



# Rise and Fall: Mexican Civil Society's Anti-Corruption Push in the Peña Nieto Years

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**Mexico City**—“Saving Mexico” declared the cover of *Time* magazine, alongside a portrait of President Enrique Peña Nieto gazing confidently toward the future.<sup>1</sup> Elected in 2012, Peña Nieto had been in power for only 15 months, yet already his bold reform agenda—dubbed the “*Pacto por Mexico*” (Pact for Mexico)—had made him a darling of global investors.

*Time* noted that the president—“assisted by a group of young technocrats (including Finance Minister Luis Videgaray and Pemex chief Emilio Lozoya”—was making history by breaking Mexico’s eight-decade state monopoly over the energy industry. “And the oil reform might not even be Peña Nieto’s most important victory,” the magazine said. There was “evidence” that Peña Nieto was about to “challenge Mexico’s entrenched powers.”

While most investors focused on the deep regulatory changes under way, leading Mexican civil society organizations were looking at another critical promise in the *Pacto por Mexico*: fighting endemic corruption.

“For centuries, corruption has been one of the central elements of the Mexican state (and) a constant in shaping the political system,” said Jorge Buendía, a prominent pollster and political analyst. A powerful governor from the 1960s to the 1980s allegedly once said that in Mexico “a poor politician is a poor politician.”<sup>2</sup> And by the time Peña Nieto came to power, most in the country believed that things hadn’t really changed. Opinion polls indicated that almost 70% of Mexicans perceived corruption as a “big problem” for the country, more significant than other challenges such as poor public schools. Almost a third of all citizens reported having engaged in some form of bribery with officials in the previous 12 months.<sup>3</sup> Mexico ranked 106th on Transparency International’s Corruption Perception Index (CPI), behind Latin American peers such as Brazil, Colombia, Peru and Ecuador, and tied with Bolivia.<sup>4</sup>

Peña Nieto presented himself as a dynamic reformer and part of a new breed of leaders within the Institutional Revolutionary Party (PRI), the hegemonic force in Mexican politics for most of the past century. Yet at the same time he was PRI royalty: Peña Nieto had been the governor of the deeply *priista* State of Mexico—just like his uncle and his godfather before him—prior to winning the presidency. Many from Mexico’s government, civil society, media and the private sector who were involved in the fight against corruption looked at him with the same question: Could this *priista* open a window of opportunity for reforms?

“At the very beginning, he likely received the benefit of the doubt,” recalled Eduardo Bohórquez, the head of Transparencia Mexicana, Transparency International’s Mexican chapter. When Bohórquez and Edna Jaime, the founder of NGO México Evalúa, met with Peña Nieto before his inauguration, he continued to emphasize his commitment to fighting corruption. “I think he was doing that to address a legitimacy deficit, to send a

message that his was a different PRI,” argued Jaime. “And this made civil society begin putting concrete proposals on the table.”

The Peña Nieto era would be defined by a full circle in the quest to improve Mexico's capacity to fight corruption. First, Mexicans would see an unprecedented mobilization, driven by civil society, to pass critical institutional reforms—a push that even a president with a strong majority in Congress could not stop. Then, after a period of high hopes, a series of scandals and the active undermining of reforms by Peña Nieto would lead to widespread disappointment. This failure would help pave the way for the rise of an anti-establishment presidential candidate who campaigned on the promise of taking the fight against corruption into his own hands.

## THE FALL OF THE CZAR

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Peña Nieto's campaign platform promised to institute an anti-corruption commission to face the problem head-on. As the *Time* issue went to press, the Mexican Senate had just overwhelmingly approved a constitutional amendment to establish a so-called National Anti-Corruption Commission in line with the president's campaign promises. The bill had been passed to Mexico's Chamber of Deputies.

Civil society organizations were glad to see anti-corruption reforms finally on the policy agenda and receiving significant media attention. Yet they opposed critical parts of the government's initial plan, starting with the idea of centralizing efforts under an “anti-corruption czar.” They argued that the czar's responsibilities would overlap with those of existing agencies. The new format would also increase the risks of politicization: by concentrating control in one person, it would be easier for the powerful—particularly the president—to influence anti-corruption enforcement and policies.

Transparencia Mexicana, México Evalúa and other organizations, such as the Instituto Mexicano para la Competitividad (IMCO), agreed that reforms should move in the opposite direction: decentralizing power and focusing efforts on improving and coordinating existing institutions. “We had the elements of an anti-corruption system in place, but different agencies were not communicating and their work was very fragmented and disorganized,” said Jaime.

Soon, it became clear that Peña Nieto was not so eager to spend his political capital to combat corruption. In an interview in August 2014, he announced that the *Pacto por México* reform cycle had concluded, and asserted that corruption in Mexico was a “cultural issue.”<sup>5</sup> The president spoke from a position of strength. At the time he enjoyed a strong majority in Congress and wide support among national and foreign businesses thanks to his regulatory reforms.

But just as the political winds in Mexico City seemed to be turning against the anti-corruption reforms advocated by civil society leaders, two almost simultaneous crises engulfed the Peña Nieto administration.

## SHIFTING PERCEPTIONS

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It was clear by now that the president started his government without much appetite for deeper anti-corruption reforms. But the tide would begin to change in late September 2014, when Mexicans received shocking news: A group of 43 students from the Ayotzinapa Rural Teachers' College in the state of Guerrero had disappeared while

en route to a demonstration in Mexico City. The early reports contained conflicting information, but it appeared that local police in the city of Iguala had arrested the students before handing them to the Guerreros Unidos crime syndicate. All of them were allegedly killed and their bodies “disappeared.” Still, six years later authorities had identified the remains of only 2 of the 43 victims.

Ayotzinapa would enter the Mexican lexicon as a synonym of horror, violence, impunity and gross government incompetence in the Peña Nieto era. The government presented the public what they called “the historic truth” of the facts, but it soon became clear that much of the information was uncertain—or according to critics, a deliberate fabrication. The massacre in Iguala also exposed how organized crime had bribed its way to extensive control over local officials and police in Guerrero and beyond. “Ayotzinapa showed Mexicans that corruption not only has an enormous economic cost, but also that corruption kills people,” said Alexandra Zapata, the former deputy director of IMCO. The students’ disappearance triggered nationwide protests and marches, and a soul-searching national debate around how such a massacre could take place in 21st-century Mexico.

Six weeks after the abduction in Iguala, another major crisis flared up. The website Aristegui Noticias published an investigation indicating that Peña Nieto and his wife, the telenovela star Angélica Rivera, had gained access to a brand new seven-million-dollar mansion in the high-end Las Lomas de Chapultepec neighborhood of Mexico City. The mansion’s developer: a government contractor that had recently won a multi-billion-dollar public tender to develop a bullet train in central Mexico. The president initially denied any wrongdoing in what became known as the *Casa Blanca*, or White House scandal, claiming that the mansion had not been disclosed in his tax returns because his wife had bought it. The first lady then recorded a YouTube video alleging that she had paid for the mansion with her hard work as a TV star. The video immediately became the source of endless memes on Mexican social media, ridiculing the first couple.

The official reaction only made the public outcry increase, with protests and images of a Peña Nieto piñata on newspaper front-pages. The president then switched strategies and issued an apology to the nation, but the damage was already irreversible. Later, news came out that Finance Minister Luis Videgaray had also purchased a property from a government contractor, while other senior officials had failed to disclose suspected cases of conflict of interest. The notion that the Peña Nieto administration was a collection of young technocrats capable of reforming and modernizing Mexico eroded fast.

Ayotzinapa and *Casa Blanca* swiftly changed the political equilibrium. The government was now against the ropes, while corruption was at the center of the political conversation. Politicians of all parties and ideologies were facing enormous pressure to do something. “We understood that this new rearrangement of forces could be beneficial to our agenda,” said Bohórquez, from Transparencia Mexicana.

As Mexico was heading to legislative and gubernatorial elections in mid-2015, Transparencia Mexicana called on all of the candidates to make three public declarations, disclosing their assets, personal interests and tax returns. IMCO joined the campaign, which was baptized “#3de3” and began drawing ample media coverage. The NGOs also converted the advocacy strategy into an online platform, *Legislador Transparente*, a repository for all the data disclosed by candidates and elected officials, starting with two prominent senators and two deputies from different parties.

“#3de3 gave something very concrete to journalists and public opinion in general. When

announcing a candidacy, politicians would be immediately asked a simple and very direct question: Are you joining #3de3? Yes or no?," recalled Zapata, who was then at IMCO. Opinion makers began calling Mexicans to only vote for candidates who had agreed to disclose the information. By the time the elections took place, over 400 legislative candidates and all elected governors had joined #3de3.

The push continued beyond the election. #3de3 became a citizen-led bill in Congress and gained over 630,000 signatures in a highly publicized national campaign before being presented to the Senate. Civil society organizations wanted to make the three types of disclosures mandatory for all senior officials in Mexico. The transparency requirements became part of a larger discussion in Congress about anti-corruption reforms that was also gaining traction.

## THE SNA

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**B**efore the Ayotzipana and *Casa Blanca* crises, when Peña Nieto was declaring the end of the reforms cycle, the opposition National Action Party (PAN) presented a bill in the Chamber of Deputies to establish a national anti-corruption system. More aligned with the demands of leading civil society organizations, the PAN proposal went in the opposite direction of the "anti-corruption commission," to be headed by a czar, that was previously approved in the Senate.

With the weakening of the Peña Nieto administration and the #3de3 campaign in full swing, it was hard for lawmakers—or any politician—to oppose the legislation. The Chamber of Deputies passed a constitutional amendment creating a National Anti-corruption System (SNA), with the Senate and 16 state legislatures following suit. Congress modified 14 articles of the constitution to create space for rearranging agencies involved in anti-corruption, as well as to impose stricter transparency measures. According to the plan, two additional ordinary laws—determining the exact details of these reforms—would still have to be approved.

The scandals and #3de3 opened a new space for civil society, with increased influence and exposure. Leaders of NGOs like *Transparencia Mexicana*, IMCO, *México Evalúa*, *México ¿Cómo Vamos?*, *Mexicanos contra la Corrupción* and others became a constant presence on prime-time television. Meanwhile, civil society and academics formed a technical committee to help lawmakers in drafting the legislation for the SNA.

"Maybe without *Casa Blanca*, no reforms would have happened. But it's important to say that many Mexican organizations had spent a long time working on transparency and accountability, and were ready to act. There was an intellectual consensus among civil society," said Jaime.

Mexico's private sector also became much more vocal about the need to fight corruption. As forces within Congress began pushing back and delaying debates about the SNA, the Mexican Employers Association (COPARMEX)—one of the most influential business groups in the country—published the "Tijuana Declaration," urging Congress to pass the anti-corruption reforms. The declaration explicitly denounced the "cynicism" of lawmakers who were holding back discussions on the SNA.

According to then-Senator Martha Tagle, one of the leaders of the anti-corruption caucus, "almost all lawmakers were very suspicious of the reforms, but the staunchest opponents were the PRI members." Tagle said that senators refrained from openly attacking the legislation, choosing instead not to show up during voting sessions. "But at

one point, the pressure was too strong and they had to accept.”

In June 2016, Congress finally passed the SNA reforms, creating two laws and modifying five, with over 800 articles changed. The final text was largely based on the work of the technical committee. Peña Nieto vetoed one article related to mandatory disclosures for high-ranking government officials.

So what exactly had been created? The SNA aimed at punishing, investigating and preventing corruption through a decentralized structure operating at the federal, state and municipal levels. Seven interconnected agencies would design policies, enforce the law and guarantee high levels of government transparency in critical areas—from public budgets to cases of conflicts of interest. The SNA's ultimate authority was a coordinating board, which included a citizen participation committee made up of five distinguished civil society leaders. The head of the committee was also the chair of the board—technically putting civil society at the pinnacle of the entire system.

“The system was designed to have civil society at its head,” said Ricardo Salgado Perrilliat, who would become the first technical secretary of the SNA. “For the first time, the citizens had a seat at the table. Not as a boss, but as a participant in all relevant discussions related to anti-corruption and government transparency.”

According to a senior member of the Peña Nieto administration, formally incorporating civil society had been a “mistake.”

“The president was under too much pressure and he thought this wasn't a fight we should have. But the SNA was poorly designed, inevitably leading to dysfunctionality and empowering people who maybe had good intentions, but didn't understand how government works,” said the official, who spoke on condition of anonymity.

## **INERTIA AND IMPUNITY**

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**T**he Peña Nieto administration and its allies in Congress dragged their feet on passing the reform. Once the legislation was approved, it became clear that allowing the creation of the SNA and working to implement it were two very different things. The executive branch was responsible for appointing key officials in the new system, including a new anti-corruption prosecutor and several special magistrates. According to civil society leaders and members of the opposition, the government found an effective way to undermine the newly minted system through a simple strategy: inertia. The administration refrained from filling all the positions and moving forward.

“Peña Nieto and the PRI were forced to accept the SNA and they couldn't do much to stop it. But then they did everything possible to block its implementation,” said Jaime.

Tagle argued that once the SNA was approved, lawmakers began saying that their work on anti-corruption was done. “My colleagues were ready to ‘move on’ to the next subject as if the SNA creation alone was enough.”

Meanwhile, a string of embarrassing corruption scandals continued to shake Mexico. Six months after the SNA reform in Congress, the Brazilian construction conglomerate Odebrecht disclosed to U.S. enforcement agencies how it had built a corruption network throughout Latin America and parts of Africa. In Mexico, Odebrecht claimed to have paid over \$10 million to secure public contracts, particularly with state-owned oil company Pemex, during the Felipe Calderón and Peña Nieto administrations. The accusations directly involved several high-profile members of government, including

Emilio Lozoya, then the head of Pemex and a former campaign manager for Peña Nieto. When prosecutor Santiago Nieto began seriously investigating the accusations for the attorney general's office in charge of electoral crimes, he was summarily fired.

Rampant corruption at the state level also became more evident. In early 2017, around a third of all Mexican governors were in jail, facing charges or fleeing justice because of corruption investigations. Governors were accused of pocketing money that was supposed to finance education, health care and other essential services. The press carried almost daily accounts of grotesque acts of corruption. In the state of Chihuahua, stolen money was allegedly used to buy the governor a bank. The most notorious case was that of Javier Duarte, the governor of Veracruz, who was convicted for stealing millions of dollars—spent on artwork and luxurious homes—while his state was facing fiscal collapse and a surge in drug-related violence. Duarte was arrested in Guatemala in April 2017.

Five months later, the website Animal Político and the NGO Mexicanos contra la Corrupción unveiled a new scandal dubbed “*Estafa Maestra*,” or master swindle. According to an investigation based on documents from Mexico's national auditor, federal and local governments, public universities and numerous fake private companies had operated a scheme defrauding the public coffers of about \$400 million. Again, the accusations involved senior figures in the Peña Nieto administration, such as Rosário Robles, then the secretary of agriculture and urban development.

## THE ROAD TO AMLO

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**A**mid efforts to build the SNA and a never-ending news cycle of corruption scandals, polls showed that Mexicans were increasingly disillusioned with their politicians. Asked about Mexico's biggest problem, 84% answered “corrupt political leaders” in 2017 compared to 72% in 2015. The issue now ranked first among Mexicans' top concerns, tied with crime.<sup>6</sup>

At the same time, the series of corruption scandals had made Peña Nieto Mexico's most unpopular president in decades. “Corruption in the Peña Nieto years was not necessarily worse than in previous administrations, but it was done in a much more overt way,” argued Luis Rubio, the chairman of the Mexican Council on Foreign Relations, a leading think-tank. He says that the SNA was about intangible institutional changes far from most Mexicans' reality, while they remained profoundly disgusted with political elites and demanded concrete action. “This made the 2018 presidential election ripe for Andrés Manuel López Obrador.”

In his two previous attempts to become president, in 2006 and 2012, AMLO had already focused much of his campaign rhetoric on the corruption of the Mexican political establishment. This time, however, the promise to “end corruption” entirely and destroy the “*mafia del poder*,” as he referred to previous administrations and the interests that supported them, became his mantra. “Now it's the fight for a transformation, a regime change. For a long time, an anti-democracy ruled Mexico, the corruption, the power mafia deceived (Mexicans),” said the candidate when announcing his intention to run. He would develop the country by “ending corruption” and making Mexico “a global example of honesty.”

AMLO faced two rivals in the presidential race. The former Secretary of Finance José Antonio Meade was the candidate supported by Peña Nieto. Although he was the PRI's candidate, Meade had also served in a PAN administration and was far from a party

apparatchik. Soon, however, it became clear that his association with the president and others in power accused of corruption represented an insurmountable drag on his campaign. The PAN presented Ricardo Anaya, a young lawyer and congressman with a policy wonk reputation, who also focused his message on the issue of corruption. However, as the race advanced, Mexico's inspector general presented surprising accusations of money laundering related to a property deal that involved Anaya. The PAN claimed that the investigation was a hit job by prosecutors associated with Peña Nieto, and shortly after the election the accusation was entirely dismissed. But the damage was done.

López Obrador won by a wide margin: 53% of votes compared to 22% for Anaya and 16% for Meade. In power, he would continue to frame his administration as a fight against corruption and the *pacto de corruptos* that had ruled Mexico for decades. At the same time, he would repeatedly attack most of the civil society organizations behind the #3de3 and the SNA, accusing them of being part of the "corrupt establishment."

Against the decentralizing nature of the SNA, AMLO promised to centralize on the president himself the task of combating corruption. According to Jaime, of México Evalúa, his goal from the outset was to undermine the SNA and convert anti-corruption "into a powerful instrument to exert political control, weakening fundamental aspects of the rule of law."

When Peña Nieto passed the presidential sash to López Obrador, it was already clear that Mexico would not move towards the goals established in the #3de3 and the SNA campaigns. "I think there was a general sense of defeat," said Tagle, who after serving as a senator was elected to the Chamber of Deputies. "Civil society, part of the media and a minority in Congress can't create the SNA or promote deep institutional reforms alone."

**ENDNOTES**

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- 1 <http://content.time.com/time/magazine/article/0,9171,2165465-1,00.html>
- 2 The sentence is attributed to Carlos Hank González.
- 3 <https://www.pewresearch.org/global/2013/10/24/chapter-1-mexico/>
- 4 <https://www.transparency.org/en/cpi/2013/results/>
- 5 [https://www.youtube.com/watch?time\\_continue=64&v=mAwFoq\\_dG44&feature=emb\\_logo](https://www.youtube.com/watch?time_continue=64&v=mAwFoq_dG44&feature=emb_logo)
- 6 <https://www.pewresearch.org/global/2017/09/14/mexicans-are-downbeat-about-their-countrys-direction/>