**A Paralyzed Democracy**

**How to move Mexico into the future.**

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As Mexico's 2012 presidential election gets underway, a national conversation has finally begun on the country's future. Thanks in part to the recently published book *A Future for Mexico*, which I coauthored with Héctor Aguilar Camín, one of the country's most distinguished pundits, historians, and novelists, the issue of how Mexico can become in the next 15 years what we call a "middle-class society" has taken center stage. Through public debates with declared presidential candidates, meetings with students, and discussions with businessmen and political activists in many corners of Mexico, Aguilar Camín and I have begun to move the country away from the body- and head-count of the country's bloody drug war, and its understandable obsession with violence and organized crime. Little by little, attention is focusing on how to revive the country's economy, how to create a relevant social safety net, how to construct institutions that allow Mexico to make decisions, whether it should focus on North America or Latin America, and what it should do about security and law enforcement.

Mexico needs to make the 2012 election a referendum on its future, a vote not merely about individuals or parties but also about the prosperous, egalitarian, and democratic country Mexicans want: a middle-class society indistinguishable from others around the globe.

Getting there requires four strategic decisions. The first is that Mexico has to accept the changes needed for its economy to grow. That means removing obstacles from an economy that could be growing at 5 or 6 percent per year and replacing Mexico's current economy, captured by monopolies of all stripes and colors, with a vibrant, competitive market economy. Mexico is more than ever dominated by public and private monopolies in industry, finance, commercial media, politics and labor unions. As long as it is, it will remain stuck in mediocrity. The only way to encourage social mobility and build a middle-class society is by opening it to foreign investment and global competition.

Second, Mexico has to choose the place it wants to occupy in the world. Since the late '80s, the country has been ruled by bold, enlightened albeit authoritarian governments that imposed a deep process of economic integration with North America (through NAFTA) on a largely nationalist and anti-American society. It did so without consultation or debate. Consequently, neither society nor elites have convinced themselves of the value of this arrangement. Fifteen years on, the problem has resurfaced, as though we were witnessing an Aztec version of the Freudian "return of the repressed." Mexico has to choose once again, but this time democratically: North America or Latin America?

Third, it must build the social rights and guarantees required to construct a more equal society. Even if Mexico allowed new entries into the market, attracted foreign savings, and increased productivity, it would have to extend the resulting opportunities more equitably, to at least two thirds of the population, to create a middle-class society. The wealth that can be generated in abundance only within market economies needs to be distributed by strong states that are well financed. Mexico must construct a minimal social safety net, financed by the central tax fund, that doesn't leave out the immense number of people working in the informal economy.

Last, Mexico needs institutional reform. Today, Mexican democracy exists but does not really work. It is a paralyzed democracy. We need to inject competition into our democracy, open up party structures, empower voters. To get there, we need, among other things, a presidential runoff election round in order to provide a clear mandate for the winner. We need congressmen to be eligible for reelection so that they can be held accountable for their work. And we need rules that encourage independent candidates. At the same time, we need to strengthen the executive branch so it can actually make public policy. To do that we need referendums and powers of veto, decree, and "guillotine laws" that require Congress to review old regulations and kill off the unnecessary ones.

The 2012 election will increasingly dominate Mexico's agenda, giving the country a chance to make the fundamental decisions that can lift it into the ranks of middle-class societies. The only way those decisions can be made is if the presidential campaign forces every candidate to take a clear stance on the future.

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