NY TIMES: New Leader Taps Mexican Discontent to Press Agenda of Change

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MEXICO CITY — Few topics get Mexicans more worked up than their country’s cellphone service, especially that provided by the dominant carrier, [Telcel](http://www.telcel.com/portal/home.do).

“Their rates are really high, and then there’s no signal sometimes,” said Armando Gómez Fuentes, 42. “The signal goes away really quickly. It’s a mess.”

But there he stood recently at a Telcel store, waiting to buy a new phone, resigned to the dominance of the carrier, which controls 70 percent of the Mexican market, and doubtful that the country’s smaller rivals could do any better.

It is that well of popular frustration — over poor cellphone service, limited programming on television, flagging schools — that President Enrique Peña Nieto has tapped in a series of attention-getting moves that he promises will “transform Mexico” and accelerate growth in an economy that has expanded too slowly to lift the country out of the developing world.

He has promised to bring competition and more government oversight to the telecommunications market, taking aim at the monopoly-like control by one of the richest men in the world, [Carlos Slim Helú](http://www.carlosslim.com/). Also in the president’s sights is the giant media company [Televisa](http://www.televisa.com/us/), which dominates broadcasting through four networks and would face renewed competition under a proposal that could lead to the creation of two new channels. And his government has [jailed the boss of the teachers’ union](http://www.nytimes.com/2013/02/27/world/americas/leader-of-mexican-teachers-union-arrested.html), the largest in Latin America, on accusations of embezzlement as part of a sweeping move to wrest full control of the schools from it.

It remains to be seen how any of the changes will turn out; Mexico has a long tradition of bold, finely shaped laws that are ultimately watered down or simply not enforced. The telecommunications proposal passed one chamber of Congress late Thursday and is now headed to the Senate.

But it seems clear that Mr. Peña Nieto has banked substantial political capital and bolstered his popularity, which may add momentum to thornier changes he plans, including opening up the state oil monopoly, long a source of national pride, to private investment.

The teachers’ union, Mr. Slim, Televisa — the targets, in the minds of many Mexicans, are hard to cheer for.

“He is trying to gain credibility and popularity,” said Helena Varela Guinot, a political scientist at the Ibero-American University in Mexico City. “He is saying, ‘I am a president that gets results, this is a government that is efficient, takes risks and goes after the big problems,’ although it is not clear in reality if his reforms will achieve the desired results.”

Those who remember the autocratic ways of Mr. Peña Nieto’s party, which governed Mexico for more than 70 years but was then ousted from power for 12, see a presidential power play that may yet deliver results, but with less space for those who disagree.

“His goal is to reshape the power of the presidency,” said Sergio Aguayo, a political analyst at the Colegio de México. “Not to the level it used to be, because that is impossible. But he is a true believer that Mexico needs a ‘presidentialist’ system.”

Some analysts see in his priorities a clear sign that he does not want his tenure defined by the country’s security problems, with thousands killed or missing in a war against drug and organized crime groups. Mr. Peña Nieto has argued that improving the economy and education in the long run will bring down the violence, and he has said little about [the day-to-day mayhem](http://www.nytimes.com/2013/02/19/world/americas/mexico-anticrime-plan-challenged-by-unabated-violence.html) that afflicts many parts of the country.

That may simply reflect the concerns of Mexicans, who rank the economy as a greater concern than crime.

“The same issues identified now are the same issues identified in the previous three presidential elections as top concerns: poverty, underemployment and economic growth,” said Roderic Ai Camp, a Mexico scholar at Claremont McKenna College in California who has written an analysis of Mr. Peña Nieto’s cabinet.

Still, the new president now faces the challenge of turning proposals into laws and, more important, carrying them out.

Mr. Peña Nieto recently persuaded his party, the PRI, or Institutional Revolutionary Party, at its annual gathering to lift its historic opposition to private investment in the oil industry and to consider the idea of tax levies on food and medicine, which the government is considering to raise revenue.

Earlier, he negotiated a “Pact for Mexico” with opposition parties to help speed overhaul efforts and avert the congressional gridlock, often led by his own party, that has thwarted previous administrations.

One of the president’s moves is aimed in part at the businessman Carlos Slim Helú

Mr. Slim, who owns about 8 percent of The New York Times Company, has publicly praised the president’s proposal and has said he welcomes competition. His business has been diversifying anyway, and the proposal would let him keep 50 percent of the market, while giving him something he has long sought: the possibility of entering the television market.

On Thursday, the International Olympic Committee awarded one of Mr. Slim’s companies, [América Móvil](http://www.americamovil.com/amx/en/), the Latin American broadcast rights to the 2014 Winter Games and the 2016 Summer Games “on all media platforms,” the company said in a statement.

Televisa, too, has said it officially welcomes the plan, which could allow it to expand its stake in the cellphone market through its partnership with a Slim rival, [Iusacell](http://www.iusacell.com.mx/).

Analysts have also questioned whether any serious competitor will emerge to threaten Televisa’s lock hold on soap operas and other popular programming.

“The reform is not bad, but neither is it a panacea,” Gerardo Esquivel, an economist at the Colegio de México, wrote on his blog in analyzing the plan.

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