



Lawyers call on AMLO to outline anti-corruption strategy

Friday, 6 July 2018 (3 days ago) • Alison O'Connell



"AMLO" achieved a historic victory in Mexico (Credit: [wikimedia.org/EneasDeTroja](https://commons.wikimedia.org/wiki/File:EneasDeTroja))

Mexican lawyers say the victory of leftist candidate Andrés Manuel López Obrador (AMLO) is a testament to the country's frustration with the levels of corruption, but argue the new president must now outline concrete plans to tackle the issue in order to boost the country's business and investment climate.

The landslide victory of left-wing anti-establishment candidate López Obrador, also known as AMLO, in Mexico's presidential election is the biggest political shake-up Mexico has seen in decades. López Obrador won more than 53% of the vote last Sunday, beating Ricardo Anaya from the National Action Party (PAN) and José Antonio Meade from the unpopular governing Institutional Revolutionary Party (PRI), which ruled Mexico uninterrupted for 71 years between 1929 and 2000, regaining power in 2012.

Having unsuccessfully run for the presidency twice before in 2006 and later in 2012, many in Mexico's legal community believe the former mayor of Mexico City was finally able to capitalise on growing discontent with the status quo and gain broad endorsement of his promise to fight corruption, crime and violence, and rejuvenate the

country's economy. "The true lesson of the 2018 election is that the Mexican people have discovered that voting is a tool to fight corruption," says Claus Von Wobeser, founding partner of Von Wobeser y Sierra SC. "An overwhelming majority of the population voted to punish the PRI, perceived to be the most corrupt of all political parties, and the country has shown that it is ready, willing and able to punish corruption in the polls," he says.

While López Obrador's victory was certainly propelled by his anti-corruption platform, he has yet to outline any plans of how his new government will likely tackle the issue. "Despite the war against corruption being his campaign slogan, there are a lot of doubts about how he will achieve this," says Alejandro Fernández, head of legal at oil and gas services company Cotemar. "He never explained in detail how he will accomplish it."

The new president has spoken of the possibility of creating an international organism to help corruption in the country and even suggested something similar to the "CICIG" model, based on the UN-backed Guatemalan commission to fight crime, corruption, and impunity; however, no definite plans have been set forth. "It is with concrete actions and firm steps that AMLO's promises can be delivered. A simple discourse or general statements will not suffice," says Juan Francisco Torres Landa, partner at Hogan Lovells (Mexico). Mexico's current government, led by Enrique Peña Nieto, introduced the country's National Anti-Corruption System (NAS) back in 2016, which includes a package of measures aimed at preventing, detecting and penalising corruption; however, there has been little political will so far to give the system the resources and independence it needs to be fully effective. The country's Senate has yet to appoint several key actors in the system, including an anti-corruption prosecutor, and while the reforms required states to implement their own anti-corruption systems by July last year, most have not yet done so. As a result, López Obrador's administration will need to summon the political will necessary to ensure these anti-corruption reforms are successful, according to Torres Landa. "Only through effective implementation [of NAS] and cases where big fish fall

will it be known whether AMLO's promises were meant for real or were just electoral rhetoric."

In addition to outlining details of how he plans to tackle corruption, lawyers in Mexico say López Obrador will also need to do the same for the country's economy, as well as its business sector. "Mexico is one of the countries with most commercial treaties in the world; therefore, providing comfort to country's business and investment sector is vital to our economy," says Fernández.

While the initial contents of his victory speech did not generate any concerns for the country's business sector of an unreasonable approach to the economy, Torres Landa hopes López Obrador will be able to provide assurances to local and foreign investors that there will be no extreme decisions or "populist activities" that erode the country's investment attractiveness. "It is the combination of sound economic policies and enhanced trust in the country that will result in the best outcome for all participants," he says. "We now need to see how those general concepts [mentioned during the campaign] are landed into actual decisions that are clearly laid out and can be self-executing and understood by the investment and business communities." For Von Wobeser, a big part of boosting investor confidence in Mexico will also involve developing and communicating a sound and clear strategic plan to decrease crime and violence over the short- and midterm. "[Crime and violence] is a growing concern in the business sector and the current government has continuously dismissed these concerns as not relevant for the economy, which is a big mistake," he points out.

Many in the business and legal community will also be watching carefully to see what's next for the North American Free Trade Agreement (NAFTA) renegotiations. The uncertainty surrounding the trade pact has added volatility to the country's peso since talks began last August, but López Obrador has stated that he would continue in the footsteps of his predecessor, Peña Nieto, and his assertions that he would not turn the negotiations upside down have helped to mitigate investor worries for now. "AMLO must consider the fact that the US-Mexico relationship is one that requires full cooperation on many fronts. By the same token, the US depends on Mexico to keep

helping on a number of immigration, security and regulatory issues,” says Torres Landa. “Derailing NAFTA will hurt the US, but will also have a major impact on the Mexican economy.” Even if repealing NAFTA is a remote possibility, Von Wobeser says that the government should create a strategy for the worst-case scenario. “The government needs to have a ‘Plan B’ that reassures investors and businesses that the economy will continue prospering in the long term, despite the inevitable short-term shock,” he says. “We must hope for the best, but prepare for the worst.”

While there remains some uncertainty surrounding what this election will mean for future US and Mexican relations, lawyers are confident that López Obrador’s victory represents the biggest shift in Mexican politics since the 1910 revolution, and one that is hopefully going to benefit every sector in society. “Despite the natural reluctance towards leftist governments, business and investment sectors understand that, in a country with such glaring needs in terms of poverty and inequality, a government that prioritises addressing the needs of the poorest is not, per se, a bad thing,” says Von Wobeser. “In the end, what is good for Mexico will be good for business.”

The Latin American Corporate Counsel Association

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