

Mexico Watch

AMLO's 20 constitutional reform proposals

Key takeaways

- AMLO presented 20 constitutional reform proposals to the lower house of congress on February 5. They are broad-based.
- AMLO's party doesn't have the 2/3s majority needed to pass the reforms. The proposals seem to seek to energize his base.
- If AMLO's party gets a 2/3s majority in the June election, he would have September to try to pass the reforms.

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AMLO presented 20 constitutional reform proposals

Mexico's president Andrés Manuel López Obrador (AMLO) presented and sent to the lower house of congress 20 reform proposals to change Mexico's constitution on February 5. The reforms are broad-based and touch upon many topics, from pensions to wages to guaranteed prices for agricultural products to electoral laws to the supreme court. A list of the 20 reform proposals with comments is presented on Exhibit 1. AMLO said his objective is to "strengthen ideals related to humanism, justice, honesty, austerity, and democracy". No details are known at this point.

AMLO does not have the numbers in congress

Constitutional amendments need a 2/3s majority in both houses of the federal congress to be approved (and approval by local congresses). AMLO's party does not currently have such qualified majority in congress, even with unconditional allies (it has a simple majority in a coalition). So, it is unlikely that the current congress approves these proposals. Opposition parties have said they could consider a subset of the proposals with changes. For instance, both PRI and PAN have said they could support the pension reform (proposal 12), but after evaluating the costs. AMLO had the numbers in congress during his first three years in office but did not send the amendments to congress then.

There is another window after the election

Mexico has an election on June 2, 2024. Mexico will elect a new president and a new federal congress (both houses change entirely). The new congress takes office in September and the new president in October. So, if AMLO's party (Morena) were to win a 2/3s majority in congress, AMLO could try to get his proposals approved in September. This opens the possibility that AMLO announced the list today to energize his base to try to win a 2/3s majority in congress in the June election. Current polls show a large lead for Morena's candidate for the presidency (Claudia Sheinbaum, Exhibit 2), but most political analysts say the most likely scenario for congress is for Morena to only get a simple majority.

Reform proposals could weaken institutions and be costly

Some of the reforms could weaken institutional checks and balances if approved (for instance reform proposals 16, 17, 20), others could imply a significant burden for government finances (for instance reform proposal 2, 4, 5, 12). If approved their implementation could be costly in terms of growth as well.

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List of proposed reforms

Here is the list with AMLO's proposed constitutional reforms.

Exhibit 1: Constitutional reforms proposals announced by Mexico's President Andrés Manuel López Obrador

AMLO presented 20 topics with proposals to reform Mexico's constitution on February 5, 2024

Reform No.	Reform	Description	Comments
1	Indigenous People's rights	The reform seeks to include the rights of indigenous people in the Constitution, and to allocate a share of the Budget towards the development of indigenous towns.	The President said the towns shall be consulted when executing works that could possibly affect them. No details.
2	Pensions for citizens starting at 65 years old and for people with disabilities	The reform seeks to lower the age to get a pension from 68 to 65 years old and seeks annual increments on pensions.	This measure includes people with disabilities. This is universal pension. No details.
3	Education for poor people	The reform seeks to guarantee education at all levels for poor people by granting scholarships.	Did not mention the household's income that would make a person eligible. No details.
4	Universal healthcare provision	The reform seeks to provide free healthcare to all Mexicans.	No details.
5	Workers' right to own a house	The reform seeks to provide every worker with a house of his/her own.	Did not mention the way in which houses would be granted (i.e., low-cost credits, direct transfer, etc.). No details.
6	Animal abuse	The reform seeks to prohibit animal abuse.	No details.
7	Forbid fracking, transgenic maize, and open-air mining activities	The reform seeks to proscribe transgenic maize and the hydrocarbon extraction through fracking. Also, to forbid open air mining.	No details.
8	Water care and rights	The reform seeks to help zones with water shortages by only allowing domestic use of water, not commercial use, on those zones.	No details.
9	Drugs prohibition	The reform seeks to forbid the use of e-cigarettes (i.e., vapes), Fentanyl, and other drugs.	The President mentioned that the punishment on invoice sales (<i>factureros</i>) and extortion shall be increased. No details.
10	Minimum wage	The reform states that the annual increase to the minimum wage shall be no less than the annual inflation.	No details.
11	Minimum wages for certain public officials	The reform seeks to give teachers, police officer, nurses, and other public officials a wage that will be no less than the average of workers affiliated to the Mexican Institute of Social Security (IMSS).	No details.
12	Pension reform	The reform seeks to increase the replacement rate to 100% from 50%. Also, to revert Zedillo's 1997 and Calderon's 2007 pension reforms.	The President said that as of May 1st, a fund of MX\$64.6bn (~US\$3.6bn) will be established to compensate those workers affected by previous reforms. The fund will increase gradually. No details on what reverts the previous reforms means, but one of those reforms established the current AFORE system. No details.
13	Jobs and scholarships for youngsters	The reform seeks to guarantee Mexicans the right to employment and to education. Guarantee employment (in the government) for young people not working or studying and paying them 1 minimum wage for a year while they prepare themselves.	The President said that it will be as the social program "Jovenes Construyendo el Futuro." No details.
14	Improve farmers' conditions	The reform seeks to provide farmers with a minimum wage. In addition, guaranteed prices (minimum prices) on some agricultural goods.	The President said that it will be as the programs "Sembrando Vida" and "Produccion para el bienestar de pescadores" No details.
15	Railroads for passengers, free access to Internet and status of CFE	The reform seeks to have passenger travels on railroads (currently used for cargo). The reform will seek to provide internet to all Mexicans, either by a private-public partnership or directly through a public entity. To return CFE to its status as a public firm strategic for the state.	No details.
16	Electoral reform	The reform has multiple objectives: 1. Reduce the budget allocated to political parties and campaigns. 2. Reduce the number of councilors on Municipal governments. 3. Eliminate the proportional representation figure (<i>plurinominales</i>), reducing the number of members from the lower house of congress (<i>diputados</i>) from 500 to 300 and the number of senators from 128 to 64. 6. Elect electoral magistrates and advisors through popular vote. 7. Lower the minimum percentage of participation to make popular consultation binding, from 40 to 30% ("consultas populares").	The referendum includes the removal of the president ("revocacion de mandato"). No details.
17	Judicial reform	The reform seeks to change the way Supreme Court Justices, magistrates and judges are elected. It seeks to make election through popular vote rather than by Executive appointment and Legislative ratification.	No details.
18	Ministry of defense reform	The reform seeks to subordinate the National Guard (<i>Guardia Nacional</i>) to the Ministry of Defense (<i>Secretaria de la Defensa Nacional</i>).	No details.
19	Austerity	The reform seeks to establish the "Republican Austerity" policy that AMLO maintained during his administration in the Constitution.	Elevate the austerity to the constitutional level. The President said that no public servant shall win more than the President. No details.
20	Eliminate autonomous institutions	The reform seeks to eliminate autonomous bodies and dependencies created in the previous administrations.	The President did not mention which autonomous entities would be in the proposal, but likely those created since 1988. No details.

Source: BofA Global Research, Mexico's government

Exhibit 1: Constitutional reforms proposals announced by Mexico’s President Andrés Manuel López Obrador

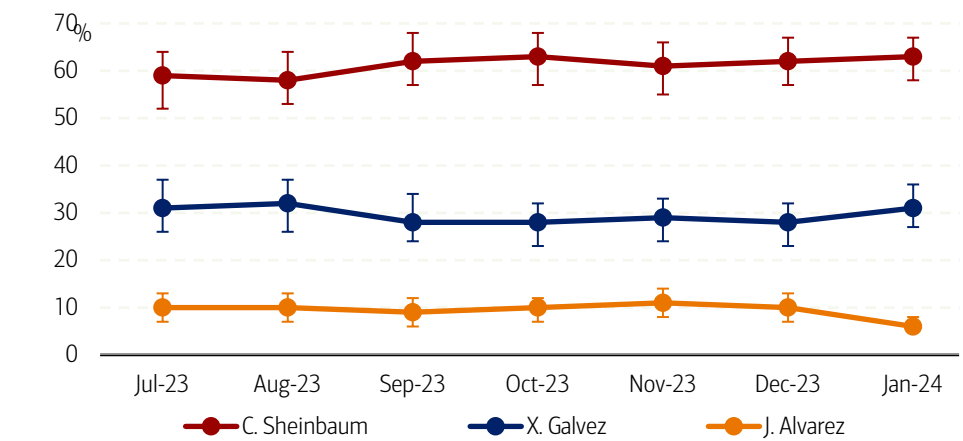
AMLO presented 20 topics with proposals to reform Mexico’s constitution on February 5, 2024

Reform No.	Reform	Description	Comments
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Exhibit 2: Presidential election voter support (poll of polls, %)

Opposition candidate Galvez up by 3pp in January, narrowing the difference with incumbent’s party candidate Sheinbaum



Source: BofA Global Research, Oraculus. Whiskers are 90% confidence intervals.

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