

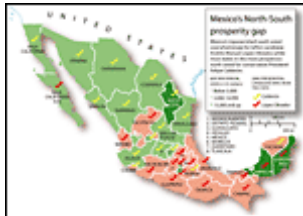
# Wealth gap tests Mexico's conservative new leader

**President Calderón is adopting programs of his leftist opponents in a bid to bridge a persistent rich-poor gap. Part 3 of three.**

The Christian Science Monitor  
January 24, 2007

**SAN ISIDRO VISTA HERMOSA, MEXICO** - This small community of 500 sits four miles up a mountain's steep back road, its dirt-floor homes sprawled across rocky fields in the northern highlands of Oaxaca state.

There is neither a health clinic nor high school here, and families are fragmented as nearly all the young men, and many women, head to the US to work as dishwashers or construction workers for years at a time. The only modern homes, simple cement blocks, are built with the money they send back.



SOURCE: THE ECONOMIST/RICH CLABAUGH – STAFF

For most residents in towns like these in Mexico's impoverished south, the opportunities of a more prosperous north and a Mexico City flush with luxury cars and mansions are out of reach. In a country with more billionaires than Switzerland, according to Forbes magazine, most Oaxacans live on the opposite side of the nation's stubborn rich-poor gap.

This summer residents across the region joined an annual teachers strike in the state capital, which erupted into a massive social movement of fierce protests that paralyzed the city for months.

To stem a growing restlessness among the nation's poor – almost half of the population – Mexico's new president Felipe Calderón faces the delicate balance of tackling poverty's roots while also addressing its symptoms. He has moved quickly to promise aid for some of the most fundamental problems facing the poor, targeting everything from drinkable water to health services and schools. But Mr. Calderón has made it equally clear that none of that will matter unless social order is maintained, showing a firm hand that some have interpreted to mean disruptive protests will no longer be tolerated.

"This is Calderón's big dilemma," says Luis Felipe Lopez-Calva, who is to be the United Nations' new chief economist for Latin America and the Caribbean. "If he doesn't do something to undermine the objective of social dissent, he may feel tempted to use force. There is the risk of him gaining legitimacy through the use of force against social dissent, instead of attacking the causes of what is really going on."

## Calderón's 'tough hand'

Nowhere is the balancing act tougher than in Oaxaca, which voted heavily for leftist candidate Andrés Manuel López Obrador, who barely lost this summer's disputed election. It's one of the

poorest states in Mexico, and home of the most contentious protests this year, when the annual teachers strike in the capital led to a reported dozen deaths and ultimately the deployment of federal police.

The protests were fueled by a demand to oust the state governor, who, opponents claim, was elected fraudulently and has used repressive tactics to stifle dissent. But for many, it was a demand for equality and social justice, too.

One of Calderón's first moves after taking office as the "law and order" president was to sanction the arrest of the Oaxaca protest movement's leader, Flavio Sosa. It has proved to be controversial in the region.

Experts caution that while Calderón's efforts to bring order to Mexico, including a major military operation against drug traffickers, has won him public support, he runs the risk of alienating foes. A phrase being repeated in Oaxaca, with disdain, is *mano dura*, or "tough hand."

Aside from promptly arresting Mr. Sosa, Calderón named former governor of Jalisco state Francisco Ramirez Acuña – widely considered to be a hard-liner – to head the Interior Ministry. Analysts say the move sent a clear signal that he intends to take a tougher approach to dealing with potentially violent protests.

"Appointing [Acuña] sends a strong message about where he wants to go," says Rolando Gonzalez, coordinator for The Center for Human Rights, Ñu'u Ji Kandii [Land of Sun] in Tlaxiaco, the closest service center for many in this part of the state. Mr. Gonzalez says another plan by Calderón, to unify autonomous forces into one federal police unit, will intensify an atmosphere of repression. "More than addressing the profound changes that the country needs, Calderón is finding a way to shut us up, to dissolve the protests."

Many community members in San Isidro Vista Hermosa, where residents live off the beans and maize they grow and often can't afford meat, say they don't think Calderón has their best interests at heart.

Aureliano Reyes Aguilar, a carpenter, camped out for more than a month in Oaxaca, a three-hour drive away. He says the government has abandoned his town's problems. He voted for López Obrador, and feels more confident in his choice now that he believes Calderón is trying to stifle the voices of the poor, especially after Sosa was arrested in December.

"We have suffered a lot here, and we are asking for justice," says Mr. Reyes Aguilar as he sat on his porch with a group of community members strategizing how to find metal sheets for residents with leaky roofs. "They have arrested the ones who aren't guilty."

### **New leader forced to tackle poverty**

Throughout his campaign, Calderón touted himself as "the jobs president," but in the wake of a contested election, the closest in the nation's history, he quickly switched his message, saying he was going to "rebasar por la izquierda," or overtake on the left, leaving many to anticipate that he would quickly move to adopt some of López Obrador's social programs.

In many ways, he has no other choice. López Obrador supporters camped out for seven weeks along a major thoroughfare in Mexico City while the nation's electoral court decided who would be the next president, and when it chose Calderón, tens of thousands of Mexicans declared López Obrador the real president.

"I think he's very aware that the circumstances that allowed López Obrador to come within a whisker of winning are all still there," says Gabriel Guerra Castellanos, a political analyst and former spokesperson for former presidents Carlos Salinas de Gortari and Ernesto Zedillo in the

1990s. "If he wants to have a fighting chance at a successful presidency, he has to tackle those issues. It's not one of those compassionate-conservative kinds of things; it's very pragmatic."

### **The president's antipoverty plans**

Days after taking office, Calderón announced he would slash his salary, and those of his top officials, by 10 percent – one of López Obrador's longstanding pledges – and put the savings toward social programs. The austerity plan, which will save an estimated \$2.3 billion a year, will be put toward more scholarships for students and health services.

The president's first trip outside Mexico City was to one of the poorest towns in the state of Guerrero, where he announced a program to invest in the nation's 100 poorest municipalities in order to provide potable water, new drainage systems, and more school funding – and to help bridge the divide between rich and poor. Calderón announced in Guerrero a plan to launch 2,500 projects to improve housing, paid for with \$3 million in federal money and \$1 million in state funds. Generating employment through infrastructure projects was another López Obrador pledge.

Yet the project Calderón announced in Guerrero is a continuation of a program under previous administrations, says Rodolfo de la Torre, a national expert on poverty who had Calderón as a student while he worked toward his master's degree in economics. Calderón later announced he will bring caravan medical clinics to isolated towns, which expands on former President Vicente Fox's insurance policy for the uninsured, Seguro Popular.

Calderón has also launched a national health-insurance plan for all infants born during his administration. While it has been both hailed and criticized for being aggressive and propagandistic, at its heart the program is also an expansion of Seguro Popular. In announcing the program, Calderón said he hoped to cover an additional 1.7 million uninsured Mexican families this year.

"There is no change – it's a repackaging of different actions," says Mr. de la Torre. "Calderón is not going to revolutionize the economy or social policy ... He is not a man of big ideas but of sensible ones that ... have more impact on people's lives."

### **Calderón 'better positioned' than Fox**

Calderón has been part of the political party his father founded in the 1930s for his entire life. A devout Roman Catholic, he lacks the charisma of Fox but, says de la Torre, is a "vertical thinker" who cares less about abstract reasons behind poverty than about results. Others agree. "I think he is better positioned and better qualified than Fox to tackle the social and political issues surrounding poverty," says Mr. Guerra Castellanos. "Because, at the end of the day, it's not just about social programs – it's having the guts to stand up to powerful unions, having the guts to stand up to local party bosses, and the savvy to outsmart them."

George Grayson, a Mexico expert at the College of William & Mary, says Calderón will be able to put together legislative coalitions, as he was able to do to pass the budget proposal in December, to acquire more resources for social programs.

### **Failure to lift all boats**

According to the National Council on the Evaluation of Politics of Social Development, poverty decreased from 54 percent in 2000 to 47 percent of the population in 2005, but Guerra Castellanos says that Mexico has failed to integrate a huge portion of its residents into the workforce and give them hope that their kids will be able to go to college and move up. "You have managed to bring communities and people out of the swamps; however, the lower middle class, as a sector, is stuck, and it's getting bigger all the time," he says.

Mexico's economic crises, especially in the '90s, weighed on its ability to create jobs and spur growth. Many analysts say that the North American Free Trade Agreement, too, while benefiting the north as factory growth and foreign investment boomed, decimated many small farmers in the south, exacerbating "the two Mexicos."

Fox tried to bridge the divide most notably with "Oportunidades," a plan begun under Mr. Zedillo. The program, under which 5 million families receive stipends if their children remain in school, has been hailed an international model. Calderón, who has said he'll be the president of "all Mexico," is expected to expand the program, and many say he'll be successful.

But some experts question whether following Fox's lead is best.

Felipe Avila Leon, a farmer from San Isidro Vista Hermosa, doesn't own much and says he never will. Most of what his family eats is grown on a 3-1/2-acre patch of land an hour's trek down the back side of a mountain. When they need soap or school supplies, they sell a goat at the local market for about \$20.

None of the family's nine children have gone to high school because they can't afford the ride to Tlaxiaco, where both the high school and nearest health clinic are located. Their floor is made of dirt; their bathroom is an outhouse in the middle of a field.

"I'm happy working in the countryside," he says on a recent day as he herds his 50 goats and a few sheep. "But I don't want my children to live in the same situation."

His wife, Hermalinta Leon Victoria, says she receives about 350 pesos (about \$32) a month from Oportunidades since she has two young teens in school. It helps, she says; she would never want to give it up. But she adds that they are just as poor as they were six years ago when they began receiving the stipend. Like the rest of her children, her two youngest probably won't be able to go to high school.

### **Needed: 'Real change'**

Julio Boltvinik, a poverty expert at the College of Mexico, argues that instead of additional social programs like the ones announced by Calderón thus far, a broad approach to tackling poverty is needed – from improving the education system to creating jobs that help Mexicans progress. De la Torre says an integrated model measuring the merits of all social programs is required, but says it won't be until next year that the administration finalizes a blueprint.

Currently most families receive about a dollar a day for participating in Oportunidades, says Mr. Boltvinik. "This does not bring anyone out of poverty. It does not bring real change."

Victor Manuel Alejo, a sociology teacher in Tlaxiaco, participated in the Oaxaca conflict, and says that while it was a local issue at heart, it symbolizes a much larger problem.

"It's not just [the political situation] in Oaxaca, it's something much bigger," he says. He says he is prepared to protest if Calderón privatizes state-run industries such as oil, raises taxes, or violates human rights with military force. "Now bigger problems are coming."

That's why López-Calva says Calderón must quickly show his commitment to fighting poverty. "You have to move fast, or there will be a backlash against democratic institutions that aren't delivering fast enough," he says.