

THE OPPENHEIMER REPORT

Mexico's bitter election offers some lessons

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MEXICO CITY -- Here are five lessons to be learned from Mexico's July 2 presidential election, which, according to official figures, was won by center-right candidate Felipe Calderón but is being contested by left-of-center candidate Andrés Manuel López Obrador.

- First, Mexico's three-party system badly needs a runoff election in order to elect politically stronger presidents. If he overcomes the legal challenges to his victory, as expected, Calderón will be the weakest president in Mexico's recent history.

While former President Ernesto Zedillo won the 1994 elections with 50 percent of the vote, and President Vicente Fox won the 2000 election with 43 percent of the vote, Calderón was proclaimed the winner with less than 36 percent of the vote.

Calderón's party (PAN) will have a 42 percent minority in Congress and will need the support of the once-ruling Institutional Revolutionary Party (PRI) to pass key reforms. Mexico's failure to pass energy, labor and fiscal reforms over the past five years has left the country increasingly behind China, India and Central Europe in the global race for investments.

RUNOFF PROPOSED

Fox is proposing that future elections include a possible runoff vote. Others, such as American University's Mexico expert Robert Pastor, are proposing an instant runoff vote, as is done in Ireland, in which voters would pick their first and second choices for president at once.

- Second, Mexico's left has to modernize because it is becoming the party of older people and rural dwellers in a country that is increasingly young and urban. According to exit polls by the dailies Reforma and El Universal, a majority of young voters supported Calderón, while a majority of older voters supported López Obrador.

Among voters age 18 to 29, Calderón got 38 percent of the vote, while his leftist rival got 34 percent. Conversely, among voters age 50 and older, López Obrador got 37 percent of the vote, while Calderón got 34 percent, the Reforma exit poll shows.

Pollsters say Calderón's pragmatic campaign slogan -- "More investments, more jobs" -- proved to be more attractive to young voters than López Obrador's more ideological message, calling for social justice.

- Third, fear campaigns work. Calderón's claims that López Obrador is a dangerous populist whose victory would have triggered capital flight, economic decline and inflation scared many voters. In a country where the economy is growing by a reasonably healthy 4 percent this year and where poverty has been reduced from nearly 54 to 47 percent over the past five years, many voters decided not to take any risks.

"People didn't necessarily vote for Calderón: They voted against López Obrador," says Francisco Abundis of the Parametria polling firm. "They did so because of a combination of fear and rejection."

- Fourth, if López Obrador's vote recount appeal fails, his political future is at risk. Mexico City's mayor-elect, Marcelo Ebrard, who won by a landslide, may seek the leftist party's nomination for the 2012 elections.

GORE'S CHALLENGE

Many Mexicans are giving López Obrador the benefit of the doubt, citing Al Gore's demand for a recount in the 2000 U.S. elections. But Gore didn't convene street protests. If López Obrador's recount campaign becomes violent and he loses his legal appeal, he will look like a sore loser and may have a hard time becoming a viable candidate in 2012.

- Fifth, political analysts' contentions that a leftist wave is sweeping the hemisphere may have to be revised. In the latest elections in Mexico, Canada, Peru, Colombia and Costa Rica, the winners were the most pro-free trade candidates. There is no leftist tsunami in the region. At best, the region is evenly split.

My conclusion: If Calderón is confirmed, his party will have to shift to the center and make concessions to left-of-center PRI legislators in order to govern effectively. And López Obrador's leftist party, the PRD, will have to move to the center, too, to win over young voters and prove that it's much more than a party of pensioners and peasants.

That's all good news. As weird as it sounds, given the scary headlines from Latin America, Mexico and the rest of the region may be gradually shifting away from the extremes and could be moving toward a period of greater stability and greater prosperity.