (Graph 8.6).

Casiopea Ramirez²⁷ estimates a generation deficit of 12,000 MW by 2025 (Ramirez, C., June 27, 2023) as only one third (1,500 MW) of the generation required to meet demand growth (4,500 MW) was added in recent years²⁸.

Due to CRE's institutional paralysis (lack of resolutions), more than 4,000 MW requesting new generation permits (mostly private) are pending (Ramirez, C., June 27, 2023). This means that it will not be possible to meet the maximum demand in the near future even with private capacity, so climate change and natural phenomena may be a determining factor (against).

According to Casiopea Ramirez, the blackouts are the result of poor planning and lack of investment in the

²⁷ Expert in regulation and market analysis with experience the development and implementation of energy transition projects and advisor to Signos Vitales.

²⁸ These 4,500 MW should be considered as the lower limit, since they do not include re-use of the power generated. The company's operations are not only based on the use of contingency funds, but also on the replacement of obsolete plants (due to retirement), much less on the increase in consumption for more high-level situations such as nearshoring or electromobility.

CFE investment will be the lowest in the last four federal administrations. The drop with respect to the Peña Nieto government is 21% (Mexico Evalua, 2024b).

last six years:

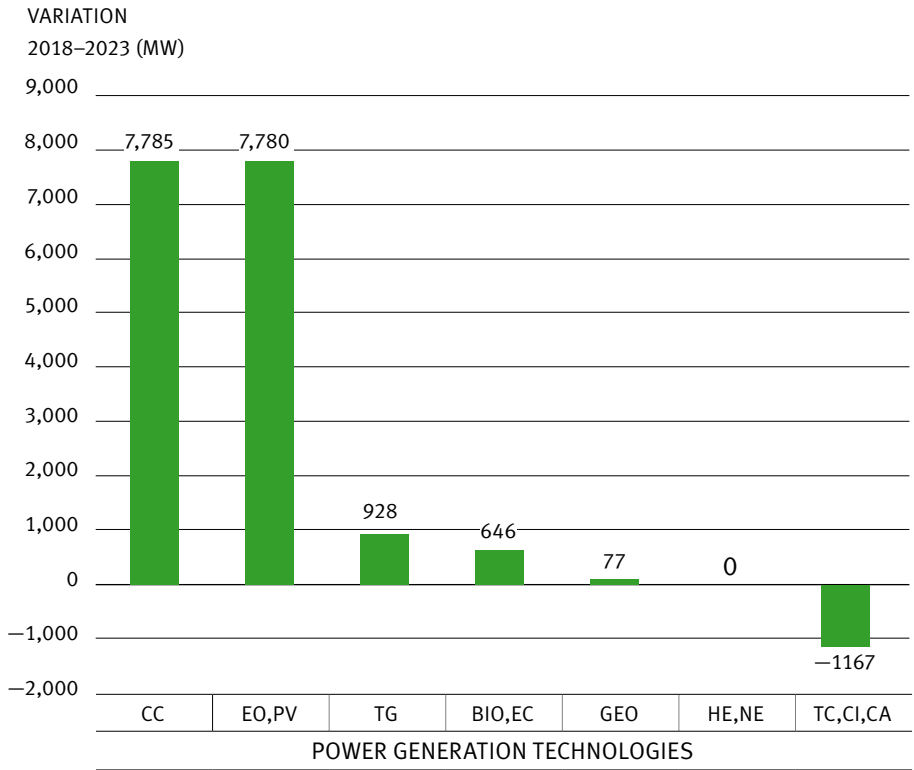
The first point is related to the lack of new power generation plants since no new permits were granted to the private sector. In addition, the projects announced by [CFE] have not yet been completed and are insufficient.

On the other hand, CFE does not invest in transmission networks. Current regulations indicate that the construction of this type of infrastructure is an exclusive obligation of the State. Data show that 97% of the system's alerts are due to the lack of this type of lines.

In addition, CFE and Cenace managed irresponsibly the dams in recent years, emptying them to increase hydroelectric production for two consecutive years. It did not matter that an important drought period was forecast for the country due to El Niño phenomenon, only for the political objective of saying that CFE is the largest producer of clean energy in the country (Ayala, C., May 13, 2024).

From January 2019 to September 2023, CFE received 400 billion pesos in subsidies and accumulated nearly 100 billion in losses. In the 2018–2024 government, only in 2023 it obtained profits (just over 97 billion

GRAPH 8.6 ADDITION OF GENERATION CAPACITY
BY TYPE OF TECHNOLOGY IN MEXICO (2023 VS 2018) (VARIATION IN MW)



Source: In-house elaboration with information from Cenace. *CC (Combined Cycle), EO (Eoloelectric), PV (Photovoltaic), TG (Turbogas), BIO (Bioenergy), CE (Efficient Cogeneration), GEO (Geothermic), HE (Hydroelectric), NE (Nuclear), TC (Conventional Thermal), CI (Internal Combustion), CA (Carboelectric).

pesos). However, 54% of this amount came from the rent for the use of the transmission and distribution network (Zarate, P., May 5, 2024). That is, from the Transmission and Distribution subsidiaries, which combined had profits of 41.5 billion pesos. However, according to Pablo Zarate, the profits actually amounted to 52.6 billion and represented a margin of more than 23% (Zarate, P., May 5, 2024). This is due to the fact that the CFE reduces its profits as it subsidizes its Basic Supply unit.

Pablo Zarate also estimates that the real profits of Transmission and Distribution over the period reached 254 billion pesos, and that the margin in transmission and distribution could have reached 52% and 35%, respectively. However, the company reported losses of 76 billion pesos (Zarate, P., May 5, 2024). That is, the revenues of some subsidiaries keep the numbers and operation of the entire company afloat. However, CFE has not invested enough to expand its capacity, where it has more advantages than any other agent in the market, to make its operation viable and support economic growth in all regions. CFE's underinvestment in the national power grid causes the blackouts.

DISTRIBUTED GENERATION AND THE ONLY REDOUBT OF THE ENERGY TRANSITION

During Lopez Obrador's administration, a conflict with the private sector on energy matters, especially with foreign investors, erupted. The cancellation of the long-term auctions and the 3.2 and 3.3 oil rounds signaled what would follow. The government began by making an inadequate, but convenient diagnosis for its purposes. In electricity, it concentrated its efforts (at least in the discourse) on generation, where CFE lost money, leaving aside the tasks entrusted to it by law (transmission and distribution), where, with its monopoly, it obtained profits.

This neglect brought about insufficient infrastructure, creating bottlenecks for the installation of companies, increasing their operating costs and affecting the running of factories. These problems are notorious in the Baja California and Yucatan peninsulas. In June 2024, Quintana Roo, Yucatan and Campeche had prices of 4,934, 3,083 and 3,041 pesos/mwh, the highest in the country, 2.0, 1.3 and 1.2 times higher than Mexico City's 2,451 pesos/mwh, respectively. Meanwhile, Baja California Sur had a price of 2,697 pesos/mwh (IMCO, 2024d), but this reached over 5,000 MXN/mwh in the summer of 2023.

Conflicts with the private sector on energy matters, especially with foreign investors, erupted. The cancellation of the long-term auctions and the 3.2 and 3.3 oil rounds signaled what would follow. This neglect brought about insufficient infrastructure, creating bottlenecks for the installation of companies, increasing their operating costs and affecting the running of factories.

As in other areas, privates (including families) took the initiative, promoting electricity production through distributed generation (DG)²⁹. The number of inter-connection requests for power plants with capacity of less than 0.5 MW continues to increase. Between 2017 and 2023 such solicitations went from 29,676 to 76,101 (156% more). In the same period, installed capacity went from 211.7 MW to 731.9 MW (246%) (CRE, 2024). Total accumulated capacity went from 459.3 to 3,361.7 MW (632%). The average installed capacity has also increased; by 2024, requests were on average 34.7% higher in capacity than six years before (9.6 kW vs. 7.1 kW) (Graph 8.7).

As of the first half of 2024, 99.4% of the total installed capacity is solar energy (460,608 applications of 3,866.8 MW) (CRE, 2024). It can be assumed that families and companies (micro, small and medium-sized) aim to solve a cost problem or meet environmental commitments. These permits also show that installed capacity is concentrated at the regional, state and municipal levels, either by number of requests

²⁹ According to the Prodesen, distributed generation is use of electricity generation technologies in small scale (less than 500 kW). Installed in a household, business, building, small or medium industry and agricultural sector, they can impact electricity consumption and the demand profile of a local electricity system.

or power. 66.1% is in the north and center-north, the other third in the center (21.6%) and south (12.3%) (CRE, 2018); 12 states concentrated 71.1% of this capacity and only one of these states, Yucatan, is in the south.

Of all applications, 10% with the highest capacity (43,163 applications) account for 54.5% of total capacity (1,988.6 million MW) and 65.9% of them (63% of capacity) is also located in the north and center-north; half of total capacity (994.4 MW) is dis-

Mexico has the potential to install between 11,300 and 19,780 MW by 2030 in solar photovoltaic systems in Distributed Generation (DG) (Sener, 2016).



Image: "Which government agency bought Iberdrola's plants in Mexico?" at <https://forbes.com.mx/que-instancia-gubernamental-compro-las-13-plantas-de-iberdrola-en-mexico/>

tributed in 45 municipalities, and only four of these municipalities were located in the south: Merida (Yucatan), Benito Juarez (Quintana Roo), Tuxtla Gutierrez (Chiapas) and Centro (Tabasco) (CRE, 2018). The center region includes large municipalities in the state of Guanajuato: Leon, Irapuato and San Francisco del Rincon. Guanajuato contributes 30.9% (243.3 MW) of the installed DG capacity in the center of the country, followed by Estado de Mexico (19.8%) and Mexico City (19.3%) (CRE, 2018). However, Guanajuato has a population of 6.17 million inhabitants, little more than a third (36.3%) of Estado de Mexico and two thirds (67.0%) of Mexico City (INEGI, s.f.b).

Thus, the use of solar energy on a small scale can be observed in the larger population centers in the north and north-central areas, industrial zones, but also in some tourist destinations, such as Banderas Bay, Puerto Vallarta and Mazatlan. The south's progress continues to be poor, with some exceptions, and lags behind the center-north and north.

According to the Renewable Energy Outlook 2016–2030 and estimates made by the International Renewable Energy Agency (IRENA) and Bloomberg New Energies and Finance, with the Energy Secretariat and CRE, Mexico has the potential to install between

11,300 and 19,780 MW by 2030 in solar photovoltaic systems in DG (Sener, 2016). DG's growth is remarkable, and the trend remains upward despite the multiple threats the sector has faced, internal (regulatory and legal) and external (international trade restrictions, mainly between the U.S. and China). It is likely that DG's growth is driving the increase in the manufacturing activity of power generation equipment.

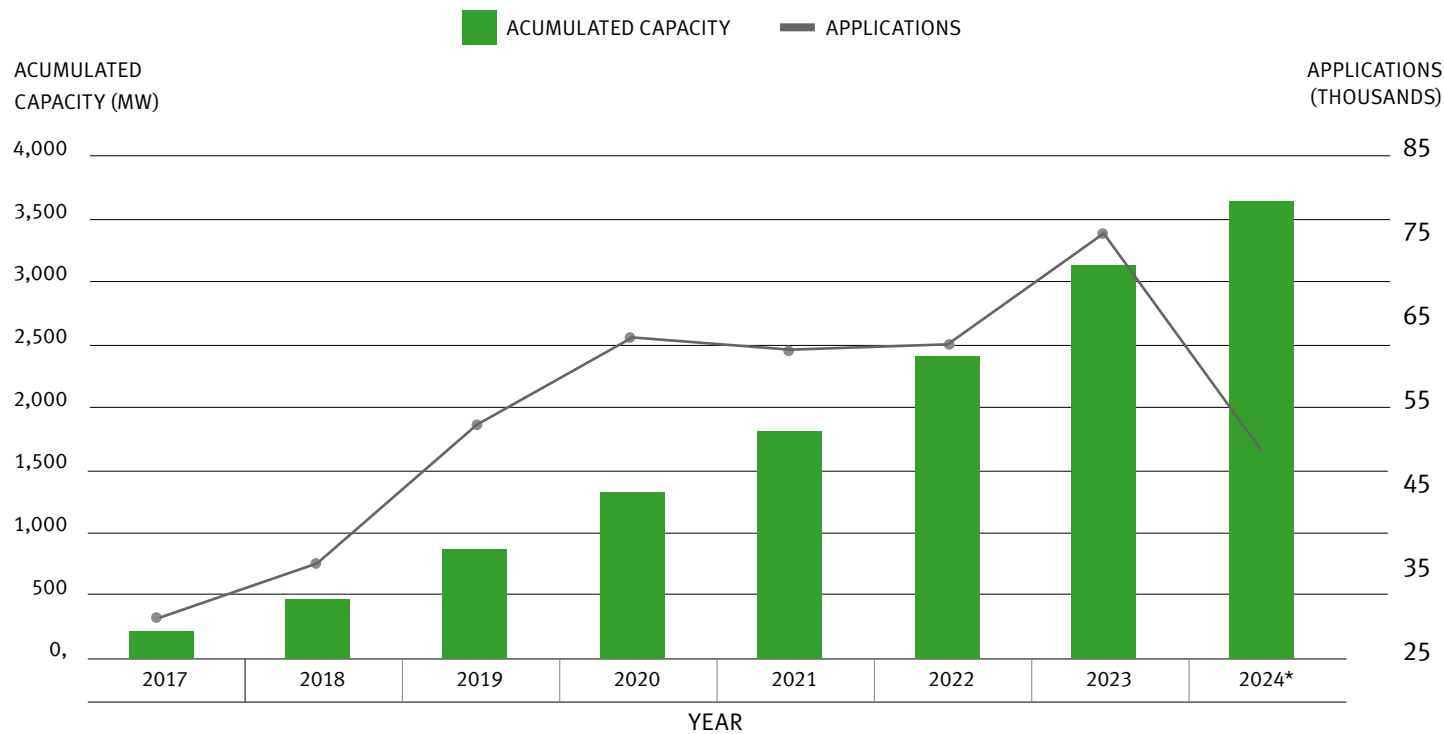
If that trend continues, by 2027 it will represent 5.3% (6,232 MW) of total installed capacity and in 2038, 7.4% (13,071 MW) (Sener, 2024d). The current trajectory exceeds the conservative scenario foreseen by Sener in 2016, however, it is far from the most optimistic scenario, since in 2023 the installed capacity reached 3,341 MW in operation (Sener, 2024d), but should have exceeded 5,000 MW.

Although there is no defined range of installed capacity in the world for DG systems, such power plants normally have a capacity ranging from 0.1 to 20 MW (Gallegos *et al.*, 2015). In the case of Mexico, the Electricity Industry Law (approved in the Peña Nieto administration)³⁰ facilitates power generation for plants smaller than 500 kW. For example, Germany, one of the countries with greater decentralization in

³⁰ It has antecedents in the Energy Transition Law.

The problem of CFE's neglect is that the infrastructure is insufficient, creating bottlenecks for the installation of companies, increasing their operating costs and affecting the running of factories.

GRAPH 8.7 INTERCONNECTION REQUESTS PER YEAR (THOUSANDS)
AND INSTALLED CAPACITY IN DISTRIBUTED GENERATION (MW) (2017– 2024)



Source: In-house elaboration with information from the Energy Regulatory Commission (CRE).

*The figure for 2024 corresponds to the first half of the year.

Mexico's potential could be enormous, especially since solar energy has been a key player in the growth of DG. The country has a large territory and 5 times more radiation than other countries, such as Germany.

its electricity sector, registered in 2013 an installed capacity in DG of 86 GW, equivalent to 48% of the total (Gallegos *et al.*, 2015); other economies such as Spain, Denmark and Chile also show progress in DG with 55%, 31% and 10% of total installed capacity, respectively (Limon, A., 2017).

Mexico's potential may be enormous, especially because solar energy has been a key element in the growth of DG. However, other countries with less solar potential and territory are clearly ahead. Despite the fact that Mexico has a territory 5.5 times larger than Germany and 5.0 times superior radiation, the

solar energy generated there is 44.2 times higher. With respect to China, despite the fact that Mexico has a territory 4.9 times smaller, but with an average solar radiation 1.2 times higher, the solar energy generated in Mexico is equivalent to 0.1% of China's (Limon, A., 2017).

According to specialists consulted by Vital Signs, DG is not the solution to the generation problem (in the short term) under the current (legal) conditions, the international context, where the components of this technology (photovoltaic cells) are mostly manufactured in China, and the low levels of investment in the sector. Although this technology may prove to be of great relevance, its main obstacle is the high level of uncertainty. The 2024–2030 administration has the challenge of keeping the electricity system operating under three different legal frameworks: legacy contracts, the Electricity Industry Law and the Lopez Obrador energy reform. In this sense, the Employers' Confederation of Mexico (Coparmex) supports the proposal to increase for small power plants from 0.5 to 1 MW and to continue with the policies implemented in other states or countries, such as the 5 MW in Brazil or the 10 MW in Texas (Coparmex, 2023).

POLITICAL AND FINANCIAL WEIGHT OF THE UNIONS IN CFE'S PERFORMANCE

Mexico has ample natural resources to meet its clean energy needs in strict compliance with the international treaties to which it has acceded. However, its electricity sector is and will be closely linked to the behavior of the natural gas market. In turn, during the current administration, the increase in installed capacity is determined by CFE's new combined cycle plants. It is estimated that this addition will mean that demand for natural gas will continue to grow for at least the next decade. It should also be noted that this addition has an underlying political strategy, as it is very likely to be aimed at securing a source of employment for CFE's personnel in the thermoelectric plants.

Contrary to the official discourse, on August 5, 2022, Lopez Obrador stated that it would respect the agreements signed between the government and the SME, which establish the operation of 15 hydroelectric plants and one thermoelectric plant for 30 years.

The obsolescence of CFE is determined by the power groups that are housed in it. According to Mexico Evalua, it has been impoverished by two actions of Manuel Bartlett's administration: the renegotiation of gas pipeline contracts in 2019 and the reversion to the changes made in 2016 in the collective contract between the company and its union. The first action alone implied that CFE's total liabilities increased by 50% (leasing contracts for a value of 690.2 billion pesos) (Mexico Evalua, 2023). The second change implied that by the end of 2020 the company's labor liabilities increased 10% (48.5 billion pesos), while the cost of labor obligations increased 236% (89.5 billion) (Mexico Evalua, 2023).

Fortunately for CFE's finances, its directors abandoned the discourse of increasing the generation of clean energy through hydroelectric plants. The loss in generation with this technology has been notable in the last year, given that generation is determined by seasonal factors (climate). Rainfall in 2023 turned out to be the lowest in seven years (SMN, s.f.). In June 2024, only 6.0% of generation was produced with this technology, while in the same month of 2023 the share was 6.8%. The annual drop in generation through this technology is 37.7% (1,173.8 TWh). On the other hand, in September 2021, with a rainier



Images: Top: Lopez Obrador expropriates land for Chicoasen II dam. Photo: Cuartoscuro at <https://oem.com.mx/elheraldodechiapas/local/expropian-tierras-para-la-hidroelectrica-chicoasen-ii-en-chiapas-16769455> Below: "Huites dam in Sinaloa" Photo: El Debate at <https://agua.org.mx/trasvasan-agua-la-presa-huites-a-la-hidalgo/>

summer, hydroelectric production reached 16.2% (6,366 TWh) (IMCO, 2024a).

In January-June 2024, 5.3% of generation relied on hydroelectric technology (IMCO, 2024a). For the same period, production of clean energies declined in the last two years by 32.7%, of which 32.3% is explained by the drop in hydroelectric generation (IMCO, 2024a). Climate change and inadequate management complicate compliance with the goals established in the agreements signed by Mexico regarding energy transition. Compliance is becoming increasingly more distant (35% of total electricity generation).

The obsolescence of the CFE is determined by the power groups that are housed in it.

Bartlett reversed the changes made in 2016 in the collective contract with the CFE union: it implied that at the end of 2020 the labor liability increased by 10% (48.5 billion pesos), and the cost of labor obligations by 236% (89.5 billion) (Mexico Evalua, 2023).



Image: "The SME (Union of Mexican Electricity) prepares agenda for Claudia Sheinbaum's transition team" at <https://latamgremial.com/sindicato-mexicano-de-electricistas-prepara-agenda-para-el-equipo-de-transicion-de-claudia-sheinbaum/>

Also, from the point of view of Vital Signs' advisors, electricity generation through hydroelectric plants is a financial perk for the Mexican Electricians Union (SME in Spanish), which is one of the most radical unions and which has been close to Lopez Obrador for years. Expanding capacity through this technology may represent more risks (political and operational) to the stability of the electricity system than a move towards clean energy.

Contrary to the official discourse, on August 5, 2022, Lopez Obrador affirmed that he would respect the agreements signed between the government and SME, which establish the operation of 15 hydroelectric plants and one thermoelectric plant for 30 years, result of Peña Nieto's energy reform in 2013 (Hernandez, September 17, 2022). In fact, Lopez Obrador approved the participation of Generadora Fenix, a company formed in October 2015 by the company Mota-Engil Mexico and the SME itself.

The damage that electricity labor unions have caused, both to the exchequer and economic development, has been significant and historically put the government in a dilemma. According to Enrique Cardenas,

The privately owned Compañía de Luz y Fuerza Motriz contributed significantly to the 9.1% annual in-

crease in electricity generation between 1950 and 1962. At that time, and when the need to expand electricity generation in the early 1960s ran up against rising costs due to inflation and the SME's excesses in the Compañía de Luz y Fuerza Motriz (which in 1962 became Compañía de Luz y Fuerza del Centro –LyFC–), the government faced a choice: allow the company to increase its energy prices in order to continue operations or reduce its support to the SME and allow a reduction in the company's labor cost. In both cases, the result was not acceptable to the government. It meant either raising energy prices or undermining its influence in the SME with the potential problem of political conflicts that would be difficult to manage. Therefore, the government opted to control end-user prices and maintain the goodwill of the union through the nationalization of the company in 1960, and the consequent granting of subsidies thereafter so that energy generation would not stop. At first the subsidies were small, but with time the inefficiencies accumulated and with them the amount of subsidies needed (Cardenas, E., October 14, 2021).

THE LEGACY: pushing the system to the limit

The last six years have been devastating for the electricity sector. The lack of investment, both public and private, left a considerable backlog that will be difficult to remedy. The results are evident: deficits in infrastructure that consequently led to a meagre growth in generation and the saturation of transmission and distribution networks, and resulted in persistent, prolonged and unscheduled blackouts all over the country. For its part, the additions in CFE's electricity generation depend to a greater extent on fossil fuels, distancing Mexico from its trading partners and other markets, such as the European Union. Meanwhile, the generation of clean technologies by the public sector depends on groups that capitalize the situation without regard for the environmental and social risks involved.

The growth of the transmission and distribution networks is clearly insufficient and generates bottlenecks. Network saturation will limit economic growth in the coming years to a level below its potential. This deficit will not be covered in the very short term, but neither in the future if the current trajectory is maintained. Additionally, there is the institutional weaken-



Image: "Why there are so many blackouts in Mexico?" at <https://expansion.mx/empresas/2024/05/08/por-que-hay-apagones-de-luz-mexico>

ing, mainly of the CRE, which became an obstacle for private investments. The legacy in the sector can be summarized in an electric industry that is more dependent on fossil fuels and strained in its capacities as the result of public underinvestment, mainly by CFE, and the limitations (administrative and legal) to private investment –increased by institutional weakness– which has found few loopholes to these restrictions and which few regions have known how to, or dare to take advantage of, particularly through DG.

Deficits in infrastructure with meagre growth in electricity generation, in addition to saturation of transmission and networks, led to persistent, prolonged and unscheduled blackouts throughout the country.

The 2024–2030 administration has the challenge of keeping the electric system operating with three different legal ordinances in force: legacy contracts, the Electricity Industry Law and the Lopez Obrador energy reform.



LEGACY 3. ELECTRICITY, THE HUGE BOTTLENECK

- » ACCORDING TO THE PRODESEN 2022–2036, MEXICO REQUIRES 26 BILLION DOLLARS OF INVESTMENT IN ELECTRICITY GENERATION AND 20 BILLION IN TRANSMISSION AND DISTRIBUTION.
 - » AS SOON AS THE LOPEZ OBRADOR ADMINISTRATION BEGAN, LONG-TERM AUCTIONS WERE CANCELLED.
 - » IN 2018 THERE WERE 108 THOUSAND KMS. OF TRANSMISSION LINES AND IN 2023 110.8 THOUSAND KMS. THE ACCUMULATED DEFICIT IS 6,769 KMS.
 - » IN 2023, 83.7% OF THE EMERGENCY OPERATING STATES WERE CAUSED BY FAILURES IN THE NATIONAL TRANSMISSION GRID AND THE GENERAL DISTRIBUTION GRID.
 - » CFE'S INVESTMENT WAS THE LOWEST IN THE LAST FOUR FEDERAL ADMINISTRATIONS. UNDER-EXPENDITURES WERE 22%. ITS CAPACITY GREW 4.5% COMPARED TO 2018..
 - » THE ELECTRICITY DEFICIT, 12,000 MW, HAS LED TO MORE FREQUENT AND LONGER BLACKOUTS.
 - » CFE AND CENACE EMPTIED DAMS TO INCREASE HYDROELECTRIC PRODUCTION FOR TWO CONSECUTIVE YEARS.
 - » REAL TRANSMISSION AND DISTRIBUTION PROFITS DURING LOPEZ OBRADOR'S TERM REACHED 254 BILLION PESOS; HOWEVER, THE COMPANY REPORTED LOSSES OF 76 BILLION PESOS.
 - » IN THE FACE OF BOTTLENECKS, THERE WILL BE GREATER DEMAND FOR DISTRIBUTED GENERATION, A LEGACY OF PEÑA NIETO'S ENERGY REFORM.
-

Legacy: the lack of electric power and its distribution capacity is a drag on the economy. CFE's competitiveness has deteriorated due to the energy policy.



8.4 Natural gas, an essential commodity



INTRODUCTION: NATURAL GAS IS NO LONGER A TRANSITIONAL ENERGY SOURCE

Mexico has increased the generation of electricity from the burning of fossil fuels, mainly natural gas. Nearly 60% of the country's electricity generation depends on it. However, its industry, including the electricity industry, depend mainly on gas imports (68.4% of the total) (CNH, s.f.). The high dependence on oil extraction (associated gas; close to 60% of domestic production), the cancellation of rounds 3.2 and 3.3 and the quasi-monopsony in the consumption of domestic production by Pemex (almost 80% of production) worsened this dependence.

Nonetheless, Mexico has ceased to be the main buyer of natural gas from the United States and has been displaced by other regions, mainly Europe. Between 2018 and 2023, U.S. exports of liquefied natural gas have gone from 30% to 57.1% of the total (EIA, s.f.c). Despite the geopolitical rearrangement and the volatility to which the prices of this fuel have been exposed, neither the extraction capacity in Mexico increased (it fell instead 3.4%) nor the storage capacity, which remains at 2.4 days (IMCO, 2022). In other words, Mexico depends on external sources for energy but does not minimize the risks of this condition or capitalize on the situation. On the contrary, it increases them.

Nearly 60% of Mexico's electricity generation depends on the burning of fossil fuels, mainly natural gas. Industry depends on gas imports (68.4% of the total) (CNH,s.f.).

Moreover, as was the case with electricity transmission, the growth of the gas pipeline network slowed down in the 2018–2024 government. Its growth was 3,074 km (Sener, 2024f), 30% less than in the Peña Nieto administration (4,369 km). Thus, this pipeline network is highly concentrated in industrial regions and has not expanded to those where cheap energy or alternatives are required, notably in southern Mexico.

The growth of the gas pipeline network slowed down in the 2018–24 government. It grew by 3,074 km (Sener, 2024f), while in Peña Nieto's administration it was 4,369 km.

RIISING DEPENDENCE ON NATURAL GAS AND ENERGY TRANSITION SETBACKS

Electricity generation is closely linked to the demand for natural gas as 59.3% (205,598 GWh) (Sener, 2024a) of generation comes from combined cycle plants, whose technology is gas intensive. According to the latest natural gas balance (September 2022), 68.4% of natural gas supply was imported, 5,677 million cubic feet per day (mmcf/d) (CNH, s.f.), with 99.3% (5,638.6 mmcf/d) from the U.S.³¹ (EIA, s.f.c). Among the main causes of this high dependence are:

1. In Mexico, natural gas extraction is tied to that of oil. In January-July 2024, 59.5% or 2,771.6 mmcf/d of natural gas production was tied to oil (known as associated gas) (CNH, s.f.).

From 2017 to date, non-associated gas (that which does not depend on oil extraction) has increased 84.2%, and its share went from 20.3% (1,022.5 mmcf/d) to 40.5% (1,883 mmcf/d) of domestic production (CNH, s.f.). This was also due to the drop in the production of associated gas (30.8% in the same period), but that growth proved insufficient to cover that of demand.

³¹ Imports by pipelines and liquefied natural gas (LNG) are considered.

2. Restrictions to investment. Scarce investment in exploration, given Pemex's limited resources and the restricted participation of private companies after the 3.2 and 3.3 oil rounds were cancelled (at the start of Lopez Obrador's government).
3. Pemex distortions. Pemex has a quasi-monopsony in the consumption of domestic dry natural gas production. Of the 2,641 MMcf/d produced in January-September 2022, Pemex demanded 2,092.21 MMcf/d, 79.2%. Pemex only contributed 21.8% of production to the domestic market, 8.6% of supply (discounting Pemex) (CNH, s.f.).

Moreover, the growth in demand by the electricity sector generates a greater imbalance. Between 2018 and 2023³² natural gas consumption grew 19.6% (25.2% without considering Pemex) (Sener, 2024e), and most likely this boost was determined by the energy reform, while domestic gas production fell 8.6% (Sener, 2024e). And at least until 2022, there was a drop in Pemex imports. Still in 2017 Pemex accounted for 35.9% of imports; by 2022, that share was only 6.8% (CNH, s.f.); we estimate that the following year it remained at a similar share. Between 2018 and 2024, the drop

³²The figure should be considered preliminary because for 2022 the cumulative figure for January through September of the same year is considered



Image: "What is the future of natural gas in Mexico?" at <https://www.gasnaturalgnu.com/cual-es-el-futuro-del-gas-natural-en-mexico/>

in Pemex imports was 43.9% (578.2 MMcf/d) (Pemex, s.f.b). The internal imbalance (excluding Pemex) had to be compensated with the growth of imports by private parties (66% variation or 2,085.5 MMcf/d between 2017 and 2022) (CNH, s.f.). In sum, Pemex has a lower share of the natural gas market due to declines in associated gas production and imports. In other words, its contribution to the energy sector is decreasing.

By 2024, most of the imported gas entered Mexico via pipelines (mainly 24 points of entry) from the northern border with the U.S. The network of gas pipelines, one

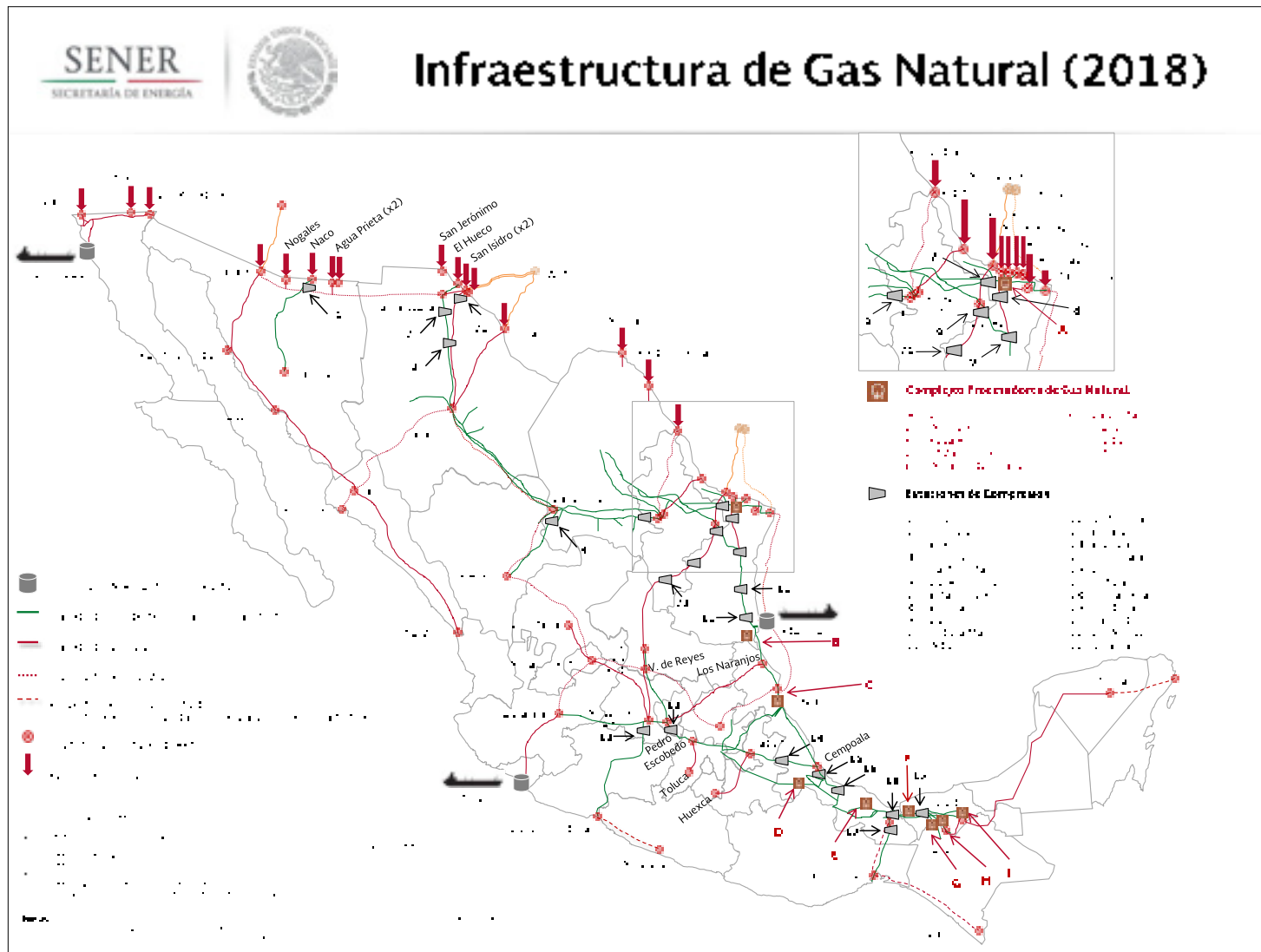


Image: The last existing map of natural gas infrastructure from 2018 at chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://www.gob.mx/cms/uploads/attachment/file/314342/Mapa_Infraestructura_Gas_Natural_2018.pdf

of the most extensive in the world, is distributed in the northern and north-central regions, but even in these regions the infrastructure is not sufficient to expand the supply of energy to households (6% of natural gas demand in 2023 and 2.7% of household energy consumption) (Sener, 2024f) or of inputs to industry.

In 2012 the gas pipeline network had an extension of 11,347 km, with 9,118 operated by Pemex and 2,229 by private companies. Six years later, at the close of the Peña Nieto administration, the network extended to 15,986 km (40.9% or 4,639 km more) (Sener, 2019). During the Lopez Obrador administration, it grew to 19,060 km (19.2% or 3,074 km) (Sener, 2024e). However, 8,385 km belong to private companies. That is, the network's expansion was determined by the private sector (79.8% of the growth in the last 12 years) and in the Lopez Obrador government was lower, both in absolute terms (km) and relative to the previous administration.

Meanwhile, in the south, gas pipeline infrastructure continues to be concentrated in Veracruz and Tabasco, with a project to expand in Salinas Cruz. But this also indicates that expansion in the south will continue to be tied to oil refining, with the exception of Yucatan and whose network expansion will be able

The pipeline network has been determined by the private sector (79.8% of the total expansion in the last 12 years) and growth in the Lopez Obrador administration was lower, both in absolute (km) and relative terms, than that of the Peña Nieto administration.

to supply CFE power plants. Therefore, households, mainly those in the south, do not have substitutes for liquefied gas (L.P. Gas), in addition to a lack of effective competition in the distribution of L.P. Gas to end users, as concluded by the Federal Economic Competition Commission (Cofece, October 13, 2022).

In January-July 2024 only a minimal portion of imports (3,310 mmcf, 0.24%)³³ (EIA, s.f.c) arrived in Mexico in liquid form (liquefied gas) in methane tankers at three Liquefied Natural Gas (LNG) storage and regasification terminals (Ensenada, Manzanillo and Altamira), unlike what happens in other countries that do not share a border with the U.S. Therefore, the market price at which Mexico has access is highly competitive and represents an advantage, either as an input (in industrial processes) or as an energy source (mainly in the electricity industry).

³³ Refers to the percentage of total imports of U.S. origin.

Despite such advantages (physical and structural), in 2021 for the first time in the last two decades, U.S. natural gas exports to the rest of the world (3,560,818 mmcf) exceeded exports to Mexico (2,154,457 mmcf) and Canada (937,124 mmcf). Mexico ceased to be the main consumer of U.S. natural gas in 2022, its place taken by Europe and the rest of the world. However, it is still the largest purchaser by pipeline (68.6% of U.S. exports by pipeline) (EIA, s.f.c). The pipeline network built in federal administrations prior to that of Lopez Obrador has provided support to Mexican industry and economy in the most prosperous regions. In 2012 there were 11,347 km; between 2013 and 2018 the network grew by 4,369 km (Sener, 2019), so that at the beginning of the Lopez Obrador's administration there were 15,986 km. The expansion until March 2024 resulted in only 3,074 km more, a smaller growth by 29.6% (Sener, 2024g).

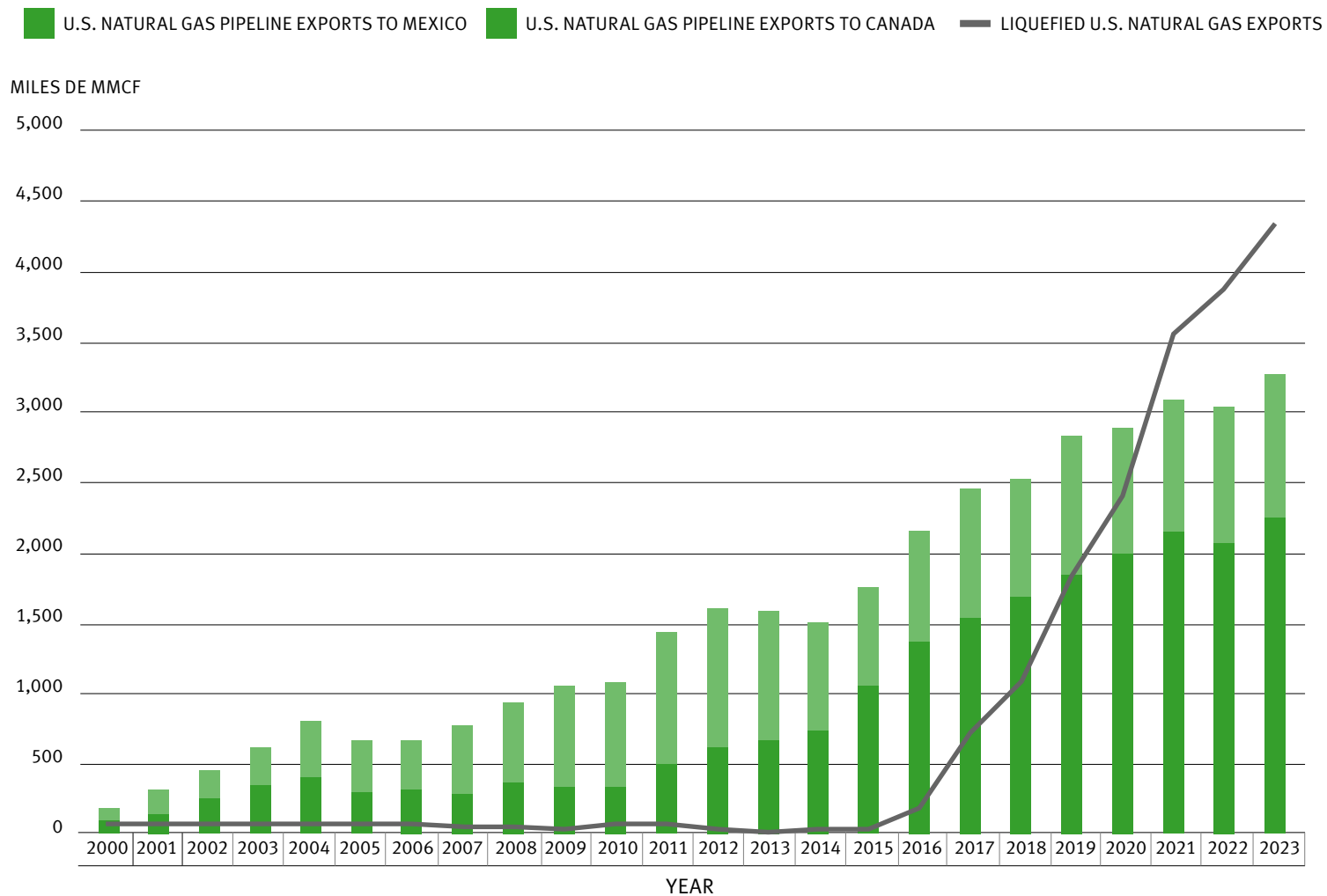
Here it is important to mention that among the main consequences of the Russian invasion of Ukraine, there is the global rise in the price of natural gas, especially in Europe. Although the energy crisis began prior to this conflict, since between 2018 and 2019 alone U.S. exports of LNG grew 68%, it polarized the world, with countries taking part in the conflict at least from their energy standpoint. It can be assumed that the fall in

US exports to Asia and Central and South America and the Caribbean is being compensated to some extent by exports from other producing countries, such as Russia or Australia (Graph 8.8).

Between 2021 and 2023, U.S. exports to Asia and Central and South America and the Caribbean fell considerably (36.6%, 849,153 mmcf) (EIA, s.f.c). However, the U.S. more than makes up for this loss with the growth of gas exports to Europe. In 2023, exports to Mexico grew by about 7.8% at an annual rate (162,926 mmcf) (EIA, n.d.c), an all-time high. However, the variation is 4.0% with respect to the peak of 2021, while the growth of European demand will result in 118.5% for the same years (variation of 1 million 444,182 mmcf) (EIA, s.f.c). The demand of the rest of the world will have been equal to 21.3%% to that of Mexico (EIA, s.f.c).

This polarization has been accompanied by the flourishing of the natural gas industry on the East Coast of the United States. This expansion suggests that this will be a long-term process; therefore, it is very likely that prices will tend to stabilize. In this seemingly bleak scenario, Mexico can capitalize on the situation if it understands the global energy rearrangement. Mexico is not a major player and therefore

**GRAPH 8.8 U.S. NATURAL GAS EXPORTS TO CANADA, MEXICO AND THE REST OF THE WORLD
(THOUSANDS OF MMCF) 2000–2023**



Source: In-house elaboration with information from U.S. Energy Information Administration (EIA, s.f.).*For the rest of the world, exports of Liquefied Natural Gas are considered.

is a price taker in most energy products. It is hard to reverse this trend (at least in the short term) in the case of hydrocarbons. Perhaps this is a good opportunity to advance in the energy transition. Mexico has the incentives, and its geographical position is formidable.

Given that dependence will not end, rather the opposite, it would be optimal to assume it by reducing the impact of climatic or geopolitical shocks, not strictly economic ones. In other words, what is relevant is energy security, defined as access to energy in a secure manner, at the lowest possible cost, and that its availability is protected in the event of regional or global energy crises due to conflicts of any nature. Rather than trying to produce all energy domestically ("energy sovereignty"), what is crucial is to ensure its availability.

The flourishing of industries such as petrochemicals depends to a large extent on the availability of natural gas. The electricity sector will continue to consume much of this input and for all industry it will continue to represent the second most important source of energy (26.1% of energy consumption in 2022), only after electricity (43.8%) (Sener, 2023). In this sense, the acquisition of Iberdrola's combined cycle

Rather than trying to produce all the energy domestically ("energy sovereignty"), what is important is to assure its availability. The flourishing of industries such as the petrochemical industry is highly dependent on the availability of natural gas.

power plants by the government modifies the electricity matrix, making it even more dependent on fossil fuels. According to Rosanety Barrios, this dependence will go from 60% to 70% (Ventura, A., September 26, 2023).

On the other hand, the energy crisis shows that Mexico could have started the nearshoring phenomenon several years ago but did not. Mexico did not attract heavy industry nor receive as many announcements related to the petrochemical industry.

On the contrary, between 2018 and 2022 industrial energy consumption fell 12.1% (203.8 PJ); in turn, for the same years the consumption of natural gas in industry plunged 28.3% (152.1 PJ) (Sener, 2023), which

explains most of the loss. In particular, the chemical and petrochemical industries decreased their energy consumption by 8.8% and 20.3% (9.8 and 13.1 PJ, respectively) (Sener, 2023)³⁴. Mexico will continue to have a considerable trade deficit in industrial plastics.

It is worth noting the slight contraction in gas demand by the industry observed since 2019, just at the beginning of Lopez Obrador's administration (−0.11% at annual rate) (Sener, 2023), even before his energy reform and the pandemic. This situation coincides with the zero economic growth observed in 2019. It is to be expected that gas consumption will maintain a similar behavior to that of the economy and industrial activity given the dependence of the electricity sector on this energy source.

However, in 2023, gas demand barely took off from 2021 levels (4%), after falling in 2022 (3.5%) (EIA, s.f.c) and the economy presented in the same years (2021–2023) a growth rate higher than that of the entire six-year term. In other words, the growth of both variables is not necessarily the expected one. The above was pointed out by Signos Vitales and together with an accumulation of indicators (from ad-

ministrative records) have generated greater doubts about the behavior of the economy and the veracity of economic and energy statistics.

Likewise, industrial growth has been extremely weak. Between 2018 and 2023, growth in the secondary sector and manufacturing was 3.3% and 6.2%, respectively (INEGI, s.f.), and barely shows signs of greater dynamism. Quite opposite to greater activity in construction (a component of the secondary sector). Therefore, the scope of the Lopez Obrador energy reform should have affected the consumption of natural gas as an energy source, not as an input, in the industrial sector for the production of industrial plastics or fertilizers, just to mention a few by-products³⁵.

The acquisition of Iberdrola's combined cycle power plants by the government will modify the electricity matrix, making it even more dependent on fossil fuels.

³⁴At the time of writing this report, the National Energy Balance 2023 has not been published.

³⁵ Industry can produce electricity through processes of cogeneration or self-supply.

STORAGE, A PENDING ISSUE

The gas pipeline network in Mexico is among the most extensive in the world. However, it is insufficient to cover a large part of the country, especially the south. In addition, storage capacity is extremely low, only 2.4 days in three facilities (Altamira, Ensenada and Manzanillo). That is far below that of other countries such as Austria (318.3 days), France (98.8), Italy (93.8) and Spain (34.2) (IMCO, 2022).

According to the Mexican Institute for Competitiveness (IMCO), in 2018 a "public policy on natural gas storage" was published with the objective of more than doubling the storage capacity to five days. However, the tenders for the four fields with which it was intended to start are suspended (IMCO, 2022). According to the most recent estimates, to fulfil the storage policy between 428.3 and 2,594.9 million dollars would be required, depending on the technology used³⁶ (Carrillo *et al.*, 2022).

³⁶According to IMCO, in Mexico this molecule is only stored in its liquid form in the LNG tanks of the three aforementioned storage terminals and regasification facilities, which have limited capacity. To date, there is no infrastructure for underground storage of natural gas (in gaseous form) in deposits that are unviable for hydrocarbon extraction, confined aquifers and salt caverns.

The lack of storage capacity has had two direct and obvious repercussions: greater exposure to price volatility and shortages. This has resulted in losses for CFE and private companies. After at least a decade of falling prices, in 2021 the reference price of natural gas (Henry Hub) rose to 3.89 dollars per million Btu (MBtu); a year earlier due to the economic paralysis caused by the pandemic, it was 2.03 dollars. In 2022 the price averaged 6.45 dollars, the highest since 2008 (8.86 dollars). However, by the week of February 19, 2021, prices had catapulted to 12.18 dollars (EIA, s.f.d).

In 2021, the Mexican economy faced a severe power outage due to the disruption in the availability of natural gas. According to the Bank of Mexico, the outage generated the loss of 0.37% of manufacturing GDP or 0.22% of GDP between the last quarter of 2020 and the first quarter of 2021. The burden of the loss was borne to a greater extent by states in the north (0.28% of GDP or 0.48% of manufacturing GDP) (Banxico, 2021). The low temperatures in Texas, the lack of infrastructure and the inadequate management of CFE put much of the country's manufacturing sector in a tight spot³⁷.

³⁷13.9% of the companies in the north stopped completely and 14.6% stopped partially on at least one day due to shor-

Storage capacity is extremely low, only 2.4 days of natural gas storage in three facilities (Altamira, Ensenada and Manzanillo). That is far below other countries like Austria (318.3 days), France (98.8), Italy (93.8) or Spain (34.2) (IMCO, 2022).

According to Rosanety Barrios, the monthly gas price did not increase substantially, as did the daily price. But the CFE reported extremely high fuel costs. This can be interpreted in two ways:

- » The CFE did not cover its gas purchases for that month with a contract that allowed it to pay the monthly base (stable prices), or
- » they decided to speculate with gas prices during that period, which cost Mexicans the not inconsiderable amount of 2 billion dollars (Barrios, R., 2022).

The lack of storage capacity has had two direct and obvious repercussions: greater exposure to price volatility and periods of natural gas shortages.

THE LEGACY:

Increased dependence on natural gas and incapability to mitigate excessive risks

Electricity generation and the energy matrix will be based on the consumption of fossil fuels, mainly natural gas. If there is further electrification of the economy, this will be accompanied by the gasification of the electricity industry. This fossil fuel will go from being a transitional energy source to an essential one in the next decade. There is no way to reverse this trend in the short term, especially given the self-imposed obstacles (restrictions) to private investment, both in terms of electricity generation and oil extraction. Consequently, Mexico will not meet its environmental goals in the expected timeframe, but contradictorily will not mitigate the risks involved, an example of this is that CFE seemed to be playing as a speculator with natural gas prices.

Mexico will not meet its environmental goals in the expected timeframe, but contradictorily will not mitigate the risks involved.

tages of natural gas or electricity.

CONCLUSIONS

Politics, ideology and the dismantling of the energy market

The Lopez Obrador government was characterized by generating imbalances, both at macro and microeconomic levels. Among these markets are those of electricity and fossil fuels. Among the most visible consequences was a lower contribution of Pemex to the exchequer. There seemed to be no greater motivation for Lopez Obrador than the so-called “energy sovereignty”; the President then internalized the costs of the energy policy in the public treasury.

Pemex’s debt was internalized not only in public finances, but also in the economy, since the debt owed to suppliers increased markedly and foreign debt was swapped for domestic debt. The success of that strategy will depend on two anchor prices: the exchange rate and inflation. This brings with it the risk of fiscal dominance.

Thus, reducing the trade account deficit by improving the oil balance position makes sense. In addition, in order not to lose credit, it will be essential that Mexico does not lose its investment grade rating.

The Lopez Obrador government was characterized by generating imbalances, both at macro and microeconomic levels, for example, a lower contribution of Pemex to the exchequer.

In the Lopez Obrador years, under the discourse of sovereignty, the people, users or citizens were not put at the center of the discussion, privileging their timely access to clean and affordable energy, but rather the government's ability to control the energy sector as a whole at any cost. Thus, CFE must have an assured participation of 54% in generation, regardless of how polluting or risky this may be and even if the country's dams had to be drained or more fuel oil burned; Pemex will produce all the gasoline and diesel required by the country, regardless of the fact that refining was the business that left three quarters of the company's losses and that it will not be able to compete in international markets due to its great inefficiency. Even with the operation of Dos Bocas and

Deer Park, we estimate that waste production (fuel oil) will stabilize, in the best of cases, at around 20% of production, 20 times more inefficient than Houston refineries. Consequently, although losses can be minimized, it is not possible to avoid further damage to the company's finances and the exchequer. Mexicans will pay in one way or another, whether as users, consumers or taxpayers.

The government approached the energy sector from an ideological standpoint and not from that of energy security. In other words, electricity was not made available to all homes and companies by increasing the transmission and distribution network (where CFE has a monopoly), the south of the country continues to be excluded from the gas pipeline network and from sufficient transmission networks to exploit its natural advantages, except in the case of Pemex facilities, and Mexico lacks sufficient hydrocarbon storage capacity. Ideology played against efficiency because resources had to be diverted to achieve the so-called self-sufficiency. Without looking at other sectors of the economy, within the energy sector the priority was to provide Pemex with more resources to increase its refining capacity and rescue it from its liquidity problems, generated by an inadequate management of the company's debt. In this sense, the

In the six-year period of Lopez Obrador's administration, under the discourse of sovereignty, people, users or citizens were not given priority to have timely access to clean and affordable energy.

The energy sector was approached from an ideological rather than security perspective.

innumerable miscalculations ended up with a reallocation of resources within the public finances.

Also, with self-sufficiency came restrictions on private investments and the oil industry was significantly affected, resulting in greater dependence on imported natural gas. Although at the beginning the restrictions were concentrated in the oil industry, Lopez Obrador advanced towards the electricity system, creating lags where there were none. The most notable case is that of electricity generation. Capacity additions during his term were poor and CFE concentrated on combined cycle plans. However, and in spite of the obstacles to electricity generation through clean

sources, the capacity expansion of these energies was equivalent to the accumulated growth in the capacity of CFE's combined cycle plants. And as Montserrat Ramiro said in 2021, this was "an achievement of the judiciary" (Ramiro, M., July 1, 2021)³⁸.

By putting ideology first and satisfy the interests of certain groups, unions and risk investors among them, rather than common needs, the contradictions are evident. The aim is to reduce dependence on foreign suppliers of gasoline and diesel (a market with many providers, including the U.S.), i.e., transportation will continue to be based on oil. On the other hand, the electricity sector will continue to be gasified through a single supplier, a risk when Mexico barely enjoys a little more than two days of storage and as climate change has shown that it can paralyze production in the industrial north. In the midst of geopolitical conflicts, one of the causes of which is the dispute over the supply of natural gas. A much narrower market with few suppliers, the U.S. and Russia the largest.

³⁸Noting that between the first quarter of 2017 and the first quarter of 2021, clean energy generation had grown by 55.1% despite regulatory attacks and political noise against competition in the electricity industry.

Thus, the economy's gasification implies a greater risk for the integration (read disintegration) of North America. Threats of natural gas interruptions, as they have already materialized, may put the government against the wall, in need of other suppliers.

Similarly, in the electricity market, the delay in the construction of transmission lines, the poorest on record, will have an impact on economic activity for years to come. This is perhaps the most significant obstacle to investments. It would be naïve at this point to even think of electrifying the economy. In particular, the legacy in the electricity market, which translates into underinvestment and the lag of thousands of kilometers of transmission lines, will not be easy to compensate.

On the other hand, it is important to emphasize that the government's infrastructure in the energy sector, including those related to the maintenance of the SNR and the Dos Bocas refinery construction, whose costs are quite probably underestimated, are pushing industrial activity to such an extent that, when completed, they could provoke a catharsis in the same activity. It is no coincidence that gross fixed investment has grown significantly in the last two years, while civil engineering works have been boosting it.

Lopez Obrador restricted private investment, which significantly affected oil activity, causing greater dependence natural gas. The restrictions focused on the oil industry, and advanced into the electrical system, generating lags where there were none.

The information analyzed therefore suggests that a large part of that investment, accounted for as private (in GDP), is actually public.

The increases in industrial activity, mostly determined by government actions (especially in the south), the greater carbonization of the economy, including the increase in oil refining, shipments of fuel oil to CFE power plants, greater dependence in the energy matrix on natural gas (obstructing the transition to clean technologies), will reverse the decarbonization costs assumed by Peña Nieto's energy reform. It should come as no surprise that the energy sector's activity will grow more than the rest of the economy, lending credibility to the discourse of rescuing energy sovereignty. The energy sector will regain greater importance (weight in GDP) through refining and will alleviate the impact of the loss of oil production. Therefore, for this project to prosper (be viable), it was necessary for it to have no competitors; clearly, the electrification of transportation poses the greatest threat.

This growth which may be driven by increased carbonization of the economy and transportation, clearly will not account for the hidden costs of this growth, such as health and environmental damages, as well as the distancing from our main trading partner,

which will make greater trade integration impossible. Contradictorily, the boost to refining will reduce oil contributions to public finances. In the last year of Lopez Obrador's government, Pemex's contribution to the exchequer will be almost nil, if not negative.

Mexico is overexposed to the volatility of international markets and the effects of climate change. The concentration of its energy matrix (scarce diversification) will eventually increase this exposure. No measures have been taken to minimize price volatility, as in the case of natural gas storage, where progress was null and not given due importance, even after it caused large losses to CFE and private companies in the north.

Additionally, CFE will generate greater restrictions on the electricity market as a whole since the government will have to meet its market share goal (54%). Climate change may continue to work against the company, but especially against users, who will be exposed to the available resources of CFE and the government that will have to meet its quota with the available inputs (energy). Then, a union such as SME may see pressure on its profits with the drop in rainfall and be encouraged to seek fresh opportunities to capture rents.

On the other hand, the insufficiency of measures to alleviate the great lags the country faces in energy matters, as is currently the case in the electricity market with DG. According to Rosanety Barrios,

to rely exclusively on Pemex to gradually reduce dependence on imported gas is clearly insufficient, so the of new oil rounds focused on gas is a decision that should be analyzed by the next administration, as well as the development of large-scale gas storage projects to improve our fragile resilience (Barrios, R., February 9, 2023).

The carbonization of the economy and transport clearly will not consider the hidden costs of this growth, such as the associated damages to health and the environment, as well as the alienation from our main partner, which will make further trade integration impossible.



LEGACY 4. NATURAL GAS, ESSENTIAL MATERIAL

- » 59.3% (205,598 GWH) OF ELECTRICITY GENERATION COMES FROM NATURAL GAS-INTENSIVE COMBINED CYCLE PLANTS.
- » THROUGH 2022, 68.4% OF THE NATURAL GAS SUPPLY WAS IMPORTED (5,667 MILLION CUBIC FEET PER DAY); 99% CAME FROM THE UNITED STATES.
- » 59.5% OF NATURAL GAS DEPENDS ON OIL EXPLOITATION.
- » THE CANCELLATION OF ROUNDS 3.2 AND 3.3, JUST AT THE BEGINNING OF LOPEZ OBRADOR'S TERM, HAD A NEGATIVE IMPACT ON NATURAL GAS EXTRACTION.
- » PEMEX CONSUMES FOUR-FIFTHS OF DOMESTIC NATURAL GAS PRODUCTION.
- » DEPENDENCE ON NATURAL GAS INCREASED WITH THE PURCHASE OF IBERDROLA'S POWER PLANTS AND WILL TIE THE ELECTRICITY MATRIX TO FOSSIL FUELS; DEPENDENCE WILL INCREASE FROM 60% TO 70%.
- » POOR GROWTH OF THE GAS PIPELINE NETWORK AND NO PROGRESS IN NATURAL GAS STORAGE: 2.4 DAYS COMPARED TO 34.2 DAYS IN SPAIN.
- » IN 2021 THE MEXICAN ECONOMY FACED A SEVERE POWER OUTAGE DUE TO A DISRUPTION IN THE AVAILABILITY OF NATURAL GAS. GENERATED A LOSS OF 0.37% OF MANUFACTURING GDP AND 0.22% OF TOTAL GDP BETWEEN THE LAST QUARTER OF 2020 AND THE FIRST QUARTER OF 2021.

Legacy: increasing gas imports from the U.S. with energy security risks due to quite low storage.



9 ABANDONMENT OF THE ENVIRONMENT



Image: <https://www.gaceta.unam.mx/mexico-requiere-mas-estudios-en-torno-a-la-sequia/>

9.1 The environmental threat and its lethal legacy



INTRODUCTION

Mexico has lost its way in the implementation of international commitments in the area of climate change. It is difficult to find any international indicator in which Mexico comes out well positioned, or with a possibility of doing so in the near future, given the reversal of policies related to the fight against climate change. Among the most important economies, Mexico is among the 10 with the most critical rating and among the worst evaluated in terms of renewable energies (position 62). If the entire world were to follow Mexico in its failure fulfilling the terms of its climate commitments, global warming would exceed the target by at least twice as much as expected (CAT, s.f.).

It could have been even worse. Mexico remained aligned with international agreements through the actions by the judiciary and the intervention of various national and international organizations. A clear example of this was that, reluctantly, the government resubmitted in 2022 its Nationally Determined Contribution (NDC), the roadmap for complying with the Paris Agreement, because the NDC presented in 2020 was regressive, which set a negative international precedent. For the Lopez Obrador government, compliance with international commitments put at risk an energy plan aimed at increasing refining capacity. The energy sector alone produces 70% of greenhouse gases (USAID, 2024).

It is difficult to find any international indicator in which Mexico comes out well positioned, given the reversal of policies related to the fight against climate change.

IF THE WORLD DID WHAT MEXICO DOES

According to the Climate Action Tracker¹ (CAT), if all countries in the world were to follow Mexico's approach to climate policies and commitments, by the end of the century global warming would exceed pre-industrial levels by 3°C and up to 4°C, when the goal is no more than a 1.5°C rise. Of the 45 countries monitored by this exercise, Mexico is among the 10 whose rating is "critically insufficient", along with countries such as Saudi Arabia, Argentina, Iran, Turkey and Russia, among others (CAT, s.f.). According to CAT, under the Lopez Obrador government, climate policies showed setbacks, especially as they prioritized the use of fossil fuels using the discourse of energy sovereignty and austerity, in addition to the institutional dismantling and reversion of policies related to energy and climate change (CAT, s.f.).

Similarly, the same report highlights two actions of the administration that contributed to this setback. Firstly, the cancellation of long-term auctions –shortly after taking office–, which would have allowed increasing the capacity of electricity generation from clean and affordable sources. Additionally, reversing

¹ Independent project that monitors the largest emitters, which account for 85% of global emissions and are home to about 70% of the world's population.

Under Lopez Obrador, climate policies showed setbacks, as priority was given to the use of fossil fuels, institutional dismantling and the reversal of policies related to energy and climate change (CAT, s.f.)

the retirement of the oldest and most polluting power plants, whose primary energy source is fossil fuels (CAT, s.f.). This was followed in mid-2020 by the Policy on the Reliability, Security and Quality in the National Electric System, which prioritized electricity dispatch from fossil fuels and limited private investment in renewable energies.

Two other actions characteristic of the government were the subsidy to the use of fossil fuels, notably in the midst of the international energy crisis, and the increase in refining capacity, mainly with the purchase of the Deer Park refinery (in Texas) and the construction of the Dos Bocas refinery (Tabasco). In addition, price controls in the L.P. (liquefied gas) market. At Vital Signs we estimate that, by 2027, with the addition of these two refineries, it will be possible to expand refining capacity by about 40% compared to 2018 (before Lopez Obrador took office), which will

allow stabilizing waste (fuel oil) production at about 20% of total oil production (down from a third). According to recent estimates, Dos Bocas will emit 2.1 MtCO₂e per year (CAT, s.f.).

A worrying element is that the most recent NDC (2022)² presents emissions targets higher than those presented in 2016, violating both the Paris Agreement and Mexico's own regulations. According to CAT,

the [Mexico's] updated NDC lacks transparency and disguises its lack of ambition by accounting forests differently in the base and target years. Mexico will meet the unambitious target with policies already in place as emissions will continue to increase until 2030 (CAT, s.f.).

The last objectives (2022) proposed by the Lopez Obrador's administration came about with its disap-

proval, after Greenpeace filed an injunction on March 9, 2021, in which it demanded

three suspension measures [to the NDCs submitted in 2020]. One to avoid the additional emission of 14 million tons of CO₂e; another so that the peak GHG [Gas] emissions stipulated for the year 2026 are not eliminated; and the third so that the reduction target of 50% for 2050 is not discarded, as it would cancel out the medium- and long-term mitigation horizon (Greenpeace Mexico, 2021).

The additional emissions proposed in the 2020 NDC were equivalent to the total emissions of the cement industry (Greenpeace Mexico, 2021). At the time, the Eleventh Collegiate Court in Administrative Matters of the First Circuit decided to definitively suspend the 2020 NDC for being regressive, setting a precedent at the international level.

Mexico's environmental setback was captured by the Climate Change Performance Index³ (CCPI). Between 2018⁴ and 2024, Mexico lost thirteen positions, go-

Two other actions characteristic of Lopez Obrador's government were the subsidy to the use of fossil fuels, and the increase in the refining capacity, with the purchase of the Deer Park refinery (in Texas) and the construction of the Dos Bocas refinery (Tabasco).

² According to United Nations Climate Change, Nationally Determined Contributions (NDCs) are at the heart of the Paris Agreement and the achievement of these goals. The NDCs embody the efforts of each country to reduce national emissions and adapt to the effects of climate change. NDCs are submitted every five years in order to increase ambition over time; the Paris Agreement states that successive NDCs will represent a progression compared to the previous NDC and reflect its highest possible ambition.

³ The CICC assesses 63 countries and the European Union, which account for more than 90% of global gas emissions. Using standardized criteria, the CICC looks at four categories, with 14 indicators: Greenhouse Gas Emissions (40% of the score), Renewable Energy (20%), Energy Use (20%) and Climate Policy (20%).

⁴ The 2018 and 2024 CCPIs were published in 2017 and 2023.

ing from 25th to 38th position (CCPI, 2023). This happened as it received a medium rating in the category of Greenhouse Gas emissions, a very low one in renewable energy, high energy use and a low rating in climate policy (CICC, 2023). Mexico continued to strengthen electricity generation through fossil fuels. In the view of the experts preparing the CICC, the measures to decarbonize the electricity sector were insufficient. And although the legal framework existed to expand renewable energy, it slowed down and began to take other paths. The progress made throughout the Lopez Obrador administration was achieved due to market inertia and judicial decisions.

In particular, within the indicator (CCPI 2024), the most relevant lag (least progress) is found in renewable energies. According to the CCPI, Mexico is in 62nd place internationally in this area. Below are only Russia, Algeria, Iran and Uzbekistan (Burck, *et al.*, 2023). The CICC adds that experts who elaborate the index point out that there is neither a roadmap for the implementation of NDCs nor sufficient mechanisms for accountability to evaluate the pledged policies (CICC, 2023).

In other words, the 2025 CCPI will still include data corresponding to the Lopez Obrador administration. In this sense, the drop should be taken with caution.

In this sense, the de-professionalization and politicization⁵ of a body such as the CRE worked against such expansion by obstructing the entry into operation of renewable power plants. According to Casiopea Ramirez, in 2021, the CRE approved 80 generation permits

and had 66 GW of power plant capacity interconnection, and this [contrasted] with 1 GW of additional power from new charge centers (Medinilla, M., August 5, 2021).

Energy policy is not only important in itself for providing the economy and families with sufficient inputs and energy, but also for its impact on the environment and health. Mexico is the second largest emitter of greenhouse gases in Latin America and the Caribbean, and the energy sector is the most significant emitter, accounting for more than 70% of the total. In comparison, the agricultural and livestock sectors contribute 14% (USAID, 2024). According to members of the Vital Signs Advisory Committee, and as the corresponding indicators make clear, the progress or setback in energy issues determines and will determine Mexico's performance in environmental and climate change matters. Thus, the government's

⁵ The CRE commissioners appointed by Lopez Obrador had no experience in the electricity sector.

The Climate Change Performance Index documented that between 2018 and 2024, Mexico lost thirteen positions in the performance ranking, from 25th to 38th by:

- » *emissions of greenhouse gases*
- » *very low rating in renewable energy,*
- » *high energy use and*
- » *low rating on its climate policy* (CCPI, 2023).

progress in the fight against climate change was anchored to energy policy.

THE LEGACY:

Failure to comply with international commitments on environmental issues

The Lopez Obrador administration was characterized by disarticulating environmental policy from energy policy, which is of utmost importance to achieve the goals of combating and mitigating climate change. In this sense, the weakening of the autonomous bodies in energy matters, mainly the CRE, was crucial to give viability to his energy policy. The consequences of this disarticulation meant that Mexico distanced itself from common objectives and thus from its main trading partners. In the first instance, NGOs and the judiciary played a crucial role to ensure that Mexico remained aligned with international treaties and adhered to the commitments arising from them.



Image: CRE is an institution depraved by the 4T: Foro Nacional de Energia IMEF at <https://energiahoy.com/2022/05/19/la-cre-es-una-institucion-pervertida-por-la-4t-foro-nacional-de-energia-imef/>

The de-professionalization and politicization of a body such as the Energy Regulatory Commission (CRE) worked against renewable energies by obstructing the entry into operation of clean energy power plants.

DISMANTLING OF THE MEXICAN STATE CAPABILITIES

The dismantling of the capacities of the Mexican State followed various routes or paths. We distinguish three mechanisms used by the Lopez Obrador government: budgetary, institutional and organizational. The budgetary route implied that the government did not make optimistic numbers as in other areas. It simulated the fight against climate change with budgets that were not directed to this end, such as the Maya Train or CFE investments in natural gas (fossil fuel) transportation. In the same area (budget), it reduced spending in several very important areas.

From the institutional point of view, the government de-capitalized (loss of qualified personnel) and de-professionalized various institutions created in the light of international agreements and the progress of civil society in decision-making. The loss of human capital implied the substitution of qualified personnel for others who did not meet the requirements of experience and knowledge. Rather, they were chosen from the ranks of the ruling party (Morena). Thus, scientists were substituted by political hacks. Environmental policy became hostage to clientelistic objectives rather than environmental care and conservation.

The dismantling the Mexican State' capacities followed several paths. We distinguish three mechanisms used by the Lopez Obrador government: budgetary, institutional and organizational.

Thus, an administrative reorganization weakened the institutions charged with supervision, investigation and administration of justice and environmental impact assessment, which together generated enough chaos, most likely due to a lack of capacity, for government programs and infrastructure projects to continue without being stopped. Such is the case of the energy policy and large infrastructure works such as the Maya Train, the Dos Bocas refinery, or social programs like Sembrando Vida (Sowing life), whose negative environmental impact was completely ignored by the administration. The institutional dismantling also allowed groups other than the government to destroy jungles and forests with total impunity.

BUDGET FOR ENERGY TRANSITION AND COMBATING CLIMATE CHANGE

Government resources allocated to climate finance and energy transition were characterized by their opacity and absence of clear rules for their use. The resources allocated to climate change maintained a similar level between 2017 and 2021. However, in the last two years, the resources allocated far exceeded the historical average. In 2022, this increase was due to the issuance of sustainable financial instruments (165 billion pesos). The Center for Economic and Budgetary Research (CIEP) found that in 2023, out of 62 budgetary programs included in the transversal annex of the Strategy to Combat Climate Change, with a budget of 197.9 billion pesos, only 24, with a budget of 59.7 billion (30.1% of the total), did aim to fight climate change (CIEP, 2023). Given that kind of simulation, programs should be taken with caution (Graph 9.1).

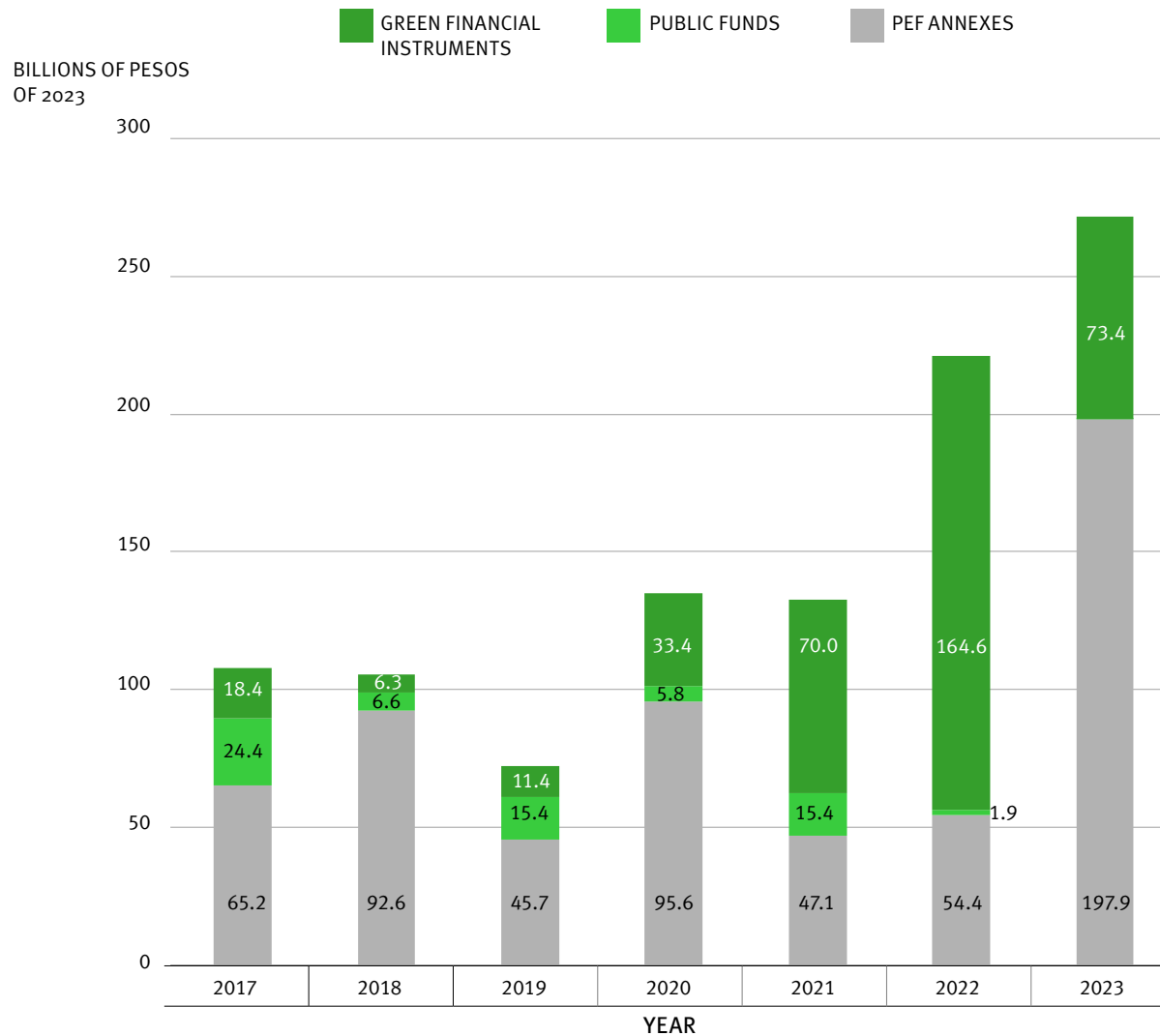
In 2024, 53.8% of the resources for adaptation and mitigation of climate change effects were spent by the National Defense Secretariat (Sedena) for the Maya Train (125.9 billion pesos). In 2023, 10.3 billion were allocated for energy transition, but 92% earmarked for CFE electricity infrastructure projects. Moreover,

there is little clarity about the projects that will be carried out with these resources. In its own business plan, CFE establishes that capacity expansion would be mainly through combined cycle plants (as in previous years). The addition of combined cycle power plant capacity (intensive in the use of natural gas) was of the same magnitude as wind and solar plants.

The simulation did not stop despite being exposed. In 2023 and 2024, the transversal annex contemplated the Interior, Health and Energy secretariats in addition to Pemex and CFE. For 2023 and 2024, CFE stood out for obtaining 92.2% and 91.6% of the total allocated in that annex. The different CFE business activities were considered: distribution (69.6%), generation (28.6%) and less than 2% corresponded to corporate management and transmission (CIEP, 2024).

Government resources allocated for climate financing and energy transition were characterized by their opacity and the absence of clear rules. The resources allocated to climate change maintained a similar level between 2017 and 2021.

GRAPH 9.1 PUBLIC RESOURCES ALLOCATED TO COMBAT CLIMATE CHANGE



Source: CIEP (2023).

INSTITUTIONAL DISMANTLING

The list of institutions and strategic areas weakened through financial or human decapitalization, or disappeared, is long, all such actions diminishing the capacities of the Mexican State. Such dismantling served four purposes:

1. "Deactivate administrative processes to scrutinize the environmental effects of government mega projects" (MCCI, 2023).
2. Align administrative offices with social programs.
3. To allow, without major setbacks, the execution of Lopez Obrador's energy reform.
4. Impose the Armed Forces as the sole entity to manage, administer and control the main presidential projects.

As documented by MCCI (Mexicans Against Corruption and Impunity), the 32 state delegations of the Environment and Natural Resources Secretariat (Semarnat, for its acronym in Spanish) were replaced by representative offices, a process also experienced by the Federal Attorney's Office for Environmental Protection (Profepa). These changes altered the logic of environmental institutions. Instead of attending to environmental problems at local level, these offices

The 32 state delegations of Semarnat were replaced by representative offices. Instead of attending to local environmental problems, these offices were administered by Delegations of Development Programs (MCCI, 2023).

were administered by Delegations of Development Programs (MCCI, 2023). Thus, environmental policy was aligned with social policy. Although they should not hinder each other, the latter fulfilled clientelistic objectives, not environmental ones.

Likewise, the Undersecretariat for Environmental Protection Management was eliminated from Semarnat. The undersecretariats that remained were occupied by former employees of the Welfare Secretariat—administrative staff that did not necessarily meet the profile required by such offices—, while the National Forestry Commission (Conafor) was headed by a Morena political operator (Luis Meneses Murillo) (MCCI, 2023). In December 2021, Lopez Obrador decided to dissolve the National Institute for Climate Change (INECC, for its acronym in Spanish) and the Mexican Institute of Water Technology (IMTA, for its

acronym in Spanish). Their disappearance was justified as austerity measures and

reduced the technical institutions for climate change and water management. Both were decentralized bodies, which meant that they had organic and technical autonomy, exclusive functions, legal personality and their own assets (MCCI, 2023).

To this was added the resignation of one of the most renowned environmental scientists, Jose Sarukhan Kermez, as head of the National Commission for the Use and Knowledge of Biodiversity (Conabio in Spanish). He was replaced by Daniel Quezada, a Morena founding member. Sarukhan's departure was followed by the dismissal of at least 250 workers from Conabio, reducing its workforce by 30% (MCCI, 2023).

The effects of this "institutional disarticulation of the environmental sector," as MCCI calls it, were:

Delays in administrative processes such as the issuance of forestry documentation to prove the legal origin of timber products, the renewal of authorizations, environmental impact assessment procedures, the issuance of inspection and surveillance reports, as well as the integration of user files that are submitted daily to the central offices of the agency (MCCI, 2023).



Image: Jose Sarukhan Kermez "Conabio, scientific treasure of all Mexicans" at <https://vocesmexico.com/opinion/conabio-tesoro-cientifico-todos-mexicanos/>

MCCI also has a record of the ineffectiveness of environmental management processes, such as the evaluation of Environmental Impact Assessments (MIA's for its acronym in Spanish), due to the lack of trained personnel to carry out the review of projects and sanction their viability. In theory, an environmental impact resolution should be resolved in 90–180 days; in practice some procedures that take more than a year. That is, inefficiencies increased by up to 100%. This phenomenon was also reproduced in the states through Semarnat local offices (MCCI, 2023).

IMPUNITY AND CONSEQUENCES OF ENVIRONMENTAL CRIMES

The loss of tree cover in Mexico is causal. The weakening of law enforcement institutions (at federal and state level) and budget cuts had consequences. According to journalistic investigations, carried out through requests for information, between 2015 and February 2022, between the central offices and state offices of Semarnat in Chiapas, Jalisco, Michoacan, Quintana Roo, Tabasco and Yucatan, there were 1,218 requests for changes in forest land use. In 263 applications the reason for the request was not known; of the remaining 955, only five, all in the state of Campeche, requested authorization to transform forest land into agricultural land. None were authorized (three were denied and two dismissed) (Gomez, T., August 31, 2022). Therefore, between 2015 and 2022, all forest land cleared in Campeche to become agricultural fields occurred illegally.

Within Campeche the municipality of Hopelchen should have set off the alarms of deforestation for at least a decade. Between 2001 and 2023, this municipality lost 249 thousand hectares (ha) of tree cover, 23% less compared to the year 2000 vs 20% in the whole state of Campeche and 9.2% at national level

(GFW, s.f.). That is, this municipality has lost nearly a quarter of its tree cover. The loss was accentuated in 2009, 2015, 2017, 2020 and 2023; only in 2020 a total of 26.9 thousand ha of tree cover were lost, the highest on record (GFW, s.f.). The rate of deforestation in this municipality is five times higher than the national average (Canul, R., November 12, 2020). Moreover, forest fires became even more important an issue to be addressed due to budget cuts and lost capacity, particularly in some areas; in Hopelchen during 2020, fires accounted for 33% of the total loss of tree cover (GFW, s.f.).

Between 2015 and February 2022, Profepa carried out 5,551 administrative procedures throughout the country for alleged illegal changes in land dedicated to forest use. However, it is unknown how many of these were related to changes from forest to agricultural land. In these years,

Profepa has only executed 1,915 sanctions (fines) for illegal forest land changes. In 2,168 procedures it was determined not to impose any type of sanction [by reaching] an agreement and in 1,468 cases there is no public information available to know what happened (Gomez, T., August 31, 2022).

The impunity rate continues to rise. Until 2021 only 17 crimes per 100 were sanctioned, down from 44 in 2017 (61.4% less). Also in the period 2015–2022:

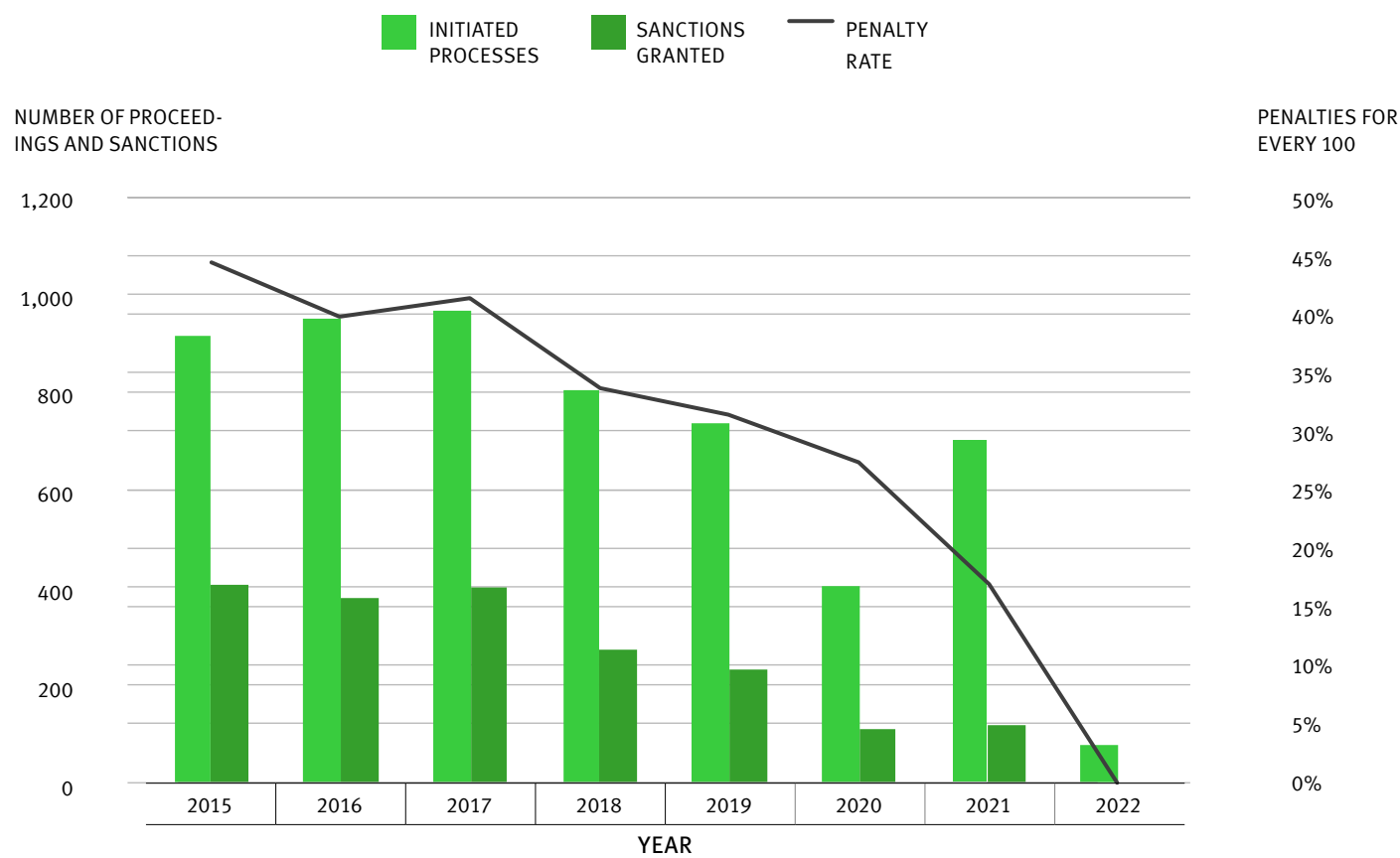
The Specialized Unit for the Investigation of Crimes against the Environment and under Special Laws of the Public Prosecutor's Office (FGR), has opened 112 investigation files for crimes of forest land use change throughout the country.... Twelve of them were declared incompetent, in four it was determined that no criminal action was taken, one was accumulated to a file that already existed and 95 are still being processed. The state with the most open investigation cases for the crime of land use change is Quintana Roo (42). In all the others there are less than 15 (Gomez, T. August 31, 2022) Graph 9.2).

The municipality of Hopelchen has lost nearly a quarter of its tree cover. In 2020 alone, 26.9 thousand ha were lost. The deforestation rate in this municipality is five times higher than the national average (Canul, R., 12 November 2020).



Images: Left: "How is deforestation progressing in the states along the Maya Train route?" at <https://politica.expansion.mx/mexico/2022/04/29/deforestacion-tren-maya-impacto-ambiental> Right: "Government pulls the brake on illegal logging in Campeche" at <http://campechehoy.mx/2022/10/06/gobierno-pone-freno-a-la-tala-ilegal-en-campeche/>

GRAPH 9.2 ENVIRONMENTAL CRIMES AND IMPUNITY RATE
2015–FEBRUARY 2022



Source: In-house elaboration with information from Gomez, T. (31 August 2022).

THE LEGACY:

dismantling of environmental policy and loss of capacity of the government

Institutions created in the last three decades were dismantled in a couple of years. With diminished budgets, which continued the inertia of the second half of Peña Nieto's six-year term, coupled with the de-capitalization and de-professionalization of the federal public administration and the alignment of its personnel to their political affiliation rather than to measurable and verifiable environmental care and conservation objectives, the Lopez Obrador government disregarded international commitments acquired by Mexico. Ultimately and towards the second half of his administration, the weakness of these institutions opened the door to multiple administrative misdemeanors that will surely find no fault in the justice system.

The Lopez Obrador administration ended up disregarding Mexico's international commitments. Towards the second half of his administration, the weakness of institutions opened the door to multiple administrative misdemeanors.



LEGACY 1. NEGLECT OF THE ENVIRONMENT AND ITS LETHAL LEGACY

- » CLIMATE POLICIES SHOWED SETBACKS BECAUSE THEY PRIORITIZED FOSSIL FUELS, DISMANTLED INSTITUTIONS AND REVERSED POLICIES.
- » IF ALL COUNTRIES WERE TO FOLLOW THE SAME ENVIRONMENTAL PATH AS MEXICO, THE EARTH'S TEMPERATURE WOULD RISE BY 4°C BY THE END OF THE CENTURY.
- » MEXICO FELL THIRTEEN POSITIONS IN THE CLIMATE CHANGE PERFORMANCE INDEX BETWEEN 2018 AND 2024, FROM 25TH TO 38TH POSITION.
- » MEXICO RANKS 62ND OUT OF 66 COUNTRIES IN RENEWABLE ENERGY PROGRESS
- » TWO ACTIONS STAND OUT: CANCELLATION OF LONG-TERM AUCTIONS AND REVERSING THE RETIREMENT OF THE OLDEST AND MOST POLLUTING POWER PLANTS.
- » MEXICO IS THE SECOND LARGEST EMITTER OF GREENHOUSE GASES IN LATIN AMERICA, AND THE ENERGY SECTOR GENERATED 70% OF THE TOTAL.
- » THE BUDGET FOR CLIMATE CHANGE AND ENERGY TRANSITION APPEARED TO GROW IN 2023 AND 2024, BUT IT WAS A SIMULATION: ONLY 30.1% WAS EARMARKED FOR THESE OBJECTIVES. 53.8% WERE SPENT BY THE SECRETARIAT OF NATIONAL DEFENSE FOR THE MAYA TRAIN (125.9 BILLION PESOS) IN 2024.
- » THE WEAKENING OF LAW ENFORCEMENT INSTITUTIONS HAD AN IMPACT ON THE LOSS OF TREE COVER.

Legacy: setback in the fight against climate change and energy transition.



9.2 Large-scale deforestation: megaprojects (public and private), social programs and forest fires

INTRODUCTION

The construction of the Maya Train, operation of social programs such as Sowing life in a context of institutional weakening, including the loss of capacity to combat natural disasters (such as fires) in the communities, have led to the loss of thousands of ha of forest. The lack of transparency in the execution of these programs resulted from the lack of enforcement of laws regulating projects, both in terms of budget and impact. Eventually, towards the end of 2021, when it was not possible to hide the illegality of these projects, Lopez Obrador declared the most em-

blematic works of his administration a matter of national security -shielding them from public scrutiny.

However, all mentioned above does not explain the forest and jungle destruction in recent years or even decades. This destruction has been accentuated in recent years, and the works and projects have contributed to it (directly or indirectly), but the evidence gathered so far suggests that the devastation caused by these works and projects has been accompanied by the expansion of a range of economic activities, such as real estate development, agrobusiness and cattle ranching. Since its inception and until June

The Maya Train occupied 10.8 thousand ha, of which 6.7 thousand had been deforested, but between 2019 and 2023 the loss of forest in the Yucatan Peninsula was 285.6 thousand ha.

2023, the Maya Train occupied 10.8 thousand ha, of which 6.7 thousand had been deforested, but between 2019 and 2023 the loss of forest in the Yucatan Peninsula was 285.6 thousand ha. The train came to nourish and, simultaneously, evidence a set of already existing problems which do not seem to have limitations or restrictions.

THE MAYA TRAIN AND ECONOMIC ACTIVITY

According to the assessment of deforestation in the Yucatan Peninsula 2019–2023, the region lost 285.6 thousand ha of forest land, an annual average of 71.4 thousand or 196 per day. The annual rate of loss was 0.4%, the highest in recent decades and four times higher than the national average (0.1%) (CCMSS, 2024). This loss was not equally distributed in the three states that make up the peninsula; Campeche was the most affected with a loss of 117.1 thousand ha, followed closely by Yucatan (110.1) and Quintana Roo (58.4) (CCMSS, 2024).

Also, as the same study states, even though

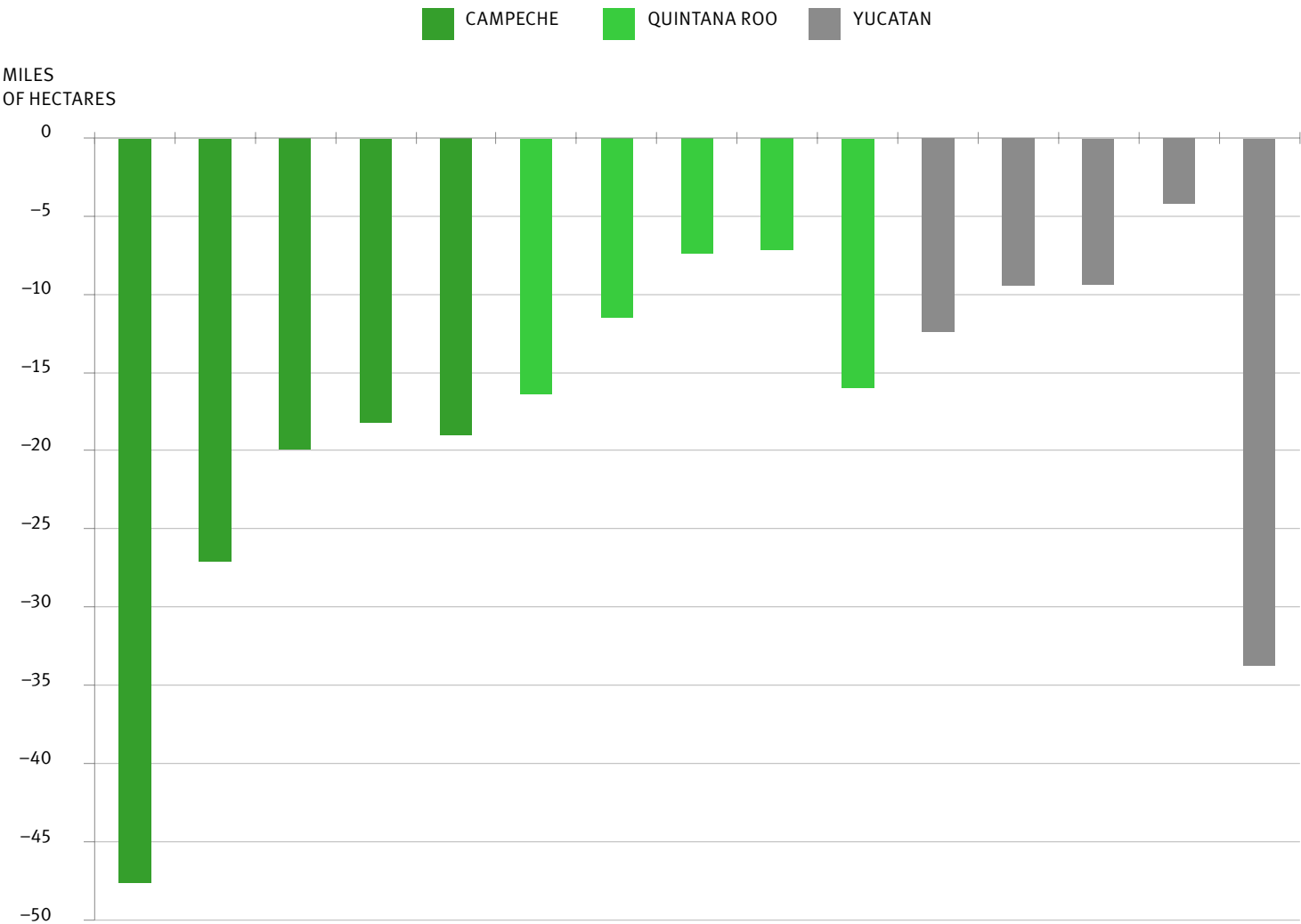
The rainforest has suffered degradation processes for more than ten decades, and its deterioration has accelerated notably in the last 20 years (CCMSS, 2024).

Within Campeche and Quintana Roo, most of the loss was concentrated in a few municipalities. Thus, the four with the greatest loss in each of these two states accounted for 85.6% and 72.6% of it (CCMSS, 2024). These were the municipalities of Hopelchen, Candelaria, Carmen and Calakmul in Campeche; Othon P. Blanco, Bacalar, Benito Juárez and Lázaro Cárdenas in Quintana Roo. In Yucatan, although the four municipalities with the greatest loss concentrated a good part of it (32.2%) (CCMSS, 2024), most of the loss was evenly distributed among a greater number of municipalities⁶ (Graph 9.3).

Also, derived from the study of satellite images, it is known that between 2018 and June 2023, the construction of various sections of the Maya Train destroyed 6,659 ha of natural cover. This surface represented 61.5% of the total surface area occupied by the project; the remaining 38.5% (4,172 ha) corresponded to anthropogenic areas. The natural surface area occupied (destroyed) by the train is mainly concentrated in sections 4 (1,640 ha), 5 (1,096 ha) and 6 (1,308 ha) (CartoCritica, 2023). Then, of the 6,659 ha deforested, 86.6% lacked the Change of Land Use

⁶ For 16 other municipalities for which records are available from the research used here, the average loss was 2.1 ha per municipality.

GRAPH 9.3 LOSS OF FOREST COVER IN THE YUCATAN PENINSULA
MUNICIPALITIES WITH THE GREATEST LOSS PER FEDERAL ENTITY
(CUMULATIVE HECTARES 2019 – 2023)



Source: In-house elaboration with information from CCMSS (2024).

on Forest Land (CUSTF, for its acronym in Spanish) authorization. Only 13.4% was authorized and tracts 6 and 7 had zero authorized ha. In the last recorded month (June 2023), 104.7 ha were deforested, but only one of them with CUSTF authorization. In the same month, 67.4 ha were deforested without CUSTF authorization in the sections suspended by court order (3, 4, 5 North and 6). That is, 64.3% of the total ha were deforested illegally (CartoCritica, 2023). In view of these facts (crimes), and in accordance with current environmental law, Profepa had the obligation to close the construction site (CCMSS, s.f.).

Additionally, the Maya Train construction required a large amount of inputs, such as thousands of tons of stone and sascab (decomposed limestone)⁷. For sections 5, 6 and 7, 185 banks of materials were identified that were constructed the deforestation and excavation of forest land of between 10 and 100 ha, affecting an area of 1,055 ha of forest, mostly owned by ejidos (CCMSS, s.f.).

As documented by civil society organizations, work began without the required authorizations. In particular, when section 5 started, Sedena, responsible for

⁷ Sascab is used as filler material in buildings and embankments.

The work on the Maya Train began without the needed authorizations. After the start of section 5, Sedena, responsible for the project, acknowledged that it did not have the Environmental Impact Statement (MIA).



Image: "A threatened submarine paradise" at <https://apnews.com/projects/mexico-tren-maya-climate-yucatan/spanish/>

the work, acknowledged that it did not have the MIA (CCMSS, s.f.). When the reality (illegality) could no longer be hidden, at the end of 2021, Lopez Obrador responded with a highly controversial decree, classifying several works, the Maya Train among them, as "national security", thus shielding them from public scrutiny. At the time, and with a majority of eight votes, the Supreme Court considered that such order was unconstitutional. In May 2023, Lopez Obrador simply issued a new decree with a similar content.

It is important to highlight the construction of the Maya Train as a deforestation driver; however, multiple phenomena, not only the train, explain the deforestation. The Maya Train had many upshots that contributed to it. Therefore, one of the conclusions reached by the Mexican Civil Council for Sustainable Forestry (CCMSS in Spanish) is that the loss of forest cover in the Yucatan Peninsula occurs in areas where the drivers of deforestation were already installed and operating: agroindustry, cattle ranching, real estate expansion and tourism. For example, Hopelchen in Campeche, Tizimin and Tekax in Yucatan, occupy the first places in the agroindustrial production of soybean and other grains in the peninsula (CCMSS, 2024).

The train construction and its complementary works

added to this scenario. This investigation coincides with that stated by Vital Signs and various organizations: "deforestation is also a consequence of the weakening of the country's environmental institutions," even though Mexico had robust environmental legislation (CCMSS, 2024).

SOWING LIFE

As estimated by Vital Signs, the investment in the most emblematic infrastructure works was historic, the cost overruns unprecedented (3–4 times more than originally budgeted). Along with these works, several social programs were implemented, including "Sembrando Vida" (Sowing Life, SV in Spanish). In 2019, the budget allocated to SV was 18.9 billion pesos, rising to 38.9 billion in 2024 (Mexico Evalua, 2023), a real increase of 105.8%⁸. The rapid implementation of the program implied that, like many others, it started without regulations (operating rules), adding to its opacity and complicating its evaluation. In 2019, the first year of Lopez Obrador's government, only 35% (296 billion pesos) of subsidies were executed through programs operating rules, the lowest portion on record⁹ (Mexico Evalua, 2023).

⁸ Figures are in 2024 billion pesos.

⁹ According to Mexico Evalua, over the course of the six-year

In 2019, the budget allocated to Sowing Life was 18.9 billion pesos, rising to 38.9 billion in 2024 (Mexico Evalua, 2023), a real increase of 105.8%.

From the beginning of SV there was a lack of access to information. The urgency for its implementation and absence of clear rules that would allow adequate monitoring made it impossible to carry out a rigorous evaluation of its progress, as evidenced by WRI (World Resources Institute) Mexico. In April 2019, WRI Mexico, in collaboration with the Welfare Secretariat, initiated the development of a monitoring platform for environmental indicators for the program, however

the lack of access to geo-referenced information of the plots and of the actions supported in the plots where the program was implemented did not allow monitoring of these indicators (Warman, J., et al., 2021).

These include forest cover restoration, carbon sequestration, soil recovery, biodiversity and agrobiodiversity.

Given the difficulty of measurement, WRI developed a methodology to estimate the potential contribution of SV to meeting the government's greenhouse gas-

term, different regulations for recently created programs were published, and by 2024, 72% (803 billion pesos) of subsidy resources will have rules of operation, the highest proportion since 2008.

es goals, similar to that developed to measure excess deaths by Covid-19. The results were:

1. The 2019 forest cover loss analysis in the municipalities where the SV was implemented ascribed to the program a loss of 72,830 ha of forest cover, out of a total of 79,061 ha lost in excess during that year in those municipalities (Warman, J., et al, 2021).
2. By 2019, SV was able to promote a loss of forest cover close to 11.25 % of the total number of plots benefited by that program.
3. Although the analysis is not conclusive due to lack of information, it makes it clear that "[SV] had a negative impact on forest cover and compliance with the country's carbon mitigation goals" (Warman, J., et al, 2021) only in the first year of implementation.
4. Early estimates show an initial loss of between 5.7 and 8.9 million tons of CO₂ from the loss of coverage identified for 2019.

The program has the potential to offset the emissions lost in the next three to eight years considering the overall program parcels established in

In the first year of Lopez Obrador's administration, only 35% (296 billion pesos) of subsidies were executed through programs operating rules, the lowest proportion on record (Mexico Evalua, 2023).

2019, and depending on the forest carbon values and survival rate used.

...if the program complies with the restoration of cover in 416,000 [ha] of Agro-industrial timber forest Systems (SAF) ...for the eight states that started the program in 2019, and are maintained for at least 30 years, between 46.8 and 50.2 million net tons of CO₂ could be captured. This happens because about 343 thousand [ha] of SAF would not have gone through a process of cover loss (Warman, J., et al., 2021).

It is important to make clear that, as pointed out by WRI Mexico, [SV] did not have forest restoration as a priority objective, but rather always had purely economic objectives and addressed both rural poverty and environmental degradation.

Sembrando Vida did not have forest restoration as a priority objective, but rather always had purely economic objectives and addressed both rural poverty and environmental degradation.

FOREST FIRES

Between 2019 and 2023 there were 35,026 forest fires in Mexico. Two out of three (67.8%) occurred in seven states: State of Mexico (6,038 fires), Jalisco (4,666), Mexico City (3,488), Michoacan (3,242), Chihuahua (2,891), Chiapas (1,838) and Puebla (1,602). The number of fires is lower when compared to previous governments; 5% less with respect to that of Peña Nieto and it is the lowest figure since the government of Miguel de la Madrid (1982–1988) (34,338 forest fires) (Conafor, s.f.a).

However, the territory affected was far greater than in any other administration. Between 2019 and 2023, 3.46 million ha were affected, 108.9% more than in the same period of Peña Nieto. In 2023 alone, 1.05 million ha (30.3%) were affected (Conafor, s.f.a), the largest in history since 1970 (when statistics started). Almost two out of every three hectares affected occurred in seven states: Jalisco (455.3 thousand), Guerrero (395.1), Durango (329.0), Chihuahua (362.2), Nayarit (239.5), Chiapas (220.1) and Oaxaca (197.2) (Conafor, s.f.a). The affected extension in these states explains 75.5% of the growth with respect to the Peña Nieto administration.

Between 2019 and 2023 the average number of ha affected per fire was 98.8, compared to 44.9 in Peña Nieto's period or 26.4 with Felipe Calderon (2006–2012) (Conafor, s.f.a). Also, the states that largely explain the growth in devastated territory present a high variation of ha affected by fires. In addition to the aforementioned states, Coahuila, Nuevo Leon and Tamaulipas showed considerable growth with respect to the 2013–2019 period, with growth rates of 203%, 1,740% and 739%, respectively.

According to the latest data from the National Forestry Commission (Conafor), 31% of all forest fires are caused intentionally, with 22% related to agricultural activities. In the last two years, however, unknown causes have accounted for a large percentage; in 2024, unknown causes accounted for 28% of fires; in 2019 it was 11%, while agricultural activities were 22% (Conafor, s.f.b). To date, unknown causes are the main cause of forest fires. In 2010, it was estimated that 99% were caused by human activities and the rest by natural phenomena such as electrical discharges and volcanic activity. Also, almost half of these fires were caused by agricultural activities and urbanization, along with intentional actions and carelessness of people who did not extinguish properly their cigarettes or fires (Conafor, s.f.a.) (Graph 9.4).

Several events converged in the government's lack of capacity to combat fires. First, the fall in Conafor's budget, which led to the disappearance of the Temporary Employment Program (PET), which included, among other actions, the hiring of temporary brigades to fight fires¹⁰. In the Peña government, 45,851 km of firebreaks were built and rehabilitated¹¹; in the Lopez Obrador government, 6,146 km (Conafor, 2024). While 2014 saw the highest number of kilometers built and rehabilitated (29,644 km, 64.7% of the total), the average per year in the Peña Nieto administration is still higher even excluding 2014: 3,241 km per year; in contrast, with Lopez Obrador it was 1,024 km, a quite steep drop of 68.4%. By the first half of 2024, work was mostly concentrated on gap rehabilitation, but no new additions.

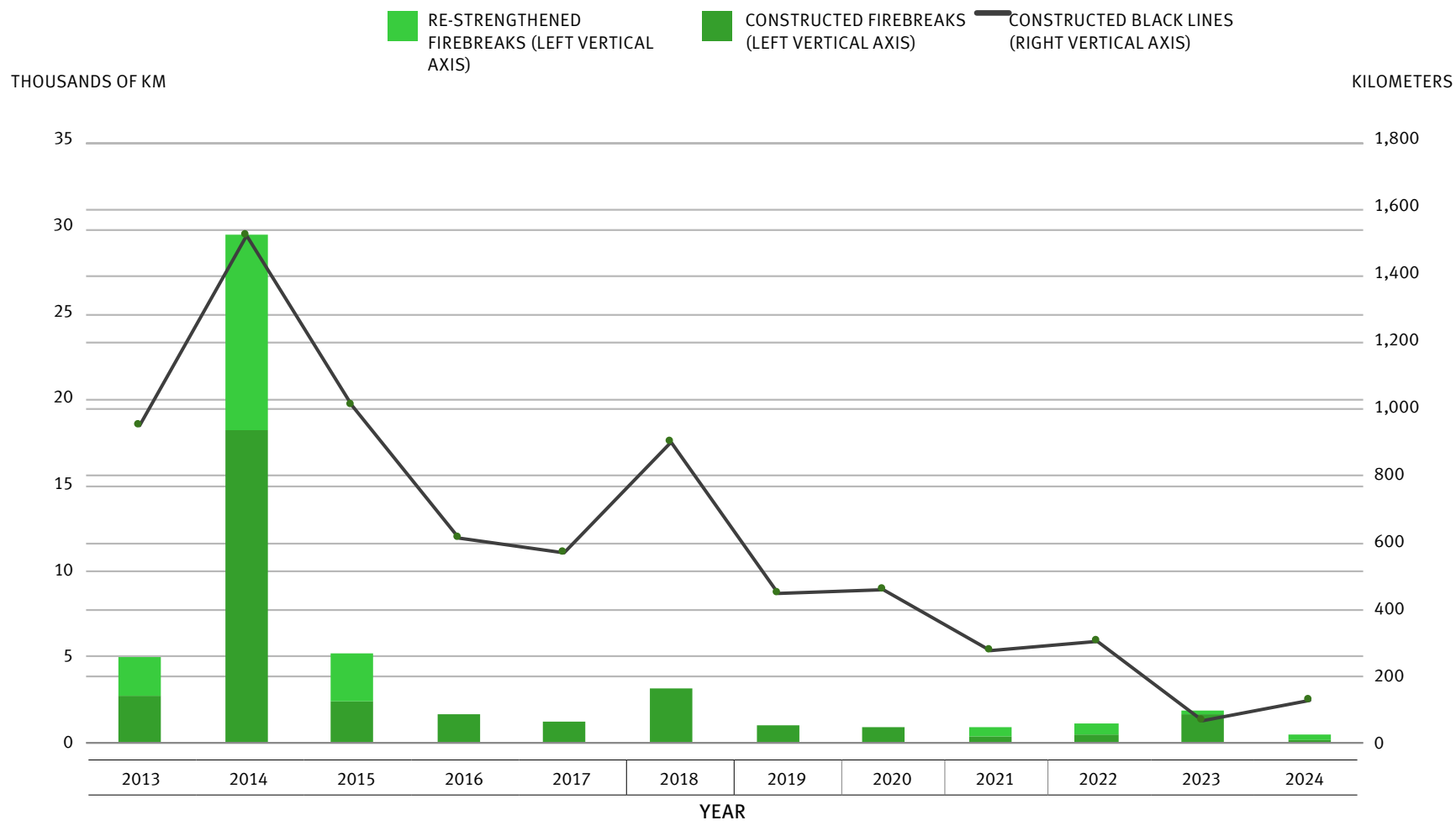
Similarly, the black lines constructed decreased, from 5,573 km with Peña Nieto to 1,670 km with his successor (Conafor, 2024). Work with communities

¹⁰ In accordance with the operating guidelines for fiscal year 2018, economic support was granted in the form of wages equivalent to 99% of the general daily minimum wage.

¹¹ According to Conafor, firebreaks consist of the removal of combustible material, and the black lines refer to the burning of this material. The objective is to delimit a perimeter that keeps specific areas safe from fire. Combustible material is vegetation or debris that can ignite and burn, posing a risk of starting or spreading a fire.

Between 2019 and 2023 there were 35,026 forest fires. Two out of every three occurred in seven states: State of Mexico, Jalisco, Mexico City, Michoacan, Chihuahua, Chiapas and Puebla.

**GRAPH 9.4 FIREBREAKS CONSTRUCTED AND REHABILITATED*.
(THOUSANDS OF KILOMETERS) AND BLACK LINES CONSTRUCTED (KILOMETERS) 2013–2024****



Source: In-house elaboration with information from Conafor s.f.a

*The information for the years 2016 to 2020 corresponds to the total of constructed.

**The information for 2024 is presented as of the second quarter of 2024.



In Peña Nieto's administration, 45,850.9 kilometers of firebreaks were built and rehabilitated.

With Lopez Obrador (2019 to the second quarter 2024) were only constructed and rehabilitated a total of 6,145.7 kilometers (Conafor, 2017).

also decreased considerably. At the end of 2018 there were 422 rural brigades, while at the end of 2023 there were 145 (65.6% less) (Conafor, 2024). It is estimated that by 2024 the same number of brigades will be maintained, that is, no improvement by the end of the administration.

Moreover, the growth in fire length was significant. In 2019, 2,464 fires had a duration of at least two days, 33.3% of the total recorded that year. As

already mentioned, their size also increased. In the same year, 48.6% were larger than 6 ha, and of these, 1,271 were equal to or larger than 51 ha. At the end of 2023, 41.6% (3,164) lasted two days or more and 56.3% (3,713) had a size of at least 6 ha or more. Similarly, there were 1,887 fires with a size of 51 ha or more (24.8% of the total) (Conafor, 2024). Between 2019 and 2023, fires with a size of at least 51 ha grew by 48.5%.

Image: Construction of firebreaks at <https://www.el-soldetlaxcala.com.mx/local/inician-apertura-de-brechas-cortafuego-7793954.html>

THE LEGACY: THE LARGEST DEFORESTATION CAMPAIGN IN MEXICO'S MODERN HISTORY

The loss of forests and jungles in a large part of southern Mexico, mainly in the Yucatan peninsula, is irreversible. The Maya Train and its secondary works put the focus of attention on this project, without any opposition to the destruction occurring in adjacent areas. Thus, economic activities, such as agrobusiness and real estate, saw an opportunity to continue to expand in the face of the fragile rule of law and institutional weakness. The environmental consequences of deforestation have already shown some signs, but the results remain to be seen in the face of climate change.

The Lopez Obrador government laid the groundwork for greater dependence on fossil fuels at least for the next decade. This is true for the energy sector as a whole, both through the electricity generation and domestic oil production. And in its attempt to increase CFE's presence in clean energies, it exhibited the deficiencies of expanding electricity through hydroelectric plants, directly benefiting one of the most radical unions in the country, the SME.

The loss of forests and jungles in a large part of southern Mexico, mainly in the Yucatan Peninsula, is irreversible. The Maya Train and its secondary works put the focus of attention on this work, without any opposition to the destruction occurring at the same time in adjacent areas.



LEGACY 2. MAJOR DEFORESTATION: MEGAPROJECTS (PUBLIC AND PRIVATE), SOCIAL PROGRAMS AND FOREST FIRES

BETWEEN 2019 AND 2023 THE YUCATAN PENINSULA LOST 285.6 THOUSAND HA. OF FOREST LAND.

- ▶ THE MAYA TRAIN DESTROYED 6,659 HA. OF FOREST COVER.
 - ▶ AGRIBUSINESS EXPANSION, LIVESTOCK, REAL ESTATE EXPANSION AND TOURISM
-

LACK OF TRANSPARENCY HINDERS THE EVALUATION OF THE SOWING LIFE PROGRAM (SV):

- ▶ THE LOSS OF TREE COVER IDENTIFIED IN 2019 WAS BETWEEN 5.7 AND 8.9 MILLION TONS OF CO₂.
 - ▶ SV WAS ABLE TO PROMOTE A LOSS OF FOREST COVER OF 11% OF THE TOTAL NUMBER OF PLOTS BENEFITED BY THE PROGRAM.
-

BETWEEN 2019 AND 2023, 35,026 FOREST FIRES OCCURRED

- ▶ 3.46 MILLION HECTARES WERE AFFECTED. 109% MORE THAN IN THE SAME PERIOD OF THE PEÑA NIETO ADMINISTRATION.
 - ▶ THE TEMPORARY EMPLOYMENT PROGRAM, WHICH HIRED TRANSIENT BRIGADES TO FIGHT FIRES, DISAPPEARED.
-

Legacy: deforestation is a delicate link in environmental care that, if left unaddressed, will have serious repercussions.

9.3 Energy policy and the economy's new carbonization



The energy policy of the Lopez Obrador government can be summarized as a greater dependence on natural gas for electricity generation and an increase in the production capacity of petroleum products, mainly gasoline and diesel. Therefore, renewable energies different from hydroelectric represent a threat to this project. Hydroelectric plants are an exception since, under the guise of private, the SME was the main beneficiary. Therefore, electrification of things, mainly transportation, could be seen as a competitor (menace) as the government sought to obtain the monopoly in the sale of fossil fuels, from automobiles to airplanes.

Similarly, the administration sought to strengthen the oil refinery value chain, since inefficiencies in Mexico are extremely high and it was important for the government to provide an outlet through the power plants configured for this purpose. Although the production of these wastes (fuel oil) will stabilize over time in the order of 20% of production capacity of petroleum products, the volume will remain at high levels compared to the last 12 years.

This policy was intended to be accompanied by the expansion of generation capacity through hydroelectric power plants. However, CFE Director Manuel Bart-

Lopez Obrador's energy policy can be summarized as increased dependence on natural gas for electricity generation and an increase in the production capacity of petroleum products, mainly gasoline and diesel.

lett abandoned his own initiative due to the drought affected most of the country.

Increasing the volume of refining with a third of production being waste that would later be sent to thermoelectric plants implied less environmental supervision and regulation. But the inhabitants of the municipalities where Pemex's six refineries and the thermoelectric plants are located, such as Tula (Hidalgo), surely resented this policy for their well-being. Several studies have pointed out that greater emissions of gases such as sulfur dioxide¹² and the burning of fuel oil increased the levels of pollution in the Mexico City metropolitan area years.

According to NOM-148-Semarnat-2006, the sulfur recovery by oil refineries must at least be equal to 90%. The refineries built after the publication of such standard, like Dos Bocas, must recover at least 95%. The SNR did not distinguish itself for complying with such standard in its refineries. At the end of 2023, the corresponding recovery levels were barely 1% in Tula (Hidalgo), 2% in Salina Cruz (Oaxaca), 4% in Minatit-

¹² According to Barnes and Villalobos, sulfur dioxide (a colorless, irritating gas with a pungent odor) gradually transforms to sulfur trioxide and, in the presence of moisture, sulfur dioxide and sulfur trioxide form sulfurous acid and sulfuric acid, in the form of aerosols, and an important part of the secondary or fine particulate matter (PM_{2.5}) is produced.

The peoples of the municipalities where the six refineries and thermoelectric plants are located, such as Tula (Hidalgo), surely felt the effects of this policy on their well-being.

lan (Veracruz), 6% in Salamanca (Guanajuato), 13% in Madero (Tamaulipas) and 26% in Cadereyta (Nuevo Leon) (Barnes, F., March 17, 2024).

According to Barnes and Villalobos, all refineries have sulfur recovery plants with sufficient capacity to prevent sulfur dioxide emissions into the atmosphere, so they conclude that these plants at the six refineries were either poorly ran or out of operation. This casts doubt on the role of the Security, Energy and Environment Agency (ASEA, for its acronym in Spanish), which "is not fulfilling its obligation to evaluate Pemex's compliance with the provisions established in NOM-148" (Barnes, F., March 17, 2024).

The acquisition of the Iberdola power plants (mainly combined cycle), of the Deer Park refinery and the construction of Dos Bocas confirm that the energy

policy will be radicalized at least in the next decade. The economic, energy and financial effects are vast and will end up carbonizing public finances, which will have to (indirectly) subsidize the production and consumption of fossil fuels.

Although in principle the cancellation of oil rounds 3.2 and 3.3 may have been welcomed by environmentalists, especially because of the use of fracking, Mexico has not ceased to be the largest importer of natural gas by pipeline from the U.S. In addition, through terminals in the Pacific, it could become one of the main exporters of liquefied natural gas in the world (re-exports with Asia as their main destination).

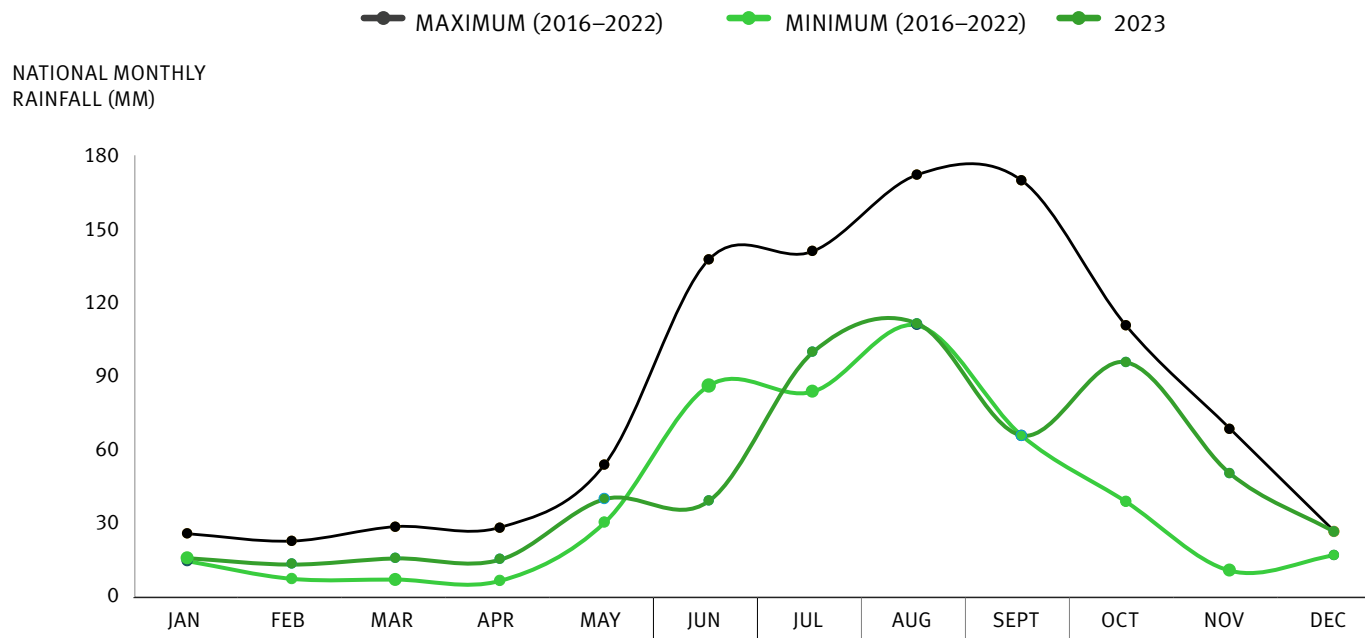
The policy that establishes that CFE must maintain a 54% minimum share of electricity generation will make private companies compete for the remaining 46% with the unions, CFE itself and other interested parties that may emerge. For the time being, the national electricity system will face various risks, among them the end of several self-supply contracts, which will add further pressure as many of these companies are exporters of manufactured goods. It is estimated that the last contract will end in 2039; however, the retirement of these plants will begin in

The economic, energy and financial effects are vast and will end up carbonizing public finances, which will have to (indirectly) subsidize the production and consumption of fossil fuels.



Image: "Expropriation of land for the Chicoasen II dam.Iberdrola group maintains its commitment to Mexico with the aim of leading the energy transition in the country" at <https://www.iberdrola.com/sala-comunicacion/noticias/detalle/suscribimos-un-acuerdo-para-vender-mas-de-8400-mw-de-ciclos-combinados-de-gas-por-6000-millones-de-dolares>

GRAPH 9.5 RAINFALL: MAXIMUM, MINIMUM 2016– 2022 AND 2023 (MM)



Source: Eln-house elaboration with information from Conagua (s.f.).

Climate change, the El Niño and La Niña phenomena, and inadequate dam management have exposed the fragile availability of clean energy in Mexico.

the Sheinbaum administration¹³. The only loophole in the transition was distributed generation; small power plants, whose capacity is not sufficient to supply medium-sized industry, but only small businesses and homes.

¹³ According to IMCO, the authorized capacity of the 347 plants in operation (10,528 MW) represents 11.8% of the total installed capacity of the National Electric System (89,479 MW) as of April 30, 2021. In turn, the energy authorized for these plants is 52.5 TWh, equivalent to 16.8% of the energy generated in Mexico in 2020 (last year with available information).

Climate change, *La Niña* and *El Niño* phenomena, and inadequate dam management have exposed the fragile availability of clean energy. Initially, the low temperature in Texas put the supply of energy in the north of the country at risk. In fact, the supply of natural gas was suspended. On the other hand, water availability is an issue of great relevance in the electricity industry, especially for the participation of clean energy from the public sector, which is limited (Graph 9.5).

Between the months of August and September, rainfall reaches maximum levels. However, for a large part of the year (about eight months) and especially during the dry season, water availability is minimal, so it is not possible to increase generation, even if the capacity were to grow (that is, more hydroelectric plants). It is no coincidence that electricity production by means of hydroelectric technology was at extremely low levels in the summer of 2023, when precipitation was among the lowest in at least seven years. From January to August 2023, it fell 26.5% with respect to the 2016–2022 average. In this sense, climate change will affect clean energy production at least in the short term. In 2023 alone, it affected clean energy generation by 4–5%.

Climate change will affect clean energy generation at least in the short term. In 2023 alone, it did so by 4–5%.

NATURAL GAS FLARING AND VENTING

Among Pemex's multiple inefficiencies in environmental matters, at least two stand out: flaring and venting of natural gas (indicator of natural gas utilization) and the increase in oil extraction through artificial techniques (pneumatic pumping¹⁴ (477 MMpc/d or 7.9% in 2022) (CNH, 2023). In September 2021, natural gas utilization reached its lowest level on record (85.2%) and in all of 2021 unutilized natural gas was 13.1% (493 MMpc/d) (CNH, 2023). Thus, large volumes of gas are wasted, whether burned or released into the atmosphere, the latter being quite harmful. Despite the improvement in utilization in the last months of 2022, the volume of natural gas not utilized during the year was 137% higher than in 2018 (226 MMpc/d more). Information from CNH shows that Pemex is still far from its utilization goal (98%). This is worrisome due to its environmental effects, since although natural gas is less harmful to the environment than other fossil fuels, such as fuel oil, is 80 times more potent than CO₂ in heating the atmosphere and can remain in it for about 10 years.

¹⁴ The pneumatic pumping technique consists of gas injection. This technique can be used in the hardest reservoirs in the face of pressure loss.

This gas waste coincides with the leak recorded between December 8 and 27 of 2021 (excluding the 16th and 17th and the nights of the 17th, 24th and 26th) in the Gulf of Mexico, near the Campeche coast, in one of Pemex's largest fields. For 17 days an ultra-emission (venting) event of methane (3.36 million tons of CO₂) occurred, equivalent to about 3% of Mexico's oil and gas emissions (Irakulis-Loitxate *et al.*, 2022). Among the commitments acquired by Mexico in the framework of COP 27 is to mitigate flaring in oil and gas operations. This commitment was reconfirmed at COP 28, but with a more energetic and precise tone, recognizing that the world must accelerate and substantially reduce emissions other than carbon dioxide, particularly methane, by 2030 (FCCC, 2023).

In 2022, Mexico ranked as the seventh largest gas flaring country in the world (IBRD, 2023). However, Mexico does not produce, far from it, the same amount of oil and associated gas as several countries before it: Russia, Iraq, Iran, Algeria, Venezuela and the U.S. As in previous years, flaring during 2022 was dominated by a relatively small number of countries, with nine responsible for 74% of flaring volumes and 45% of global oil production (IBRD, 2023). CFE is also a participant in these methane leaks. Recent studies show that on May 12, 2019, there was an extreme



Image: "Fire at sea: gas leak recorded in the Gulf of Mexico" at <https://www.france24.com/es/medio-ambiente/20210703-medio-ambiente-golfo-mexico-fuga-gasoducto-pemex>

release of this gas at El Encino-La Laguna (EELL) in Durango. It lasted three hours at a variable rate of 260 to 550 metric tons of methane per hour and totaled 1,130 to 1,380 metric tons (Watine-Guiu *et al.*, 2023). International experience indicates that this type of release ranges from 10 to 100 tons per hour (Watine-Guiu *et al.*, 2023). Its magnitude was colossal, comparable to the Nord Stream pipeline rupture in 2022 (Watine-Guiu *et al.*, 2023). Assuming that natural gas from the Permian region has a methane content of 80%, it would have been sufficient to sup-

ply 3,600 to 4,400 Mexican urban households with energy for one year (Watine-Guiu *et al.*, 2023).

Although May 12, 2019, was selected by researchers for producing the most prominent methane plume, satellite data show that this was not an isolated event. Large methane plumes were also observed from three different block valve stations along the EELL pipeline on 11 different days between April 7 and May 24, 2019 (Watine-Guiu *et al.*, 2023). These types of extreme releases are quite difficult to detect and quantify because the evidence shows that they can last less than an hour, as result of deliberate venting. International organizations such as the World Bank consider that oil importing countries have a lot to do with this problem by acquiring oil or gas from exporters that are most responsible for the phenomenon. But the Mexican government continues to make commitments, as it did at COP 28, without any concern about receiving any type of sanction or trade restriction in the future. The underlying reason is in the focus of its energy policy: when Pemex has to send more heavy oil to its refineries, it will reduce its foreign sales, as it has recently acknowledged.

The obstinate policy of increasing the supply of petroleum products has resulted in the continued growth

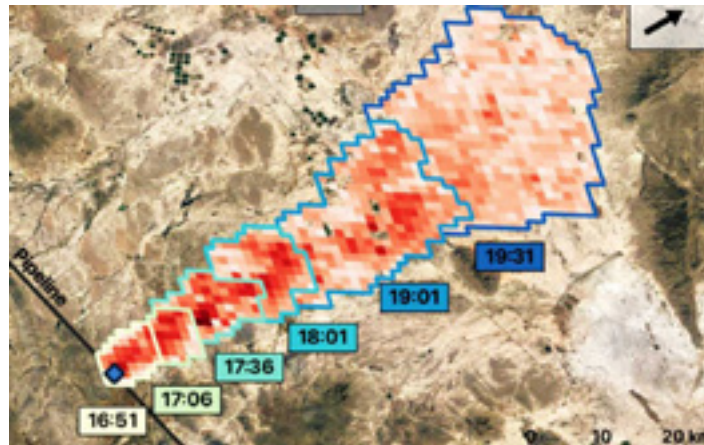


Image: "Mexico produced extreme quantities of methane plume from EELL pipeline in 2019" at <https://aristeginoticias.com/1912/dinero-y-economia/mexico-emite-cantidades-extremas-de-metano-de-un-gasoducto-en-2019-video/>

of fuel oil production. This product has fallen into disuse, especially in the maritime and electrical industries (with the exception of Mexico) due to its high sulfur content. Given the low demand and multiple restrictions on consumption, it has a lower export price than crude oil itself: 38.4 dollars per barrel between January and November 2023 (46% below crude oil) (Sener, s.f.). In other words, in Mexico oil is more valuable as crude (for export) than as a processed product. In addition to the increase in waste production and the waste of natural gas, Pemex is the protago-

Fuel oil –a petroleum by-product– continues to grow in Mexico and has fallen into disuse, mainly in the maritime and electricity industry (except Mexico) for its high sulfur content.

nist oil spills. The last two, in July 2023, had an extension of 467 square kilometers, equivalent to 2.6 times the size of Washington, D.C. The accident occurred off the coast of Campeche, 80 kilometers from Ciudad del Carmen, on the Ek Balam Tango Alpha platform, part of the Cantarell Complex (UNAM, 2023).

The information was made public by researchers and various media, but not in a timely manner by Pemex. The company reluctantly acknowledged, after being exposed with satellite images, and not without first minimizing the facts, that the spill began between July 3 and 4 and was contained until July 22. On July 18, Pemex estimated that it was 58 m³ (365 barrels of oil), which affected an estimated area of 0.06 km² where the thickness of the oil film was estimated in one millimeter (Pemex, 2023c). According to the head of the Special Prosecutor's Office for Crimes against Animals, the Environment and Ecosystems of the Office of the Attorney General of Campeche, the biggest concern was that the oil spill would reach the 10 mangrove zones identified by Conabio in the coastal zone of Campeche (Arellano, 2023). This spill was considered by that official as an ecocide that had to be dealt with as speedily as possible. Since 2021, a group of 40 scientists from the Colegio de la Frontera Sur, the Centla Higher Education Institute, UNAM, the Auton-

In addition to the increase in production waste and the waste of natural gas, Pemex is the protagonist of oil spills. The last two, which occurred in July 2023, had an extension of 467 square kilometers, equivalent to 2.6 times the size of Washington, D.C.

omous University of Baja California and the Carmen Autonomous University have examined more than 1,500 satellite images with which they have issued 36 reports of suspected spills in the Campeche Sound (Gulf of Mexico) that have been brought to the attention of the Navy Secretariat, ASEA, and the National Commission of Protected Natural Areas (Conanp) (Arellano, 2023).

Pemex has become a focus of global attention not only for its exorbitant level of debt, but also for its operational inefficiencies that result in negative externalities with environmental and public health impacts. CFE has been tainted by many of these bad decisions as part of the fuel value chain, but also by the bad practices in the management of natural gas. Mexico is shaping up to be a country highly dependent on hydrocarbons, and along the way it does so with deficiencies and generates more negative externalities than other oil producers around the world.

Between January 2020 and December 2021, the investment packages of 38 countries and international organizations had a mix between fossil fuel and clean energy intensive sectors of 41% (515 billion dollars) and 38%, respectively. In Mexico, investment was almost entirely devoted to fossil fuels. Nearly 82% (8.7 billion dollars) was only in fossil fuels in the same period, double the world average. Turkey, Indonesia and Russia were other countries that followed the same practice (investment amounts close to 100% destined to fossil fuels) (Welker, s.f.).

Mexico is shaping up to be a country highly dependent on hydrocarbons, and along the way it does so with deficiencies and generates more negative externalities than other oil producers around the world.

Mexico is shaping up to be a country highly dependent on hydrocarbons, and along the way it does so with deficiencies and generates more negative externalities than other oil producers around the world

AIR POLLUTION, MEASUREMENT AND ITS IMPACT ON HEALTH

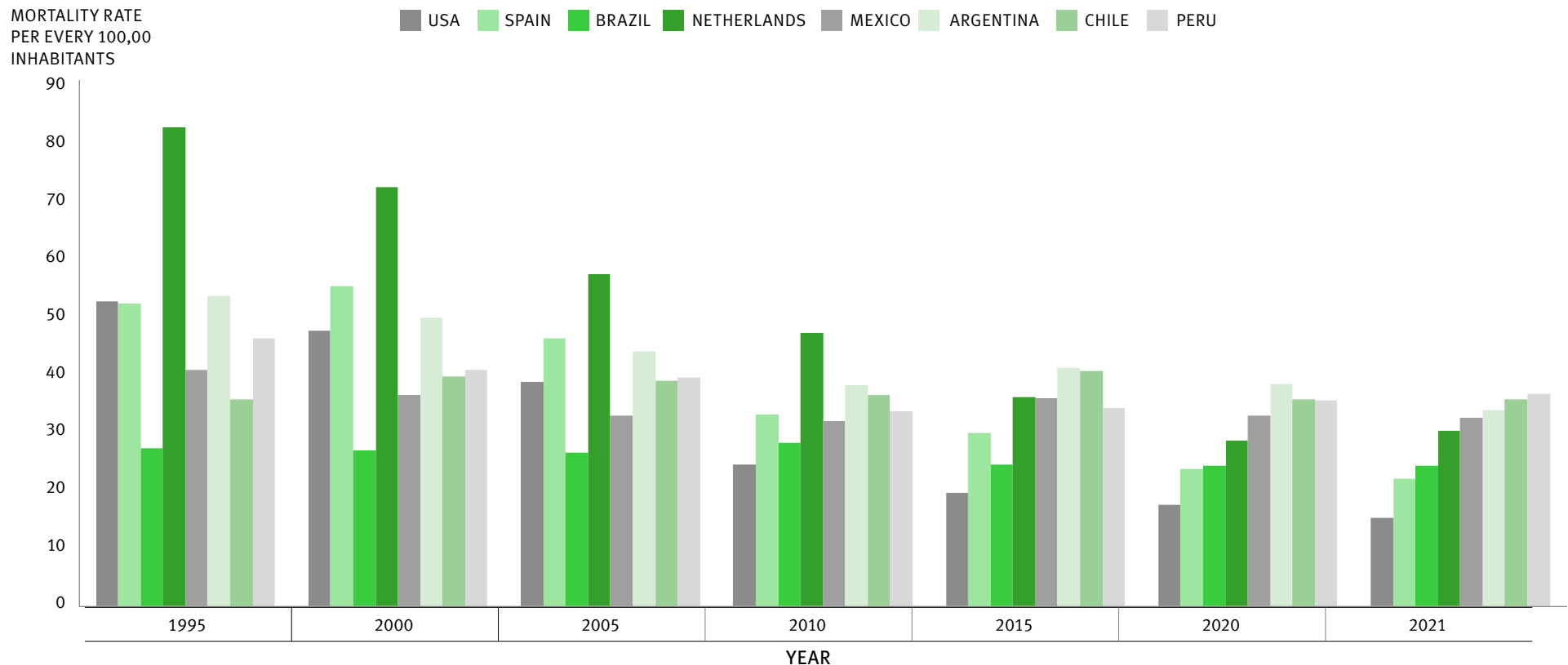
The effects of air pollution on public health have been extensively studied, ranging from respiratory diseases or illnesses that may cause death. It is, so to speak, a silent enemy. According to the State of Global Air, in 2021, deaths caused by air pollution in Mexico were 50,100; 41,700 were due to pollution caused by particulate matter with a diameter of 2.5 microns or less ($PM_{2.5}$)¹⁵ (HEI, 2024). In 2021 these particles caused 83.2% of the deaths attributable to air pollution (HEI, 2021). To gauge the magnitude of the problem, it is appropriate to say that deaths attributable to air pollution, and in particular from $PM_{2.5}$, were higher than the total number of homicides (murder and manslaughter) that occurred in Mexico that year (35,700).

Since the end of the last century, Mexico achieved significant progress reducing the number of deaths

¹⁵ According to the U.S. Environmental Protection Agency (EPA), the diameter of a hair (70 micrometers) is approximately 30 times larger than the largest fine particle. Most particles are formed in the atmosphere as a result of complex reactions of chemicals, such as sulfur dioxide and nitrogen oxides, which are pollutants emitted by power plants, industry and automobiles. Particles smaller than 10 micrometers in diameter represent the greatest danger as they can go deep into the lungs and some can even reach the bloodstream.

In 2021 deaths caused by air pollution in Mexico were 50,100, higher than the total number of homicides (murder and manslaughter) that occurred in the same year (35,700) (State of Global Air).

GRAPH 9.6 DEATHS ATTRIBUTABLE TO PM_{2.5} PER 100,000 POPULATION PER R SELECTED COUNTRIES (1995–2021)



Source: In-house elaboration with information from HEI (2024).

attributable to air pollution. In 1996 the mortality rate was 51.9 deaths per 100,000 inhabitants, by 2000, 45.3, and 38.9 in 2011. However, in 2011–2016) it increased, reaching 42.8 in 2016, when the maximum number of deaths attributable to air pollution was

reached (52,900 deaths) (HEI, 2024). A similar trend could be observed in different countries.

The trend was reversed to 38.3 in 2019. However, from 2019 to 2021 there was no progress, in fact, there was a setback, as the number of deaths grew

by 2.5%, from 48,900 in 2019; meanwhile, deaths attributable to PM_{2.5} were 40,600 in the same year (2.7% more). Due to population growth, the death rate per 100,000 inhabitants, attributable to both air pollution and PM_{2.5}, remained slightly below the 2018 levels. That rate went, for PM_{2.5}, from 32.4 in 2018 to 32.2 in 2021; the mortality rate for air pollution went from 38.9 in 2018 to 38.7 in 2021 (HEI, 2024).

Air pollution affected the health of the population in different ways. This may be conditioned by the place of residence, but also by previous illnesses, as was observed during the pandemic. Thus, PM_{2.5} contamination affected to a greater extent those with diabetes or heart problems: 14% of deaths of people with diabetes were caused by PM_{2.5} pollution; the proportion is similar for deaths of people with ischemic heart disease. Worryingly, 8% of neonatal deaths¹⁶ are caused by these pollutants (HEI, 2024). In itself, air pollution represents a threat to public health given the high levels of obesity in Mexico.

Given this problem, measuring and monitoring air quality is essential. However, despite having the infrastructure to monitor various pollutants, including

¹⁶ According to the World Health Organization, the neonatal period is considered to be the first 28 days of life.

From 2019 to 2021 there was no progress in mortality caused by air pollution, in fact, there was a setback, as the total number of deaths attributable to air pollution increased by 2.5%.

PM_{2.5}, a recurring problem is the lack of information to assess compliance with the standard¹⁷. In 2018 there were 118 monitoring stations capable of measuring these microparticles, but only 49 (41.5%) presented sufficient information. In the remaining 69, it was not possible to determine compliance; 47 due to insufficient data, 18 were out of operation and in four the information was not available. That year only four stations had acceptable levels of pollution, while 45 did not comply with the standard (INECC, 2019).

By 2021, and with data from the latest National Air Quality Report, the number of stations capable of measuring PM_{2.5} were 121 (three more than in 2018). But the problem remained: in 54 stations it was not possible to evaluate compliance with the NOM as in

¹⁷ NOM-025-SSA1-2014 establishes that the standard limit value should not be exceeded even once in a calendar year. Cities are not in compliance with the NOM when, with sufficient data, it is possible to establish non-compliance of the established regulatory limits.



Although information continues to be monitored, there is no precision on the magnitude of the lack of information, such as the severity of air pollution levels in a timely manner.

46 data was insufficient, seven were out of operation and in one there was no information. Of the 67 stations that presented information, only five complied with the standard health protection limits and 62 did not comply with at least one of the standard limits (INECC, s.f.). In general, in addition to the lack of information, there is a delay in the publication of the report. It was published approximately one year late, at least until 2019. The 2021 report was published 3 years late (until 2024)¹⁸. Although the monitoring

¹⁸ As can be seen from the publications up to 2019, the INECC

corresponds to the states, INECC was the body that concentrated all the information from the monitoring stations. In other words, it is known that the information continues to be monitored given the resources allocated to the states, but there is no precision on magnitude of the lack of information, such as the severity of pollution levels in a timely manner.

used to include the way to cite the document (Report), but as of 2020 it stopped making such recommendation. The 2021 publication only presents the Reserved Rights, which correspond to 2024.

Image: Air pollution in Mexico City, May 2019 a <https://forbes.com.mx/contaminacion-ambiental-dana-cada-celula-del-cuerpo-halla-investigacion/>

THE LEGACY:

increasing dependence on fossil fuels without any counterbalance

The radicalization of energy policy has led to an increase in waste (fuel oil) and air pollution. So far, various research projects have documented the effects that this increase in refining has had on the environment and the health of Mexicans. In the cities where the six refineries (so far installed) and thermoelectric power plants are located, that additional pollution is even visible to the human eye. For this to happen it implies that there are not only mechanisms and personnel, but also the necessary tools to stop such problem. In particular, this concerns the equipment of Pemex refineries and the monitoring of air quality in the main cities. Thus, decapitalization also occurs in the sense of technological tools (fixed capital).

The radicalization of the energy policy has led to the increase in waste (fuel oil) and air pollution.



LEGACY 3. CARBONIZATION OF THE ENERGY SECTOR

THE POLICY OF FAVORING FOSSIL FUELS IS VISIBLE AND IS ALREADY HAVING AN IMPACT:

- ▶ LOW SULFUR RECOVERY AT PEMEX REFINERIES: 1% AT TULA, 2% AT SALINA CRUZ, 4% AT MINATITLAN, 6% AT SALAMANCA, 13% AT MADERO AND 26% AT CADEREYTA.
- ▶ THE NATIONAL ELECTRICITY SYSTEM FACES RISKS: THE TERMINATION OF SELF-SUPPLY CONTRACTS, THE 54% MINIMUM MARKET SHARE OF CFE, CLIMATE CHANGE AND LOW HYDROELECTRIC GENERATION.
- ▶ PEMEX BURNS AND VENTS MORE NATURAL GAS. IN 2022, UNTAPPED NATURAL GAS WAS 137% HIGHER THAN IN 2018. IS THE 7TH COUNTRY THAT BURNS THE MOST, DESPITE ITS LOW PRODUCTION.
- ▶ IN 2020-21, ENERGY SECTOR INVESTMENT IN FOSSIL FUELS WAS 82% (8.7 BILLION DLS) IN MEXICO. IN 38 SELECTED COUNTRIES IT WAS HALF, 41%.
- ▶ IN 2021 DEATHS CAUSED BY AIR POLLUTION IN MEXICO WERE 50,100. 41,700 ATTRIBUTABLE TO POLLUTION BY PM_{2.5}. 35,700 HOMICIDES WERE COMMITTED THAT YEAR.
- ▶ WITH THE DISAPPEARANCE OF THE INECC, THE LAST NATIONAL AIR QUALITY REPORT (2021) WAS PRESENTED WITH A DELAY OF ALMOST THREE YEARS.

Legacy: severe emphasis on fossil fuels in energy policy jeopardizes health and future.



9.4 Water scarcity, social and economic implications



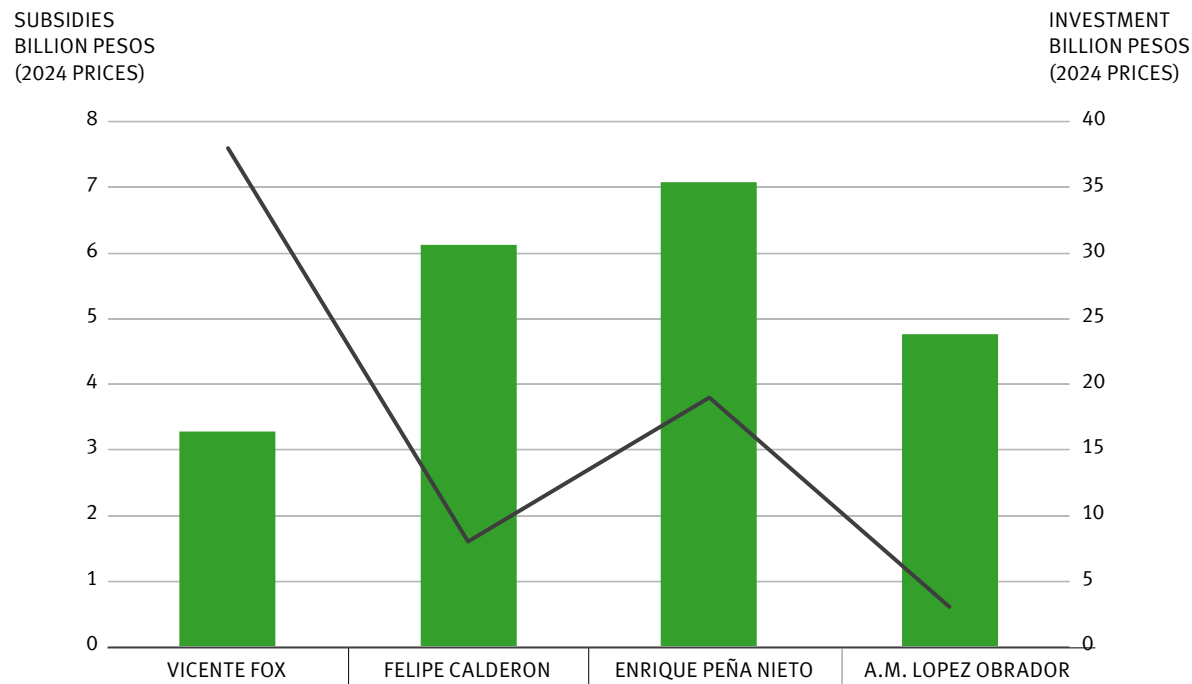
Investment in water supply and sanitation infrastructure continued the trend that began at the end of the Peña administration. The expansion of sanitation capacity was far from the needs of a supposedly expanding economy. In the face of various natural phenomena, such as La Niña and El Niño, a large part of the national territory was compromised, to a greater or lesser extent by the biggest drought in a decade. Estimates are not encouraging; if the observed trend continues, many of the country's most productive states will see their economic activity shaken. Additionally, the impact was felt most by middle-income households, which had to allocate a greater part of their expenditure to the provision of drinking water.

DROP IN INVESTMENT AND NEGLECT OF THE SECTOR

The reduction in the budget for environmental care in order to combat climate change was a characteristic of the Lopez Obrador government. However, in the midst of the most severe drought in recent decades, between 2019 and 2023 the investment in infrastructure of the National Water Commission (Conagua, for its name in Spanish) was reduced by 22% with respect to the average investment in the Calderon government and 33% lower than the average of the Peña Nieto administration (Mexico Evalua, 2024) (Graph 9.7).

The reduction in the budget for environmental care in order to combat climate change was a characteristic of the Lopez Obrador government.

**GRAPH 9.7 AVERAGE CONAGUA INVESTMENT AND SUBSIDY SPENDING
BY FEDERAL ADMINISTRATION FOR THE SAME GOVERNMENT PERIOD
(FIVE YEARS) (2024 BILLION PESOS)**



Source: In-house elaboration with information from Mexico Evalua (2024).

For the same five-year period, the average expenditure per year by Lopez Obrador was 631 million pesos, lower by 92%, 60% and 83% compared to those by the Vicente Fox, Felipe Calderon and Peña Nieto governments, respectively (Mexico Evalua, 2024).

The consequences of such neglect in the sector are reflected in "

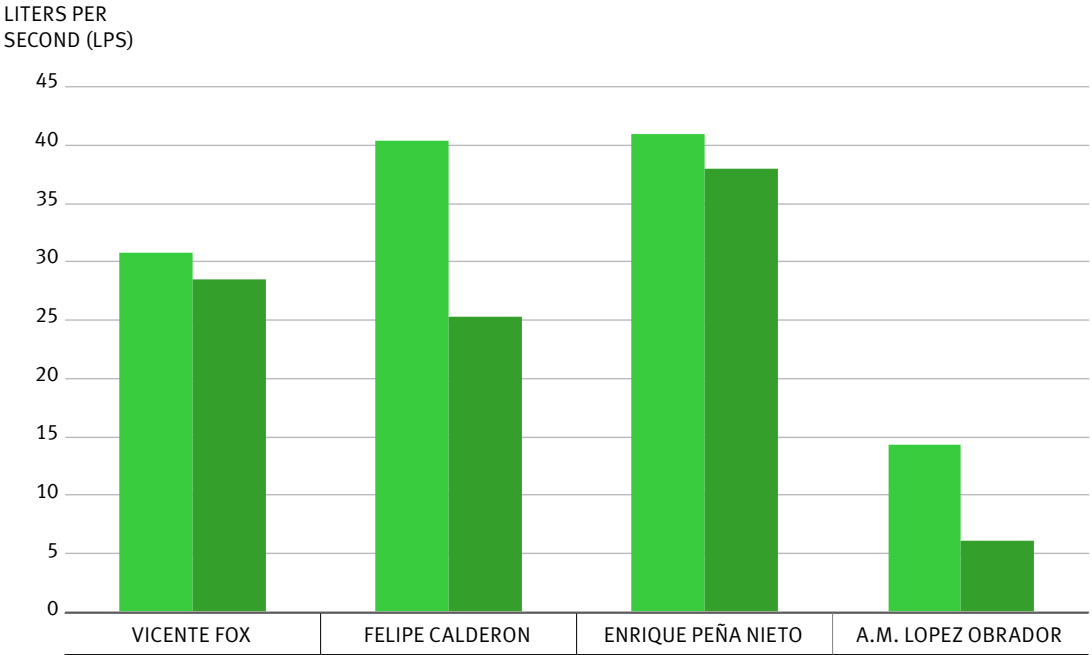
a drop in the rate of growth in the treatment, disinfection and supply of drinking water, an increase the number of homes with intermittent water supply, and an increase in the expenditure that households have to pay to receive fewer and fewer services (Mexico Evalua, 2024).

Additionally, the resources provided by the government to the Water Commissions of the states also declined. For the same five-year period, the average expenditure per year was 631 million pesos, lower by 92%, 60% and 83% compared to those by the Vicente Fox, Felipe Calderon and Peña Nieto governments, respectively (Mexico Evalua, 2024).

By 2022, the growth in the installed capacity of municipal wastewater treatment plants was also the lowest in the last four administrations. While in Fox's it was 45% (30,794 liters per second), in Lopez Obrador's it was 14,385 liters per second (Mexico Evalua, 2024). This growth is the lowest, both in absolute and relative terms, marking a notable deceleration.

The drop in installed capacity was accompanied by a negative variation in the number of water treatment

GRAPH 9.8 INSTALLED CAPACITY OF MUNICIPAL WASTEWATER TREATMENT PLANTS AND TREATED WATER FLOW (LPS) (VARIATION WITH RESPECT TO THE END OF THE PREVIOUS ADMINISTRATION) FIVE YEARS



Source: In-house elaboration with information from Mexico Evalua (2024).

*Lopez Obrador's data are as of 2022, so they should be considered preliminary.

By 2022, the growth in the installed capacity of municipal wastewater treatment plants was also the lowest in the last four administrations.

plants in operation. From the beginning of Lopez Obrador's administration until the end of 2022, only 23 water treatment plants were put into operation. With Peña Nieto, Calderon, and Fox, 266, 208 and 155 more plants were put into operation (Mexico Evalua, 2024) (Graph 9.8).

The lack of infrastructure is reflected in the shortage of potable water, reflected by the frequency with which households receive it. Between 2018 and 2022 the number of homes where water arrived every third day grew by 17.8% (899,292 homes more). The situation is more critical for homes where water is provided once a week; in the same four years, this group grew by 31% (711,712 homes) (Mexico Evalua, 2024).

Between 2018 and 2022 quarterly household spending on water services increased by 3.0% (12.5 2024 pesos) in real terms. It impacted middle-income households the most. Quarterly spending for deciles V and VI grew by 39.2 pesos (10.7% more) and 33.2 pesos (7.9%), respectively. The least severe impact was received by households with the lowest (deciles I to IV) and highest (deciles IX and X) income. In particular, decile IV registered a drop in spending of 10.7% (38.1 pesos) and decile IX one of 1.3% (8.5 pesos) (Mexico Evalua, 2024).

The intermittency of potable water services in homes, largely generated by the lack of investment in infrastructure, has impacted households' pockets. Between 2018 and 2022, their quarterly spending on water services increased by 3.0% (12.5 pesos) in real terms, hitting middle-income households the most.



Image: "Mexico City's water battle enters political campaign" at <https://elpais.com/mexico/2024-02-19/la-batalla-por-el-agua-en-ciudad-de-mexico-entra-en-campana-politica.html>

WATER SHORTAGES AND SOCIAL AND ECONOMIC (IN)STABILITY¹⁹

A recurring problem for companies and households is the shortage of drinking water. In 2021, Mexico faced the most severe drought episode since 2012. In recent years the proportion of territory affected by drought has increased, with the north and center-north regions being the most affected. In particular, in May 2018, 7% of Mexico's municipalities, in 11 states, presented drought levels in the emergency category. By September 2019, this number rose to 18% in 18 states, while by May 2021 it was 35% in 23 states. Likewise, by July 2022, 19 states had at least one municipality in a state of emergency, with Coahuila, Baja California, Chihuahua, Baja California Sur and Sonora being the most affected by extreme and exceptional droughts (ICC Mexico, 2023).

According to Banxico, the greater geographic extension of droughts has implied that a higher percentage of economic activity is carried out in regions with more arid conditions and reduced water supply. Thus, in May 2018, it is estimated that 61.4% of GDP was

produced in some municipality that was not compromised by drought, while 22.1% was in a municipality with some degree of drought and 14.5% in one facing an emergency situation. By May 2021, the proportion of GDP not compromised had fallen to 24.3%, the respective proportions that could be impacted by drought and by a state of emergency increased to 54.4% and 42.9% (Banxico, 2022).

Considering three hypothetical scenarios of extreme impact, where all municipalities in the north and central-east regions (those more prone to droughts) face severe, extreme or exceptional drought for one month, the total respective effect on GDP would be a fall of 0.31%, 0.45% and 0.56%, with the steepest losses in manufacturing (0.22%, 0.32% and 0.39%) (Banxico, 2022), followed by the agricultural sector with a little more than a quarter of the total loss. According to S&P Global Ratings, 11 of Mexico's 32 states already face a high water stress. Those with the highest exposure are Aguascalientes, Baja California, Baja California Sur and CDMX (S&P Global Ratings, 2023) (Graph 9.9).

In 2050, under a moderate-emissions climate scenario, the number of states exposed to a high Water stress increases by nine if measures are not taken:

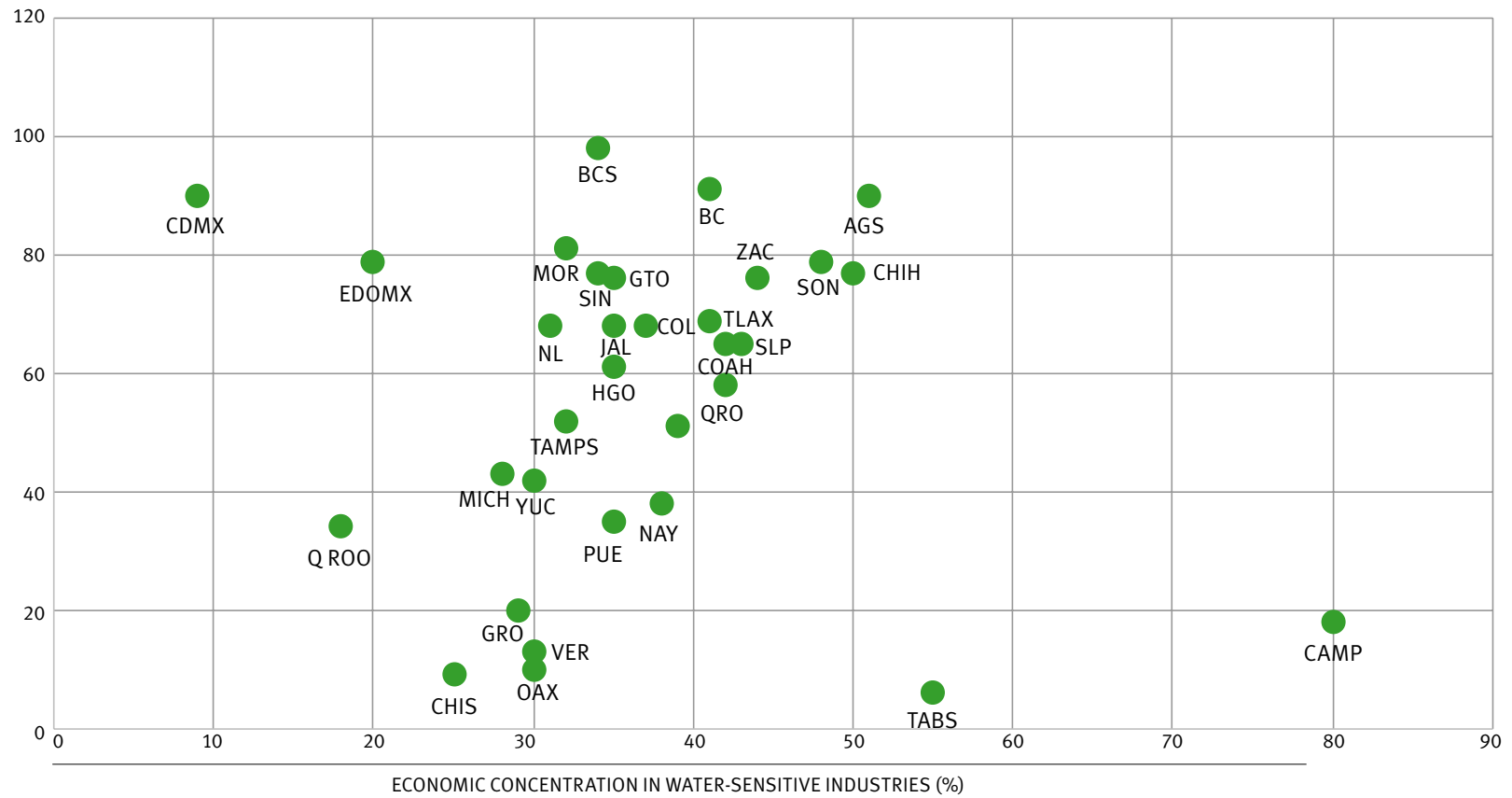
In 2018, 22.1% of GDP was produced in municipalities that had some degree of drought, and 14.5% faced a state of emergency.

By 2021, production in municipalities potentially facing some drought or an emergency situation increased to 54.4% and 42.9%, respectively (Banxico, 2022).

¹⁹ This section is an excerpt from the report "Mexican economy under review", prepared by Vital Signs in 2024. It remains valid as at the time it was used to size up the main obstacles to attracting investment in a context of geopolitical reordering.

GRAPH 9.9 ECONOMIC SENSITIVITY TO WATER SCARCITY BY FEDERATIVE ENTITY

CURRENT AVERAGE
WATER STRESS 2020–2030



Source: In-house elaboration with information from S&P Global Ratings (2023).

11 of the 32 states are already facing high water stress. Those with the highest exposure are Aguascalientes, Baja California, Baja California Sur and CDMX (S&P Global Ratings, 2023).

Nuevo Leon, Tamaulipas, Coahuila, San Luis Potosi, Queretaro, Tlaxcala, Hidalgo, Colima and Jalisco (S&P Global Ratings, 2023). Also, five of the 11 states with the greatest exposure to water stress have a high economic concentration in water-sensitive industries (above 40% and in order of importance): Aguascalientes, Chihuahua, Sonora, Zacatecas, and Baja California (S&P Global Ratings, 2023). The rating agency identified only six states with low exposure to water stress in this decade, and likely to remain so until 2050, even without adaptation measures: Chiapas, Oaxaca, Guerrero, Campeche, Veracruz, and Tabasco²⁰ (S&P Global Ratings, 2023).

The S&P study has four conclusions of great relevance:

1. An economy focused on water-sensitive sectors, particularly in arid regions, could face increased costs associated with ensuring the availability of water resources to support the growth of these sectors whilst also addressing the potential weakening of economic activity.
2. Since water is a critical input for certain manufacturing processes, frequent water supply interruptions can affect investment decisions and cause

²⁰ The scenarios do not consider possible changes in the social and economic structures of the six states, such as increased prosperity, which could increase water use.

the relocation of water-sensitive industries to less exposed regions.

3. As tensions over water resources increase, risks to local and regional governments include a deterioration in economic growth and public finances, as well as interruptions in water supply to the population that could lead to social unrest or migration. These factors could put pressure on federal and local governments to implement costly emergency measures, which would weaken their financial performance.
4. As exposure to water stress increases, economic growth could be slowed among vulnerable states. High exposure to water stress could also intensify political and economic pressures to increase water-related expenditures.

It should be clarified that the cases of Baja California and Sonora have a different nuance than other states. To a large extent, the supply of drinking water in both depends on the inflow from the Colorado River basin (United States)²¹, which has reduced its volume

²¹ The distribution of water volumes between Mexico and the United States is regulated by the International Water Treaty, signed on February 3, 1944. This binational accord guarantees Mexico the annual delivery of 1,850.23 hm³ of water, of which 1677.54 hm³/year (90.7%) is delivered in the North International Boundary, at Morelos Dam, and 172.69 hm³/

for a variety of reasons, including over-concession of water, vulnerability to climate change, and anthropogenic alteration of the water cycle²²(IMTA, 2020). In the last two years, the combined storage of Glen Canyon (Lake Powell) and Hoover (Lake Mead) dams has been at historic lows²³ of less than 40%. In March 2023, they reached the lowest on record (24.6%) (15,295 Mm³), even lower than the storage of Lake Powell one year after its filling in 1964 (20,500 Mm³) (CILA, s.f.).

The problem is not recent. In 1999 both dams reached 92% of storage (CILA, s.f.b) and storage has been reduced considerably since then.

According to specialists consulted by Vital Signs, the reduction will continue. It is estimated that river levels will fall between 19% and 31% by 2065, so a future with a high risk of water scarcity is possible (IMTA, 2020). This has led to savings and reductions for the U.S. and Mexico. In 2023 alone, about 761 mi-

year (9.3%) in the South International Boundary, through the Sanchez Mejorada Canal, in San Luis Rio Colorado, Sonora.

²²The river's hydrology is controlled by a series of 48 large dams and reservoirs that harness water for economic development of cities within and outside the basin.

²³These lakes are the two most important reservoirs for capacity and operation in the Colorado River Basin.

llion cubic meters (Mm³), 514 Mm³ in reductions to the Lower Basin states in the U.S. and 247 Mm³ in savings, and 128 Mm³ (86 Mm³ in reductions and 42 Mm³ in savings), respectively (CILA, s.f.b).

In 2024, Mexico's allocation was reduced by 62 Mm³ and, in addition, will contribute 37 Mm³ of recoverable water savings, resulting in a total decrease of 99 Mm³ in deliveries. Likewise, deliveries to Lower Basin users in the U.S. will decrease by a total of 658 Mm³. As a result of these reductions, Colorado River water deliveries will be reduced by 6.8% of the normal total allocation to Lower Basin users in both countries (CILA, 2023). Of the total annual volume received by Mexico, 88.31% is for agricultural use, for crops in Irrigation District 014 (RD 014)²⁴, another 3.53% is for industrial use and 0.87% has urban public use (IMTA, 2020).

Although RD 014 has significantly boosted its productivity in recent years (between 2011 and 2018 the yield per hectare increased 12.8%), resulting from the growth in production (6.2% more), both the area

²⁴According to the Mexican Institute of Technology that water district is perhaps the only one in Mexico that has an assured water supply regardless of the climatic or drought conditions prevailing in the region. This district has a physical surface area of 204,000 ha, with 190,000 irrigated, about 66% with surface water and 34% with groundwater.

planted and harvested maintain a downward trend (5.8% less in the period) (IMTA, 2020), so it would have to be evident, given the urgency and the quasi-monopsony of demand, the investment in water infrastructure in the region, mainly in technology that increases agricultural efficiency.

So it would have to be evident, given the urgency and the quasi-monopsony of demand, the investment in water infrastructure in the region, mainly in technology that increases agricultural efficiency.

THE LEGACY: disincentives for future investments in manufacturing other than fossil fuels in the north

The world has experienced an unprecedented period of drought and high temperatures. Mexico was no exception. Water scarcity became evident due to the deterioration of infrastructure and amounts of fixed investment in drinking water and sanitation. The dependence of states on federal resources was also evident. The areas most exposed to future water shortages are where economic activities are intensive in its use and also where the level of water stress has increased. Moreover, the fragility of subnational finances has placed several states in the north and central-north regions in a complex situation.

CONCLUSIONS

Lopez Obrador's administration was focused on meeting certain objectives that are clear in light of the evidence. Three stand out: the increase in oil refining capacity at any cost, the construction of massive passenger transportation projects, the Maya Train the most important, and the implementation of social programs with clientelistic purposes and dissociated from the care, conservation and protection of the environment.

Their implementation and execution meant the disarticulation of environmental policy from energy policy. To achieve that, it was necessary to weaken the institutions that guaranteed that the scaffolding would function correctly and based on incentives aimed at complying with international commitments. Lopez Obrador took it upon himself to destroy those mechanisms.

Institutional weakening occurred through three channels: institutional, budgetary and organizational. Many of these mechanisms were intertwined in such a way that the dismantling policy was quite evident. In the eyes of Lopez Obrador and, most likely, of the interests created around the megaprojects, environ-

mental care represented the greatest threat. It was not only about the Maya Train. In the shadow of the environmental destruction generated by this development, other phenomena were hidden that also damaged the environment, most probably to a greater extent. Private interests surrounding the project have possibly generated even more deforestation. On the other hand, according to specialists in the field, the train is much more invasive and aggressive, and there will be no way to recover what has been lost.

The energy policy, radicalized towards the end of the administration, reveals the lack of technological and human capacities of the SNR (without considering Dos Bocas and Deer Park). These shortcomings are generating pollution levels not seen in decades. This policy implied, as has been pointed out, reducing the capacities of the State so that Mexico would continue to internalize oil instead of exporting it. To date, and as we estimated, this policy yielded its first results, which seemed encouraging²⁵, but Lopez Obrador did not seem to be interested in environmental costs or public health (negative externalities).

Lopez Obrador's term was marked by the most se-

²⁵ As noted in the energy section, the level of economic activity in industrial transformation has been driven to some extent by increased activity in the country's refineries.

Lopez Obrador's administration was focused on: the increase in oil refining capacity at any cost, the construction of massive passenger transportation projects, and the implementation of social programs with clientelistic purposes and dissociated from the care, conservation and protection of the environment.

vere drought in the last decade, which turned out to be extremely prolonged. CFE added further pressure to the water shortage by emptying dams to generate electricity and pretend the government was the main producer of clean energy. Due to the lack of investment in hydraulic infrastructure, the viability of various economic activities was put at risk. This limitation mainly affected the economies of the northern and central-northern regions. Additionally, industry in the north will be faced with the limitations imposed by greater water rationing from the United States.

In the midst of this avalanche of interests, the judiciary and several organizations of civil society were the main obstacle to the implementation of the government's strategy. Judicial decisions were decisive for this branch of government to become the main enemy of Lopez Obrador. Although a project such as the Maya Train has fallen into illegality, the damage had already been done for the entities in charge of enforcing the law.

In the midst of this avalanche of interests, the judiciary and various civil society organizations were the main obstacle to the implementation of the government's strategy.



LEGACY 4. WATER SCARCITY, SOCIAL AND ECONOMIC IMPLICATIONS

WATER IS AN INDISPENSABLE RESOURCE AND REQUIRES SUBSTANTIAL INVESTMENT:

- ▶ CONAGUA'S INVESTMENT IN INFRASTRUCTURE WAS 22% LOWER THAN THAT OF FELIPE CALDERON, AND 33% LESS THAN THAT OF PEÑA NIETO.
- ▶ FEDERAL RESOURCES TO STATE WATER COMMISSIONS ALSO DECLINED: THE AVERAGE ANNUAL EXPENDITURE WAS 631 MILLION PESOS, LOWER BY 92%, 60% AND 83% COMPARED TO VICENTE FOX, FELIPE CALDERON AND PEÑA NIETO ADMINISTRATIONS.
- ▶ IN 2022, THE GROWTH IN INSTALLED CAPACITY OF MUNICIPAL WASTEWATER TREATMENT PLANTS WAS THE LOWEST IN THE LAST FOUR FEDERAL ADMINISTRATIONS.
- ▶ 11 OF MEXICO'S 32 STATES FACE HIGH WATER STRESS; THE STATES WITH THE GREATEST EXPOSURE ARE AGUASCALIENTES, BAJA CALIFORNIA, BAJA CALIFORNIA SUR AND MEXICO CITY.
- ▶ UNDER A MODERATE EMISSIONS CLIMATE SCENARIO, THERE WILL BE NINE MORE STATES EXPOSED TO HIGH WATER STRESS.
- ▶ FREQUENT WATER SUPPLY INTERRUPTIONS AFFECT INVESTMENT DECISIONS, LIMIT ECONOMIC GROWTH, DETERIORATE LOCAL PUBLIC FINANCES AND LEAD TO SOCIAL UNREST OR MIGRATION.

Legacy: growing water stress due to lack of planning and investment puts society and the economy at risk.





10 THE LEGACY IN FOREIGN POLICY

10.1 The legacy of Lopez Obrador in Foreign Policy



Foreign policy during Lopez Obrador's government was characterized, broadly speaking, by growing international isolation, seeking closeness with Latin American governments of the (radical) left while trying to maintain cooperation with the United States. During his entire term, Lopez Obrador made only seven trips abroad (compared to 85 for Enrique Peña Nieto and 76 for Felipe Calderon), which shows that foreign policy was not one of his priorities. On the contrary, from the beginning of his term, he made it clear that Mexico's foreign policy would be governed by the Estrada Doctrine principle of "non-intervention" (Milenio, 2024) and would not allow any foreign inter-

fering. With this, he also maintained throughout his term that "the best foreign policy is domestic" (Gobierno de Mexico, 2023b), which ultimately resulted in an international legacy that left much to be desired, given the important and respected role Mexico played in the world in recent decades (Table 10.1).

However, despite his narrative of non-intervention, the president himself on several occasions caused controversy for his statements and actions regarding international issues. This shows the inconsistency of Lopez Obrador as part of his legacy across all areas of his government.

Lopez Obrador's administration was characterized by a growing international isolation, seeking closeness with leftist Latin American governments and cooperation with the United States.

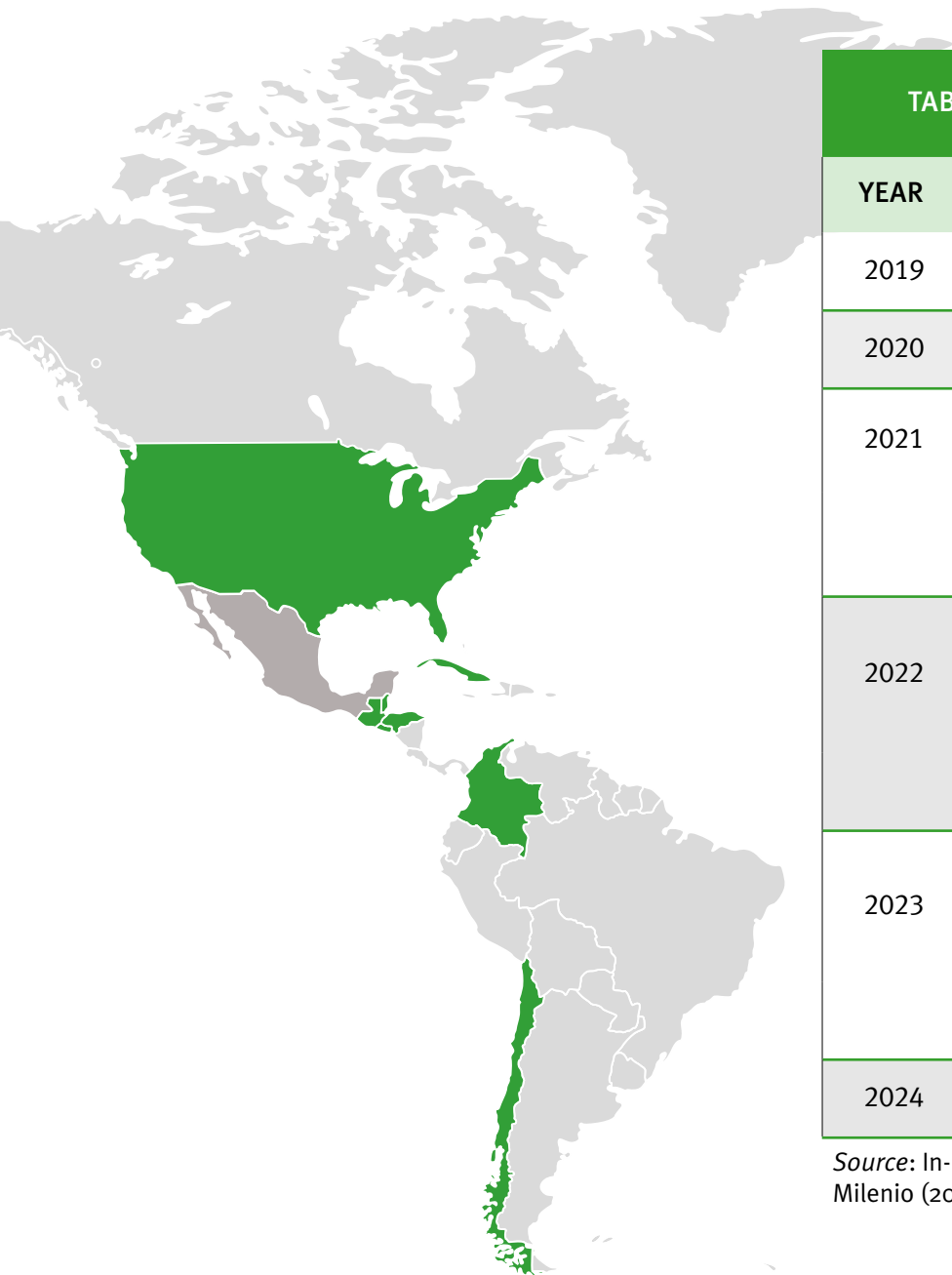


TABLE 10.1 LOPEZ OBRADOR'S FOREIGN TRAVELS BETWEEN 2018 – 2024

YEAR	COUNTRY	MOTIVO
2019	No travel	
2020	United States	Meeting with president Donald Trump
2021	United States	Participation in the United Nations Security Council
	United States	Participation in the North America Leaders
2022	Gira a Guatemala, El Salvador, Honduras, Belice y Cuba	Meetings with presidents
	United States	Meeting with president Joe Biden
2023	Gira a Chile y Colombia	Meetings with presidents and participation in the commemoration of the 50th anniversary of the coup d'état against Salvador Allende
	United States	Participation in the APEC Summit
2024	No travel	

Source: In-house elaboration with information from Alvarez (2023), Hernandez (2023) and Milenio (2024).

Among the controversies that arose in his administration, the following stand out:

- » In 2019 he offered political asylum to former president Evo Morales, spending 1.4 million pesos on his transfer from Bolivia to Mexico (Ramírez, 2020).
- » In 2022, he conditioned his participation in the IX Summit of the Americas, held in Los Angeles, to be attended by Cuba and Venezuela. He did not attend (El Universal, 2022).
- » In the same year, he called the European Parliament Members (MEPs) "sheep" in reaction to EU concerns about the situation of journalists and human rights defenders in Mexico (El País, 2022).
- » Throughout his term, Lopez Obrador voiced his dissatisfaction with Spain for historical and economic reasons, which culminated in the imposition of a "pause" in relations from 2022. All of his term he demanded an apology from the king for the atrocities committed during the conquest, which was rejected by Spain (Esquivel, 2024).
- » In 2024 he sued Ecuador before the Tribunal International Court of Justice of the United Nations for the assault on the Mexican Embassy where fugitive Jorge Glas had sought refuge.
- » In the same year paused relations with the U.S. and Canadian ambassadors because of statements by



Image: "Evo Morales arrives at Mexico as political exile" at <https://www.cibercuba.com/noticias/2019-11-12-u157374-e157374-s27061-evo-morales-llega-mexico-exiliado-politico>

diplomats against the proposed reforms to the judiciary (Raziel, 2024).

The so-called diplomatic "pauses" were a fixture in the government's foreign policy, which did not have the expected impact, nor the true protocolary meaning of a pause. They responded to the president's capriciousness and have been taken more as a misdirected outburst than as an important diplomatic conflict. Pausing relations represents an invention of presidential diplomacy in Mexico (Maihold, 2024). Although the president has the power to conduct the country's foreign policy, the decisions to pause relations were made abruptly by means of letters or, more strikingly, statements in a morning press conference. In addition, by not consulting the Foreign Relations Secretariat, the president's actions showed again how he centralized power, even on issues that did not seem to be his priority. Finally, Lopez Obrador used the defense of national sovereignty to justify his attacks against other countries and impose pauses. Apparently, this narrative helped him to gain support within Mexico to carry out his political actions (Maihold, 2024).

MEXICO AND THE U.S. –A RELATIONSHIP WITH LIGHTS AND SHADOWS

Lopez Obrador's first trip as president outside Mexico was to the U.S. in 2020. In total, the president made five trips to that nation, clearly showing which was the most important bilateral relationship for his government. In economic terms, Mexico has become the main trading partner of the US. In the first two months of 2024 alone, Mexico exported goods worth 78.29 billion dollars to the U.S., 7.7% more compared to the same period of 2023 (Suarez, 2024). In August 2024, a few weeks before the end of the term, data show that exports maintained that trend, totaling 43.75 billion in a single month (INEGI, 2024). Although experts indicate that the increase in Mexico's exports to the U.S. is largely due to the trade war with China, Mexico, as a USMCA party, is undoubtedly in a privileged position, which underscores the importance of the relationship with the U.S., also in terms of Mexico's economic growth.

However, the bilateral relationship was marked by ups and downs, with the issues of migration and drug trafficking setting the bilateral agenda. The most substantial differences were undoubtedly caused by irregular migration to the United States, which led to

Mexico has become the main trading partner of the United States. In the first two of 2024 alone, Mexico exported goods worth 78.29 billion dollars to the U.S., an increase of 7.7% compared to the same period of 2023 (Suárez, 2024).

exigences and the rethinking of U.S. immigration policies, which in turn forced Mexico to tighten its immigration policy.

Security was also an important part of the bilateral agenda. The illegal trafficking of arms and cross accusations about fentanyl production further complicated the relationship (Taracena, 2024). The security issue generated even more distrust. With a growing crisis of fentanyl deaths in the United States, the Trump government increased its pressure on Mexico from the beginning of Lopez Obrador's administration. By 2021, in an attempt to reduce tensions, the Bicentennial Understanding was established with the Biden administration to address bilateral challenges. However, it failed to reduce the estrangement on security issues. A clear example of this was the reduction in U.S. support for International Narcotics Control and Law Enforcement, which dropped from 100 million dollars in 2021 to an estimated 48 million by 2023 (Dominguez Castro, 2024).

Migration and drug trafficking were the most important, but other issues colored the bilateral relationship. In 2023 Lopez Obrador asked for the return of financial resources that USAID had granted to Mexican civil society organizations critical of his govern-

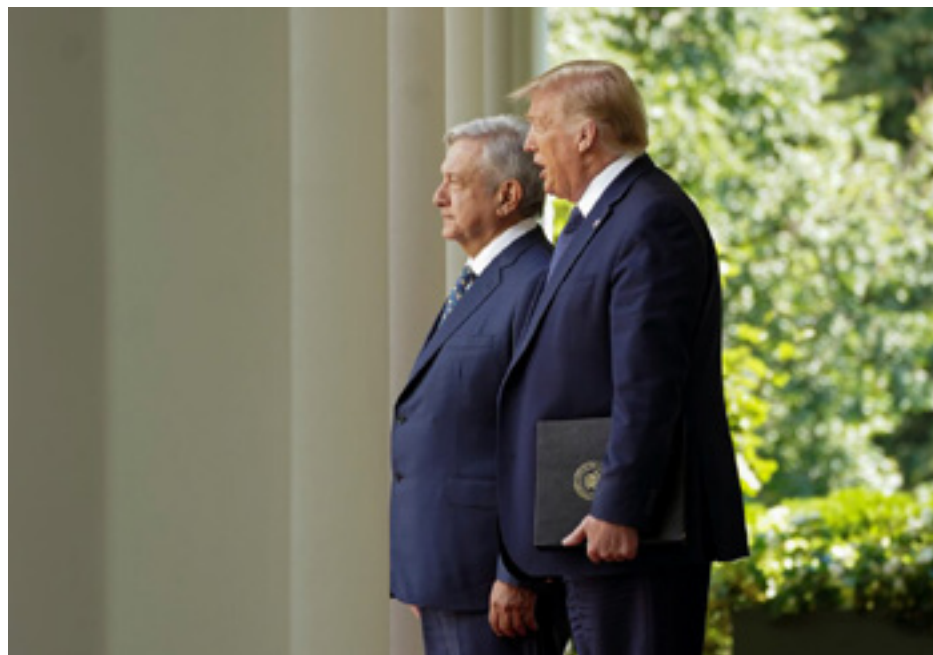


Image: President Trump and Lopez Obrador in Washington at <https://www.reuters.com/world/americas/mexican-president-send-letter-donald-trump-about-migration-economic-links-2024-07-19/>

ment. The Agency announced that by 2024 it would increase its financial contribution from 50 to 60 million dollars, which Lopez Obrador claimed was an "interventionist" act (Carrillo, 2023). Already in the twilight of his presidency, in August 2024 the president again criticized the Biden administration for allegedly funding organizations such as Mexicans Against Corruption and Impunity (Forbes, 2024). By the end of his term, Lopez Obrador had received

no response from his U.S. counterpart. What these actions showed, outside of regulations and charged with his own emotions, were his constant attempts to control the narrative and, under the argument of national sovereignty, not to allow critical voices of his administration. All this regardless of how his demands and actions could affect Mexico's external image and its relations with important partners in the world.

Adding to these controversies, in July 2024, FBI and DEA agents arrested one of the main leaders of the Sinaloa Cartel, Ismael Zambada "El Mayo," prompting strong reactions from Lopez Obrador, who declared the apprehension an illegal act as his government had not been previously informed. In line with this narrative, Lopez Obrador proceeded to blame the U.S. for the wave of violence in Sinaloa following the arrest (Camhaji, 2024). As noted earlier in this report, López Obrador's narrative is another example of how the president has sought to disavow responsibility for the growing insecurity, but also of how he has damaged relations with the United States throughout his term in office. This action culminated a few days before the close of Lopez Obrador's term, when the president declared a pause between Mexico and the U.S. and Canadian embassies, following criticism



Image: Mayo Zambada is arrested at <https://forbes.com.mx/adelantan-audiencia-del-mayo-zambada-en-nueva-york-y-sera-tras-la-sentencia-de-garcia-luna/>

from their diplomats regarding his proposed judicial reform. This undoubtedly represents not only an unprecedented moment in the historical relations between Mexico and its two North American partners, but also closed López Obrador's term in office with a decomposed bilateral relationship and a worrisome legacy for Mexico's most important relationship.

In July 2024, FBI and DEA agents arrested one of the main leaders of the Sinaloa Cartel, Ismael Zambada "El Mayo," prompting strong reactions from Lopez Obrador, who declared the apprehension an illegal act as his government had not been previously informed.

MEXICO AND LATIN AMERICAN GOVERNMENTS –IDEOLOGICAL FRIENDSHIPS

As evidenced in the controversies in which the president was involved throughout his term, his support for left-wing Latin American governments, in several cases anti-democratic ones, was also a fixture of his foreign policy. His government undoubtedly changed many political paradigms both because of the constant outbursts in his international policy decisions and because of his ideological orientation, centered, at least in discourse, on the almost radical left (Taracena, 2023). During the period, Mexico's relationship with Cuba and Venezuela stands out. Here are some examples of how support for both countries were a constant.

In 2023, Lopez Obrador decorated Cuban President Miguel Diaz-Canel with the Order of the Aztec Eagle, the highest distinction awarded by the government to foreigners for services rendered to Mexico or Humanity (Gonzalez, 2023). Between 2023 and March 2024, Mexico exported 7.0 million barrels of crude oil to Cuba (Usla, 2024).



Image: "Lopez Obrador decorates Diaz Canel with the Order of the Aztec Eagle" at <https://www.cibercuba.com/noticias/2023-02-12-u1-e207888-s27061-lopez-obrador-condecora-diaz-canel-orden-aguila-azteca>

There is no official information on whether the oil was sold or donated. Experts indicate that these shipments were made in exchange for the sending to Mexico of Cuban doctors and nurses, a program promoted by Lopez Obrador since 2022 (Gobierno de Mexico, 2023). The relationship with Cuba has had implications for Mexico's relationship with the United States. Because of the oil shipments, the U.S. government cancelled a credit for 800 million dollars for Pemex from its Export-Import Bank (Eximbank) (Muñoz, 2023). According to journalistic information, Pemex was also inscribed on the Eximbank's "black list", with which the bank will restrict the granting of loans. There is no official information on whether this sanction was lifted in 2024 (Diario de Yucatan, 2023).

Between 2023 and March 2024, the government exported 7 million barrels of crude oil to Cuba (Usla, 2024). There is no official information on whether the oil was sold or donated.

In the case of Venezuela, Lopez Obrador attempted to seek an amicable relationship with Nicolas Maduro. Following the post-electoral crisis in Venezuela in 2024, Mexico maintained an ambivalent stance on whether to recognize the election results and joined Brazil and Colombia in requesting their verification. With this, the three governments offered a space for dialogue and negotiation, although not before criticizing the OAS for declaring the elections fraudulent (Animal Politico, 2024). However, a few days later, Mexico withdrew its participation in the supposed negotiating table, alleging the principle of non-intervention. This again caused disagreement with the U.S. who had applauded Mexico's positive role in the Venezuelan crisis (Muñoz de Cote, 2024).

It is important to note that ties with the governments of Cuba and Venezuela, as well as on some occasions with Nicaragua, have generated tensions with other leftist governments such as Brazil and Chile.

However, as it did with domestic policy, Mexico sidelined or ignored those that did not coincide with, criticized or confronted its government. Clear examples were the tense relations with other Latin American countries such as Ecuador, Argentina or Peru. Lopez Obrador did not hide his closeness to antidemocratic

governments and his actions have been contradictory to his narrative of non-intervention. These discrepancies undoubtedly complicated bilateral relations and resulted in a controversial image of Mexico, isolating the country even more (Taracena, 2024).

EUROPEAN UNION –THE FORGOTTEN RELATIONSHIP

The emphasis on rapprochement with radical left-wing governments in Latin America and the constant struggle to maintain cooperation with the United States resulted in the government's neglect and improvisation in its relations with Europe.

Mexico and the European Union (EU) established diplomatic relations in 1960. The relationship was formalized in 1975 with the signing of the first cooperation agreement (Gobierno de Mexico, 2024). To this day, the continent represents a crucial area for economic development and cooperation. The EU is Mexico's third largest trading partner and its second largest net investor, only after the United States (El Financiero, 2024). Mexico is also one of the two countries in Latin America (the other is Chile) with which the European Union has forged a so-called Global Agreement ("Economic Partnership, Political Coordination and

Following the post-electoral crisis in Venezuela in 2024, Mexico maintained an ambivalent stance on whether to recognize the results and joined Brazil and Colombia in calling for their verification.

Cooperation Agreement") since 2000, establishing a regular dialogue between the EU and Mexico. The Agreement includes areas of cooperation in trade, political, human rights and environmental issues, among others (Union Europea, 2000).

Negotiations with Mexico on the modernization of the EU-Mexico Global Agreement began in June 2016 and a political agreement was reached in 2018. However, due to a lack of strategy from the Mexican government to push for ratification in EU countries and comments from the EU in the areas of human rights and energy, no progress was made on updating the agreement until the end of López Obrador's term. The fact that he made no trips to Europe at all during his administration added to the image that the relationship had a low priority.

Moreover, the president did not skimp on criticisms and disqualifications towards EU acts. The most striking case was his confrontation with King Felipe VI of Spain, resulting in one of his so-called diplomatic "pauses". This confrontation continued with López Obrador's successor, Claudia Sheinbaum. She refused to invite the king to her inauguration on October 1st (as expected, being Spain's Head of State).

Mexico is one of the two countries in Latin America (the other is Chile) with which the European Union has maintained a comprehensive agreement since 2000, establishing a regular political dialogue between the EU and Mexico. The Agreement includes areas of cooperation on trade, political, human rights and environmental issues, among others (European Union, 2000).

The Spanish government rejected an invitation solely addressed to the head of government, President Pedro Sanchez.

The EU, for its part, has not hidden its concerns about the López Obrador administration. In 2022, the European Parliament condemned López Obrador by means of an urgent resolution for his frequent use of populist rhetoric in his morning press conferences to denigrate and intimidate independent journalists, media owners and activists (European Union, 2022).

In 2024, the EU expressed on several occasions its concerns about the risks of violence in the elector-

al campaign. Lopez Obrador's reactions on both occasions were aligned with his narrative against any opinion opposed to his political project, calling the MEPs "sheep" (El Universal, 2022), disqualifying the EU's observations and insisting on the principle of non-intervention.

At the end of the term, official government communiqués reiterated the importance of the Mexican-European relationship (Gobierno de México, 2024b). However, the facts show that it was characterized by turbulences and significant neglect from Mexico. The failure to pursue relations with the EU and the obvious lack of commitment with culturally close countries and with relevant organizations such as the EU resulted in the loss of economic opportunities and unnecessary diplomatic tensions. Added to the mishandling of history, Lopez Obrador's legacy leaves a damaged image of Mexico in the European sphere (Taracena, 2024).

INTERNATIONAL ORGANIZATIONS AND FORUMS –ABSENCE AND FURTHER ISOLATION

Another critical aspect of Lopez Obrador's foreign policy was his limited participation in international meetings. During his term he attended only three: the UN Security Council (2021), the IX North American Leaders Summit (2021) and the APEC Heads of Government Summit (2023). On all other occasions, he sent the respective Foreign Affairs Secretaries, Marcelo Ebrard and Alicia Barcena, or even his wife, Beatriz Gutiérrez Müller. According to experts, his absence in international fora reflected his preference for a rigorous control over narratives and aversion to less predictable environments, a strategy that limited Mexico's opportunities to project influence and leadership on the international scene (Taracena, 2024).

In the international forums where the president did participate, he used the platform to promote his welfare programs and criticize world powers (El Financiero, 2021). This added to the increasingly blurred image of Mexico as a country on the road to authoritarianism. Considering that Mexico had managed to position itself as an internationally relevant country in recent decades, a member of the G20, OECD and with

In 2024, the European Union expressed on several occasions concerns about the risks of violence in the electoral campaign. Lopez Obrador's reactions were to disqualify the remarks and call the MEPs "sheep" and insist on the principle of non-intervention.

12 free trade agreements with 46 countries, Lopez Obrador's narrative and actions resulted in a greatly diminished presence at the international level.

CONCLUSION

In foreign policy matters, López Obrador's legacy can be summarized in a blurring of Mexico in the global scene. Remaining absent from multilateral fora while reaching out to anti-democratic governments left an unfavorable image of Mexico among the country's traditionally important partners. Lopez Obrador's policy, which seemed to settle issues through close ideologies and complicities, not only represented an incongruence with respect to his non-intervention narrative, but also resulted in a weakening of Mexico's influence in the world.

Lopez Obrador's foreign policy has been characterized as a combination of an attempt to strengthen Latin American solidarity, a selective approach to the U.S., and ideological confrontations, together with a neglect of other regional powers. This distanced Mexico from its traditional allies.

Mexico's foreign policy marked a sharp contrast with its established diplomatic traditions. At the end of Lo-

pez Obrador's term, his strategy left the country in an ambivalent and increasingly isolated position.

Lopez Obrador's foreign policy, which seemed to settle issues through close ideologies and silent complicities, not only represented an incongruity with the non-intervention narrative, but also resulted in the weakening of Mexico's influence in the world.



LEGACY LOPEZ OBRADOR IN FOREIGN POLICY

FOREIGN POLICY WAS CHARACTERIZED BY:	MEXICO'S RELATIONS WITH THE REST OF THE WORLD:
• GROWING INTERNATIONAL ISOLATION. • WEAKENING OF MEXICO'S INFLUENCE IN THE WORLD. • CLOSENESS WITH LATIN AMERICAN GOVERNMENTS OF THE RADICAL LEFT. • ATTEMPTS TO MAINTAIN COOPERATION WITH THE UNITED STATES. • LOPEZ OBRADOR MADE 7 TRIPS ABROAD COMPARED TO 85 BY ENRIQUE PEÑA NIETO AND 76 BY FELIPE CALDERON.	• WITH THE UNITED STATES, THE PREDOMINANT ISSUES WERE: MIGRATION, SECURITY AND TRADE. LITIGATION ON ENERGY POLICIES. • RECORD EXPORTS TO THE U.S., WITH MEXICO AS ITS MAIN TRADING PARTNER, BUT DEFICIT WITH CHINA RAISED SUSPICIONS OF TRADE TRIANGULATION. • MEXICAN IMMIGRATION POLICY IS CONTRARY TO TRADITIONAL PRINCIPLES. • TENSION WITH THE EUROPEAN UNION AND CRITICISM OF THE HUMAN RIGHTS SITUATION IN MEXICO. DISAGREEMENTS WITH SPAIN. • CLOSENESS TO ANTI-DEMOCRATIC GOVERNMENTS IN LATIN AMERICA CAUSED A CONTROVERSIAL IMAGE. • BREAKUP OF RELATIONS WITH PERU AND ECUADOR, CONFLICT WITH BOLIVIA. • PROXIMITY TO CUBA: MEDICAL PERSONNEL FOR OIL: BETWEEN 2023 AND 2024, 7 MILLION BARRELS OF OIL SENT. • AMBIVALENT POSITION TOWARDS THE POST-ELECTORAL SITUATION IN VENEZUELA.

Legacy: Inconsistency of foreign policy and isolationism closes opportunities and international presence.

REFERENCES

<https://www.euroinnova.com/ciencia-de-datos-e-inteligencia-artificial/articulos/fuentes-de-datos>

References



CHAPTER 1

- Aguilar, I. (2024): AMLO entregara informe “que el mismo escribio” a padres de los 43 normalistas de Ayotzinapa el proximo 8 de julio. Available at: <https://www.infobae.com/mexico/2024/07/04/amlo-entregara-informe-que-el-mismo-escribio-a-padres-de-los-43-normalistas-de-ayotzinapa-el-proximo-8-de-julio/>
- Alianza de Medios (2023): “Periodismo, carrera universitaria que va a la baja”. Available at: <https://alianzademediosmx.org/noticias/periodismo-carrera-universitaria-que-va-a-la-baja/1570#:~:text=Segun%20el%20IMCO%2C%20en%20Mexico,carrera%20de%20comunicacion%20y%20periodismo>
- Alvarez, G (2024): “Las implicaciones de la reforma judicial en la justicia penal”. Mexico Unido Contra la Delincuencia. Available at: <https://animalpolitico.com/analisis/organizaciones/seguridad-justicia-y-paz/reforma-judicial-justicia-penal-implicaciones>
- Amarello, I. (2024): “La politica migratoria de AMLO de “puertas abiertas”, atada a EE.UU.” Available at: <https://cnnespanol.cnn.com/2024/04/01/amlo-politica-migratoria-mexico-estados-unidos-analisis-orix/>
- American Immigration Council (2024): “The Migrant Protection Protocols”: An Explanation of the Remain in Mexico Program. Available at: https://www.americanimmigrationcouncil.org/sites/default/files/research/migrant_protection_protocols_2024.pdf
- Angulo, J. (2023): “Andres Manuel Lopez Obrador vs. La Suprema Corte de Justicia”. Nexos. Available at: <https://el-juegodelacorte.nexos.com.mx/andres-manuel-lopez-obrador-vs-la-suprema-corte-de-justicia/>
- Animal Politico (2022): “El Mecanismo de Proteccion para periodistas esta en revision, dice AMLO; titular acusa faltas de autoridades locales”. Available at: <https://animalpolitico.com/2022/01/mecanismo-proteccion-periodistas-revision-autoridades-faltas>
- Animal Politico (2023): “AMLO dice que cifra de desaparecidos es menor a la oficial; confirma actualizacion de censo “casa por casa””. Available at: <https://animalpolitico.com/politica/amlo-cifra-desaparecidos-menor-oficial-actualizacion-censo-casa-por-casa>
- Animal Politico (2023b): “Gobierno reduce censo de personas desaparecidas: localiza a 16 mil, pero omite informar sobre nuevos casos”. Available at: <https://animalpolitico.com/sociedad/gobierno-censo-personas-desaparecidas>
- Animal Politico (2024): “Difunden primer reporte de AMLO a padres normalistas de Ayotzinapa; exculpa al ejercito de su pregunta participacion”. Available at: <https://animalpolitico.com/politica/primer-reporte-amlo-padres-ayotzinapa>
- Animal Politico (2024b): “En el sexenio de AMLO asesinaron a 46 periodistas; agresiones contra la prensa aumentaron 62% respecto al gobierno de Peña Nieto”. Available at: <https://animalpolitico.com/seguridad/periodistas-asesinados-sexenio-amlo-agresiones-prensa>
- Animal Politico (2024c): “Aumenta cifra de solicitudes rechazadas al Mecanismo de Proteccion a Periodistas en el sexenio de AMLO”. Available at: <https://animalpolitico.com/seguridad/mecanismo-proteccion-periodistas-amlo-solicitudes>

- Animal Politico (2024d): “Usted nos traiciono:, responden padres de Ayotzinapa a AMLO”. Available at: <https://animalpolitico.com/politica/respuesta-padres-madres-43-nor-malistas-amlo-primer-informe>
- Animal Politico (2024e): “Mexico si es uno de los paises mas peligrosos para la prensa, aunque AMLO lo nego en la mañanera”. Available at: <https://animalpolitico.com/verificacion-de-hechos/fact-checking/mexico-paises-mas-peligrosos-periodistas-amlo>
- Arista, L. (2023): “Estaciones migratorias: bomba de tiempo y espacios de privacion de la libertad”. Expansion Politica. Available at: <https://politica.expansion.mx/mexico/2023/03/30/estaciones-migratorias-y-espacios-de-privacion-de-libertad>
- Aristegui Noticias (2024): “Localizados 3 mil desaparecidos mas, segun censo del gobierno de AMLO” Available at: <https://aristeguinoticias.com/1803/mexico/localizados-3-mil-desaparecidos-mas-segun-censo-del-gobierno-de-amlo/>
- Articulo 19 (2023): “(Des)informacion oficial y comunicacion social” Available at: <https://articulo19.org/desinformacion-oficial-y-comunicacion-social/>
- Articulo 19 (2024): “Violencia contra la prensa en Mexico en 2023: ¿cambio o continuidad?” Available at: <https://articulo19.org/violencia-contra-la-prensa-en-mexico-en-2023/#:~:text=La%20violencia%20en%202023,del%20ejercicio%20de%20su%20labor.>
- Badillo, D. (2023): “El discurso de odio de AMLO contra la Corte ya esta rebasando limites”. Available at: <https://www.eleconomista.com.mx/politica/El-discurso-de-odio-de-AMLO-contra-la-Corte-ya-esta-rebasando-limites-20230528-0001.html>
- Barragan, A. (2024): “La ONU condena la violacion a los derechos humanos en Mexico”. El Pais. Available at: <https://elpais.com/mexico/2024-01-26/la-onu-condena-la-violacion-a-los-derechos-humanos-en-mexico.html>
- Becerra, R. (2023): “El daño esta hecho - balance y politicas para la reconstruccion” Libros Grano de Sal, primera edicion.
- Bravo, J. (2024): “El sexenio de AMLO contra los periodistas”. El Economista. Available at: <https://www.eleconomista.com.mx/opinion/El-sexenio-de-AMLO-contra-los-periodistas-20240202-0033.html>
- Bravo, J. (2024b): “5 años de Mañaneras”. El Economista. Available at: <https://www.eleconomista.com.mx/opinion/5-anos-de-mananeras-20240105-0025.html>
- Camara de Diputados (2021a): “Ley de Adquisiciones, Arrendamientos y Servicios del Sector Publico. 04.01.2000.” Ultima reforma DOF 20.05.2021. Available at: https://www.diputados.gob.mx/LeyesBiblio/pdf/14_200521.pdf
- Camara de Diputados (2021b): “Ley de Obras Publicas y Servicios Relacionados con las Mismas. 04.01.2000”. Ultima reforma DOF 20.05.2021. Available at: https://www.diputados.gob.mx/LeyesBiblio/pdf/56_200521.pdf
- Camara de Diputados (2024): “Ley General de Acceso de Mujeres a una Vida Libre de Violencia. 01.02.2007” Ultima reforma DOF 26.01.2024. Available at: <https://www.diputados.gob.mx/LeyesBiblio/pdf/LGAMVLV.pdf>
- Campos, M. (2024): “¿Mejorar la justicia sin tocar fiscalias?”. Mexico Evalua. Available at: <https://www.mexicoevalua.org/mejorar-la-justicia-sin-tocar-fiscalias/>
- Cano, J. (2024): “Liberan al excoordinador del Grupo Beta implicado en el incendio de la estacion migratoria en Ciudad Juarez”. Available at: <https://www.infobae.com/>

- mexico/2024/08/20/liberan-al-excoordinador-del-grupo-beta-implicado-en-el-incendio-de-la-estacion-migratoria-en-ciudad-juarez/
- Casar y Morera (2023): “Ilegalidades.. Si, ¿y que?” Available at: <https://www.nexos.com.mx/?p=70942>
- Causa en Comun (2022): “Análisis de las conferencias de prensa matutinas – No hay, no quieren y no entienden”. Available at: <https://causaencomun.org.mx/beta/no-hay-no-quieren-o-no-entienden-2022/>
- Causa en Comun (2022b): “Análisis de los registros de incidencia delictiva y posibles manipulaciones”. Available at: https://causaencomun.org.mx/beta/wp-content/uploads/2023/02/2023.01.33_Boletin_Foro_Incidencia_Anomalias2022-1.pdf
- Causa en Comun (2023): “Análisis de los registros de incidencia delictiva y posibles manipulaciones”. Available at: <https://causaencomun.org.mx/beta/wp-content/uploads/2024/02/ANOMALIAS-Y-MANIPULACIONES-2023.pdf>
- Centro de Estudios Constitucionales (2024): “Análisis de la Iniciativa de Reforma al Poder Judicial en Mexico - Problemas asociados con la iniciativa de reforma constitucional del Poder Judicial presentada el 5 de febrero de 2024”. Available at: https://www.sitios.scjn.gob.mx/cec/sites/default/files/page/files/2024-06/Analisis%20de%20la%20iniciativa%20de%20reforma.%20Problemas%20asociados_final.pdf
- Centro Prodh (2023): “Ayotzinapa, aniversario 9: un recuento”. Available at: <https://animalpolitico.com/analisis/organizaciones/la-lucha-cotidiana-de-los-derechos-humanos/ayotzinapa-aniversario-nueve-impunidad>
- Centro Prodh (2024): Examen Periodico Universal: Mexico reprobado ante la comunidad internacional. Available at: <https://animalpolitico.com/analisis/organizaciones/la-lucha-cotidiana-de-los-derechos-humanos/epu-crisis-derechos-humanos-mexico>
- Centro Prodh (2024b): “En tres escrutinios internacionales, Mexico reprueba en derechos humanos. Available at: <https://animalpolitico.com/analisis/organizaciones/la-lucha-cotidiana-de-los-derechos-humanos/mexico-derechos-humanos-reprobado>
- Clavelina Miller, J.L. (2023): “Austeridad, debilidad institucional y presupuesto: Comparativo 2018 vs 2024”. Centro de Investigacion Economica y Presupuestaria (CIEP). Available at: <https://ciep.mx/OYXv>
- CNN Español (2023): “Andres Manuel Lopez Obrador busca asegurarse otro voto favorable en la Suprema Corte”. Available at: <https://cnnespanol.cnn.com/2023/11/29/amlo-voto-favorable-suprema-corte-orix>
- CNN Español (2024): “¿En que consiste la reforma judicial que impulsa el Gobierno de AMLO en Mexico?”. Available at: <https://cnnespanol.cnn.com/2024/06/11/reforma-judicial-cambios-sistema-judicial-amlo-mayoria-morena-orix/>
- Daen, A. y Nochebuena, M. (2023): “Omisiones, dudas y opacidad: El censo de desaparecidos del gobierno de AMLO.” Animal Politico. Available at: <https://animalpolitico.com/verificacion-de-hechos/te-explico/omisiones-falsedades-nuevo-censo-desaparecidos>
- De Mauleon, H. (2024): “AMLO va contra la Comision Nacional de Búsqueda.” El Universal. Available at: <https://www.eluniversal.com.mx/opinion/hector-de-mauleon/amlo-va-contra-la-comision-nacional-de-busqueda-de-desaparecidos/>
- Dean A. y Esquerra, F. (2023): “La estrategia es la opacidad: Gobierno de AMLO incumple su promesa de transparencia”. Available at: <https://www.animalpolitico.com/verifica->

cion-de-hechos/te-explico/opacidad-gobierno-amlo-incumple-transparencia?rtbref=rtb_rr3wh6qjwi8v6funao-fh_1714433245297

El Economista (2023): “AMLO emite nuevo decreto para que obras de infraestructura sean consideradas como de seguridad nacional”. Available at: <https://www.eleconomista.com.mx/politica/AMLO-emite-decreto-para-que-obras-de-infraestructura-sean-consideradas-como-de-seguridad-nacional-20230518-0085.html>

El Financiero (2023): “PERFIL: Alcantara Carranca, el ministro que ‘se le volteo’ a AMLO en la Suprema Corte”. Available at: <https://www.elfinanciero.com.mx/nacional/2023/10/23/perfil-alcantara-carranca-el-ministro-que-se-le-voleo-a-amlo-en-la-suprema-corte/>

El Financiero (2023b): “Ataques de AMLO a Norma Piña y a la Corte tienen ‘clara’ intencion electoral: expertos”. Available at: <https://www.elfinanciero.com.mx/nacional/2023/05/25/ataques-de-amlo-a-la-corte-tienen-intencion-electoral-expertos/>

Escobar, D. (2022): “AMLO lamenta que se equivocó con la designación de ministros de la SCJN”. Proceso. Available at: <https://www.proceso.com.mx/nacional/2022/9/2/amlo-lamenta-que-se-equivoco-con-la-designacion-de-ministros-de-la-scn-292636.html>

Espinosa, V. (2023): “AMLO ha atacado a la prensa casi 3 mil veces en cinco años: Artículo 19”. Available at: <https://www.proceso.com.mx/nacional/2023/9/19/amlo-ha-atacado-la-prensa-casi-mil-veces-en-cinco-anos-articulo-19-315123.html>

Fierro, A. y Roldan, J. (2024): “Los muy republicanos y austeros ataques a la autonomía judicial”. Nexos / MCCI. Available at: <https://contralacorrupcion.mx/los-muy-republicanos-y-austeros-ataques-a-la-autonomia-judicial/>

Flores, C. (2024): “¿Por qué despidieron a Hector Aguilar Camín de ‘La hora de opinar’? Esto dice el periodista”. Infobae. Available at: <https://www.infobae.com/mexico/2024/08/27/por-que-despidieron-a-hector-aguilar-camin-de-la-hora-de-opinar-esto-dice-el-periodista/>

Forbes (2023): “AMLO asegura que han hallado a miles de personas con el nuevo censo de desaparecidos”. Available at: <https://www.forbes.com.mx/amlo-asegura-que-han-hallado-a-miles-de-personas-con-el-nuevo-censo-de-desaparecidos/>

Forbes (2023b): “ONGs se unen para cuidar derechos y seguridad de migrantes en la frontera sur de México”. Available at: <https://www.forbes.com.mx/ongs-se-unen-para-cuidar-derechos-y-seguridad-de-migrantes-en-la-frontera-sur-de-mexico/>

Forbes (2024): “Gobierno dice que feminicidios cayeron 35.6% bajo administración de AMLO”. Available at: <https://www.forbes.com.mx/gobierno-dice-que-feminicidios-cayeron-35-6-bajo-administracion-de-amlo/>

Forbes (2024b): “En la recta final de su mandato, AMLO busca consolidar su legado y facilitar el camino de Morena en las elecciones: expertos”. Available at: https://www.forbes.com.mx/en-la-recta-final-de-su-mandato-amlo-busca-consolidar-su-legado-y-facilitar-el-camino-de-morena-en-las-elecciones-expertos/#google_vignette

Forbes (2024c): “AMLO asegura que han hallado a miles de personas con el nuevo censo de desaparecidos”. Available at: <https://www.forbes.com.mx/amlo-asegura-que-han-hallado-a-miles-de-personas-con-el-nuevo-censo-de-desaparecidos/>

Foro Jurídico (2023): “AMLO vs. La Corte”. Available at: <https://forojuridico.mx/amlo-vs-la-corte/>

Fundación Konrad Adenauer (2023): “Independencia Judicial - ¿Dónde estamos? Análisis Subnacional” KAS,

- Mexico Evalua. Available at: https://www.kas.de/documents/266027/o/Informe_Independencia+Judicial.pdf/2404bfcc-b498-bd09-9479-7923e2fo66fc?version=1.0&t=1701365925293
- Garcia, A. (2024): “Se registran 2 feminicidios al día en Mexico en lo que va del 2024.” Available at: <https://www.eleconomista.com.mx/politica/Carpetas-de-feminicidio-en-Mexico-suman-184-en-el-1T-del-2024-20240425-0051.html>
- Gobierno de Mexico (2019): “Ley Federal de Austeridad Republicana”. Available at: <https://www.gob.mx/indesol/documentos/77154>
- Gobierno de Mexico (2024): “Reforma al Poder Judicial, febrero 2024.” Available at: https://www.gob.mx/cms/uploads/attachment/file/892010/REFORMA_AL_PODER_JUDICIAL__2_CS.pdf
- Gobierno Federal (2021): “Ley de Adquisiciones, Arrendamientos y Servicios del Sector Público y sus reformas”. 20.05.2021. Available at: <https://www.gob.mx/indesol/documentos/ley-de-adquisiciones-arrendamientos-y-servicios-del-sector-publico-y-sus-reformas>
- Guadarrama, M. (2023): “¿Para que la austeridad?”. Instituto Mexicano para la Competitividad A.C. Available at: <https://imco.org.mx/para-que-la-austeridad/>
- Hernandez, A. (2024): “Gobierno anuncia estrategia “humanista” tras incendio en estación migratoria de Cd. Juárez”. Available at: <https://www.milenio.com/politica/comunidad/anuncian-estrategia-migratoria-incidente-estacion-juarez>
- IIRCCC (2024): “Las reformas de AMLO que ha tirado la Suprema Corte, esto sabemos”. Available at: <https://www.rendiciondecuentas.org.mx/las-reformas-de-amlo-que-ha-tirado-la-suprema-corte-esto-sabemos/>
- IMCO (2023): Compara Carreras 2023. <https://imco.org.mx/comparacarreras/carrera/321>
- INAI (2023): “SENER debe dar a conocer presupuesto asignado a Refinería Dos Bocas y Reporte de su Ejercicio”. Nota Informativa INAI/o83/o23. Disponible: <https://home.inai.org.mx/wp-content/documentos/SalaDePrensa/Comunicados/Nota%20INAI-o83-23.pdf>
- Indice de Paz Mexico 2024: <https://www.Indicedepazmexico.org>
- INEGI (2020): “Estadísticas a propósito de las personas ocupadas como periodistas o locutoras. Datos Nacionales.” Available at: https://www.INEGI.org.mx/contenidos/saladeprensa/aproposito/2020/LibertadPrensa2020_Nal.pdf
- INEGI (2021): Violencia contra las mujeres en Mexico. <https://www.INEGI.org.mx/tablerosestadisticos/vcmm/>
- INEGI (2023): Percepción sobre seguridad 2023: https://www.INEGI.org.mx/contenidos/programas/envipe/2023/doc/envipe2023_5_percepcion_tendencia_seguridad_publica.pdf
- INEGI (2024): “Encuesta Nacional de Seguridad Pública Urbana (ENSU)” 24.07.2024. Available at: https://www.INEGI.org.mx/contenidos/saladeprensa/boletines/2024/ENSU/ENSU2024_07.pdf
- Infobae (2022): “AMLO va contra la SCJN: “No me vengán con ese cuento de que la ley es la ley”. Available at: <https://www.infobae.com/america/mexico/2022/04/06/amlo-ira-contra-la-scn-y-buscara-que-ex-funcionarios-no-puedan-ejercer-en-el-sector-privado-es-un-contubernio/>
- Jimenez, C (2023): “AMLO nombrará hoy a nueva ministra de la SCJN; se reunirá con integrantes de la terna en Palacio Nacional”. Available at: <https://www.infobae.com/mexico/2023/12/14/amlo-acepta-nombrar-a-nueva-ministra-de->

la-scjn-falta-de-acuerdo-en-senado-es-porque-ya-no-hay-moches/

Jimenez, C. (2024): “AMLO revela que pidio a Arturo Zaldivar influir en jueces para tener fallos ‘a modo’: “Con Norma Piña hay licencia para robar”. Available at: <https://www.infobae.com/mexico/2024/02/21/amlo-revela-que-pidio-a-arturo-zaldivar-influir-en-jueces-para-tener-fallos-a-modo-con-norma-pina-hay-licencia-para-robar/>

Jimenez, C. (2024b): “Mexicanos afirman que la SCJN es el mayor contrapeso del gobierno de AMLO”. Available at: <https://www.infobae.com/mexico/2024/04/14/mexicanos-afirman-que-la-scjn-es-el-mayor-contrapeso-del-gobierno-de-amlo/>

Jimenez, E. (2024): “Mexico, segundo lugar en feminicidios: sexenio de AMLO cerca de las 5 mil mujeres asesinadas”. Available at: <https://www.infobae.com/mexico/2024/03/08/mexico-segundo-lugar-en-feminicidios-sexenio-de-amlo-cerca-de-las-5-mil-mujeres-asesinadas/>

Lameias, Alamillo y Nuñez (2024): “Desaparecen de CompraNet 2 millones de contratos de 2012 a 2023”. MCCI. Available at: <https://contralacorrupcion.mx/desaparecen-de-compranet-documentos-de-1-9-millones-de-contratos-y-4-7-billones-de-pesos-entregados-entre-2012-y-2023/>

Lastiri, D. (2023): “Tras criticas de AMLO atacan en redes a la ministra Norma Piña”. Available at: <https://www.proceso.com.mx/nacional/2023/3/2/%20tras-criticas-de-amlo-atacan-en-redes-la-ministra-norma-%20pina-302975.html>

Lopez-Castro, F. (2024): “AMLO se lanza contra Poder Judicial por dar prision domiciliaria a Murillo Karam: “Son muy conservadores”. Available at: <https://www.infobae.com/mexico/2024/04/05/amlo-se-lanza-contra-po->

der-judicial-por-dar-prision-domiciliaria-a-murillo-karam-son-muy-conservadores/

Mandujano, I. (2024): “Colectivo acusa al INM de poner en riesgo a 800 migrantes que acampan en el Rio Suchiate”. Available at: <https://www.proceso.com.mx/nacional/2024/2/29/colectivo-acusa-al-inm-de-poner-en-riesgo-800-migrantes-que-acampan-en-el-rio-suchiate-324825.html>

Marsan, E (2024): “Estos son todos los periodistas que perdieron un espacio durante el sexenio de AMLO”. Infobae. Available at: <https://www.infobae.com/mexico/2024/03/23/estos-son-todos-los-periodistas-que-perdieron-un-espacio-durante-el-sexenio-de-amlo/>

Martinez, B. (2024a): “Con Lenia Batres, AMLO lleva 5 ministros en la Suprema Corte”. Available at: <https://www.eluniversal.com.mx/nacion/con-lenia-batres-amlo-lleva-5-ministros-en-la-suprema-corte/>

Martinez, F. (2024): “Crearía AMLO Tribunal de Disciplina Judicial; desaparece el Consejo de la Judicatura Federal”. El Economista. Available at: <https://www.eleconomista.com.mx/politica/Crear-AMLO-Tribunal-de-Disciplina-Judicial-desaparece-el-Consejo-de-la-Judicatura-Federal-20240203-0017.html>

MCCI (2023): “Sin otros datos. El legado de la politica de transparencia de AMLO y el abandono de la informacion publica” Unidad de Investigacion Aplicada. Available at: <https://contralacorrupcion.mx/sin-otros-datos-el-legado-de-la-politica-de-transparencia-de-amlo-y-el-abandono-de-la-informacion-publica/>

MCCI (2023b): “Mas de 111.000 historias sin justicia”. Available at: <https://contralacorrupcion.mx/cien-mil-desaparecidos-mexico/> Secretaria de la Funcion Publica. Available at: <https://compranet.funcionpublica.gob.mx/web/login.html>

- MCCI (2024): “Desaparecen de CompraNet 2 millones de contratos de 2012 a 2023”. Available at: <https://contralacorrupcion.mx/desaparecen-de-compranet-documentos-de-1-9-millones-de-contratos-y-4-7-billones-de-pesos-entregados-entre-2012-y-2023/>
- MCCI (2024): “Libro Blanco – El Estado de la Nacion al Cierre de la Administracion de Lopez Obrador”. Available at: <https://contralacorrupcion.mx/libro-blanco/>
- Mecinas, J. (2024): “Debilitando al enemigo: elegir y echar a la calle a todos los jueces”. Nexos / MCCI. Available at: <https://contralacorrupcion.mx/debilitando-al-enemigo/>
- Migration Policy Institute (2022): “Controversial U.S. Title 42 Expulsions Policy Is Coming to an End, Bringing New Border Challenges”. Available at: <https://www.migrationpolicy.org/article/title-42-expulsions-policy>
- Monroy, J. (2022). “FGR determina el no ejercicio de una accion penal contra el ex ministro Eduardo Medina Mora”. El Economista. Available at: <https://www.eleconomista.com.mx/politica/FGR-determina-el-no-ejercicio-de-una-accion-penal-contr-ex-ministro-Eduardo-Medina-Mora-20220221-0121.html>
- Mujer Ejecutiva (2023): “Dia Internacional del Periodista: Mujeres participan con el 34% en esta profesion”. Available at: <https://shorturl.at/KyLow>
- Naciones Unidas (2024): “Informe del Grupo de Trabajo sobre el Examen Periodico Universal – Mexico”. Consejo de Derechos Humanos, 56 periodo de sesiones, 18 de junio al 12 de julio 2024. Available at: <https://documents.un.org/doc/undoc/gen/g24/o37/53/pdf/g24o3753.pdf>
- Neri, F. (2024): “Elegir ministros por voto directo: ¿Democratizar la Suprema Corte o politizar la justicia?”. Nexos/MCCI. Available at: <https://contralacorrupcion.mx/elegir-ministros-por-voto-directo-democratizar-la-suprema-corte-o-politizar-la-justicia/>
- OCDE (2024): “Encuesta sobre los motores de la confianza 2024 Mexico”. Available at: https://www.oecd.org/es/publications/encuesta-de-la-ocde-sobre-los-motores-de-la-confianza-2024_85bdcdo-es/mexico_3172b4a5-es.html
- Organizacion Internacional para las Migraciones (OIM) (2023): Estadísticas Migratorias para Mexico. Boletín Anual 2023. Available at: <https://mexico.iom.int/sites/g/files/tmzbd1686/files/documents/2024-03/estadisticas-migratorias-2023.pdf>
- Organizacion Internacional para las Migraciones (OIM) (2024). Migración y migrantes: Panorama mundial. En: Informe sobre las Migraciones en el Mundo 2024 (M. McAuliffe y L.A. Oucho, eds.). OIM, Ginebra
- Organizacion Internacional para las Migraciones (OIM) (2024): Informe sobre las migraciones en el mundo. Available at: <https://mexico.iom.int/es/news/el-informe-sobre-las-migraciones-en-el-mundo-2024-revela-las-ultimas-tendencias-y-desafios-mundiales-del-ambito-de-la-movilidad-humana>
- Osorio, V. (2024): “Operan solo 21 de 53 estaciones migratorias”. Periodico Reforma. Available at: <https://www.reforma.com/operan-solo-21-de-53-estaciones-migratorias/ar2779684>
- Perez, A. (2019): “El golpe final a la autonomia de la CNDH”. Nexos. Available at: <https://eljuegodelacorte.nexos.com.mx/el-golpe-final-a-la-autonomia-de-la-cndh/>
- Perez, M. (2023): “Ante la crisis en desapariciones en Mexico, el presupuesto luce insuficiente” EL Economista. Available at: <https://www.eleconomista.com.mx/politica/Ante-la-cri>

- sis-en-desapariciones-en-Mexico-el-presupuesto-luce-in-suficiente-20230916-0023.html
- Plan Estrategico del Instituto Nacional de Migracion 2019-2024 <https://www.gob.mx/inm/acciones-y-programas/plan-estrategico-del-instituto-nacional-de-migracion-2019-2024-243361>
- Ramos, R. (2023): “SCJN invalida decreto de AMLO que blinda proyectos prioritarios como de seguridad nacional”. Available at: <https://www.eleconomista.com.mx/politica/SCJN-invalida-decreto-de-AMLO-que-blinda-proyectos-prioritarios-como-de-seguridad-nacional-20230518-0044.html>
- Ramos, R. (2024): “Disputas entre AMLO y ministros, una constante de su sexenio” Available at: <https://www.eleconomista.com.mx/politica/Disputas-entre-AMLO-y-ministros-una-constante-de-su-sexenio-20240202-0028.html>
- Registro Nacional de Personas Desaparecidas y No Localizadas (RNPDO) <https://versionpublicarnpdno.Segob.gob.mx/Dashboard/Index>
- Reporteros sin Fronteras (RSF) (2024): “Mexico: casi seis años de AMLO en el poder y ningun avance en la proteccion de los periodistas”. Available at: <https://rsf.org/es/mexico-casi-seis-años-de-amlo-en-el-poder-y-ningun-avance-en-la-proteccion-de-los-periodistas>
- Rodriguez E. (2022): “Remakes de la Mañanera: 26 Gobernadores y Alcaldes copian Modelo Presidencial”. Available at: <https://m-x.com.mx/investigaciones/remakes-de-la-mañanera-26-gobernadores-y-alcaldes-copian-el-modelo-presidencial/>
- Rojas, A. (2024): “AMLO admite que intervino en decisiones de la SCJN durante presidencia de Arturo Zaldívar”. Available at: <https://www.eleconomista.com.mx/politica/AMLO-admite-que-intervino-en-decisiones-de-la-SCJN-durante-presidencia-de-Arturo-Zaldivar-20240221-0052.html>
- Rojas, A. (2024b) “Retiene Mexico a mas migrantes en Fronteras y CDMX”. Available at: <https://www.eleconomista.com.mx/politica/Retiene-Mexico-a-mas-migrantes-en-fronteras-y-CDMX-20240607-0005.html>
- Rojas, A. (2024c): “Proteccion de Derechos Humanos en Mexico, sin tener avances”. El Economista. Available at: <https://www.eleconomista.com.mx/politica/Proteccion-de-Derechos-Humanos-en-Mexico-sin-tener-avances-20240423-0017.html>
- Rojas, A. (2024d): “AMLO defiende estrategia migratoria de su gobierno; niega aumento de deportados”. El Economista. Available at: <https://www.eleconomista.com.mx/politica/AMLO-defiende-estrategia-migratoria-niega-aumento-de-deportados-20240610-0044.html>
- Ruiz Soto, A. (2020): “Un año despues del Acuerdo Estados Unidos-Mexico. La transformacion de las politicas migratorias mexicanas”. Migration Policy Institute (MPI). Available at: <https://www.migrationpolicy.org/sites/default/files/publications/OneYearAfterUS-MexAgreement-ES-FINAL.pdf>
- Ruiz, R. (2024): “El legado de Lopez Obrador: un pais fracturado, con menos pobres, mas muertos por la violencia narco y el futuro de la democracia en duda”. La Nacion. Available at: <https://www.lanacion.com.ar/el-mundo/el-legado-de-lopez-obrador-un-pais-fracturado-y-con-menos-pobres-pero-mas-muertos-por-la-violencia-nido1062024/>
- Salazar, D. (2022): “¿Que significa el exito de la estrategia de Lopez Obrador contra la prensa?” The Washington Post. Available at: <https://www.washingtonpost.com/es/post-opinion/2022/05/05/amlo-prensa-periodistas-asesinados-mexico-ataques-medios/>

- Sandoval, A. (2024): “¿Cuanto ha aumentado el feminicidio en Mexico? Estas son las entidades con mas casos en el sexenio de AMLO”. Available at: <https://www.infobae.com/mexico/2024/03/05/cuanto-ha-aumentado-el-feminicidio-en-mexico-estas-son-las-entidades-con-mas-casos-en-el-sexenio-de-amlo/>
- Secretaria de la Funcion Publica. Available at: <https://compra-net.funcionpublica.gob.mx/web/login.html>
- Secretaria de Gobernacion (2024): “Reforma al Poder Judicial responde al reclamo de justicia del pueblo de Mexico” Available at: <https://www.gob.mx/Segob/prensa/reforma-al-poder-judicial-responde-al-reclamo-de-justicia-del-pueblo-de-mexico-Segob?idiom=es>
- Secretaria de Seguridad y Proteccion Ciudadana (2024): “Informacion sobre violencia contra las mujeres” Available at: https://drive.google.com/file/d/1Od-CdX-3cfdc_4JvFJ-yOBWFlt_Kc1Pf4/view
- Secretariado Ejecutivo del Sistema Nacional de Seguridad Publica. (SESNP). Datos de Incidencia delictiva. Available at: <https://www.gob.mx/sesnsp>
- Segob (2021): Acuerdo por el que se instruye a las dependencias y entidades de la Administracion Publica Federal a realizar las acciones que se indican, en relacion con los proyectos y obras del Gobierno de Mexico considerados de interes publico y seguridad nacional, asi como prioritarios y estrategicos para el desarrollo nacional. Publicado en el Diario Oficial de la Federacion el 22/11/2021 https://www.dof.gob.mx/nota_detalle.php?codigo=5635985&fecha=22/11/2021#gsc.tab=0
- Segob (2024): Informe Estadistico enero 2024 – Mecanismo para la Proteccion de Personas Defensoras de Derechos Humanos y Periodistas. Available at: https://www.gob.mx/cms/uploads/attachment/file/902458/2024_01_Informe_estadistico.pdf
- Senado de la Republica (2024): “Congreso aprobo seis de cada 10 iniciativas de AMLO, señala estudio del IBD” Available at: <https://comunicacionsocial.senado.gob.mx/informacion/comunicados/9039-congreso-aprobo-seis-de-cada-10-iniciativas-de-amlo-senala-estudio-del-ibd>
- Signos Vitales (2020): “Contencion migratoria: Lesiones graves a los Derechos Humanos”. Available at: <https://signosvitalismexico.org/contencion-migratoria-lesiones-graves-a-los-derechos-humanos/>
- Signos Vitales (2020b): “Hiperpresidencialismo presupuestal: Un tumor latente”. Available at: <https://signosvitalismexico.org/hiperpresidencialismo-presupuestal-un-tumor-latente/>
- Signos Vitales (2021): “Derechos Humanos en Retroceso”. Available at: <https://signosvitalismexico.org/derechos-humanos-en-retroceso/>
- Signos Vitales (2021b): “Discriminacion y Vulnerabilidad”. Available at: <https://signosvitalismexico.org/discriminacion-y-vulnerabilidad/>
- Signos Vitales (2023): “El Estado Mexicano a Revision”. Available at: <https://signosvitalismexico.org/reporte-12/>
- Signos Vitales (2024): “Violacion a la ley electoral”. Available at: <https://signosvitalismexico.org/violacion-a-la-ley-electoral/>
- Sistema Nacional de Alerta de Violacion de Derechos Humanos de la CNDH. Available at: <https://sna.cndh.org.mx>
- SPIN Infografias: <https://conferenciapresidente.spintcp.com/infografias/>
- Tenorio Colon, K. (2022): “Migracion: Estadisticas de Mexico - Carpeta Informativa.” Centro de Estudios Sociales y de Opinion Publica. Available at: <https://>

portalhcd.diputados.gob.mx/PortalWeb/Micrositios/568f11ab-7077-4cof-aa10-f1bc78cc9eoa.pdf

Torres, J. (2024): “Los 5 jinetes del Apocalipsis”. Columna Invitada Política Expansion. Available at: <https://politica.expansion.mx/voces/2024/07/16/columnainvitada-los-5-jinetes-del-apocalipsis>

Torres, M. (2023): “Las quejas contra el INM por presuntas violaciones a derechos humanos se disparan 200% en el sexenio de AMLO”. Available at: <https://animalpolitico.com/sociedad/quejas-inm-presuntas-violaciones-derechos-humanos-crecen>

Ureste, M. (2022): “En su cuarto año, AMLO despliega a 46% mas militares y guardias para contener a migrantes; detenciones llegan a 345 mil.” Available at: <https://animalpolitico.com/sociedad/mas-militares-guardias-nacionales-detener-migrantes>

Ureste, M. (2023): “Detencion de migrantes en Mexico bate record con AMLO: mas de 400 mil en 2023.” Available at: <https://animalpolitico.com/sociedad/detencion-de-migrantes-en-mexico-2023-record-amlo>

Version Estenografica del 5to informe de gobierno 01.09.2023: <https://www.gob.mx/presidencia/articulos/version-estenografica-5-informe-de-gobierno>

World Justice Project (2024): Indice de Estado de Derecho en Mexico 2023-2024. Available at: <https://worldjusticeproject.mx/Indice-de-estado-de-derecho-en-mexico/>

Yañez, B. (2024): “Suman 47 periodistas asesinados durante el sexenio de AMLO” Política Expansion. Available at: <https://politica.expansion.mx/mexico/2024/08/05/periodistas-asesinados-en-mexico-sexenio-amlo>

CHAPTER 2

Aguilar, I. (2024): AMLO entregara informe “que el mismo escribio” a padres de los 43 normalistas de Ayotzinapa el proximo 8 de julio. Available at: <https://www.infobae.com/mexico/2024/07/04/amlo-entregara-informe-que-el-mismo-escribio-a-padres-de-los-43-normalistas-de-ayotzinapa-el-proximo-8-de-julio/>

Alianza de Medios (2023): “Periodismo, carrera universitaria que va a la baja”. Available at: <https://alianzademediosmx.org/noticias/periodismo-carrera-universitaria-que-va-a-la-baja/1570#:~:text=Segun%20el%20IMCO%2C%20en%20Mexico,carrera%20de%20comunicacion%20y%20periodismo>

Alvarez, G (2024): “Las implicaciones de la reforma judicial en la justicia penal”. Mexico Unido Contra la Delincuencia. Available at: <https://animalpolitico.com/analisis/organizaciones/seguridad-justicia-y-paz/reforma-judicial-justicia-penal-implicaciones>

Amarelo, I. (2024): “La politica migratoria de AMLO de “puertas abiertas”, atada a EE.UU.” Available at: <https://cnnespanol.cnn.com/2024/04/01/amlo-politica-migratoria-mexico-estados-unidos-analisis-orix/>

American Immigration Council (2024): “The Migrant Protection Protocols”: An Explanation of the Remain in Mexico Program. Available at: https://www.americanimmigrationcouncil.org/sites/default/files/research/migrant_protection_protocols_2024.pdf

Angulo, J. (2023): “Andres Manuel Lopez Obrador vs. La Suprema Corte de Justicia”. Nexos. Available at: <https://el-juegodelacorte.nexos.com.mx/andres-manuel-lopez-obrador-vs-la-suprema-corte-de-justicia/>

- Animal Politico (2022): "El Mecanismo de Protección para periodistas esta en revisión, dice AMLO; titular acusa faltas de autoridades locales". Available at: <https://animalpolitico.com/2022/01/mecanismo-proteccion-periodistas-revision-autoridades-faltas>
- Animal Politico (2023): "AMLO dice que cifra de desaparecidos es menor a la oficial; confirma actualización de censo "casa por casa"". Available at: <https://animalpolitico.com/politica/amlo-cifra-desaparecidos-menor-oficial-actualizacion-censo-casa-por-casa>
- Animal Politico (2023b): "Gobierno reduce censo de personas desaparecidas: localiza a 16 mil, pero omite informar sobre nuevos casos". Available at: <https://animalpolitico.com/sociedad/gobierno-censo-personas-desaparecidas>
- Animal Politico (2024): "Difunden primer reporte de AMLO a padres normalistas de Ayotzinapa; exculpa al ejército de su pregunta participación". Available at: <https://animalpolitico.com/politica/primer-reporte-amlo-padres-ayotzinapa>
- Animal Politico (2024b): "En el sexenio de AMLO asesinaron a 46 periodistas; agresiones contra la prensa aumentaron 62% respecto al gobierno de Peña Nieto". Available at: <https://animalpolitico.com/seguridad/periodistas-asesinados-sexenio-amlo-agresiones-prensa>
- Animal Politico (2024c): "Aumenta cifra de solicitudes rechazadas al Mecanismo de Protección a Periodistas en el sexenio de AMLO". Available at: <https://animalpolitico.com/seguridad/mecanismo-proteccion-periodistas-amlo-solicitudes>
- Animal Politico (2024d): "Usted nos traiciona: responden padres de Ayotzinapa a AMLO". Available at: <https://animalpolitico.com/politica/respuesta-padres-madres-43-normalistas-amlo-primer-informe>
- Animal Politico (2024e): "México si es uno de los países más peligrosos para la prensa, aunque AMLO lo niega en la mañana". Available at: <https://animalpolitico.com/verificacion-de-hechos/fact-checking/mexico-paises-mas-peligrosos-periodistas-amlo>
- Arista, L. (2023): "Estaciones migratorias: bomba de tiempo y espacios de privación de la libertad". *Expansión Política*. Available at: <https://politica.expansion.mx/mexico/2023/03/30/estaciones-migratorias-y-espacios-de-privacion-de-libertad>
- Aristegui Noticias (2024): "Localizados 3 mil desaparecidos más, según censo del gobierno de AMLO" Available at: <https://aristeginoticias.com/1803/mexico/localizados-3-mil-desaparecidos-mas-segun-censo-del-gobierno-de-amlo/>
- Artículo 19 (2023): "(Des)información oficial y comunicación social" Available at: <https://articulo19.org/desinformacion-oficial-y-comunicacion-social/>
- Artículo 19 (2024): "Violencia contra la prensa en México en 2023: ¿cambio o continuidad?" Available at: <https://articulo19.org/violencia-contrala-prensa-en-mexico-en-2023/#:~:text=La%20violencia%20en%202023,del%20ejercicio%20de%20su%20labor.>
- Badillo, D. (2023): "El discurso de odio de AMLO contra la Corte ya está rebasando límites". Available at: <https://www.eleconomista.com.mx/politica/El-discurso-de-odio-de-AMLO-contrala-Corte-ya-esta-rebasando-limites-20230528-0001.html>
- Barragan, A. (2024): "La ONU condena la violación a los derechos humanos en México". *El País*. Available at: <https://elpais.com/mexico/2024-01-26/la-onu-condena-la-violacion-a-los-derechos-humanos-en-mexico.html>

- Becerra, R. (2023): “El daño esta hecho - balance y politicas para la reconstruccion” Libros Grano de Sal, primera edicion.
- Bravo, J. (2024): “El sexenio de AMLO contra los periodistas”. El Economista. Available at: <https://www.economista.com.mx/opinion/El-sexenio-de-AMLO-contra-los-periodistas-20240202-0033.html>
- Bravo, J. (2024b): “5 años de Mañaneras”. El Economista. Available at: <https://www.economista.com.mx/opinion/5-anos-de-mananeras-20240105-0025.html>
- Camara de Diputados (2021a): “Ley de Adquisiciones, Arrendamientos y Servicios del Sector Publico. 04.01.2000.” Ultima reforma DOF 20.05.2021. Available at: https://www.diputados.gob.mx/LeyesBiblio/pdf/14_200521.pdf
- Camara de Diputados (2021b): “Ley de Obras Publicas y Servicios Relacionados con las Mismas. 04.01.2000”. Ultima reforma DOF 20.05.2021. Available at: https://www.diputados.gob.mx/LeyesBiblio/pdf/56_200521.pdf
- Camara de Diputados (2024): “Ley General de Acceso de Mujeres a una Vida Libre de Violencia. 01.02.2007” Ultima reforma DOF 26.01.2024. Available at: <https://www.diputados.gob.mx/LeyesBiblio/pdf/LGAMVLV.pdf>
- Campos, M. (2024): “¿Mejorar la justicia sin tocar fiscalías?”. Mexico Evalua. Available at: <https://www.mexicoevalua.org/mejorar-la-justicia-sin-tocar-fiscalias/>
- Cano, J. (2024): “Liberan al excoordinador del Grupo Beta implicado en el incendio de la estacion migratoria en Ciudad Juarez”. Available at: <https://www.infobae.com/mexico/2024/08/20/liberan-al-excoordinador-del-grupo-beta-implicado-en-el-incendio-de-la-estacion-migratoria-en-ciudad-juarez/>
- Casar y Morera (2023): “Ilegalidades. Si, ¿y que?” Available at: <https://www.nexos.com.mx/?p=70942>
- Causa en Comun (2022): “Analisis de las conferencias de prensa matutinas – No hay, no quieren y no entienden”. Available at: <https://causaencomun.org.mx/beta/no-hay-no-quieren-o-no-entienden-2022/>
- Causa en Comun (2022b): “Analisis de los registros de incidencia delictiva y posibles manipulaciones”. Available at: https://causaencomun.org.mx/beta/wp-content/uploads/2023/02/2023.01.33_Boletin_Foro_Incidencia_Anomalias2022-1.pdf
- Causa en Comun (2023): “Analisis de los registros de incidencia delictiva y posibles manipulaciones”. Available at: <https://causaencomun.org.mx/beta/wp-content/uploads/2024/02/ANOMALIAS-Y-MANIPULACIONES-2023.pdf>
- Centro de Estudios Constitucionales (2024): “Analisis de la Iniciativa de Reforma al Poder Judicial en Mexico - Problemas asociados con la iniciativa de reforma constitucional del Poder Judicial presentada el 5 de febrero de 2024”. Available at: https://www.sitios.scjn.gob.mx/cec/sites/default/files/page/files/2024-06/Analisis%20de%20la%20iniciativa%20de%20reforma.%20Problemas%20asociados_final.pdf
- Centro Prodh (2023): “Ayotzinapa, aniversario 9: un recuento”. Available at: <https://animalpolitico.com/analisis/organizaciones/la-lucha-cotidiana-de-los-derechos-humanos/ayotzinapa-aniversario-nueve-impunidad>
- Centro Prodh (2024): Examen Periodico Universal: Mexico reprobrado ante la comunidad internacional. Available at: <https://animalpolitico.com/analisis/organizaciones/la-lucha-cotidiana-de-los-derechos-humanos/epu-crisis-derechos-humanos-mexico>

- Centro Prodh (2024b): “En tres escrutinios internacionales, Mexico reprueba en derechos humanos. Available at: <https://animalpolitico.com/analisis/organizaciones/la-lucha-cotidiana-de-los-derechos-humanos/mexico-derechos-humanos-reprobado>
- Clavelina Miller, J.L. (2023):” Austeridad, debilidad institucional y presupuesto: Comparativo 2018 vs 2024”. Centro de Investigacion Economica y Presupuestaria (CIEP). Available at: <https://ciep.mx/OYXv>
- CNN Español (2023): “Andres Manuel Lopez Obrador busca asegurarse otro voto favorable en la Suprema Corte”. Available at: <https://cnnespanol.cnn.com/2023/11/29/amlo-voto-favorable-suprema-corte-orig>
- CNN Español (2024): “¿En que consiste la reforma judicial que impulsa el Gobierno de AMLO en Mexico?”. Available at: <https://cnnespanol.cnn.com/2024/06/11/reforma-judicial-cambios-sistema-judicial-amlo-mayoria-morena-orig/>
- Daen, A. y Nochebuena, M. (2023): “Omisiones, dudas y opacidad: El censo de desaparecidos del gobierno de AMLO.” Animal Politico. Available at: <https://animalpolitico.com/verificacion-de-hechos/te-explico/omisiones-falsedades-nuevo-censo-desaparecidos>
- De Mauleon, H. (2024): “AMLO va contra la Comision Nacional de Búsqueda.” El Universal. Available at: <https://www.eluniversal.com.mx/opinion/hector-de-mauleon/amlo-va-contra-la-comision-nacional-de-busqueda-de-desaparecidos/>
- Dean A. y Esquerra, F. (2023): “La estrategia es la opacidad: Gobierno de AMLO incumple su promesa de transparencia”. Available at: https://www.animalpolitico.com/verificacion-de-hechos/te-explico/opacidad-gobierno-amlo-incumple-transparencia?rtbref=rtb_rr3wh6qjwi-8v6funaoFH_1714433245297
- El Economista (2023): “AMLO emite nuevo decreto para que obras de infraestructura sean consideradas como de seguridad nacional”. Available at: <https://www.eleconomista.com.mx/politica/AMLO-emite-decreto-para-que-obras-de-infraestructura-sean-consideradas-como-de-seguridad-nacional-20230518-0085.html>
- El Financiero (2023): “PERFIL: Alcantara Carranca, el ministro que ‘se le volteo’ a AMLO en la Suprema Corte”. Available at: <https://www.elfinanciero.com.mx/nacional/2023/10/23/perfil-alcantara-carranca-el-ministro-que-se-le-voleo-a-amlo-en-la-suprema-corte/>
- El Financiero (2023b): “Ataques de AMLO a Norma Piña y a la Corte tienen ‘clara’ intencion electoral: expertos”. Available at: <https://www.elfinanciero.com.mx/nacional/2023/05/25/ataques-de-amlo-a-la-corte-tienen-intencion-electoral-expertos/>
- Escobar, D. (2022): “AMLO lamenta que se equivocó con la designación de ministros de la SCJN”. Proceso. Available at: <https://www.proceso.com.mx/nacional/2022/9/2/amlo-lamenta-que-se-equivoco-con-la-designacion-de-ministros-de-la-scjn-292636.html>
- Espinosa, V. (2023): “AMLO ha atacado a la prensa casi 3 mil veces en cinco años: Artículo 19”. Available at: <https://www.proceso.com.mx/nacional/2023/9/19/amlo-ha-atacado-la-prensa-casi-mil-veces-en-cinco-anos-articulo-19-315123.html>
- Fierro, A. y Roldan, J. (2024): “Los muy republicanos y austeros ataques a la autonomia judicial”. Nexos / MCCI. Available at: <https://contralacorrupcion.mx/los-muy-republicanos-y-austeros-ataques-a-la-autonomia-judicial/>
- Flores, C. (2024):” ¿Por que despidieron a Hector Aguilar Camín de ‘La hora de opinar’? Esto dice el periodista”.

- Infobae. Available at: <https://www.infobae.com/mexico/2024/08/27/por-que-despidieron-a-hector-aguilar-ca-min-de-la-hora-de-opinar-esto-dice-el-periodista/>
- Forbes (2023): “AMLO asegura que han hallado a miles de personas con el nuevo censo de desaparecidos.” Available at: <https://www.forbes.com.mx/amlo-asegura-que-han-hallado-a-miles-de-personas-con-el-nuevo-censo-de-desaparecidos/>
- Forbes (2023b): “ONGs se unen para cuidar derechos y seguridad de migrantes en la frontera sur de Mexico”. Available at: <https://www.forbes.com.mx/ongs-se-unen-para-cuidar-derechos-y-seguridad-de-migrantes-en-la-frontera-sur-de-mexico/>
- Forbes (2024): “Gobierno dice que feminicidios cayeron 35.6% bajo administracion de AMLO”. Available at: <https://www.forbes.com.mx/gobierno-dice-que-feminicidios-cayeron-35-6-bajo-administracion-de-amlo/>
- Forbes (2024b): “En la recta final de su mandato, AMLO busca consolidar su legado y facilitar el camino de Morena en las elecciones: expertos”. Available at: https://www.forbes.com.mx/en-la-recta-final-de-su-mandato-amlo-busca-consolidar-su-legado-y-facilitar-el-camino-de-morena-en-las-elecciones-expertos/#google_vignette
- Forbes (2024c): “AMLO asegura que han hallado a miles de personas con el nuevo censo de desaparecidos”. Available at: <https://www.forbes.com.mx/amlo-asegura-que-han-hallado-a-miles-de-personas-con-el-nuevo-censo-de-desaparecidos/>
- Foro Juridico (2023): “AMLO vs. La Corte”. Available at: <https://forojuridico.mx/amlo-vs-la-corte/>
- Fundacion Konrad Adenauer (2023): “Independencia Judicial - ¿Donde estamos. Analisis Subnacional” KAS, Mexico Evalua. Available at: https://www.kas.de/documents/266027/o/Informe_Independencia+Judicial.pdf/2404bfcc-b498-bd09-9479-7923e2fo66fc?version=1.0&t=1701365925293
- Garcia, A. (2024): “Se registran 2 feminicidios al dia en Mexico en lo que va del 2024.” Available at: <https://www.eleconomista.com.mx/politica/Carpetas-de-feminicidio-en-Mexico-suman-184-en-el-1T-del-2024-20240425-0051.html>
- Gobierno de Mexico (2019): “Ley Federal de Austeridad Republicana”. Available at: <https://www.gob.mx/indesol/documentos/77154>
- Gobierno de Mexico (2024): “Reforma al Poder Judicial, febrero 2024.” Available at: https://www.gob.mx/cms/uploads/attachment/file/892010/REFORMA_AL_PODER_JUDICIAL__2_CS.pdf
- Gobierno Federal (2021): “Ley de Adquisiciones, Arrendamientos y Servicios del Sector Publico y sus reformas”. 20.05.2021. Available at: <https://www.gob.mx/indesol/documentos/ley-de-adquisiciones-arrendamientos-y-servicios-del-sector-publico-y-sus-reformas>
- Guadarrama, M. (2023): “¿Para que la austeridad?”. Instituto Mexicano para la Competitividad A.C. Available at: <https://imco.org.mx/para-que-la-austeridad/>
- Hernandez, A. (2024): “Gobierno anuncia estrategia “humanista” tras incendio en estacion migratoria de Cd. Juarez”. Available at: <https://www.milenio.com/politica/comunidad/anuncian-estrategia-migratoria-incidente-estacion-juarez>
- IIRCCC (2024): “Las reformas de AMLO que ha tirado la Suprema Corte, esto sabemos”. Available at: <https://www.rendiciondecuentas.org.mx/las-reformas-de-amlo-que-ha-tirado-la-suprema-corte-esto-sabemos/>
- IMCO (2023): Compara Carreras 2023. <https://imco.org.mx/comparacarreras/carrera/321>

- INAI (2023): “SENER debe dar a conocer presupuesto asignado a Refinería Dos Bocas y Reporte de su Ejercicio”. Nota Informativa INAI/083/023. Disponible: <https://home.inai.org.mx/wp-content/documentos/SalaDePrensa/Comunicados/Nota%20INAI-083-23.pdf>
- Indice de Paz Mexico 2024: <https://www.Indicedepazmexico.org>
- INEGI (2020): “Estadísticas a propósito de las personas ocupadas como periodistas o locutoras. Datos Nacionales.” Available at: https://www.INEGI.org.mx/contenidos/saladeprensa/aproposito/2020/LibertadPrensa2020_Nal.pdf
- INEGI (2021): Violencia contra las mujeres en Mexico. <https://www.INEGI.org.mx/tablerosestadisticos/vcmm/>
- INEGI (2023): Percepción sobre seguridad 2023: https://www.INEGI.org.mx/contenidos/programas/envipe/2023/doc/envipe2023_5_percepcion_tendencia_seguridad_publica.pdf
- INEGI (2024): “Encuesta Nacional de Seguridad Pública Urbana (ENSU)” 24.07.2024. Available at: https://www.INEGI.org.mx/contenidos/saladeprensa/boletines/2024/ENSU/ENSU2024_07.pdf
- Infobae (2022): “AMLO va contra la SCJN: “No me vengas con ese cuento de que la ley es la ley”. Available at: <https://www.infobae.com/america/mexico/2022/04/06/amlo-ira-contra-la-scn-y-buscara-que-ex-funcionarios-no-puedan-ejercer-en-el-sector-privado-es-un-contubernio/>
- Jimenez, C (2023): “AMLO nombrará hoy a nueva ministra de la SCJN; se reunirá con integrantes de la terna en Palacio Nacional”. Available at: <https://www.infobae.com/mexico/2023/12/14/amlo-acepta-nombrar-a-nueva-ministra-de-la-scn-falta-de-acuerdo-en-senado-es-porque-ya-no-hay-moches/>
- Jimenez, C. (2024): “AMLO revela que pidió a Arturo Zaldívar influir en jueces para tener fallos ‘a modo’: “Con Norma Piña hay licencia para robar”. Available at: <https://www.infobae.com/mexico/2024/02/21/amlo-revela-que-pidio-a-arturo-zaldivar-influir-en-jueces-para-tener-fallos-a-modo-con-norma-pina-hay-licencia-para-robar/>
- Jimenez, C. (2024b): “Mexicanos afirman que la SCJN es el mayor contrapeso del gobierno de AMLO”. Available at: <https://www.infobae.com/mexico/2024/04/14/mexicanos-afirman-que-la-scn-es-el-mayor-contrapeso-del-gobierno-de-amlo/>
- Jimenez, E. (2024): “Mexico, segundo lugar en feminicidios: sexenio de AMLO cerca de las 5 mil mujeres asesinadas”. Available at: <https://www.infobae.com/mexico/2024/03/08/mexico-segundo-lugar-en-feminicidios-sexenio-de-amlo-cerca-de-las-5-mil-mujeres-asesinadas/>
- Lameias, Alamillo y Nuñez (2024): “Desaparecen de CompraNet 2 millones de contratos de 2012 a 2023”. MCCI. Available at: <https://contralacorrupcion.mx/desaparecen-de-compranet-documentos-de-1-9-millones-de-contratos-y-4-7-billones-de-pesos-entregados-entre-2012-y-2023/>
- Lastiri, D. (2023): “Tras críticas de AMLO atacan en redes a la ministra Norma Piña”. Available at: <https://www.proceso.com.mx/nacional/2023/3/2/%20tras-criticas-de-amlo-atacan-en-redes-la-ministra-norma-%20pina-302975.html>
- Lopez-Castro, F. (2024): “AMLO se lanza contra Poder Judicial por dar prisión domiciliaria a Murillo Karam: “Son muy conservadores”. Available at: <https://www.infobae.com/mexico/2024/04/05/amlo-se-lanza-contra-poder-judicial-por-dar-prision-domiciliaria-a-murillo-karam-son-muy-conservadores/>

- Mandujano, I. (2024): “Colectivo acusa al INM de poner en riesgo a 800 migrantes que acampan en el Rio Suchiate”. Available at: <https://www.proceso.com.mx/nacional/2024/2/29/colectivo-acusa-al-inm-de-poner-en-riesgo-800-migrantes-que-acampan-en-el-rio-suchiate-324825.html>
- Marsan, E (2024): “Estos son todos los periodistas que perdieron un espacio durante el sexenio de AMLO”. Infobae. Available at: <https://www.infobae.com/mexico/2024/03/23/estos-son-todos-los-periodistas-que-perdieron-un-espacio-durante-el-sexenio-de-amlo/>
- Martinez, B. (2024a): “Con Lenia Batres, AMLO lleva 5 ministros en la Suprema Corte”. Available at: <https://www.eluniversal.com.mx/nacion/con-lenia-batres-amlo-lleva-5-ministros-en-la-suprema-corte/>
- Martinez, F. (2024): “Crearia AMLO Tribunal de Disciplina Judicial; desaparece el Consejo de la Judicatura Federal”. El Economista. Available at: <https://www.eleconomista.com.mx/politica/Crearia-AMLO-Tribunal-de-Disciplina-Judicial-desaparece-el-Consejo-de-la-Judicatura-Federal-20240203-0017.html>
- MCCI (2023): “Sin otros datos. El legado de la politica de transparencia de AMLO y el abandono de la informacion publica” Unidad de Investigacion Aplicada. Available at: <https://contralacorrupcion.mx/sin-otros-datos-el-legado-de-la-politica-de-transparencia-de-amlo-y-el-abandono-de-la-informacion-publica/>
- MCCI (2023b): “Mas de 111.000 historias sin justicia”. Available at: <https://contralacorrupcion.mx/cien-mil-desaparecidos-mexico/> Secretaria de la Funcion Publica. Available at: <https://compranet.funcionpublica.gob.mx/web/login.html>
- MCCI (2024): “Desaparecen de CompraNet 2 millones de contratos de 2012 a 2023”. Available at: <https://contralacorrupcion.mx/desaparecen-de-compranet-documentos-de-1-9-millones-de-contratos-y-4-7-billones-de-pesos-entregados-entre-2012-y-2023/>
- MCCI (2024): “Libro Blanco – El Estado de la Nacion al Cierre de la Administracion de Lopez Obrador”. Available at: <https://contralacorrupcion.mx/libro-blanco/>
- Mecinas, J. (2024): “Debilitando al enemigo: elegir y echar a la calle a todos los jueces”. Nexos / MCCI. Available at: <https://contralacorrupcion.mx/debilitando-al-enemigo/>
- Migration Policy Institute (2022): “Controversial U.S. Title 42 Expulsions Policy Is Coming to an End, Bringing New Border Challenges”. Available at: <https://www.migrationpolicy.org/article/title-42-expulsions-policy>
- Monroy, J. (2022). “FGR determina el no ejercicio de una accion penal contra el ex ministro Eduardo Medina Mora”. El Economista. Available at: <https://www.eleconomista.com.mx/politica/FGR-determina-el-no-ejercicio-de-una-accion-penal-contr-ex-ministro-Eduardo-Medina-Mora-20220221-0121.html>
- Mujer Ejecutiva (2023): “Dia Internacional del Periodista: Mujeres participan con el 34% en esta profesion”. Available at: <https://shorturl.at/KyLow>
- Naciones Unidas (2024): “Informe del Grupo de Trabajo sobre el Examen Periodico Universal – Mexico”. Consejo de Derechos Humanos, 56 periodo de sesiones, 18 de junio al 12 de julio 2024. Available at: <https://documents.un.org/doc/undoc/gen/g24/o37/53/pdf/g24o3753.pdf>
- Neri, F. (2024): “Elegir ministros por voto directo: ¿Democratizar la Suprema Corte o politizar la justicia?”. Nexos/MCCI. Available at: <https://contralacorrupcion.mx/elegir-ministros-por-voto-directo-democratizar-la-suprema-corte-o-politizar-la-justicia/>

- OCDE (2024): “Encuesta sobre los motores de la confianza 2024 Mexico”. Available at: https://www.oecd.org/es/publications/encuesta-de-la-ocde-sobre-los-motores-de-la-confianza-2024_85bdcdco-es/mexico_3172b4a5-es.html
- Organizacion Internacional para las Migraciones (OIM) (2023): Estadísticas Migratorias para Mexico. Boletín Annual 2023. Available at: <https://mexico.iom.int/sites/g/files/tmzbd1686/files/documents/2024-03/estadisticas-migratorias-2023.pdf>
- Organizacion Internacional para las Migraciones (OIM) (2024). Migración y migrantes: Panorama mundial. En: Informe sobre las Migraciones en el Mundo 2024 (M. McAuliffe y L.A. Oucho, eds.). OIM, Ginebra
- Organizacion Internacional para las Migraciones (OIM) (2024): Informe sobre las migraciones en el mundo. Available at: <https://mexico.iom.int/es/news/el-informe-sobre-las-migraciones-en-el-mundo-2024-revela-las-ultimas-tendencias-y-desafios-mundiales-del-ambito-de-la-movilidad-humana>
- Osorio, V. (2024): “Operan solo 21 de 53 estaciones migratorias”. Periodico Reforma. Available at: <https://www.reforma.com/operan-solo-21-de-53-estaciones-migratorias/ar2779684>
- Perez, A. (2019): “El golpe final a la autonomía de la CNDH”. Nexos. Available at: <https://eljuegodelacorte.nexos.com.mx/el-golpe-final-a-la-autonomia-de-la-cndh/>
- Perez, M. (2023): “Ante la crisis en desapariciones en Mexico, el presupuesto luce insuficiente” EL Economista. Available at: <https://www.eleconomista.com.mx/politica/Ante-la-cri-sis-en-desapariciones-en-Mexico-el-presupuesto-luce-insuficiente-20230916-0023.html>
- Plan Estratégico del Instituto Nacional de Migración 2019-2024 <https://www.gob.mx/inm/acciones-y-programas/plan-estrategico-del-instituto-nacional-de-migracion-2019-2024-243361>
- Ramos, R. (2023): “SCJN invalida decreto de AMLO que blinda proyectos prioritarios como de seguridad nacional”. Available at: <https://www.eleconomista.com.mx/politica/SCJN-invalida-decreto-de-AMLO-que-blinda-proyectos-prioritarios-como-de-seguridad-nacional-20230518-0044.html>
- Ramos, R. (2024): “Disputas entre AMLO y ministros, una constante de su sexenio” Available at: <https://www.eleconomista.com.mx/politica/Disputas-entre-AMLO-y-ministros-una-constante-de-su-sexenio-20240202-0028.html>
- Registro Nacional de Personas Desaparecidas y No Localizadas (RNPdNO) <https://versionpublicarnpdno.Segob.gob.mx/Dashboard/Index>
- Reporteros sin Fronteras (RSF) (2024): “Mexico: casi seis años de AMLO en el poder y ningún avance en la protección de los periodistas”. Available at: <https://rsf.org/es/mexico-casi-seis-años-de-amlo-en-el-poder-y-ningun-avance-en-la-proteccion-de-los-periodistas>
- Rodriguez E. (2022): “Remakes de la Mañanera: 26 Gobernadores y Alcaldes copian Modelo Presidencial”. Available at: <https://m-x.com.mx/investigaciones/remakes-de-la-mañanera-26-gobernadores-y-alcaldes-copian-el-modelo-presidencial/>
- Rojas, A. (2024): “AMLO admite que intervino en decisiones de la SCJN durante presidencia de Arturo Zaldívar”. Available at: <https://www.eleconomista.com.mx/politica/AMLO-admite-que-intervino-en-decisiones-de-la-SCJN-durante-presidencia-de-Arturo-Zaldivar-20240221-0052.html>
- Rojas, A. (2024b) “Retiene Mexico a más migrantes en Fronteras y CDMX”. Available at: <https://www.eleconomista.com.mx/politica/Retiene-Mexico-a-mas-migrantes-en- fronteras-y-CDMX-20240607-0005.html>

- Rojas, A. (2024c): “Proteccion de Derechos Humanos en Mexico, sin tener avances”. El Economista. Available at: <https://www.eleconomista.com.mx/politica/Proteccion-de-Derechos-Humanos-en-Mexico-sin-tener-avances-20240423-0017.html>
- Rojas, A. (2024d): “AMLO defiende estrategia migratoria de su gobierno; niega aumento de deportados”. El Economista. Available at: <https://www.eleconomista.com.mx/politica/AMLO-defiende-estrategia-migratoria-niega-aumento-de-deportados-20240610-0044.html>
- Ruiz Soto, A. (2020): “Un año despues del Acuerdo Estados Unidos-Mexico. La transformacion de las politicas migratorias mexicanas”. Migration Policy Institute (MPI). Available at: <https://www.migrationpolicy.org/sites/default/files/publications/OneYearAfterUS-MexAgreement-ES-FINAL.pdf>
- Ruiz, R. (2024): “El legado de Lopez Obrador: un pais fracturado, con menos pobres, mas muertos por la violencia narco y el futuro de la democracia en duda”. La Nacion. Available at: <https://www.lanacion.com.ar/el-mundo/el-legado-de-lopez-obrador-un-pais-fracturado-y-con-menos-pobres-pero-mas-muertos-por-la-violencia-nido1062024/>
- Salazar, D. (2022): “¿Que significa el exito de la estrategia de Lopez Obrador contra la prensa?” The Washington Post. Available at: <https://www.washingtonpost.com/es/post-opinion/2022/05/05/amlo-prensa-periodistas-asesinados-mexico-ataques-medios/>
- Sandoval, A. (2024): “¿Cuanto ha aumentado el feminicidio en Mexico? Estas son las entidades con mas casos en el sexenio de AMLO”. Available at: <https://www.infobae.com/mexico/2024/03/05/cuanto-ha-aumentado-el-feminicidio-en-mexico-estas-son-las-entidades-con-mas-casos-en-el-sexenio-de-amlo/>
- Secretaria de la Funcion Publica. Available at: <https://compra-net.funcionpublica.gob.mx/web/login.html>
- Secretaria de Gobernacion (2024): “Reforma al Poder Judicial responde al reclamo de justicia del pueblo de Mexico” Available at: <https://www.gob.mx/Segob/prensa/reforma-al-poder-judicial-responde-al-reclamo-de-justicia-del-pueblo-de-mexico-Segob?idiom=es>
- Secretaria de Seguridad y Proteccion Ciudadana (2024): “Informacion sobre violencia contra las mujeres” Available at: https://drive.google.com/file/d/1Od-CdX-3cfdc_4JvFJ-yOBWFlt_Kc1Pf4/view
- Secretariado Ejecutivo del Sistema Nacional de Seguridad Publica. (SESNP). Datos de Incidencia delictiva. Available at: <https://www.gob.mx/sesnsp>
- Segob (2021): Acuerdo por el que se instruye a las dependencias y entidades de la Administracion Publica Federal a realizar las acciones que se indican, en relacion con los proyectos y obras del Gobierno de Mexico considerados de interes publico y seguridad nacional, asi como prioritarios y estrategicos para el desarrollo nacional. Publicado en el Diario Oficial de la Federacion el 22/11/2021 https://www.dof.gob.mx/nota_detalle.php?codigo=5635985&fecha=22/11/2021#gsc.tab=0
- Segob (2024): Informe Estadistico enero 2024 – Mecanismo para la Proteccion de Personas Defensoras de Derechos Humanos y Periodistas. Available at: https://www.gob.mx/cms/uploads/attachment/file/902458/2024_01_Informe_estadistico.pdf
- Senado de la Republica (2024): “Congreso aprobo seis de cada 10 iniciativas de AMLO, señala estudio del IBD” Available at: <https://comunicacionsocial.senado.gob.mx/informacion/comunicados/9039-congreso-aprobo-seis-de-cada-10-iniciativas-de-amlo-senala-estudio-del-ibd>
- Signos Vitales (2020): “Contencion migratoria: Lesiones graves a los Derechos Humanos”. Available at: <https://signosvitalesmexico.org/contencion-migratoria-lesiones-graves-a-los-derechos-humanos/>

- Signos Vitales (2020b): “Hiperpresidencialismo presupuestal: Un tumor latente”. Available at: <https://signosvitalismexico.org/hiperpresidencialismo-presupuestal-un-tumor-latente/>
- Signos Vitales (2021): “Derechos Humanos en Retroceso”. Available at: <https://signosvitalismexico.org/derechos-humanos-en-retroceso/>
- Signos Vitales (2021b): “Discriminación y Vulnerabilidad”. Available at: <https://signosvitalismexico.org/discriminacion-y-vulnerabilidad/>
- Signos Vitales (2023): “El Estado Mexicano a Revisión”. Available at: <https://signosvitalismexico.org/reporte-12/>
- Signos Vitales (2024): “Violación a la ley electoral”. Available at: <https://signosvitalismexico.org/violacion-a-la-ley-electoral/>
- Sistema Nacional de Alerta de Violación de Derechos Humanos de la CNDH. Available at: <https://sna.cndh.org.mx>
- SPIN Infografías: <https://conferenciapresidente.spintcp.com/infografias/>
- Tenorio Colon, K. (2022): “Migración: Estadísticas de México - Carpeta Informativa.” Centro de Estudios Sociales y de Opinión Pública. Available at: <https://portalhcd.diputados.gob.mx/PortalWeb/Micrositios/568f11ab-7077-4cof-aa10-f1bc78cc9e0a.pdf>
- Torres, J. (2024): “Los 5 jinetes del Apocalipsis”. Columna Invitada Política Expansion. Available at: <https://politica.expansion.mx/voces/2024/07/16/columnainvitada-los-5-jinetes-del-apocalipsis>
- Torres, M. (2023): “Las quejas contra el INM por presuntas violaciones a derechos humanos se disparan 200% en el sexenio de AMLO”. Available at: <https://animalpolitico.com/sociedad/quejas-inm-presuntas-violaciones-derechos-humanos-crecen>
- Ureste, M. (2022): “En su cuarto año, AMLO despliega a 46% mas militares y guardias para contener a migrantes; detenciones llegan a 345 mil.” Available at: <https://animalpolitico.com/sociedad/mas-militares-guardias-nacionales-detener-migrantes>
- Ureste, M. (2023): “Detención de migrantes en México bate record con AMLO: mas de 400 mil en 2023.” Available at: <https://animalpolitico.com/sociedad/detencion-de-migrantes-en-mexico-2023-record-amlo>
- Version Estenografica del 5to informe de gobierno 01.09.2023: <https://www.gob.mx/presidencia/articulos/version-estenografica-5-informe-de-gobierno>
- World Justice Project (2024): Índice de Estado de Derecho en México 2023-2024. Available at: <https://worldjusticeproject.mx/Indice-de-estado-de-derecho-en-mexico/>
- Yañez, B. (2024): “Suman 47 periodistas asesinados durante el sexenio de AMLO” Política Expansion. Available at: <https://politica.expansion.mx/mexico/2024/08/05/periodistas-asesinados-en-mexico-sexenio-amlo>

CHAPTER 3

AC Consultores (2023): “Mapa del Crimen Organizado en México”. Available at: <https://app.powerbi.com/view?r=eyJoiZDA4YzkwMjctNDZjOSooNzY4LTk4NmQtNDAAoNjAzZTlkOTlhIiwidCI6IjM2YWM1ODUyLTVkZDAtdNDVINCiOWRhLW-MwY2NkZDRmNTc2MCIslmMiOjR9>

Aguilar, R. (2024): “Crecimiento y eficacia de la Guardia Nacional”. Animal Politico. Available at: <https://animalpolitico.com>

com/analisis/autores/lo-que-quiso-decir/crecimiento-eficacia-guardia-nacional

Arista, L. (2024): “El gobierno de AMLO se despedira con casi 200,000 homicidios dolosos” *Politica Expansion*. Available at: <https://politica.expansion.mx/presidencia/2024/09/gobierno-amlo-se-despide-con-casi-200-000-homicidios-dolosos>

Baruc, M. (2024): “Crimen organizado, el “virus” violento y silencioso que amenaza a 8 de cada 10 mexicanos”. *Infobae*. Available at: <https://www.infobae.com/mexico/2024/04/25/crimen-organizado-el-virus-violento-y-silencioso-que-amenaza-a-8-de-cada-10-mexicanos/>

Becerra, R. (2023): “El daño esta hecho - balance y politicas para la reconstruccion” *Libros Grano de Sal*, Primera edicion.

Camhaji, E. (2024): “Lopez Obrador culpa a Estados Unidos de la ola de violencia en Sinaloa”. *El Pais*. Available at: <https://elpais.com/mexico/2024-09-19/lopez-obrador-culpa-a-estados-unidos-de-la-ola-de-violencia-en-sinaloa.html>

Cano, N. (2024): “¿En que consiste la nueva reforma a la Guardia Nacional impulsada por el presidente Lopez Obrador?”. Available at: <https://cnnespanol.cnn.com/2024/09/18/nueva-reforma-guardia-nacional-lopez-obrador-mexico-orix>

Carrillo, J. (2024): “Cierre de Sexenio”. *El Economista*. Available at: <https://www.eleconomista.com.mx/opinion/cierre-sexenio-20240925-727317.html>

Casasola, T. (2024): “Gobierno de AMLO, el que mas ha militarizado a Mexico; 83% de convenios con fuerzas armadas no tienen que ver con seguridad.” *Animal Politico*. Available at: <https://animalpolitico.com/seguridad/gobierno-amlo-militarizacion-mexico>

Causa en Comun (2023): “Guardia Nacional – Años de una definicion militarista”. Available at: https://causaencomun.org.mx/observatorioguardiafuerzasarmadas/wp-content/uploads/2023/07/4to-informe-OGN_VFweb.pdf

Causa en Comun (2024): “Quinto Informe del Observatorio de la Guardia Nacional y la Militarizacion en Mexico”. Available at: https://causaencomun.org.mx/observatorioguardiafuerzasarmadas/wp-content/uploads/2024/07/5TO-INFORME-OGN_WEB.pdf

CIDE (2021): “Inventario Nacional de lo Militarizado”. Primera edicion. Available at: <https://ppdata.politicadedrogas.org/PPD/INM/files/INM-Report.pdf>

CMDPDH (2023): “Episodios de Desplazamiento interno forzado en Mexico 2021”. Available at: <https://cmdpdh.org/2023/01/24/presentacion-informe-episodios-de-desplazamiento-interno-forzado-en-mexico-2021/>

CNDH (2024): “Sistema Nacional de Alerta de Violacion de Derechos Humanos”. Available at: <https://sna.cndh.org.mx>

Cota, I. (2024): “Extorsion a negocios en Mexico: El crecimiento empresarial de Mexico tiene las alas llenas de plomo”. *El Pais*. Available at: <https://elpais.com/mexico/economia/2024-08-03/el-crecimiento-empresarial-de-mexico-tiene-las-alas-llenas-de-plomo.html>

Council on Foreign Relations (2024): “Mexico’s long war: drugs, crime and the cartels”. Available at: <https://www.cfr.org/background/mexicos-long-war-drugs-crime-and-cartels>

Crail, A. (2022): “Sedena requiere 25 mil mdp mas para la Guardia Nacional: Guacamaya Leaks”. *El Universal*. Available at: <https://www.eluniversal.com.mx/nacion/sedena-requiere-25-mil-mdp-mas-para-la-guardia-nacional-guacamaya-leaks/>

- Daen, A. y Rangel, L. (2024): “Abrazos, no balazos: la estrategia de seguridad de AMLO, ¿se distinguió de la de Calderón? ¿Que resultados tiene?. Animal Político. Available at: <https://animalpolitico.com/verificacion-de-hechos/te-explico/abrazos-balazos-amlo-calderon>
- El Economista (2023): “Lopez Obrador otorga condecoración al General Cienfuegos”. Available at: <https://www.eleconomista.com.mx/politica/Lopez-Obrador-otorga-condecoracion-al-General-Cienfuegos-20231011-0108.html>
- El Economista (2023b): “De 228%, el sobrecosto del Tren Maya”. Available at: <https://www.eleconomista.com.mx/empresas/De-228-el-sobrecosto-del-Tren-Maya-20231218-0010.html>
- El Economista (2024): “Prevalece impunidad en los casos de espionaje con Pegasus en México”. Available at: <https://www.eleconomista.com.mx/politica/Prevalece-impunidad-en-los-casos-de-espionaje-con-Pegasus-en-Mexico-20240419-0007.html>
- El Financiero (2021): “EU pide a México permitir ingreso de agentes de la DEA”. Available at: <https://www.elfinanciero.com.mx/nacional/2021/10/09/eu-pide-a-mexico-permitir-ingreso-de-agentes-de-la-dea/>
- El Financiero (2024): “Militares, los ‘ganones’ del sexenio de AMLO: ¿Cuanto subió su presupuesto y que aeropuertos controlan?”. Available at: <https://www.elfinanciero.com.mx/nacional/2024/09/15/militares-los-ganones-del-sexenio-de-amlo-cuanto-subio-su-presupuesto-y-que-aeropuertos-controlan/>
- El Financiero (2024b): “AMLO ‘no tolera’ a la DEA: Así ha sido su historial de desencuentros en lo que va del sexenio”. Available at: <https://www.elfinanciero.com.mx/nacional/2024/01/31/amlo-investigacion-financiamiento-campana-presidencial-2006-dea-criticas-en-lo-que-va-del-sexenio/>
- El País (2021). Los dos meses que bastaron para exonerar al general Cienfuegos. Available at: <https://elpais.com/mexico/2021-01-15/los-dos-meses-que-bastaron-para-exonerar-al-general-cienfuegos.html>
- El País (2024): “La cruzada de la DEA contra los narcos mexicanos”. Available at: <https://elpais.com/mexico/2024-05-10/la-cruzada-de-la-dea-contra-los-narcos-mexicanos-los-carteles-de-sinaloa-y-jalisco-han-causado-la-peor-crisis-de-drogas-en-la-historia-de-estados-unidos.html>
- El País. (2020). Lopez Obrador anuncia la militarización de puertos y aduanas para frenar el contrabando y el narcotráfico. Recuperado de <https://elpais.com/mexico/2020-07-17/lopez-obrador-anuncia-la-militarizacion-de-puertos-y-aduanas-para-frenar-el-contrabando-y-el-narcotrafico.html>
- El Universal (2021): “Cuando Ebrard dijo que sería ‘casi suicida’ no hacer nada en caso Cienfuegos” Available at: <https://www.eluniversal.com.mx/nacion/cuando-ebrard-dijo-que-seria-casi-suicida-no-hacer-nada-en-caso-cienfuegos/>
- El Universal (2024): “Inseguridad heredo 386 mil desplazados internos en México en 2022: OIM”. Available at: <https://www.eluniversal.com.mx/mundo/inseguridad-dispara-cifra-de-desplazados-en-suelo-mexicano/>
- El Universal (2024b): “AMLO dice que no luchara contra carteles de la droga por orden de EU, lo llama política de ‘Primero México’”. Available at: <https://www.eluniversal.com.mx/nacion/amlo-dice-que-no-luchara-contra-carteles-de-la-droga-por-orden-de-eu-lo-llama-politica-de-primero-mexico/>
- Gaceta UNAM. (2023). Alertan por mayor participación de militares en tareas civiles. Recuperado de <https://www.>

- gaceta.unam.mx/alertan-por-mayor-participacion-de-militares-en-tareas-civiles/
- Gallardo Perez, M. (2023): “Mexico: AMLO dice encabezar la investigacion del ‘Caso Ayotzinapa’ tras condecorar a Salvador Cienfuegos”. France 24.com Available at: <https://www.france24.com/es/america-latina/20231013-mexico-amlo-dice-encabezar-la-investigacion-del-caso-ayotzinapa-tras-condecorar-a-salvador-cienfuegos>
- Garcia, D. y Nuñez, L. (2022): “La Guardia Nacional y fuero militar: camino a la impunidad”. Mexicanos Contra la Corrupcion. Available at: <https://contralacorrupcion.mx/guardia-nacional-y-fuero-militar-camino-a-la-impunidad/>
- Garcia, L., & Ocaranza, C. (2023). Fuerzas Armadas en aduanas, trampa para la transparencia y puerta para la corrupcion en Mexico. Empower. Available at: <https://empowerllc.net/2022/11/09/fuerzas-armadas-aduanas/>
- Giles Navarro, C.A. (2023): “Elementos para la Evaluacion de la Guardia Nacional”. Instituto Belisario Dominguez, Senado de la Republica, N. 208, Diciembre 2023. Available at: http://bibliodigitalibd.senado.gob.mx/bitstream/handle/123456789/6132/NE208_GuardiaNacional.pdf?sequence=5&isAllowed=y
- Global Initiative Against Transnational Crime (2024): “Indice Global del Crimen Organizado – Mexico”. Available at: https://newspack-yucatan.s3.amazonaws.com/uploads/2024/02/mercados-criminales-mexico_2023.pdf
- Gobierno Federal (2019): “Estrategia Nacional de Seguridad Publica”. Available at: <https://www.gob.mx/sspc/es/articulos/estrategia-nacional-de-seguridad-publica?idiom=es>
- Gobierno Federal (2023): “Cuarto Informe sobre Estrategia Nacional de seguridad Publica 2023”. Available at: <https://www.gob.mx/sspc/documentos/cuarto-informe-de-la-estrategia-nacional-de-seguridad-publica-334434>
- Gobierno Federal (2024): “Informe de Seguridad”, abril 2024. Available at: https://www.gob.mx/cms/uploads/attachment/file/913197/CPM_Informe_de_Seguridad__30abr24.pdf
- Gobierno Federal (2024b): “Informe de Seguridad”, septiembre 2024. Available at: https://www.gob.mx/cms/uploads/attachment/file/941657/CPM_Informe_de_Seguridad__03sep24.pdf
- Golden, Tim (2024): “La historia oculta de la arriesgada investigacion estadounidense de las acusaciones de que narcotraficantes financiaron una campaña del presidente mexicano Lopez Obrador” ProPublica. Available at: <https://www.propublica.org/article/mexico-amlo-dea-car-tel-campana-donaciones>
- Guazo, D. y Meza, S. (ed) (2024): “Mexico, el pais de los carteles”. El Universal. Available at: <https://interactivos.eluniversal.com.mx/2023/mapa-crimen-organizado/#Mapa>
- Guerrero, E. (2024): “Los militares: garantes del legado del obradorismo”. El Financiero. Available at: <https://www.elfinanciero.com.mx/opinion/eduardo-guerrero-gutierrez/2024/05/20/los-militares-garantes-del-legado-del-obradorismo/>
- Guevara Bermudez, J. (2024): “Asesinatos militares, impunidad y justicia”. Nexos. Available at: <https://eljuegodelacorte.nexos.com.mx/asesinatos-militares-impunidad-y-justicia/>
- Hiriart, P. (2024): “Carteles han prosperado con AMLO, sostiene Financial Times”. EL Financiero. Available at: <https://www.elfinanciero.com.mx/nacional/2024/05/22/carteles-han-prosperado-con-amlo-sostiene-financial-times/>

- IMCO (2023): “La Participación de la Secretaría de la Defensa Nacional en Obras Públicas alcanza un nivel sin precedentes”. Available at: <https://imco.org.mx/la-participacion-de-la-secretaria-de-la-defensa-nacional-en-obras-publicas-alcanza-un-nivel-sin-precedentes/>
- INEGI (2023): “Censo Nacional de Seguridad Pública Federal 2023.” Available at: <https://www.inegi.org.mx/app/saladeprensa/noticia.html?id=8569>
- INEGI (2023b): “Censo Nacional de Procuración de Justicia Estatal y Federal 2023.” Available at: https://www.inegi.org.mx/contenidos/programas/cnpj/2023/doc/cnpjf_2023_resultados.pdf
- INEGI (2024): “Censo Nacional de Seguridad Pública Federal 2024”. Available at: https://www.inegi.org.mx/contenidos/programas/cnspf/2024/doc/cnspf_2024_resultados.pdf
- Insight Crime (2024): “Country Profile – Mexico”. Available at: <https://insightcrime.org/mexico-organized-crime-news/mexico/>
- Instituto Mexicano de Contadores Públicos (IMCP) (2018): “Costará 120 mil mdp cancelar al aeropuerto”. Available at: <https://imcp.org.mx/costara-120-mil-mdp-cancelar-el-aeropuerto/>
- Internal Displacement Monitoring Center (IDMC) (2024). Available at: <https://www.internal-displacement.org/>
- Jasso Lopez, L. C. (2018): “Organizaciones de la sociedad civil por la seguridad en México: ¿cuántas son y dónde están? Nexos. Available at: <https://seguridad.nexos.com.mx/organizaciones-de-la-sociedad-civil-por-la-seguridad-en-mexico-cuantas-son-y-donde-estan/>
- Jimenez, E. (2024): “AMLO defendió hasta el final su estrategia de seguridad, con casi 200 mil muertos durante el sexenio”. Infobae. Available at: <https://www.infobae.com/mexico/2024/09/24/amlo-defendio-hasta-el-final-su-estrategia-de-seguridad-con-casi-200-mil-muertos-durante-el-sexenio/>
- Kitroeff, N. y Bergman, R. (2023): “Como México se convirtió en el mayor usuario del programa de espionaje más conocido del mundo”. The New York Times. Available at: <https://www.nytimes.com/es/2023/04/18/espanol/pegasus-mexico-gobierno-ejercito.html>
- LatinUS (2024): “El Clan”: los sobornos de la red de Andy y “Bobby” López Beltrán para colocar balasto en el Tren Maya ponen en riesgo a los pasajeros”. Available at: <https://latinus.us/mexico/2024/3/11/el-clan-los-sobornos-de-la-red-de-andy-bobby-lopez-beltran-para-colocar-balasto-en-el-tren-maya-ponen-en-riesgo-los-pasajeros-109831.html>
- Lazaro, E. (2022): “GuacamayaLeaks: Las revelaciones del ejército que tienes que leer”. El Economista. Available at: <https://www.eleconomista.com.mx/politica/GuacamayaLeaks-las-revelaciones-del-Ejercito-que-tienes-que-leer-20221011-0075.html>
- Le Cour Gran Maison, R. (2023): “Diez Años de Vigilantes - Las Autodefensas Mexicanas”. GI-TOC. Available at: <https://globalinitiative.net/wp-content/uploads/2023/03/Romain-Le-Cour-Grandmaison-Diez-anos-de-vigilantes-Las-autodefensas-mexicanas-GI-TOC-marzo-2023.pdf>
- Martínez, A. (2024): “Así queda el mapa del narco al fin del sexenio de AMLO”. Infobae. Available at: <https://www.infobae.com/mexico/2024/09/30/asi-queda-el-mapa-del-narco-al-fin-del-sexenio-de-amlo-el-cartel-de-sinaloa-es-el-mas-afectado/>
- Martínez, R. (2024): “Narcopresidente” – las acusaciones que mancharon el sexenio de AMLO”. Infobae. Available

- at: <https://www.infobae.com/mexico/2024/09/30/narcopresidente-las-acusaciones-que-mancharon-el-sexenio-de-amlo/>
- Maza, A. (2024): “Reforma a la Guardia Nacional garantiza fuero militar; da facultades inéditas de investigación de delito”. *Animal Político*. Available at: <https://animalpolitico.com/politica/reforma-guardia-nacional-fuero-militar-investigacion>
- MCCI (2022): “#SedenaLeaks revela corrupción militar: venden armas del Ejército a criminales”. Available at: <https://contralacorrupcion.mx/sedenaleaks-revela-corrupcion-militar-venden-armas-del-ejercito-a-criminales/>
- MCCI (2024): “Libro Blanco – El Estado de la Nación al Cierre de la Administración de López Obrador”. Available at: <https://contralacorrupcion.mx/libro-blanco/>
- Mexico Evalua (2024): “La otra militarización: Fuerzas Armadas al frente de instituciones estatales de seguridad pública en México, 2011 - 2024”. Available at: <https://www.mexicoevalua.org/la-otra-militarizacion/>
- Mexico Evalua (2024b): “5 evidencias sobre las finanzas públicas de 2023”. Available at: <https://numerosdeerario.mexicoevalua.org/2024/02/28/5-evidencias-sobre-las-finanzas-publicas-de-2023/>
- Mexico Unido Contra la Delincuencia (MUCD) (2024): “Inventario Nacional de lo Militarizado”. Resumen Ejecutivo. Available at: <https://www.mucd.org.mx/wp-content/uploads/2024/04/Resumen-Ejecutivo-Inventario.pdf>
- Milenio (2023): “Personal naval y militar ocupan cargos públicos en dependencias de México”. Available at: <https://www.milenio.com/politica/comunidad/personal-naval-militar-ocupan-cargos-publicos-en-dependencias-mexico>
- Mexico Unido Contra la Delincuencia (MUCD) (2024b): “Urgimos nuevamente al Congreso no aprobar el dictamen sobre Guardia Nacional que militariza la seguridad”. Comunicado del 25 de Julio 2024. Available at: <https://www.mucd.org.mx/2024/07/urgimos-nuevamente-al-congreso-no-aprobar-el-dictamen-sobre-guardia-nacional-que-militariza-la-seguridad/>
- MUCD (2024c): “El Negocio de la Militarización. Opacidad, Poder y Dinero.” Febrero 2024. Available at: <https://www.mucd.org.mx/wp-content/uploads/2024/02/Negocio2.o.pdf>
- Murray, C. y Stott, M. (2024): “Mexico's Drug Cartels are Thriving”. *Financial Times*. Available at: <https://www.ft.com/content/fe04c6ed-73f8-4e17-852b-ce16fd6c3515>
- Navarro, A. (2024): “AMLO usa al Ejército en sus megaproyectos, mientras la inseguridad en México se agudiza”. *Bloomberg*. Available at: <https://www.bloomberg.com/news/features/2024-04-18/amlo-usa-al-ejercito-en-sus-mega-proyectos-y-la-inseguridad-en-mexico-se-agudiza-lv5q6l8j>
- Noguera Romero, O. (2024): “Fin de sexenio: AMLO ataco fideicomisos, pero los de las Fuerzas Armadas sumaron montos record.” *Animal Político*. Available at: <https://animalpolitico.com/verificacion-de-hechos/te-explico/fin-sexenio-fideicomiso-fuerzas-armadas>
- Observatorio Nacional de Derechos Humanos: <https://observatorio.cndh.org.mx>
- Ortiz, A. (2024): “Seis años después, AMLO logra la Guardia Nacional “militarizada” que buscaba desde 2019”. *Animal Político*. Available at: <https://animalpolitico.com/politica/reforma-guardia-nacional-aprobada-diputados-amlo-ejercito>

- Pimentel, O. (2023): “Mexico: Grupos de autodefensa, entre vencer o ceder a la violencia”. Diario Las Americas. Available at: <https://www.diariolasamericas.com/america-latina/mexico-grupos-autodefensa-vencer-o-ceder-la-violencia-n5346407>
- Presupuesto de Egresos de la Federacion (2024). Disponible en <https://www.ppef.hacienda.gob.mx>
- Ravelo Sierra, A. (2024) “La Reforma de la Guardia Nacional: normalizando la excepcion”. Animal Politico. Available at: <https://animalpolitico.com/analisis/organizaciones/seguridad-justicia-y-paz/reforma-guardia-nacional-militarizacion-seguridad-publica>
- Rojas, A. (2023): “A la baja, actividad de organizaciones civiles en el pais”. El Economista. Available at: <https://www.eleconomista.com.mx/politica/A-la-baja-actividad-de-organizaciones-civiles-en-el-pais-20231115-0006.html#:~:text=%E2%80%99CLa%20mayor%20ca%C3%ADda%20de%20OSC,se%20detall%C3%B3%20en%20el%20informe>
- Secretaria de Gobernacion (2019): “Decreto por el que se aprueba la Estrategia Nacional de Seguridad Publica del Gobierno de la Republica.” Diario Oficial de la Federacion del 16/05/2019. Available at: https://www.dof.gob.mx/nota_detalle.php?codigo=5560463&fecha=16/05/2019#gsc.tab=0
- Secretaria de Gobernacion (2021): “Acuerdo para declarar proyectos y obras del Gobierno de Mexico de interes publico y seguridad nacional”. Diario Oficial de la Federacion del 22/11/2021. Available at: https://www.dof.gob.mx/nota_detalle.php?codigo=5635985&fecha=22/11/2021#gsc.tab=0
- Secretaria de Gobernacion (2024): “Decreto por el que se reforman y adicionan los articulos 13, 16, 21, 32, 55, 73, 76, 78, 82, 89, 123 y 129 de la Constitucion Politica de los Estados Unidos Mexicanos, en materia de Guardia Nacional” Diario Oficial de la Federacion del 30/09/2024. Available at: https://dof.gob.mx/nota_detalle.php?codigo=5739985&fecha=30/09/2024#gsc.tab=0
- Signos Vitales (2020) “Militarizacion y Seguridad Publica: Otra cirugia fallida”. Available at: <https://signosvitales-mexico.org/militarizacion-y-seguridad-publica-otra-cirugia-fallida/>
- Signos Vitales (2020b): “Un nuevo Virus.” Available at: <https://signosvitalesmexico.org/un-nuevo-virus-atribuciones-adicionales-para-las-fuerzas-armadas/>
- Signos Vitales (2021): “Rumbo a un Militarismo Mexicano”. Available at: <https://signosvitalesmexico.org/rumbo-a-un-militarismo-mexicano/>
- Signos Vitales (2022): “Como cierra la militarizacion en 2021”. Available at: <https://signosvitalesmexico.org/como-cierra-la-militarizacion-en-2021/>
- Signos Vitales (2023): “El Estado Mexicano a Revision”. Available at: <https://signosvitalesmexico.org/reporte-12/>
- Storr, S. (2024): “¿Que hace la Guardia Nacional? Resultados a la baja”. Available at: <https://seguridadviacivil.iberomx/2024/07/08/que-hace-la-guardia-nacional-resultados-a-la-baja/>
- Suarez, K. (2024): “Lideres del narcotrafico detenidos y extraidos durante el sexenio de Andres Manuel Lopez Obrador”. CNN Español. Available at: <https://cnnespanol.cnn.com/2024/07/26/lideres-narcotrafico-detenidos-extraditados-sexenio-amlo-orix>
- Tapia Sandoval, A. (2024): “Politica de “abrazos, no balazos” de AMLO ayudo a prosperar a los carteles de la droga, segun Financial Times”. Infobae. Available at: <https://www.infobae.com/mexico/2024/05/22/politica-de-abrazos-no-balazos-de-amlo-ayudo-a-prosperar-a-los-carteles-de-la-droga-segun-financial-times/>

Toro, J.P. (2024): “Militarizacion y carteles en todo Mexico: El legado de Lopez Obrador”. Available at: <https://www.athe-nalab.org/analisis-militarizacion-y-carteles-en-todo-mexi-co-el-legado-de-lopez-obrador/>

Traeder, V. (2024): “Mexico: Las autodefensas han dejado una estela de sangre”. Deutsche Welle 03/09/2024. Available at: <https://www.dw.com/es/m%C3%A9xico-las-autodefensas-han-dejado-una-estela-de-sangre/a-70125645>

Yanez, B. (2024): “Guardia Nacional: ¿que hace y cuales son sus facultades?” Politica Expansion. Available at: <https://politica.expansion.mx/mexico/2024/06/24/que-hace-guardia-nacional>

Zavala, M. (2024): “Aumenta decomiso de drogas”. El Heraldo de Quintana Roo, Mexico. Available at: <https://quintana-roo.heraldodemexico.com.mx/nacional/2024/7/1/aumen-ta-decomiso-de-drogas-3443.html>

CHAPTER 4

Banco de Mexico (Banxico). 2021. Remesas y su efecto sobre el consumo de los hogares en las regiones de Mexico en el contexto de la pandemia de COVID-19. Available at: <https://www.banxico.org.mx/publicaciones-y-prensa/reportes-sobre-las-economias-regionales/recuadros/%7B-1D16C149-35FB-577B-4262-27DB722C71E8%7D.pdf>

Banco de Mexico (Banxico). s.f.a. Indicador Trimestral de la Actividad Economica Regional - (CR378). Sistema de Informacion Economica (SIE). Available at: <https://www.banxico.org.mx/SielInternet/consultarDirectorioInternetAction.do?sector=2&accion=consultarCuadro&idCuadro=-CR378&locale=es>

Banco de Mexico (Banxico). s.f.b. Percepcion del entorno economico - (CA250). Sistema de Informacion Economica (SIE). Available at: <https://www.banxico.org.mx/SielInternet/consultarDirectorioInternetAction.do?sector=24&accion=-consultarCuadroAnalitico&idCuadro=CA250&locale=es>

Banco de Mexico (Banxico). s.f.c. Balanza de pagos. Indices de Terminos de Intercambio, Valor Unitario y Volumen Implicito. Sistema de Informacion Economica (SIE). Available at: <https://www.banxico.org.mx/SielInternet/consultarDirectorioInternetAction.do?sector=1&accion=consultarCuadroAnalitico&idCuadro=CA739&locale=es>

Banco de Mexico (Banxico). s.f.d. Cubo de Informacion de Comercio Exterior – Valor en dolares. Series por Region. Available at: <https://www.banxico.org.mx/CuboComercioExterior/ValorDolares/seriesregion>

Banco de Mexico (Banxico). s.f.e. Ingresos por Remesas. Sistema de Informacion Economica (SIE). Available at: <https://www.banxico.org.mx/SielInternet/consultarDirectorioInternetAction.do?accion=consultarCuadro&idCuadro=-CE81&locale=es>

Barrios, R. 11 de julio, 2022. El Universal. Refineria Olmeca en Dos Bocas: La opacidad como regla. Available at: <https://www.eluniversal.com.mx/opinion/opinion-51/refineria-olmeca-en-dos-bocas-la-opacidad-como-regla/>

Cardenas, E. 18 de julio, 2024. Vivir sin trabajar... y sin pagar impuestos. El Financiero. Available at: <https://www.elfinanciero.com.mx/opinion/enrique-cardenas/2024/07/18/vivir-sin-trabajar-y-sin-pagar-impuestos/>

Centro de Investigacion Economica y Presupuestaria (CIEP). 2024. Energia y finanzas publicas: Hacia una transicion justa. Available at: <https://ciep.mx/energia-y-finanzas-publicas-hacia-una-transicion-justa/>

- Comision Nacional Bancaria y de Valores (CNBV). 2024. Portafolio de Informacion. Banca de Desarrollo. Available at: <https://portafolioinfo.cnbv.gob.mx/Paginas/Inicio.aspx>
- Comision Nacional del Sistema de Ahorro para el Retiro (Consar). 2024. Informacion Estadistica. Inversiones de las Siefiores Generacionales. Available at: <https://www.consar.gob.mx/gobmx/aplicativo/siset/CuadroInicial.aspx?md=61>
- Diaz, D. 1 febrero 2024 ¿Que hacer con los elefantes blancos? Letras Libres. Available at: <https://letraslibres.com/revisita/diego-diaz-Perez-que-hacer-elefantes-blancos-infraestructura-tren-maya-aifa/>
- Fondo Monetario Internacional (FMI). 7 de mayo, 2024. Geopolitics and its Impact on Global Trade and the Dollar. Available at: <https://www.imf.org/en/News/Articles/2024/05/07/sp-geopolitics-impact-global-trade-and-dollar-gita-gopinath>
- Global Initiative Against Transnational Organized Crime (GI-TOC). 2023. Global organized crime index 2023. Available at: <https://globalinitiative.net/analysis/ocindex-2023/>
- Institute for Economics & Peace (IEP). 2023. Mexico Peace Index 2023: Identifying and Measuring the Factors That Drive Peace. Available at: <https://www.economicsandpeace.org/event/mexico-peace-index-2024-launch/>
- Instituto del Fondo Nacional de la Vivienda para los Trabajadores (Infonavit). 2024. Informacion anual y resultados. Resultados financieros trimestrales. Available at: https://portalmx.infonavit.org.mx/wps/portal/infonavitmx/mx2/el-instituto/el-infonavit/informacion_financiera!/ut/p/z1/pZHBDolwEEQ_qdPSFjiSNgg2AooRsBfDyTRR9GD8fkVOJoIY57bJm-93JLHGKJa7v7v7Y3fyl7o7Pee_kQeYaNFJgGVMcMIGiNCoM-jBakGYEVkClOizJMFWwq5HaDChCMuH_8VfCjP6qjBLaIC-2ZkwNajXOaPY82picAqWgC2tITnOoQAX-bHhBlSzD8NuP-n1DXHjiZkPzAJDxe_Ahw5fwFxJ32Jez7tBLXzuH1H_F8U!/
- dz/d5/L2dBISEvZoFBIS9nQSEh/?idSelected=55125716-1ab8-4bc2-a7e8-05f43b5bcdea&indexPestana=2&totalPestanas=3&sa=mx2/el_instituto_sa/el_infonavit/informacion_financiera_sa/consulta_acta_asamblea/02_calificaciones_trimestrales/2024#parentHorizontalTab
- Instituto del Fondo Nacional para el Consumo de los Trabajadores (Fonacot). 2024. Inversionistas. Informacion Financiera. Available at: <https://www.fonacot.gob.mx/RelacionInversionistas/Paginas/InformacionFinanciera.aspx>
- Instituto Mexicano para la Competitividad (IMCO). 2024. PEMEX en la mira al primer trimestre de 2024. Available at: <https://imco.org.mx/pemex-en-la-mira-al-primer-trimestre-de-2024/>
- Instituto Nacional de Estadística y Geografía (INEGI). 2024a. Producto Interno Bruto por Actividad Económica. Available at: <https://www.INEGI.org.mx/temas/pib/#tabulados>
- Instituto Nacional de Estadística y Geografía (INEGI). 2024b. Balanza Comercial de Mercancías de México (BCMM). Datos abiertos. Available at: https://www.INEGI.org.mx/programas/comext/#datos_abiertos
- Instituto Nacional de Estadística y Geografía (INEGI). 2024c. Valor Agregado de Exportación de la Manufactura Global (VAEMG). Año base 2018. Available at: <https://www.INEGI.org.mx/programas/pibval/2018/#tabulados>
- Instituto Nacional de Estadística y Geografía (INEGI). 2024d. Mediciones Trimestrales de los Puestos de Trabajo y sus Remuneraciones por Entidad Federativa (MTPTREF). Año base 2018. Available at: <https://www.INEGI.org.mx/temas/mtpptref/#tabulados>
- Instituto Nacional de Estadística y Geografía (INEGI). s.f.a. Encuesta Nacional de Ocupación y Empleo. Available at: <https://www.INEGI.org.mx/programas/enoe/15ymas/#Tabulados>

- Instituto Nacional de Estadística y Geografía (INEGI). s.f.b. Oferta y Demanda Global Trimestral. Available at: <https://www.inegi.org.mx/temas/ofyd/#tabulados>
- Instituto Nacional de Estadística y Geografía (INEGI). s.f.c. Indicador Trimestral de la Actividad Económica Estatal. Available at: <https://www.inegi.org.mx/temas/itaee/#tabulados>
- Instituto Nacional de Estadística y Geografía (INEGI). s.f.d. Balanza comercial. Comercio exterior según modo de transporte. Available at: <https://www.inegi.org.mx/temas/balanza/#tabulados>
- Instituto Nacional de Estadística y Geografía (INEGI). s.f.e. Encuesta Nacional de Ocupación y Empleo (ENOE). Available at: <https://www.inegi.org.mx/programas/enoe/15ymas/>
- Instituto Nacional de Estadística y Geografía (INEGI). s.f.f. Economía global. Available at: <https://www.inegi.org.mx/temas/productividadeco/>
- Instituto Nacional de Estadística y Geografía (INEGI). s.f.g. Producto Interno Bruto Trimestral (PIBT). Año base 2018. Por el Método del Ingreso. Available at: <https://www.inegi.org.mx/programas/pibt/2018/#tabulados>
- Mexico Evalua. 2023a. Los costos del estímulo a gasolinas: recortes y deuda. Análisis anual 2022. Available at: <https://numerosdeerario.mexicoevalua.org/2023/02/14/los-costos-del-estimulo-a-gasolinas-recortes-y-deuda-analisis-anual-2022/>
- Mexico Evalua. 2023b. Inversión 2024: recorte y militarización. Available at: <https://numerosdeerario.mexicoevalua.org/2023/11/09/inversion-2024-recorte-y-militarizacion/>
- Mexico Evalua. 2024. Análisis de las finanzas del Sector Público. Diciembre de 2023. Available at: <https://infogram.com/presentacion-erario-diciembre-2023-1hon25o8ovr9l4p?live>
- Petróleos Mexicanos (Pemex). 2024. Estados financieros dictaminados. Available at: <https://www.pemex.com/ri/finanzas/Paginas/estados-financieros-dictaminados.aspx>
- Ratha, D., Kim, E., Plaza, S., Seshan, G., Riordan, E., Chandra, V. 2021. Migration and Development Brief 35: Recovery: COVID-19 Crisis through a Migration Lens. KNOMAD—World Bank. Available at: <https://www.knomad.org/publication/migration-and-development-brief-35>
- Secretaría de Economía (SE). 2024. Inversión Extranjera Directa. Reportes estadísticos de IED. Available at: <https://www.gob.mx/se/acciones-y-programas/competitividad-y-normatividad-inversion-extranjera-directa?state=published>
- Secretaría de Hacienda y Crédito Público (SHCP). 2023. Criterios Generales de Política Económica para la Iniciativa de Ley de Ingresos y el Proyecto de Presupuesto de Egresos de la Federación correspondientes al Ejercicio Fiscal 2024. Available at: https://www.ppef.hacienda.gob.mx/work/models/7183r4r/PPEF2024/oiqewbt4/paquete/politica_hacendaria/CGPE_2024.pdf
- Secretaría de Hacienda y Crédito Público (SHCP). 2024. Comunicado No. 47 Informes sobre la Situación Económica, las Finanzas Públicas y la Deuda Pública al segundo trimestre de 2024. Available at: <https://www.gob.mx/shcp/prensa/comunicado-no-47-informes-sobre-la-situacion-economica-las-finanzas-publicas-y-la-deuda-publica-al-segundo-trimestre-de-2024>
- Signos Vitales. 2022. El Sur de México: Atraso, Brechas y Abandono. Available at: <https://signosvitalesmexico.org/reporte-9/>
- Signos Vitales. 2023. Euforia de las remesas: exodo, lavado de dinero y auge económico. Available at: <https://signosvitalesmexico.org/euforia-de-las-remesas-exodo-lavado-de-dinero-y-auge-economico/>
- UN trade & development (UNCTAD). 2024. Foreign direct

investment: Inward and outward flows and stock, annual. Available at: <https://unctadstat.unctad.org/datacentre/dataviewer/US.FdiFlowsStock>

Valdes, G. 9 de febrero de 2024. Crimen organizado y elecciones: descenso al infierno. Letras Libres. Available at: <https://letraslibres.com/politica/guillermo-valdes-castellanos-crimen-organizado-narco-elecciones-mexico/>

Ventanilla Unica de Comercio Exterior (VUCEM). s.f. Estadísticas de Comercio Exterior. Available at: <https://ventanillaunica.gob.mx/vucem/estadisticas.html>

Werner, A. 2024. Remittances and tight monetary policy have helped keep the Mexican peso strong. Peterson Institute For International Economics (PIIE). Available at: <https://www.piie.com/blogs/realtime-economics/2024/remittances-and-tight-monetary-policy-have-helped-keep-mexican-peso>

CHAPTER 5

Accion Ciudadana Frente a la Pobreza (ACFP) (s.f). “Observatorio de trabajo digno”. Available at: <https://frentealapobreza.mx/observatorio-de-trabajo-digno/>

Accion Ciudadana Frente a la Pobreza (ACFP) (2023). “Ir a la raíz de la pobreza. Diagnostico y propuestas para erradicar la pobreza”. Available at: <https://drive.google.com/file/d/1DzWMMmkYLYFF2ucOdkttq1aRMIPdrbsL/view>

Accion Ciudadana Frente a la Pobreza (ACFP) (2024). “La raíz de la pobreza permanece. Balance sexenal de un sistema laboral excluyente y precario”. Septiembre 2024. Available at: <https://frentealapobreza.mx/balance-sexenal/>

Agencia de la ONU para los Refugiados (ACNUR) (2018). “¿Que

es la desigualdad economica y por que se produce?”. Available at: https://eacnur.org/es/blog/desigualdad-economica-que-es-tc_alt45664n_o_pstn_o_pst

Atkinson, Anthony B. (2015). “Inequality: What Can Be Done?” Cambridge (MA), Harvard University Press. Available at: <https://www.tony-atkinson.com/new-book-inequality-what-can-be-done/>

Banco de Mexico (s.f). Remesas. Sistema de Informacion Economica. Available at: <https://www.banxico.org.mx/SielInternet/consultarDirectorioInternetAction.do?sector=1&accion=consultarCuadroAnalitico&idCuadro=CA11>

Banco de Mexico (Banxico). s.f.a. Billetes y monedas en circulacion – (CF315). Sistema de Informacion Economica (SIE). Available at: <https://www.banxico.org.mx/SielInternet/consultarDirectorioInternetAction.do?sector=11&accion=consultarCuadro&idCuadro=CF315&locale=es>

Banco de Mexico (Banxico). s.f.b. Ingresos por remesas, distribucion por municipio – (CE166). Sistema de Informacion Economica (SIE). Available at: <https://www.banxico.org.mx/SielInternet/consultarDirectorioInternetAction.do?sector=1&accion=consultarCuadro&idCuadro=CE166&locale=es>

Banco Mundial (s.f.1). “Tasa de incidencia de la pobreza, sobre la base de \$2.15 por dia (2017 PPA) (%) de la poblacion”. Grupo Banco Mundial. Available at: <https://datos.bancomundial.org/indicador/SI.POV.DDAY?locations=1W>

Banco Mundial. (2023). World Inequality Database: Mexico. Washington, D.C., Estados Unidos. Available at: <https://wid.world/>

Banco Mundial (2024). “Entendiendo la Pobreza”. Grupo Banco Mundial. Available at: <https://www.bancomundial.org/es/topic/poverty/overview#1>

Cardenas, E. (2023, mayo 11). Siguen las dudas sobre el desti-

no de las remesas. El Financiero. Available at: <https://www.elfinanciero.com.mx/opinion/enrique-cardenas/2023/05/11/siguen-las-dudas-sobre-el-destino-de-las-remesas/>

Centro de Investigacion Economica y Presupuestaria (CIEP). 2017. “Pensiones en Mexico: 100 años de desigualdad.” Available at: <https://pensionesenmexico.ciep.mx/>.

Centro de Investigacion Economica y Presupuestaria (CIEP) (2023). “Encuesta Nacional de Ingresos y Gastos de los Hogares ENIGH (2022)”. Available at: <https://ciep.mx/encuesta-nacional-de-ingresos-y-gastos-de-los-hogares-enigh-2022/>

Consejo Nacional de Evaluacion de la Politica de Desarrollo Social (Coneval) (s.f). Inventario Coneval de Programas y Acciones Federales de Desarrollo Social y de Fondos de Aportaciones Federales de Desarrollo Social 2021–2022. Presentacion y Analisis. Ciudad de Mexico: Coneval, 2023. Available at: <https://www.Coneval.org.mx/evaluacion/ipfe/Paginas/default.aspx>

Consejo Nacional de Evaluacion de la Politica de Desarrollo Social (Coneval) (2019a). “Metodologia para la medicion multidimensional de la pobreza en Mexico”. Tercera Edicion. Available at: <https://www.coneval.org.mx/InformesPublicaciones/InformesPublicaciones/Documents/Metodologia-medicion-multidimensional-3er-edicion.pdf>

Consejo Nacional de Evaluacion de la Politica de Desarrollo Social (Coneval) (2019b). “Construccion de las lineas de pobreza por ingresos”. Documento Metodologico. Available at: https://www.coneval.org.mx/InformesPublicaciones/InformesPublicaciones/Documents/Lineas_pobreza.pdf

Consejo Nacional de Evaluacion de la Politica de Desarrollo Social (Coneval) (2021). “Pobreza y personas mayores en Mexico 2020”. Available at: <https://www.coneval.org.mx/>

Medicion/MP/Documents/adultos_mayores/Pobreza_personas_mayores_2020.pdf

Consejo Nacional de Evaluacion de la Politica de Desarrollo Social (Coneval) (2023). “Medicion de la pobreza. Resultados de pobreza en Mexico 2022”. Available at: https://www.coneval.org.mx/Medicion/MP/Paginas/Pobreza_2022.aspx

Consejo Nacional de Evaluacion de la Politica de Desarrollo Social (Coneval) (2024). “El CONEVAL presenta informacion referente a la pobreza laboral al primer trimestre de 2024”. Available at: https://www.coneval.org.mx/Medicion/Paginas/ITLP-IS_pobreza_laboral.aspx

Constitucion politica de los Estados Unidos Mexicanos (CPEUM) (1917). Artículo 28 [Constitucion]. Recuperado de <https://www.diputados.gob.mx/LeyesBiblio/pdf/CPEUM.pdf>

Cortes, F. (2023a). “La evolucion de la pobreza en Mexico 2016 a 2022”. Presentacion XVI Dialogo por un Mexico Social. Ciudad de Mexico 11 de octubre de 2023. Available at: http://www.pued.unam.mx/export/sites/default/archivos/actividades/Dialogo_nacional/16_dialogo/Panel3_FACC.pdf

Cortes, F. (2023b). “Sobre la medicion de desigualdades de resultados y de oportunidades”. Mexico Social. La cuestion social en Mexico. Available at: https://www.mexicosocial.org/desigualdad-de-oportunidades/#google_vignette

De la Torre, R. (2024). “Poder economico y poder politico”. Arena Publica. Opinion. Available at: <https://www.arena-publica.com/opinion/rodolfo-de-la-torre/poder-economico-y-poder-politico>

Del Angel, Gustavo, Diaz Infante, Enrique y Perez, Felipe (2023), Un sistema financiero para la movilidad social, Mexico, Centro de Estudios Espinosa Yglesias

- (CEEY). Available at: https://ceey.org.mx/wp-content/uploads/2024/05/Un-sistema-financiero-para-la-movilidad-social_2024.pdf
- Del Angel, G.A., y Martinez Ana, L. (2024). “Inclusion y salud financieras para la movilidad social: propuestas para una politica publica”. Centro de Estudios Espinosa Yglesias (CEEY). Available at: https://ceey.org.mx/wp-content/uploads/2024/05/06_2024_Del-Angel-y-Martinez.pdf
- Demirguc-Kunt, A., Laeven, L., and Levine, R. (2004), Regulations, Market Structure, Institutions, and the Cost of Financial Intermediation, *Journal of Money, Credit and Banking*, 36, issue 3, p. 593-622, <https://EconPapers.repec.org/RePEc:mcb:jmoncb:v:36:y:2004:i:3:p:593-622>.
- Departamento de Estado de EE.UU. (2023). International Narcotics Control Strategy Report (INCSR) 2023. Washington, D.C., Estados Unidos. Available at: <https://www.state.gov/international-narcotics-control-strategy-reports/>
- Diario Oficial de la Federacion (DOF) (2010). “Lineamientos y criterios generales para la definicion, identificacion y medicion de la pobreza”. Available at: https://www.coneval.org.mx/rw/resource/coneval/med_pobreza/DiarioOficial/DOF_lineamientos_pobrezaCONEVAL_16062010.pdf
- Diario Oficial de la Federacion (DOF) (2018). “Lineamientos y criterios generales para la definicion, identificacion y medicion de la pobreza.”. Available at: https://www.dof.gob.mx/nota_detalle.php?codigo=5542421&fecha=30/10/2018#gsc.tab=0
- Esquivel Hernandez G., (2020). “Desigualdad extrema en Mexico. Concentracion del poder economico y politico”. OXFAM Mexico. Available at: https://oxfamMexico.org/wp-content/uploads/2017/04/desigualdadextrema_informe.pdf
- Garcia, K. y Amador, O. (2024). “Sin Cofece e IFT crece el riesgo de que el Estado ponga trabas a la competencia: expertos”. *El Economista*. Available at: <https://www.eleconomista.com.mx/empresas/Sin-Cofece-e-IFT-crece-el-riesgo-de-que-el-Estado-ponga-trabas-a-la-competencia-expertos-20240209-0071.html>
- Gobierno de Mexico (s.f). “Consulta dinamica (CUBOS)”. Available at: <https://www.imss.gob.mx/conoce-al-imss/cubos>
- Gobierno de Mexico (2023). “Incremento a los salarios minimos para 2024”. Blog. Comision Nacional de Salarios Minimos (Conasami). Available at: <https://www.gob.mx/conasami/articulos/incremento-a-los-salarios-minimos-para-2024?idiom=es>
- Gobierno de Mexico (2024). “Evolucion del Salario Minimo”. Documentos. Comision Nacional de Salarios Minimos (Conasami). Available at: <https://www.gob.mx/conasami/documentos/evolucion-del-salario-minimo?idiom=es>
- Gomez Hermosillo R. (2023). “Raices laborales de la pobreza”. *El Universal*. Available at: <https://www.eluniversal.com.mx/opinion/rogerio-gomez-hermosillo-m/raices-laborales-de-la-pobreza/>
- Gomez Hermosillo R. (2024). “Pobreza, desigualdad y derechos sociales”. *Carta Economica Regional*. Año 36. NUM. 133. Enero-Junio 2024. Available at: <https://cartaeconomica.regional.cucea.udg.mx/index.php/CER/article/view/7899/7024>
- Hernandez Licona, G (2022). La estrategia de combate a la pobreza en Mexico: saldo a 2022. *Este pais*. Available at: https://estepais.com/tendencias_y_opiniones/estrategia-combate-pobreza-mexico/#footnote_o_33550
- Hernandez Morales, Alan S. (2023). Las formas de la gobernanza criminal en Mexico. *Nexos*. Available at: <https://>

seguridad.nexos.com.mx/las-formas-de-la-gobernanza-criminal-en-mexico/

Instituto Mexicano para la Competitividad (IMCO). (2024a). “Centros de investigacion y organizaciones de la sociedad civil manifiestan su preocupacion sobre la situacion fiscal del gobierno federal”. Available at: <https://imco.org.mx/centros-de-investigacion-y-organizaciones-de-la-sociedad-civil-manifiestan-su-preocupacion-sobre-la-situacion-fiscal-del-gobierno-federal/>

Instituto Mexicano para la Competitividad (IMCO). (2024b). “Hacienda en la mira al segundo trimestre de 2024”. Available at: <https://imco.org.mx/hacienda-en-la-mira-al-segundo-trimestre-de-2024/>

Instituto Mexicano para la Competitividad (IMCO). 2023. Recursos para programas sociales. Available at: <https://imco.org.mx/recursos-para-programas-sociales/>

Instituto Nacional de Estadística y Geografía (INEGI) (2015). “Encuesta Nacional de Ingreso y Gasto de los Hogares (ENIGH) 2014”. Available at: <http://www.pued.unam.mx/export/sites/default/archivos/actividades/Grandes/050815/M1ER.pdf>

Instituto Nacional de Estadística y Geografía (INEGI) (2021). “Encuesta Nacional de Inclusión Financiera (ENIF) 2021”. Available at: <https://www.inegi.org.mx/programas/enif/2021/#tabulados>

Instituto Nacional de Estadística y Geografía (INEGI). (2022). Metodo del Ingreso. Available at: <https://www.inegi.org.mx/temas/pibti/>

Instituto Nacional de Estadística y Geografía (INEGI) (2023). “Encuesta Nacional de Ingreso y Gasto de los Hogares (ENIGH) 2022. Nueva Serie”. Available at: <https://www.inegi.org.mx/programas/enigh/nc/2022/>

Instituto Nacional de Estadística y Geografía (INEGI) (2024). “Encuesta Nacional de Ocupación y Empleo (ENOE). Resultados de Mayo de 2024”. Available at: https://www.inegi.org.mx/contenidos/programas/enoe/15ymas/doc/enoe_presentacion_ejecutiva_0524.pdf

Instituto Nacional de Estadística y Geografía (INEGI). s.f. PIB, Metodo del Ingreso. Available at: <https://www.inegi.org.mx/temas/pibti/>

International Chamber of Commerce (ICC) (2024). “Preocupa a la ICC Global y a ICC Mexico la eliminacion de OCAs porque complicaria revision del T-MEC y acuerdos internacionales”. Available at: <https://mailchi.mp/iccmex/preocupa-a-la-icc-global-y-a-icc-mxico-la-eliminacin-de-ocas-porque-complicara-revisin-del-t-mec-y-acuerdos-internacionales>

International Monetary Found (IMF). (2023). Mexico 2023 Article IV consultation—press release and staff report. Available at: <https://www.banxico.org.mx/publications-and-press/imf-article-iv-consultation-for-mexico/%7B2B9230B7-CC63-5B20-E173-F5E94D116BC9%7D.pdf>

Jaramillo-Molina M. E. (2023). “Corte de caja: la politica social de la 4T”. Nexos. Available at: <https://redaccion.nexos.com.mx/corte-de-caja-la-politica-social-de-la-4t/>

Levine, R. (2005). “Finance and Growth: Theory and Evidence” in Handbook of Economic Growth, ed. por P. Anghion and S. Durlauf, Vol. 1, Elsevier. [https://doi.org/10.1016/S1574-0684\(05\)01012-9](https://doi.org/10.1016/S1574-0684(05)01012-9)

Lopez (2024). “Recortan a salud 20 mil mdp; pega a la vacunacion”. El Universal. Available at: <https://www.eluniversal.com.mx/nacion/recortan-a-salud-20-mil-mdp-peg-a-la-vacunacion/>

Llamosas, R. I. & Rangel, G. E. (2019). Efectos del primer empleo sobre las perspectivas laborales de los trabaja-

- dores en las regiones de Mexico. Un enfoque de movilidad social. Centro de Estudios Espinosa Yglesias (CEEY). (2019). Available at: <https://ceey.org.mx/wp-content/uploads/2020/03/05-Llamosas-y-Rangel-2019.pdf>
- Macias Sanchez, A. (2024). “Financiamiento de las Pensiones: Escenarios sobre su carga fiscal a 2030”. Centro de Investigación Económica y Presupuestaria (CIEP). Available at: <https://ciep.mx/financiamiento-de-las-pensiones-escenarios-sobre-su-carga-fiscal-a-2030/>
- Mancini, F. (2019). Movilidad social intrageneracional y desigualdades de género en México. Centro de Estudios Espinosa Yglesias (CEEY). Documento de trabajo No. 08/2019. Available at: <https://ceey.org.mx/wp-content/uploads/2020/03/08-Mancini-2019.pdf>
- Monroy-Gomez-Franco, Luis A. (2024). “Los ingresos laborales en el sexenio”. México como vamos. Available at: <https://mexicocomovamos.mx/animal-politico/2024/06/los-ingresos-laborales-en-el-sexenio/>
- Orozco, M., Espinosa, R., Fonseca, C. y Velez, R. (2019). Informe de Movilidad Social en México 2019. Centro de Estudios Espinosa Yglesias (CEEY). Available at: <https://ceey.org.mx/informe-de-movilidad-social-mexico-2019/>
- Oxfam México (s.f.). “Justicia Fiscal”. Available at: <https://oxfam-mexico.org/justicia-fiscal/>
- Oxfam México (2024). “El monopolio de la desigualdad. Como la concentración del poder corporativo lleva a un México más desigual”. Available at: <https://www.oxfam-mexico.org/wp-content/uploads/2024/01/El-monopolio-de-la-desigualdad-Davos-2024-Briefing-Paper.pdf>
- Oxford Poverty and Human Development Initiative (OPHI) & United Nations Development Programme (UNDP) (2023). “Unstacking global poverty: Data for high-impact action”. United Nations Development Programme and Oxford Poverty and Human Development Initiative. Available at: <https://ophi.org.uk/global-mpi/2023>
- Plassot, T., Rubio, G., y Soloaga, I. (2019). “Movilidad social intergeneracional y desigualdad de oportunidades en México. Educación y activos: un enfoque territorial”. Centro de Estudios Espinosa Yglesias (CEEY). Available at: <https://ceey.org.mx/wp-content/uploads/2020/03/07-Plassot-Rubio-y-Soloaga-2019.pdf>
- Programa Universitario de Estudios del Desarrollo (PUED) (s.f.). Available at: <http://www.pued.unam.mx/>
- Rajan, R. G., & Zingales, L. (1998). Financial Dependence and Growth. The American Economic Review, 88(3), 559–586. <http://www.jstor.org/stable/116849>
- Riddell, R., Ahmed, N., Maitland, A., Lawson, A. & Taneja A. (2024). “DESIGUALDAD S.A. El poder empresarial y la fractura global: la urgencia de una acción pública transformadora”. OXFAM. Available at: <https://www.oxfam.org/es/informes/desigualdad-sa>
- Saldivar, B., (2024). “Gasto en programas sociales prioritarios se disparó 131% en el sexenio”. El Economista. Available at: <https://www.eleconomista.com.mx/amp/economia/Gasto-en-programas-sociales-prioritarios-se-disparo-131en-el-sexenio-20240801-0008.html>
- Signos Vitales. (2022). El norte de México: claroscuros de una región desigual. Signos Vitales Society. Available at: <https://signosvitalesmexico.org.mx/reportes/el-norte-de-mexico-claroscuros-de-una-region-desigual/>
- Secretaría de Hacienda y Crédito Público (SHCP) (2023). “Informes sobre la situación económica, las finanzas públicas y la deuda pública”. Cuarto trimestre 2023. Available at: <https://www.gob.mx/cms/uploads/attachment/file/893205/>

Informes-Sobre-La-Situacion-Economica-Las-Finanzas-Publicas-Y-La-Deuda-Publica_4to-Trimestre-2023.pdf

Signos Vitales (2023a). “Mexico Social a Revision”. Signos Vitales Society. Available at: <https://signosvitalismexico.org/reporte-13/>

Signos Vitales (2023b). “La niñez que Mexico necesita. ¿De donde partimos?”. Signos Vitales Society. Available at: <https://signosvitalismexico.org/euforia-de-las-remesas-exodo-lavado-de-dinero-y-auge-economico/>

Signos Vitales (2023c). “Euforia de las remesas: exodo, lavado de dinero y auge economico”. Signos Vitales Society. Available at: <https://signosvitalismexico.org/la-ninez-que-mexico-necesita-de-donde-partimos/>

USB Latam Acces (2023) “Global Wealth Report 2023”. Available at: <https://www.ubs.com/global/es/wealthmanagement/latamaccess/wealth-planning/articles/global-wealth-report-2023.html#wealth>

Velez, R., y Monroy-Gomez-Franco, L. (2023). “Por una cancha pareja. Igualdad de oportunidades para lograr un Mexico mas justo”. Centro de Estudios Espinosa Yglesias (CEEY). Available at: <https://ceey.org.mx/por-una-cancha-pareja/>

CHAPTER 6

Azevedo, J.P., Hasan, A. Goldemberg, D., Iqbal, S.A. y Geven, K. (2020). Simulating the potential impacts of COVID-19 School Closures on Schooling and Learning Outcomes: A set of Global Estimates (Policy Research Working Paper Num. 9284). Banco Mundial. Available at: <https://openknowledge.worldbank.org/bitstream/handle/10986/33945/Simulating-the-Potential-Impacts-of-COVID-19-School-Closures-on-Schooling-and-Learning-Outcomes-A-Set-of-Global-Estimates.pdf?sequence=1&isAllowed=y>

Backhoff, E. (2024). Decremento en la matricula educativa: la deuda cuatroteista. El Universal. Available at: <https://www.eluniversal.com.mx/opinion/eduardo-backhoff-escudero/decremento-en-la-matricula-educativa-la-deuda-cuatroteista/>

Banco Mundial. (2023). Gasto en educacion, total (% del PIB). <https://datos.bancomundial.org>

Banco Mundial. (2021). Se debe actuar de inmediato para hacer frente a la enorme crisis educativa en America Latina y el Caribe. <https://www.bancomundial.org/es/news/press-release/2021/03/17/hacer-frente-a-la-crisis-educativa-en-america-latina-y-el-caribe>

Cabrero, E. (2024). “El futuro de la politica de CTI en Mexico. Una agenda pendiente”. Propuestas y reflexiones sobre el futuro de la politica de ciencia, tecnologia e innovacion en Mexico. No. 1. 2024. Available at: <https://amc.mx/propuestasyreflexiones.pdf>

Camara de Diputados (2021).”Ley General de Educacion Superior”. Available at: <https://www.diputados.gob.mx/LeyesBiblio/ref/lges.htm>

Camara de Diputados (2023). Ley general en materia de Humanidades, Ciencias, Tecnologias e Innovacion. Nueva Ley DOF o8-o5-2023. Available at: <https://www.diputados.gob.mx/LeyesBiblio/pdf/LGMHCTI.pdf>

Comision Economica para America Latina y el Caribe (CEPAL). (2022). La encrucijada de la educacion en America Latina y el Caribe. Informe regional de monitoreo ODS4-Educacion 2030. CEPAL. <https://www.cepal.org/es/publicaciones/48153-la-encrucijada-la-educacion-america-latina-caribe-informe-regional-monitoreo>

Centro de Investigacion Economica y Presupuestaria (CIEP). (2023). Informe sobre el gasto educativo en Mexico. Ciudad de Mexico: CIEP.

- Centro de Estudio de las Finanzas Publicas (CEFP) (15 de abril de 2024). “Evolucion del Presupuesto en Educacion Superior 2018-2024”. Camara de Diputados. Nota Informativa 043/2024. Available at: <https://www.cefp.gob.mx/publicaciones/nota/2024/notacefp0432024.pdf>
- Constitucion politica de los Estados Unidos Mexicanos (CPEUM) (1917). Articulo 3 [Constitucion]. Recuperado de <https://www.diputados.gob.mx/LeyesBiblio/pdf/CPEUM.pdf>
- Consejo Nacional de Ciencia y Tecnologia (Conacyt). (s.f.). Informes de autoevaluacion 2011–2022. Available at: <https://www.siicyt.gob.mx/index.php/transparencia/informes-conacyt/informe-de-autoevaluacion>
- Diario Oficial de la Federacion (DOF) (2021). Ley General de Educacion Superior Available at: https://www.diputados.gob.mx/LeyesBiblio/pdf/LGES_200421.pdf
- Dutrenit, G., Puchet, M., y Tagüeña, J. (2024). “Del desmantelamiento a la reconstruccion del Sistema de Ciencia, Tecnologia e Innovacion”. Propuestas y reflexiones sobre el futuro de la politica de ciencia, tecnologia e innovacion en Mexico. No. 1. 2024. Available at: <https://amc.mx/propuestasyreflexiones.pdf>
- Espinosa, R., De la Torre, R y Velez, R. (2023). La ENIGH y la movilidad educativa. Centro de Estudios Espinosa Yglesias (CEEY). Available at: <https://ceey.org.mx/la-enigh-y-la-movilidad-educativa/>
- Fernandez, A., Hernandez, D., Herrera, L. y Reyes, S. (2022). Restando oportunidades: caida en la matricula de la media superior y superior. IEEC. Escuela de Gobierno y Transformacion Publica del ITESM y Mexico Evalua. Available at: https://www.ieec.mx/posts/restando_oportunidades_ieec
- Guevara, G. (2023). De la realidad a la ficcion. Cronica. Opinion. Available at: <https://www.cronica.com.mx/opinion/realidad-ficcion.html>
- Herrera, L., Sanchez, R y Fernandez M.A. (2024). ¿Alguien puede pensar en la juventud?. Mexico Evalua. Available at: <https://www.mexicoevalua.org/alguien-puede-pensar-en-la-juventud/>
- INSP. (2022). Encuesta Nacional de Salud y Nutricion 2021 sobre COVID-19. Resultados Nacionales. (Primera edicion 2022). Instituto Nacional de Salud Publica. https://ensanut.insp.mx/encuestas/ensanutcontinua2021/doctos/informes/220804_Ensa21_digital_4ago.pdf
- Jaramillo–Molina, M. (2023). Analisis de resultados de la Encuesta de Ingreso y Gasto de los Hogares (2022) desde un enfoque de desigualdad y redistribucion. Instituto de Estudios Sobre Desigualdad (Indesig). Available at: https://www.indesig.org/wp-content/uploads/2023/08/Comparar-Resultados-preliminares-de-la-ENIGH-2022_PC.pdf
- Krauze, E. (28 de agosto de 2023). 4T: Adios a la historia. De manera inexplicable, la historia esta ausente en los “libros de texto”. Letras libres Available at: <https://letraslibres.com/historia/4t-adios-a-la-historia/28/08/2023/>
- Mexicanos Primero (2022). “Al extinguir las Escuelas de Tiempo Completo, el Gobierno Federal y la SEP traicionan a niñas, niños y adolescentes, a sus familias, docentes y directivos”. Available at: <https://www.mexicanosprimero.org/wp-content/uploads/2022/02/Posicionamiento-de-Mexicanos-Primero-sobre-Escuelas-de-Tiempo-Completo-.pdf>
- Mexico Evalua y Tec de Monterrey (2022). Mas de medio millon de estudiantes dejaron de asistir a la escuela en dos años: Mexico Evalua. Available at: <https://www.mexicoevalua.org/mas-de-medio-millon-de-estudiantes-dejaron-de-asistir-a-la-escuela-en-dos-anos-mexico-evalua/>
- Mexico Evalua y Tec de Monterrey (2024a). Recuperacion de aprendizajes y trayectorias. Desde la primera infancia y hasta la universidad. Available at: <https://aprenderparejo.mx/informes/trayectorias>

- Mexico Evalua y Tec de Monterrey (2024b). Infraestructura educativa: mejores escuelas, mejores espacios para los aprendizajes. Available at: <https://aprenderparejo.mx/informes/infraestructura#informe>
- Organizacion para la Cooperacion y el Desarrollo Economicos (OCDE) (2022). Education at a Glance 2022: OECD Indicators. Paris: Organization for Economic Cooperation and Development. Available at: https://www.oecd-ilibrary.org/education/education-at-a-glance-2022_3197152b-en
- Organizacion para la Cooperacion y el Desarrollo Economicos (OCDE). (2023). PISA 2022 results: Key findings for Mexico. Paris: OECD. PISA 2022 Results (Volume I and II) - Country Notes: Mexico | OECD
- Pacto Internacional de Derechos Economicos, Sociales y Culturales (PIDESC) (1966). Oficina del Alto Comisionado de las Naciones Unidas. Available at: <https://www.ohchr.org/es/instruments-mechanisms/instruments/international-covenant-economic-social-and-cultural-rights>
- Parker, S. y Todd, P. E. (2017). Conditional Cash Transfers: The Case of PROSPERA/ Oportunidades. Journal of Economic Literature. Available at: <https://www.aeaweb.org/articles?id=10.1257/jel.20151233>
- Parker, S. y Todd, P. E. (2019). Resultados de largo plazo de Prospera. Centro de Investigacion y Docencia Economica (CIDE). Available at: <https://www.cide.edu/wp-content/uploads/2019/08/Parker.pdf>
- Programa de las Naciones Unidas para el Desarrollo (PNUD). (2020). La proxima frontera. El desarrollo humano y el Antropoceno. Informe sobre Desarrollo Humano 2020. PNUD. Available at: <https://hdr.undp.org/system/files/documents/global-report-document/hdr2020spinformeso-bredesarrollohumano2020pdf.pdf>
- Presidencia de la Republica. (2019). Decreto por el que se reforman, adicionan y derogan diversas disposiciones de los articulos 30., 31 y 73 de la Constitucion Politica de los Estados Unidos Mexicanos, en materia educativa. (DOF: 15/05/2019). Presidencia de la Republica. https://www.dof.gob.mx/nota_detalle.php?codigo=5560457&fecha=15/05/2019#gsc.tab=0
- Puga, C. y Valderrama, B. (2022). Ciencia y resiliencia. [Manuscrito no publicado]. Resiliencia Democratica
- Reyes, S. y Fernandez, Marco A. (2023). 10 alertas sobre los libros de texto gratuitos y los planes de estudio de educacion basica. Animal Politico. Available at: https://www.animalpolitico.com/analisis/organizaciones/lo-que-mexico-evalua/10-alertas-libros-de-texto-gratuitos#_ftnref11
- Rojas, R. (2024a) “Los libros de texto gratuitos: Un suicidio en camara lenta”. El Universal. Available at: <https://www.eluniversal.com.mx/opinion/raul-rojas/los-libros-de-texto-gratuitos-un-suicidio-en-camara-lenta/>
- Rojas, R. (2024b) “Reconstruyendo Mexico I: La crisis educativa”. El Universal. Available at: <https://www.eluniversal.com.mx/opinion/raul-rojas/reconstruyendo-mexico-la-crisis-educativa/>
- Rojas, R. (2024c) “La arquitectura de la Investigacion Cientifica”. Propuestas y reflexiones sobre el futuro de la politica de ciencia, tecnologia e innovacion en Mexico. No. 1. 2024. Available at: <https://amc.mx/propuestasyreflexiones.pdf>
- Schleicher, A. (2019). “PISA 2018: Insights and interpretations”. UNESCO. Biblioteca. Available at: <https://learningportal.iiep.unesco.org/es/biblioteca/pisa-2018-insights-and-interpretations>
- Seade, K. Jose A. (2024). “Ciencia, educacion y desarrollo sostenible”. Propuestas y reflexiones sobre el futuro de la politica de ciencia, tecnologia e innovacion en Mexico. No. 1. 2024. Available at: <https://amc.mx/propuestasyreflexiones.pdf>

- Seade, K. Jose A., y Cabrero, M. Enrique (2024). Presentacion. Propuestas y reflexiones sobre el futuro de la politica de ciencia, tecnologia e innovacion en Mexico. No. 1. 2024. Available at: <https://amc.mx/propuestasyreflexiones.pdf>
- Secretaria de Educacion Publica (SEP). (2022). Politica Nacional de Educacion Inicial (PNEI). (DOF: 18/03/2022). Secretaria de Educacion Publica. https://dof.gob.mx/nota_detalle.php?codigo=5646122&fecha=18/03/2022#gsc.tab=0
- Secretaria de Educacion Publica (SEP) (s.f). Sistema Interactivo de Consulta Estadistica Educativa. Available at: <https://www.planeacion.sep.gob.mx/principalescifras/>
- Secretaria de Gobernacion (2019). “Decreto por el que se reforman, adicionan y derogan diversas disposiciones de los articulos 30., 31 y 73 de la Constitucion Politica de los Estados Unidos Mexicanos, en materia educativa”. Available at: https://www.dof.gob.mx/nota_detalle.php?codigo=5560457&fecha=15/05/2019#gsc.tab=0
- Shamah-Levy T, Romero-Martinez M, Barrientos-Gutierrez T, Cuevas-Nasu L, Bautista-Arredondo S, Colchero MA, Gaona-Pineda EB, Lazcano-Ponce E, Martinez-Barnetche J, Alpuche-Arana C, Rivera-Dommarco J. Encuesta Nacional de Salud y Nutricion 2021 sobre Covid-19. Resultados nacionales. Cuernavaca, Mexico: Instituto Nacional de Salud Publica, 2022. Available at: https://ensanut.insp.mx/encuestas/ensanutcontinua2021/doctos/informes/220804_Ensa21_digital_4ago.pdf
- Signos Vitales. (2021). Ciencia y Tecnologia: Un sector limitado. Available at: <https://signosvitalismexico.org.mx/rb/wp-content/uploads/2021/10/2-Ciencia-y-tecnologia.pdf>
- Signos Vitales Mexico. (2022). Diagnostico de Mexico: oscuras perspectivas. Signos Vitales Society. Available at: <https://signosvitalismexico.org.mx/rb/wp-content/uploads/2022/11/Reporte-3-2022.pdf>
- Signos Vitales (2023). Mexico Social a revision. Signos Vitales Society. Available at: Signos Vitales Mexico – Le estamos tomando el pulso a Mexico (signosvitalismexico.org)
- Sotomayor, A., Carranza, K., & Ruiz F. (2024). Mexico: Segundo Informe de progreso de politicas de primera infancia. El dialogo. Mexicanos Primero y Pacto por la Primera Infancia. Available at: <https://www.pactoprimerainfancia.org.mx/wp-content/uploads/2024/08/Informe%20de%20Progreso%20de%20las%20Politicas%20de%20Primera%20Infancia.pdf?t=1722533587>
- Toche, N. (15 de agosto de 2023). Juez concede suspension definitiva contra la nueva ley de ciencia y tecnologia. El Economista. Available at: [https://www.eleconomista.com.mx/arteseideas/Juez-concede-suspension-definitiva-contra-la-nueva-ley-de-ciencia-y-tecnologia-20230815-0021.html#:~:text=La%20organizaci%C3%B3n%20ciudadana%20Uniando%20Caminos,Tecnolog%C3%ADas%20e%20Innovaci%C3%B3n%20\(HCTI\).](https://www.eleconomista.com.mx/arteseideas/Juez-concede-suspension-definitiva-contra-la-nueva-ley-de-ciencia-y-tecnologia-20230815-0021.html#:~:text=La%20organizaci%C3%B3n%20ciudadana%20Uniando%20Caminos,Tecnolog%C3%ADas%20e%20Innovaci%C3%B3n%20(HCTI).)
- UNESCO. (2022). Informe de Seguimiento de la Educacion en el Mundo. UNESCO. Informe de seguimiento de la educacion en el mundo 2022: informe sobre genero, profundizar en el debate sobre quienes todavia estan rezagados - UNESCO Digital Library
- UNESCO (2024). Global report on teachers: addressing teacher shortages and transforming the profession. Available at: <https://unesdoc.unesco.org/ark:/48223/pfo000388832>
- Valderrama, B., Solleiro, J.L., Flores, Jorge M., y Garcia, C. (2024). “Hacia una Secretaria de Educacion Superior, Ciencia, Tecnologia e Innovacion”. Propuestas y reflexiones sobre el futuro de la politica de ciencia, tecnologia e innovacion en Mexico. No. 1. 2024. Available at: <https://amc.mx/propuestasyreflexiones.pdf>
- Valero, C., Molina, A. y Ponce, I. (2019). Politicas de ciencia, tecnologia e innovacion en Mexico: aproximacion a su

analisis. Ed. UAEH. Edähi Boletin. Vol. 8, No. 15. pp:65–72. Available at:<https://repository.uaeh.edu.mx/revistas/index.php/icshu/article/view/5256/6855>

CHAPTER 7

Aristegui (2024). “Protesta personal de salud por falta de base, exigen cumplir promesa de AMLO”. Aristegui Noticias. Available at: <https://aristeginoticias.com/o102/mexico/protesta-personal-de-salud-por-falta-de-base-exigen-cumplir-promesa-de-amlo/>

Banco Mundial (s.f). “Gasto corriente en salud (% del PIB)”. Grupo Banco Mundial. Available at: <https://datos.bancomundial.org/indicador/SH.XPD.CHEX.GD.ZS>

Campos, M., y Cano, J. (2023). “El ocaso del Fonsabi”. Mexico Evalua. Available at: <https://www.mexicoevalua.org/el-ocaso-del-fonsabi/>

Cero Desabasto (s.f). “Informes y Comunicados”. Available at: <https://cerodesabasto.org/>

Cobo, F., y Flores, P. (2022). “Hacia la sostenibilidad del Sistema Nacional de Salud Mexicano”. Funsalud. Available at: <https://funsalud.org.mx/wp-content/uploads/2022/09/Hacia-la-Sostenibilidad-del-Sistema-de-Salud-Mexicano-FUN-SALUD.pdf>

Centro de Estudios de las Finanzas Publicas (CEFP) (2023). “Evolucion de los Servicios de Salud para la poblacion abierta, del Seguro Popular al IMSS-Bienestar”. Camara de Diputados. Available at: <https://www.cefp.gob.mx/publicaciones/nota/2023/notacefp0482023.pdf>

Consejo Nacional de Evaluacion de la Politica de Desarrollo Social (Coneval). (2022). Evaluacion Estrategica de Salud.

Primer Informe. Available at: https://www.coneval.org.mx/Evaluacion/IEPSM/Documents/Evaluacion_Estrategica_Salud_Primer_Informe.pdf

Consejo Nacional de Evaluacion de la Politica de Desarrollo Social (Coneval) (2023a). “Medicion de la pobreza”. Available at: <https://www.coneval.org.mx/Medicion/Paginas/Pobrezalncio.aspx>

Consejo Nacional de Evaluacion de la Politica de Desarrollo Social (Coneval) (2023b). “Estudio sobre el derecho a la salud 2023: un analisis cualitativo”. Available at: https://www.coneval.org.mx/EvaluacionDS/PP/CEIPP/IEPSM/Documents/E_Derecho_Salud_2023.pdf

Consejo Nacional de Evaluacion de la Politica de Desarrollo Social (Coneval) (s.f.1). “Sistema de Proteccion Social en Salud: Seguro Popular y Seguro Medico Siglo XXI”. Available at: https://www.coneval.org.mx/EvaluacionDS/PP/CEIPP/IEPSM/Documents/Seguro_Popular_Seguro_Medico_Siglo_XXI.pdf

Consejo Nacional de Evaluacion de la Politica de Desarrollo Social (Coneval) (s.f.2). “Seguro Medico para una Nueva Generacion / Seguro Medico Siglo XXI”. Available at: https://www.coneval.org.mx/Informes/Evaluacion/Ficha_Monitoreo_2012/SALUD/12_S201_FM.pdf

Diario Oficial de la Federacion (DOF) (1983). “SUMARIO. Decreto por el que se adiciona con un parrafo penultimo el articulo 40. de la Constitucion Politica de los Estados Unidos Mexicanos. Available at: https://dof.gob.mx/nota_to_imagen_fs.php?codnota=4794103&fecha=03/02/1983&cod_diario=206369

Diario Oficial de la Federacion (DOF) (2020). “Decreto por el que se adiciona un parrafo segundo al articulo 77 bis 17 y se reforma el parrafo segundo del articulo 77 bis 29 de la Ley General de Salud.” Secretaria de Gobernacion.

- Available at: https://dof.gob.mx/nota_detalle.php?codigo=5606845&fecha=04/12/2020#gsc.tab=0
- Forbes (2021). “Nueva Zelanda No. 1 de 98 países con mejor gestión de Covid-19; México, penúltimo”. Available at: <https://forbes.com.mx/noticias-paises-mejor-gestion-covid-19-mexico/>
- Frenk, J., Sepulveda, J., Gomez-Dantes, O., & Knaul, F. (2003). Evidence-based health policy: three generations of reform in Mexico. *Lancet* (London, England), 362(9396), 1667–1671. [https://doi.org/10.1016/S0140-6736\(03\)14803-9](https://doi.org/10.1016/S0140-6736(03)14803-9)
- Gobierno de México (s.f.). Sistema de Información de la Secretaría de Salud. Datos. Available at: <http://sinaiscap.salud.gob.mx:8080/DGIS/>
- Gobierno de México (2003). “Sistema de Información Legislativa”. Available at: http://sil.gobernacion.gob.mx/Librerias/pp_HProcesoLegislativo.php?SID=&Asunto=117817&Seguimiento=415093
- Instituto Nacional de Estadística y Geografía (INEGI) (s.f). “Usa la estadística y la geografía para descubrir México”. Cuéntame de México. Available at: <https://beta.cuentame.inegi.org.mx/descubre/poblacion/mortalidad/>
- Instituto Nacional de Estadística y Geografía (INEGI) (2022). “Estadísticas de salud en establecimientos particulares 2022”. Nota técnica. Available at: https://www.inegi.org.mx/contenidos/programas/salud/doc/salud_2022_nota_tecnica.pdf
- Instituto Nacional de Estadística y Geografía (INEGI) (2023). “Estadísticas de defunciones registradas (EDR) 2022”. Comunicado de prensa número 644/23. Available at: <https://www.inegi.org.mx/contenidos/saladeprensa/boletines/2023/EDR/EDR2022-Dft.pdf>
- Shamah-Levy T, Romero-Martínez M, Barrientos-Gutiérrez T, Cuevas-Nasu L, Bautista-Arredondo S, Colchero MA, Gaona-Pineda EB, Lazcano-Ponce E, Martínez-Barnetche J, Alpuche-Arana C, Rivera-Dommarco J. Encuesta Nacional de Salud y Nutrición 2021 sobre Covid-19. Resultados nacionales. Cuernavaca, México: Instituto Nacional de Salud Pública, 2022. Available at: https://www.insp.mx/resources/images/stories/2022/docs/220801_Ensa21_digital_29julio.pdf
- Knaul, F. M., Arreola-Ornelas, H., Touchton, M., McDonald, T., Blofield, M., Avila Burgos, L., Gomez-Dantes, O., Kuri, P., Martínez-Valle, A., Méndez-Carniado, O., Nargund, R. S., Porteny, T., Sosa-Rubi, S. G., Serván-Mori, E., Symes, M., Vargas Enciso, V., & Frenk, J. (2023). Setbacks in the quest for universal health coverage in Mexico: polarised politics, policy upheaval, and pandemic disruption. *Lancet* (London, England), 402(10403), 731–746. [https://doi.org/10.1016/S0140-6736\(23\)00777-8](https://doi.org/10.1016/S0140-6736(23)00777-8)
- México Evalúa (2024a). “AMLO le quito 157 mil millones de pesos a la salud; suspendieron 97% de las atenciones a cáncer”. Available at: <https://www.mexicoevalua.org/amlo-le-quito-157-mil-millones-de-pesos-a-la-salud-suspendieron-97-de-las-atenciones-a-cancer/>
- México Evalúa (2024b) “Las paradojas del gasto en salud a junio 2024”. Números del erario. Available at: <https://numerosdeerario.mexicoevalua.org/2024/08/15/las-paradojas-del-gasto-en-salud-a-junio-2024/>
- Milenio (2020) “Padres de niños con cáncer denuncian a AMLO por homicidio, lo culpan por desabasto de medicamentos”. Política. Available at: <https://www.milenio.com/videos/politica/padres-ninos-cancer-denuncian-amlo-homicidio-culpan-desabasto-medicamentos>
- Organización Panamericana de la Salud (OPS) (s.f) “Funciones esenciales de salud pública”. Available at: <https://www.paho.org/es/temas/funciones-esenciales-salud-publica>

Organizacion para la Cooperacion y el Desarrollo Economicos (OCDE) (2023). “Health at a Glance”. OECD library. Available at: https://www.oecd-ilibrary.org/social-issues-migration-health/health-at-a-glance-2023_7a7afb35-en

Reich, M. R. (2020) “Restructuring Health Reform, Mexican Style. Health Systems & Reform”, 6(1). <https://doi.org/10.1080/23288604.2020.1763114>

Roberts, M. J., W. Hsaio, P. Berman y M. Reich. 2004. “Getting Health Reform Right: A Guide to Improving Performance and Equity”. Nueva York: Oxford University Press.

Roldan, N. y Mexico Evalua (2024). “AMLO le quito 157 mil millones de pesos a la salud; suspendieron 97% de las atenciones a cancer”. Animal Politico. Available at: <https://www.animalpolitico.com/salud/amlo-quito-recursos-salud-suspende-atencion-cancer?s=09>

Sanchez, M., y Sepulveda, J. (2024). “Informe de la Comision Independiente de Investigacion sobre la Pandemia de COVID-19 en Mexico”. Ciudad de Mexico. Available at: <https://www.comecso.com/wp-content/uploads/2024/05/Informe-Comision-Independiente.pdf>

Secretaria de Salud (2022). “Informe anual de autoevaluacion del director general del INSABI”. Periodo 01 de enero al 31 de diciembre de 2021. Available at: https://www.gob.mx/cms/uploads/attachment/file/756262/INFORME_ANUAL_DE_AUTOEVALUACION_DEL_DIRECTOR_GENERAL_DEL_INSABI_R4.pdf

Secretaria de Salud (2023). “Informe semestral de autoevaluacion del director general del INSABI”. Periodo 01 de enero al 31 de junio de 2022. Available at: https://www.gob.mx/cms/uploads/attachment/file/774472/INFORME_SEMESTRAL_DE_AUTOEVALUACION_DEL_DIRECTOR_GENERAL_DEL_INSABI.pdf

Signos Vitales (2022) “Diagnostico de Mexico: Obscuras perspectivas”. Available at: <https://signosvitalasmexico.org/reporte-10/>

Signos Vitales (2023) “Mexico social a revision”. Available at: <https://signosvitalasmexico.org/reporte-13/>

Unger-Saldaña, K., Lajous, M., & Reich, M. R. (2023). Improving health system performance in Mexico. Lancet (London, England), 402(10403), 674–676. Available at: [https://doi.org/10.1016/S0140-6736\(23\)01454-X](https://doi.org/10.1016/S0140-6736(23)01454-X)

CHAPTER 8

Ayala, C. (13 de mayo, 2024). El CEO. Apagones revelan necesidad de inversion privada en mercado energetico. Available at: <https://elceo.com/negocios/apagones-revelan-necesidad-de-inversion-privada-en-mercado-energetico/>

Banco de Mexico (Banxico). (2021). Interrupciones en la Provision de Gas Natural y Electricidad en Febrero y sus Efectos sobre la Actividad Economica Regional. Available at: <https://www.banxico.org.mx/publicaciones-y-prensa/reportes-sobre-las-economias-regionales/recuadros/%7B4C302479-9935-9CC8-7251-84D210B8B76A%7D.pdf>

Banco de Mexico (Banxico). (2024). Reporte sobre las Economias Regionales (Abril – Junio 2024). Available at: <https://www.banxico.org.mx/publicaciones-y-prensa/reportes-sobre-las-economias-regionales/%7B05395519-AB12-113D-8E5D-3466ABC55AC2%7D.pdf>

Banco de Mexico (Banxico). s.f. Sistema de Informacion Economica (SIE). Balanza de pagos. (CA176) – Balanza comercial de mercancías de Mexico (sin apertura de maquiladoras). Available at: <https://www.banxico.org.mx/SieInternet/>

consultarDirectorioInternetAction.do?sector=1&accion=-consultarCuadroAnalitico&idCuadro=CA176&locale=es

<https://imco.org.mx/mexico-necesita-almacenamiento-de-gas-natural/>

Barnes de C., F. (2023) Analisis de la Situacion Financiera de Pemex. Observatorio Ciudadano de la Energia (OCE). Available at: <https://energia.org.mx/analisis-de-la-situacion-financiera-de-pemex-por-francisco-j-barnes-de-castro/>

Centro Nacional de Control de Energia (Cenace). (s.f.) Sistema de Informacion del Mercado. Programa de Desarrollo del Sistema Electrico Nacional (PRODESEN). Available at: <https://www.cenace.gob.mx/Paginas/SIM/Prodesen.aspx>

Barrios, R. (2022). Reporte al 2T-2022 de la Comision Federal de Electricidad: un deterioro esperado. Mexico, ¿como vamos? Available at: <https://mexicocomovamos.mx/animal-politico/2022/08/reporte-al-2t-2022-de-la-comision-federal-de-electricidad-un-deterioro-esperado/>

Centro Nacional de Control de Energia (Cenace). (s.f.b). Sistema de Informacion del Mercado. Programa de Ampliacion y Modernizacion de la RNT y de la RGD 2024 – 2038. Available at: https://www.cenace.gob.mx/Paginas/SIM/ProgramaRNT_RDG.aspx

Barrios, R. 12 de febrero de 2024. Refineria de Cadereyta: Cuando Cronos devora a sus hijos. Opinion 51. Available at: <https://www.opinion51.com/rosanety-barrios-refineria-de-cadereyta/>

Comision Federal de Competencia Economica (Cofece). 13 de octubre de 2022. La Cofece determino la falta de competencia efectiva en la distribucion de gas LP a usuarios finales. Available at: <https://www.cofece.mx/la-cofece-de-termino-falta-de-competencia-efectiva-en-la-distribucion-de-gas-lp-a-usuarios-finales/>

Barrios, R. 9 de febrero, 2023. Gas natural en Mexico. Lo que el siguiente gobierno debe saber. Mexico como vamos. Available at: <https://mexicocomovamos.mx/animal-politico/2023/02/gas-natural-en-mexico-lo-que-el-siguiente-gobierno-debe-saber/>

Comision Nacional de Hidrocarburos (CNH). (2019). Resultados y Perspectivas de las Actividades de Exploracion y Extraccion de Hidrocarburos. Available at: https://www.gob.mx/cms/uploads/attachment/file/514463/Presentacion_Resultados_Perspectivas_Actividades_Exploracion_Extraccion_Hidrocarburos.pdf

Black, S., Antung Liu, Ian Parry, Nate Vernon. 2023. IMF Fossil Fuel Subsidies Data: 2023 Update. Available at: <https://www.imf.org/en/Publications/WP/Issues/2023/08/22/IMF-Fossil-Fuel-Subsidies-Data-2023-Update-537281>

Comision Nacional de Hidrocarburos (CNH). (2022). Prospectiva de Produccion 2022 – 2028. Tercer trimestre 2022. Available at: <https://hidrocarburos.gob.mx/media/5452/reporte-prospectiva-3er-trim-2022.pdf>

Cardenas, E. 14 de octubre, 2021. La renacionalizacion de la industria electrica. El Financiero. Available at: <https://www.elfinanciero.com.mx/opinion/enrique-cardenas/2021/10/14/la-renacionalizacion-de-la-industria-electrica/>

Comision Nacional de Hidrocarburos (CNH). s.f. Sistema de Informacion de Hidrocarburos (SIH). Available at: <https://sih.hidrocarburos.gob.mx/>

Carrillo, J., Diaz, D., Ocampo, O. (2022). Almacenamiento de Gas Natural para la Seguridad Energetica. Instituto Mexicano para la Competitividad, A.C. (IMCO). Available at:

Comision Nacional de Hidrocarburos (CNH). s.f.b. Rondas Mexico. Cifras Relevantes. Available at: <https://rondas-mexico.gob.mx/>

- Comision Reguladora de Energia (CRE). (2018). Centrales Electricas de Generacion Distribuida. Available at: <https://datos.gob.mx/busca/dataset/centrales-electricas-de-generacion-distribuida>
- Comision Reguladora de Energia (CRE). (2024). Estadísticas sobre las Solicitudes de Interconexion de Centrales Electricas de Generacion Distribuida. Available at: <https://www.gob.mx/cre/documentos/pequena-y-mediana-escala>
- Confederacion Patronal de la Republica Mexicana (Coparmex). (2023). Coparmex respalda las iniciativas legislativas orientadas a incrementar la generacion distribuida de energia en Mexico. Available at: <https://coparmex.org.mx/coparmex-respalda-las-iniciativas-legislativas-orientadas-a-incrementar-la-generacion-distribuida-de-energia-en-mexico/>
- Gallegos, R., Rodriguez, S. (2015). Generacion Distribuida. Hacia la Transformacion del Mercado Electrico Mexicano. Instituto Mexicano para la Competitividad, A.C. (IMCO). Available at: <https://imco.org.mx/hacia-la-trasformacion-del-mercado-electrico-mexicano-generacion-distribuida/>
- Gomez, V. 2024. Instituto Mexicano para la Competitividad (IMCO). Gestionar la deuda de Pemex. Available at: <https://imco.org.mx/gestionar-la-deuda-de-pemex/>
- Hernandez, G. 17 de septiembre, 2022. Peña Nieto, SME y Mota-Engil: un “pacto ilegal y corrupto”, vigente con AMLO. Proceso. Available at: <https://www.proceso.com.mx/reportajes/2022/9/17/pena-nieto-sme-mota-engil-un-pacto-ilegal-corrupto-vigente-con-amlo-293490.html>
- Instituto Mexicano para la Competitividad (IMCO) 2024c. Pemex en la mira. Analisis de resultados al segundo trimestre de 2024. Available at: <https://imco.org.mx/estados-financieros-segundo-trimestre-de-2024/>
- Instituto Mexicano para la Competitividad (IMCO). (2022). Mexico Necesita Almacenamiento de Gas Natural. Available at: <https://imco.org.mx/mexico-necesita-almacenamiento-de-gas-natural/#:~:text=En%20M%C3%A9xico%20es%20posible%20almacenar,necesaria%20para%20lograr%20esta%20meta>
- Instituto Mexicano para la Competitividad (IMCO). (2024a). Monitor de Energia. Generacion. Available at: <https://imco.org.mx/monitor/energia/>
- Instituto Mexicano para la Competitividad (IMCO). (2024d). Monitor de Energia. Mercado Electrico. Available at: <https://imco.org.mx/monitor/energia/>
- Instituto Mexicano para la Competitividad (IMCO). 2024b. Pemex en la mira. Analisis de resultados al primer trimestre de 2024. Available at: <https://imco.org.mx/pemex-en-la-mira-al-primer-trimestre-de-2024/>
- Instituto Nacional de Estadística y Geografía (INEGI). s.f. Producto Interno Bruto por actividad economica. Available at: <https://www.inegi.org.mx/temas/pib/#tabulados>
- Instituto Nacional de Estadística y Geografía (INEGI). s.f.b. Cuantame de Mexico. Informacion por entidad. Available at: <https://cuantame.inegi.org.mx/default.aspx#>
- International Chamber of Commerce Mexico (ICC Mexico). (8 de noviembre, 2023). Urge mas inversion en generacion y transmision electricas para que crezca la economia. Comunicado de Prensa. Available at: <https://iccmex.mx/posturas/urge-mas-inversion-en-generacion-y-transmision-electricas-para-que-crezca-la-economia.pdf>
- International Energy Agency (IEA). (2024). Electricity Mid – Year Update. Available at: https://iea.blob.core.windows.net/assets/234d0d22-6f5b-4dc4-9f08-2485f0c5ec24/ElectricityMid-YearUpdate_July2024.pdf

- Limon, A. (2017). Energia solar en Mexico: su potencial y aprovechamiento. Centro de Investigacion Economica y Presupuestaria (CIEP). Available at: <https://ciep.mx/energia-solar-en-mexico-su-potencial-y-aprovechamiento/>
- Mexico Evalua. (2023). El empobrecimiento de las empresas publicas. Available at: <https://numerosdeerario.mexicoevalua.org/2023/07/14/el-empobrecimiento-de-las-empresas-publicas/>
- Mexico Evalua. (2024b). Los apagones en la inversion a la CFE explicados en 5 graficas. Available at: <https://www.mexicoevalua.org/los-apagones-en-la-inversion-a-la-cfe-explicados-en-5-graficas/>
- Mexico Evalua. 2023. Los costos del estimulo a gasolinas: recortes y deuda. Analisis anual 2022. Available at: <https://numerosdeerario.mexicoevalua.org/2023/02/14/los-costos-del-estimulo-a-gasolinas-recortes-y-deuda-analisis-anual-2022/>
- Mexico Evalua. 2024. Petroleo toca fondo; y la deuda esta por las nubes. Erario al 2T de 2024. Available at: <https://numerosdeerario.mexicoevalua.org/2024/08/09/petroleo-toca-fondo-y-la-deuda-esta-por-las-nubes/>
- Moreno, A. L. (8 de septiembre de 2022). #PPEF2023, nearshoring y energia: la oportunidad perdida. Mexico Evalua. Available at: <https://www.mexicoevalua.org/ppef2023-nearshoring-y-energia-la-oportunidad-perdida/>
- Office of Energy Efficiency & Renewable Energy (EERE). (2024). Quarterly Solar Industry Update. Available at: <https://www.energy.gov/eere/solar/quarterly-solar-industry-update>
- Petroleos Mexicanos (Pemex) s.f.a. Informacion financiera. Resultados. Available at: <https://www.pemex.com/ri/finanzas/Paginas/resultados.aspx>
- Petroleos Mexicanos (Pemex). s.f.b. Base de Datos Institucional (BDI). Available at: <https://ebdi.pemex.com/bdi/bdi-Controller.do?action=temas>
- Ramirez M., C. (27 de junio de 2023). El sector donde no pasa nada. Opinion 51. Available at: <https://www.opinion51.com/invitada-casiopea-donde-no-pasa-nada/>
- Ramiro, M. 1 de julio de 2021. Transicion energetica. Nexos. Available at: <https://www.nexos.com.mx/?p=57794>
- Secretaria de Energia (Sener). (2016). Prospectiva de Energias Renovables 2016 – 2030. Available at: https://www.gob.mx/cms/uploads/attachment/file/177622/Prospectiva_de_Energ_as_Renovables_2016-2030.pdf
- Secretaria de Energia (Sener). (2019). Estatus de la Infraestructura de gas natural. Available at: https://www.gob.mx/cms/uploads/attachment/file/438130/Estatus_de_gasoductos_-_Diciembre_2018_Accesibilidad.pdf
- Secretaria de Energia (Sener). (2023). Balance Nacional de Energia. Available at: <https://www.gob.mx/sener/articulos/balance-nacional-de-energia-296106>
- Secretaria de Energia (Sener). (2024a). Programa del Desarrollo del Sistema Electrico Nacional 2024 – 2038. Anexo 1. Available at: <https://www.gob.mx/sener/articulos/programa-de-desarrollo-del-sistema-electrico-nacional-2024-2038>
- Secretaria de Energia (Sener). (2024g). Prontuario Estadistico. Available at: https://base.energia.gob.mx/dgaic/DA/P/SubsecretariaHidrocarburos/ProntuarioDeGasNaturalPetroquimicos/SENER_o2_ProntuarioGNP_MAR24.pdf
- Secretaria de Energia (Sener). (2024d). Programa de Desarrollo del Sistema Electrico Nacional (PRODESEN) 2024 –

2038. Available at: https://www.cenace.gob.mx/Docs/16_MARCOREGULATORIO/Prodecen/20%202024-2038%20Cap%C3%ADtulos%201%20al%206.pdf
- Secretaria de Energia (Sener). 2024b. Programa de Desarrollo del Sistema Electrico Nacional (2024 – 2038). Available at: base.energia.gob.mx/PRODESEN2024/prodesen24-38cap5.PDF
- Secretaria de Energia (Sener). 2024c. Programa de Desarrollo del Sistema Electrico Nacional (2024 – 2038). Demanda y Consumo. Available at: <https://base.energia.gob.mx/PRO-DESEN2024/prodesen24-38cap3.PDF>
- Secretaria de Energia (Sener). (2024e). Prontuario Estadístico. Available at: https://base.energia.gob.mx/dgaic/DA/P/SubsecretariaHidrocarburos/ProntuarioDeGasNaturalPetroquimicos/SENER_o2_ProntuarioGNP_MAR24.pdf
- Secretaria de Energia (Sener). (2024f). Balance Nacional de Energia 2023 (Preliminar). Available at: https://www.gob.mx/cms/uploads/attachment/file/947752/BALANCE_NACIONAL_DE_ENERG_A_PRELIMINAR_2023.pdf
- Secretaria de Energia (Sener). s.f. Estadísticas de petrolíferos. Balance por producto. Available at: <https://estadisticashidrocarburos.energia.gob.mx/gas.aspx>
- Secretaria de Hacienda y Credito Publico (SHCP). s.f. Cuenta Publica 2022. Tomo I. Ingresos Presupuestarios. Available at: <https://www.cuentapublica.hacienda.gob.mx/es/CP/Tomol-2022>
- Servicio de Administracion Tributaria (SAT). (2022). Informe Tributario y de Gestion. Cuarto trimestre 2022. Available at: <http://omawww.sat.gob.mx/gobmxtransparencia/Paginas/itg.html>
- Servicio Meteorologico Nacional (SMN). (s.f.). Resúmenes Mensuales de Temperaturas y Lluvia. Lluvia. Available at: <https://smn.conagua.gob.mx/es/climatologia/temperaturas-y-lluvias/resumenes-mensuales-de-temperaturas-y-lluvias>
- Signos Vitales. (2022). Diagnostico de Mexico: Oscuras perspectivas. Available at: <https://signosvitalessmexico.org/reporte-10/>
- Sweney, M. 19 de febrero, 2024. World's largest oil companies have made \$281bn profit since invasion of Ukraine. The Guardian. Available at: <https://www.theguardian.com/business/2024/feb/19/worlds-largest-oil-companies-have-made-281bn-profit-since-invasion-of-ukraine>
- U.S. Energy Information Administration (EIA). (2024). Solar and wind to lead growth of U.S. power generation for the next two years. Available at: <https://www.eia.gov/todayinenergy/detail.php?id=61242>
- U.S. Energy Information Administration (EIA). s.f. Petroleum & Other Liquids. Mont Belvieu, TX Propane Spot Price FOB. Available at: https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=p&s=eer_epllpf4_y44mb_dp-g&f=m
- U.S. Energy Information Administration (EIA). s.f.b. Petroleum & other liquids. Exports by Destination. Available at: https://www.eia.gov/dnav/pet/pet_move_expc_a_EPMoF_EEX_mbbldpd_a.htm
- U.S. Energy Information Administration (EIA). s.f.c. U.S. Natural Gas Exports by Country. Available at: http://www.eia.gov/dnav/ng/ng_move_expc_s1_a.htm
- U.S. Energy Information Administration (EIA). s.f.d. Natural Gas. Henry Hub Natural Gas Spot Price. Available at: <https://www.eia.gov/dnav/ng/hist/rngwhhdW.htm>

Ventura, A. (26 de septiembre, 2023). Consumo de gas en matriz electrica de Mexico, pone en riesgo sus metas ambientales. Reporte Indigo Energia & Industria. Available at: <https://www.reporteindigo.com/energia-industria/oil-and-gas/consumo-de-gas-en-matriz-electrica-de-mexico-pone-en-riesgo-sus-metas-ambientales/>

World Bank. (2018). Global Economic Prospects. Available at: <https://openknowledge.worldbank.org/server/api/core/bitstreams/da2c5a6b-5650-576b-8e43-add85378e6bd/content>

Zarate, P. (5 de mayo, 2024). Sin las rentas de la red electrica, la CFE estaria quebrada. El Economista. Available at: <https://www.eleconomista.com.mx/opinion/Sin-las-rentas-de-la-red-electrica-la-CFE-estaria-quebrada-20240505-0091.html>

CHAPTER 9

Arellano, A. (11 de agosto, 2023). Mexico: consecuencias ambientales del derrame de petroleo que Pemex minimizo. Mongabay. Available at: <https://es.mongabay.com/2023/08/mexico-consecuencias-ambientales-del-derrame-de-petroleo-que-pemex-minimizo/>

Banco de Mexico (Banxico). (2022). Sequia en Mexico y su Potencial Impacto en la Actividad Economica. Available at: <https://www.banxico.org.mx/publicaciones-y-prensa/informes-trimestrales/recuadros/%7B3A0127A1-DoC97D61-C9AE-E57E127FB39B%7D.pdf>

Barnes de Castro, F., Villalobos, A. 17 de marzo de 2024. Emisiones a la atmosfera de dióxido de azufre del Sistema Nacional de Refinación. Energia a debate. Available at: <https://energiaadebate.com/emisiones-a-la-atmosfera-de-dioxido-de-azufre-del-sistema-nacional-de-refinacion/>

Boletín UNAM–DGCS–562bis. (22 de julio, 2023). Estiman en 467 kilometros la extensión de derrame de hidrocarburos por fugas en Ek Balam. Available at: https://www.dgcs.unam.mx/boletin/bdboletin/2023_562bis.html

Burck, J., Uhlich, T., Bals, C., Höhne, N., Naschromiento, L. 2023. Climate Change Performance Index 2024. Available at: <https://ccpi.org/download/climate-change-performance-index-2024/>

Canul, R. 12 de noviembre de 2020. Mexico: esto sucede cuando se tumba selva en el territorio maya. Mongabay. Available at: <https://es.mongabay.com/2020/11/mexico-esto-sucede-cuando-se-tumba-selva-en-el-territorio-maya/>

CartoCritica. 2023. Tren Maya: Analisis de la deforestacion y gestion forestal. Available at: <https://cartocritica.org.mx/2023/tren-maya-analisis-de-la-deforestacion-y-gestion-forestal/>

Centro de Investigacion Economica y Presupuestaria (CIEP). 2023. Cambio climatico: Acciones desde los recursos publicos. Available at: <https://ciep.mx/cambio-climatico-acciones-desde-los-recursos-publicos/>

Centro de Investigacion Economica y Presupuestaria (CIEP). 2024. Presupuesto 2023 – 2024. Transición energética y cambio climático. Available at: https://ciep.mx/wp-content/uploads/2024/09/Presupuesto_2023_2024_TransicionEnergetica_CambioClimatico-1.pdf

Climate Change Performance Index (CCPI). 2023. Germanwatch, NewClimate Institute, and the Climate Action Network. Available at: <https://ccpi.org/country/mex/>

Comisión Internacional de Límites y Aguas entre México y los Estados Unidos (CILA). (s.f.). Almacenamiento histórico conjunto de las presas Glen Canyon (Lago Powell) y Hoover (Lago Mead). Available at: <http://www.cila.gob.mx/rc/ahcp-gh.pdf>

- Comision Internacional de Limites y Aguas entre Mexico y los Estados Unidos (CILA). (s.f.b). Reducciones y Ahorros Aplicables en EUA y Mexico. Available at: <http://www.cila.gob.mx/rc/tabred.pdf>
- Comision Internacional de Limites y Aguas entre Mexico y los Estados Unidos (CILA). (15 de agosto, 2023). Se anuncian reducciones en las entregas de agua del Rio Colorado en 2024 para Mexico y Estados Unidos. Comunicado Conjunto. Available at: <http://www.cila.gob.mx/prensa/prensa152.pdf>
- Comision Nacional de Hidrocarburos (CNH). (2023). Aprovechamiento de Gas Natural Asociado. Available at: <https://hidrocarburos.gob.mx/media/5730/aprovechamiento-de-gas-natural-asociado-dic2022.pdf>
- Comision Nacional del Agua (Conagua). s.f. Resúmenes Mensuales de Lluvia y Temperatura. Available at: <https://smn.conagua.gob.mx/es/climatologia/temperaturas-y-lluvias/resumenes-mensuales-de-temperaturas-y-lluvias>
- Comision Nacional Forestal (Conafor). 2010. Incendios Forestales. Guía práctica para comunicadores. Available at: <http://www.conafor.gob.mx:8080/documentos/docs/10/236Gu%C3%ADa%20pr%C3%A1ctica%20para%20comunicadores%20-%20Incendios%20Forestales.pdf>
- Comision Nacional Forestal (Conafor). 2017. Rendición de cuentas. Informes. Available at: <https://www.conafor.gob.mx/transparencia/rendicion-cuentas.html>
- Comision Nacional Forestal (Conafor). 2024. Reporte semanal de incendios 2024. Available at: <https://www.gob.mx/conafor/documentos/reportesemanal-de-incendios>
- Comision Nacional Forestal (Conafor). s.f.a. Estadísticas y Mapas. Available at: <https://snif.cnf.gob.mx/incendios/>
- Comision Nacional Forestal (Conafor). s.f.b. Concentrado Nacional de Incendios Forestales. Available at: https://monitor_incendios.cnf.gob.mx/incendios_tarjeta_semanal
- Consejo Civil Mexicano para la Silvicultura Sostenible (CC-MSS). 2024. Sistema de Información de Cambios de la Cobertura Forestal en la Península de Yucatán. Available at: <https://ccmss.org.mx/sicamfor/>
- Consejo Civil Mexicano para la Silvicultura Sostenible (CC-MSS). s.f. Deforestación por las obras del “Tren Maya” en Quintana Roo. Available at: https://ccmss.org.mx/deforestacion_por_tren_maya_quintanaroo/#
- Framework Convention on Climate Change (FCCC). (13 de diciembre, 2023). First global stocktake. United Nations. Available at: https://unfccc.int/sites/default/files/resource/cma2023_L17_adv.pdf
- Global Forest Watch (GFW). s.f. Breves estadísticas globales y por país. Available at: <https://www.globalforestwatch.org/dashboards/country/MEX/4/6/?map=eyJjYW5Cb3VuZCI6dHJ1ZXo%3D>
- Gomez, T. 31 de agosto de 2022. Sembrar deforestación: los bosques que México pierde por la agroindustria. Mongabay. Available at: <https://es.mongabay.com/2022/08/sembrar-deforestacion-en-los-bosques-de-mexico/>
- Greenpeace Mexico. 2021. NDC de México deben ser más ambiciosos y progresivos. Available at: <https://www.greenpeace.org/mexico/noticia/49232/ndc-de-mexico-deben-ser-mas-ambiciosos-y-progresivos/>
- Health Effects Institute (HEI). 2024. State of Global Air 2024. Available at: <https://www.stateofglobalair.org/resources/report/state-global-air-report-2024>

- Instituto Mexicano de Tecnología del Agua (IMTA). (2020). El agua en el valle de Mexicali, Baja California: Origen, uso y destino. Available at: https://www.imta.gob.mx/gob-mx/2020/EL_AGUA_VALLE_MEXICALI.pdf
- Instituto Nacional de Ecología y Cambio Climático (INECC). 2019. Informe Nacional de Calidad del Aire 2018. Available at: <https://sinaica.inecc.gob.mx/archivo/informes/Informe2018.pdf>
- Instituto Nacional de Ecología y Cambio Climático (INECC). s.f. Informe Nacional de Calidad del Aire 2021. Available at: <https://sinaica.inecc.gob.mx/archivo/informes/Informe2021.pdf>
- International Bank for Reconstruction and Development (IBRD). (2023). Global Gas Flaring Tracker Report. Available at: <https://thedocs.worldbank.org/en/doc/5d5c5c8b0f451b472e858ceb97624a18-0400072023/original/2023-Global-Gas-Flaring-Tracker-Report.pdf>
- International Chamber of Commerce Mexico (ICC Mexico). (8 de noviembre, 2023). Urge más inversión en generación y transmisión eléctricas para que crezca la economía. Comunicado de Prensa. Available at: <https://iccmex.mx/posturas/urge-mas-inversion-en-generacion-y-transmision-electricas-para-que-crezca-la-economia.pdf>
- Irakulis–Loitxate, I., Gorroño, J., Zavala–Araiza, D. y Guanter, L. (2022). Satellites Detect a Methane Ultra–emission Event from an Offshore Platform in the Gulf of Mexico. *Environmental Science & Technology Letters*. Available at: <https://pubs.acs.org/doi/pdf/10.1021/acs.estlett.2c00225>
- Medinilla, M. 5 de agosto de 2021. Casiopea Ramirez: “No hay suficiente oferta de energía ni de infraestructura en México”. *Energía Estratégica*. Available at: <https://www.energiaestrategica.com/no-hay-suficiente-oferta-de-energia-ni-de-infraestructura-en-mexico/>
- Mexicanos Contra la Corrupción y la Impunidad (MCCI). 2023. El riesgo de México ante el cambio climático. Available at: <https://contralacorrupcion.mx/matar-el-futuro-la-4t-y-el-fin-de-la-politica-ambiental-en-mexico/>
- México Evalúa. 2023. Subsidios 2024: la concentración del bienestar. *Números de Erario*. Available at: <https://numerosdeerario.mexicoevalua.org/2023/10/03/subsidios-2024-la-concentracion-del-bienestar/>
- México Evalúa. 2024. En la peor sequía de los últimos años, el gobierno cierra la llave a Conagua. Available at: <https://numerosdeerario.mexicoevalua.org/2024/04/01/en-la-peor-sequia-de-los-ultimos-anos-el-gobierno-cierra-la-llave-a-conagua/>
- Petróleos Mexicanos (Pemex). (2023c). Aclara PEMEX sobre el control de fuga en los campos Ek Balam. *Comunicados nacionales*. Available at: https://www.pemex.com/sala-deprensa/boletines_nacionales/Paginas/2023_27-nacional.aspx
- S&P Global Ratings. (2023). Más estados mexicanos podrían verse afectados por estrés hídrico en 2050. Available at: <https://www.spglobal.com/assets/documents/ratings/es/pdf/2023/2023-04-04-mas-estados-mexicanos-podrian-verse-afectados-por-estres-hidrico-en-2050.pdf>
- Secretaría de Energía (Sener). (s.f.). Sistema de Información Energética (SIE). Available at: <https://sie.energia.gob.mx/bdiController.do?action=temas>
- The Climate Action Tracker (CAT). s.f. Countries. México. Available at: <https://climateactiontracker.org/countries/mexico/>
- United States Agency for International Development (USAID). 2024. México. Climate Change Country Profile. Available at: <https://www.usaid.gov/climate/country-profiles/mexico>

Warman, J., Zuñiga, J. I., Cervera, M. 2021. Analisis de los impactos en las coberturas forestales y potencial de mitigación de las parcelas del programa Sembrando Vida implementadas en 2019. World Resources Institute. Available at: <https://es.wri.org/sites/default/files/WRI%20M%C3%A9xico%20An%C3%A1lisis%20sobre%20los%20impactos%20ambientales%20de%20Sembrando%20Vida%20en%202019.pdf>

Watine–Guiu, M., Varon, D., Irakulis–Loitxate, I., Balasus, N., Jacob, D. (2023). Geostationary satellite observations of extreme and transient methane emissions from oil and gas infrastructure. Proceedings of the National Academy of Sciences of the United States of America. Available at: <https://www.pnas.org/doi/suppl/10.1073/pnas.2310797120>

Welker, L., Roth, J., Gerasimchuk, I. (s.f.). 2020–21 Global Recovery Analysis. Energy Policy Tracker. Available at: <https://www.energypolicytracker.org/2020–21–global–recovery–analysis/>

CHAPTER 10

Alvarez, Mariana (2023): “Estos son los países que ha visitado AMLO como presidente de México”. Milenio. Available at: <https://www.milenio.com/politica/estos-son-los-paises-que-ha-visitado-amlo-como-presidente-de-mexico>

Animal Politico (2024): “México, Brasil y Colombia exigen “verificación imparcial de resultados” en Venezuela”. Available at: <https://animalpolitico.com/politica/amlo-llamada-brasil-colombia-crisis-electoral-venezuela>

Appel, Marco (2024): “La Unión Europea califica de “populista” al gobierno de López Obrador”. El Proceso. Available at: <https://www.proceso.com.mx/nacional/2024/3/27/>

la-union-europea-califica-de-populista-al-gobierno-de-lopez-obrador-326174.html

Carrillo, Emilio (2023): “AMLO ‘entera’ a Biden sobre financiamiento de USAID a ONGs críticas; en una carta le pide intervenir”. Forbes. Available at: <https://forbes.com.mx/amlo-entera-a-biden-sobre-financiamiento-de-usaid-a-ongs-criticas-le-pide-intervenir/>

Diario de Yucatán (2023): “EE.UU. niega millonario préstamo a México por un regalo a Cuba”. Available at: <https://www.yucatan.com.mx/mundo/2023/10/06/ee-uu-niega-millonario-prestamo-a-mexico-por-un-regalo-a-cuba.html>

Dominguez Castro, Rene (2024): “La Relación entre Estados Unidos y México – Continuidades y Cambios en 2024” Revista Foreign Affairs Latinoamérica. Available at: <https://revistafal.com/la-relacion-entre-estados-unidos-y-mexico-continuidades-y-cambios-en-2024/>

El Financiero (2021): “¿Te perdiste el discurso de AMLO en la ONU? Esto fue lo más relevante.” Available at: <https://www.elfinanciero.com.mx/nacional/2021/11/09/te-perdiste-el-discurso-de-amlo-en-la-onu-esto-fue-lo-mas-relevante/>

El Financiero (2024): “Llegó la hora para México y la Unión Europea”. Available at: <https://www.elfinanciero.com.mx/opinion/colaborador-invitado/2024/10/24/llego-la-hora-para-mexico-y-la-union-europea/>

El País (2022): “López Obrador arremete contra el Parlamento Europeo”. Available at: <https://elpais.com/mexico/2022-03-11/lopez-obrador-arremete-contra-el-parlamento-europeo-ya-no-somos-colonia-de-nadie.html>

El Universal (2022): “AMLO y sus polémicas diplomáticas”. Available at: <https://www.eluniversal.com.mx/nacion/amlo-y-sus-polemicas-diplomaticas-los-borregos-de-eu->

ropa-la-inquisicion-de-panama-pausa-espanola-y-eleccion-colombiana/

Esquivel, Israel (2024): “Así comenzo el distanciamiento de AMLO con España”. Infobae. Available at: <https://www.infobae.com/mexico/2024/09/24/asi-comenzo-el-distanciamiento-de-amlo-con-espana/>

Forbes (2024): “AMLO enviara carta a Joe Biden para denunciar injerencia de EU en soberania de Mexico”. Available at: <https://forbes.com.mx/amlo-enviara-carta-a-joe-biden-para-denunciar-injerencia-de-eu-en-soberania-de-mexico/>

Gobierno de Mexico (2023): “Se suman a IMSS-Bienestar 68 medicas y medicos cubanos”. Instituto Mexicano del Seguro Social, 31.01.2023. Available at: <https://www.gob.mx/imss/prensa/se-suman-a-imss-bienestar-68-medicas-y-medicos-cubanos-laboran-en-total-552-especialistas-en-12-estados>

Gobierno de Mexico (2023b): “Version estenografica de la Conferencia de prensa del presidente Andres Manuel Lopez Obrador del 20 de junio de 2023”. Available at: <https://www.gob.mx/insabi/es/articulos/conferencia-de-prensa-del-presidente-andres-manuel-lopez-obrador-del-20-de-junio-de-2023?idiom=es>

Gobierno de Mexico (2024): “Mexico y la Union Europea celebran el IX Dialogo de Alto Nivel”. Comunicado No. 110 de la Secretaria de Relaciones Exteriores. Available at: <https://www.gob.mx/sre/prensa/mexico-y-la-union-europea-celebran-el-ix-dialogo-politico-de-alto-nivel?idiom=es>

Gobierno de Mexico (2024b): “La subsecretaria de Relaciones Exteriores concluye gira de trabajo en Europa”. Comunicado No. 157 de la Secretaria de Relaciones Exteriores. Available at: <https://www.gob.mx/sre/prensa/la-subsecretaria-de-relaciones-exteriores-concluye-gira-de-trabajo-en-europa>

Gonzalez, Luz Araceli (2023): “La imagen de Mexico en el mundo se desdibuja”. El Financiero. Available at: <https://www.elfinanciero.com.mx/monterrey/2023/02/24/luz-araceli-gonzalez-la-imagen-de-mexico-en-el-mundo-se-desdibuja/>

Hernandez, Diego Joaquin (2023): “Cuántos viajes ha hecho AMLO al extranjero como presidente?”. La Silla Rota. Available at: <https://lasillarota.com/nacion/2023/7/18/cuantos-viajes-ha-hecho-amlo-al-extranjero-como-presidente-438577.html>

INEGI (2024): “Banco de Informacion Economica (BIE)”. Available at: <https://www.inegi.org.mx/app/indicadores/?tm=o>

Maihold, Günther (2024): “AMLO y su diplomacia de “pausas”. Deutsche Welle. Available at: <https://www.dw.com/es/amlo-y-su-diplomacia-de-pausas/a-70084053>

Milenio (2024): “¿Que hizo AMLO en politica exterior durante su sexenio?” Available at: <https://www.youtube.com/watch?v=Jr7EzBK9UUo>

Muñoz de Cote, Fausto (2024): “EU muestra apoyo a Mexico sobre Venezuela, pero AMLO la abandona”. El Economista. Available at: <https://www.eleconomista.com.mx/internacionales/EU-muestra-apoyo-a-Mexico-sobre-Venezuela-pero-AMLO-la-abandona-20240815-0009.html>

Muñoz, Enrique (2023): “Caro costara a Mexico el amor de AMLO por Cuba”. El Economista. Available at: <https://www.eleconomista.com.mx/opinion/Caro-costara-a-Mexico-el-amor-de-AMLO-por-Cuba-20231008-0026.html>

Pretelin Muñoz de Corte, Fausto (2021) “El Legado de AMLO en politica exterior”. El Economista. Available at: <https://www.eleconomista.com.mx/opinion/El-legado-de-AMLO-en-politica-exterior-20211116-0140.html>

Ramirez, Claudia (2020): “Lopez Obrador: el presidente que no viaja al extranjero, elude el concierto internacional y se divorcio de la prensa mundial” Infobae. Available at: <https://www.infobae.com/america/mexico/2020/03/01/lopez-obrador-el-presidente-que-no-viaja-al-extranjero-elude-el-concierto-internacional-y-se-divorcio-de-la-prensa-mundial/>

Raziel, Z. / Mella, C. (2024): “Lopez Obrador afirma que no habra dialogo con Ecuador”. El Pais. Available at: <https://elpais.com/mexico/2024-05-23/lopez-obrador-afirma-que-no-habra-dialogo-con-ecuador-y-pone-en-manos-de-la-onu-el-destino-de-las-relaciones-diplomaticas.html>

Suarez, Karina (2024): “Mexico logra una cifra record de exportaciones a EEUU”. El Pais. Available at: <https://elpais.com/mexico/2024-04-04/mexico-logra-una-cifra-record-de-exportaciones-a-ee-uu-78287-millones-de-dolares-en-el-primer-bimiestre-del-ano.html>

Taracena, Gaut (2023) “Cual es el Legado en Politica Exterior del Gobierno de Lopez Obrador?”. Entrevista en IBERO, 20.09.2023. Available at: <https://ibero.mx/prensa/cual-es-el-legado-en-politica-exterior-del-gobierno-de-lopez-obrador>

Taracena, Santiago (2024): “La politica exterior de Lopez Obrador a evaluacion”. Revista Foreign Affairs Latinoamericana. Available at: <https://revistafal.com/la-politica-exterior-de-lopez-obrador-a-evaluacion/>

Union Europea (2000): “Acuerdo Global de Cooperacion entre la CE y Mexico”. Available at: <https://eur-lex.europa.eu/legal-content/ES/TXT/?uri=LEGISSUM:r14o11&frontOffice-Suffix=%2F>

Union Europea (2021): “La Union Europea y Mexico”. Delegacion de la Union Europea en Mexico. Available at: https://www.eeas.europa.eu/mexico/la-union-europea-y-mexico_es?s=248

Union Europea (2022): “Propuesta de Resolucion Comun sobre la situacion de los periodistas y los defensores de los derechos humanos en Mexico”. Parlamento Europeo 09.03.2022. Available at: https://www.europarl.europa.eu/doceo/document/RC-9-2022-0153_ES.html

Usla, Hector (2024): “Mexico ‘abre la llave’ para dar petroleo a Cuba: Manda 7 millones de barriles entre 2023 y 2024”. El Financiero. Available at: <https://www.elfinanciero.com.mx/economia/2024/02/26/mexico-abre-la-llave-para-dar-petroleo-a-cuba-manda-7-millones-de-barriles-en-el-ultimo-ano/>





November 2024



THE LEGACY OF LOPEZ OBRADOR

© 2024 Signos Vitales Society

Sitio web: www.signosvitalismexico.org

Correo: comunicacion@signosvitalismexico.org

Versión electrónica. Primera Edición

ISBN: 978-1-967204-35-9

