
Economic policy in Mexico's 4th transformation: Scope and limits

Sergio Camara Izquierdo*¹

¹Universidad Autónoma Metropolitana [Mexico] – Mexique

Résumé

The new progressist government in Mexico –led by Andrés Manuel López Obrador (AMLO) and the MORENA party– has vowed a radical transformation of the Mexican society, comparable to the Mexican Independence, Reform and Revolution, naming it the 4th transformation. The transformation includes a radical change in the economic policy, as suggested by the abomination of the previous neoliberal policies in AMLO's inauguration speeches and by the first economic measures. The paper intends to evaluate the scope and limits of the new economic policy. First, it is argued that it is difficult to envision a new economic project in the first days of the new government, as most measures are intended to build a new political project. Nonetheless, a few broad lines of action can be perceived: an intention to curb the private-public collusion and corruption that drains the public resources, a substantial increase in the minimum wage and the implementation of social programs oriented to reduce inequality and to boost the domestic sector, and a still timid attempt to promote the domestic productive capacities by means of public investment and the promotion of private productive investment. Also, it is noteworthy that the new government has renounced to actively employ the traditional fiscal and monetary policies. The AMLO government embraces austerity policies to provide fiscal primary surpluses and is in accord with the autonomy of the central bank to keep implementing a restrictive monetary policy. The latter situation is postulated as a limit of the new economic policy, which is closely related to the external constraint of the Mexican economy. Additionally, the unfavorable economic and political international context, the precarious economic, political and social situation inherited from previous administrations, and the lack of a domestic consensus for a more radical economic agenda are also posited as limits for the new economic policy.

Mots-Clés: Mexico, progressist government, economic policy

*Intervenant