Five Years In: An Evaluation of AMLO's Presidency through Nine Key Metrics

Andrés Manuel López Obrador's presidency began with a commitment to a government change that would curb corruption in the public sphere and, above all, prioritize the Mexican people in social development policies. These changes would be accompanied by a revival of the national oil industry, with the state playing a predominant role in the energy sector, aiming to achieve energy sovereignty.

While the shift in economic policy started with the cancellation of Mexico City's new airport in Texcoco, Mexico in December 2018, the new administration had only 2019 to implement its economic agenda before the COVID-19 pandemic struck.

Here are nine areas assessing the progress made in these five years: two are performing well, one is average, and six are performing poorly. Finally, we present three key pending priorities for the next administration.

1. Improvement in the working conditions of formal workers

→ Implemented policies: minimum wage increase, outsourcing reform, and vacation reform.

→ However, fewer than half of the employed population (48.7%) benefits from these measures, as the majority of workers are engaged in informal labor.

Historic Minimum Wage
In Mexican pesos of the second fortnight of 2018 (1960-2023)

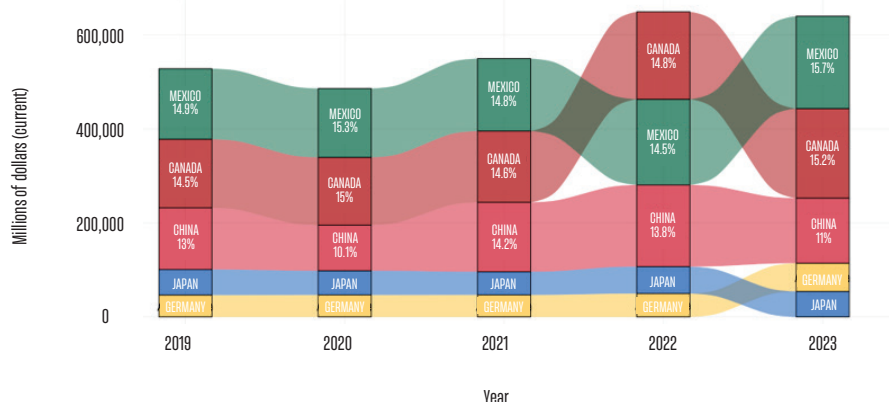MADE BY MÉXICO, ¿CÓMO VAMOS? WITH DATA FROM CONASAMI
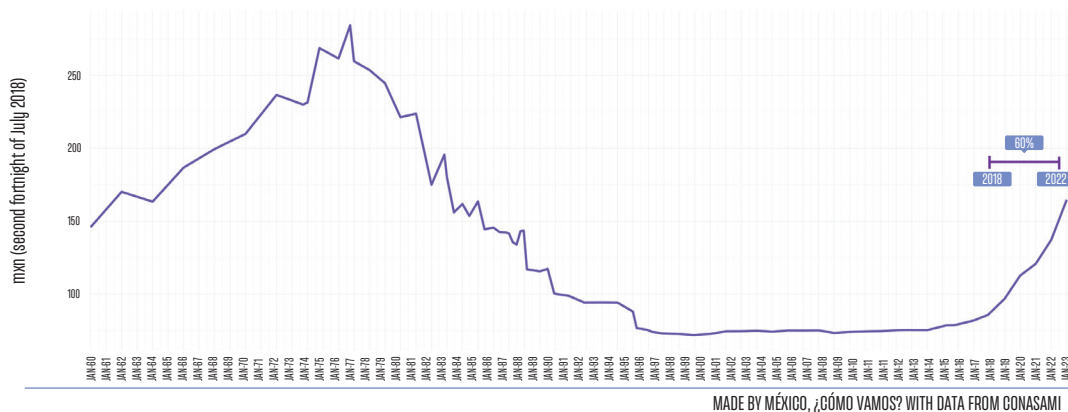
2. Strengthening the North American relationship (USMCA agreement)

→ **USMCA** or T-MEC agreement came into effect on July 1, 2020, with the goal of **enhancing prosperity and fairness in North America.**

→ Mexico became the United States' largest trading partner in the first quarter of 2023, followed by Canada.

→ North American trilateral trade supports nearly 10 million jobs.

Major U.S. trading partners
Cumulative total as of the 1st quarter of each year

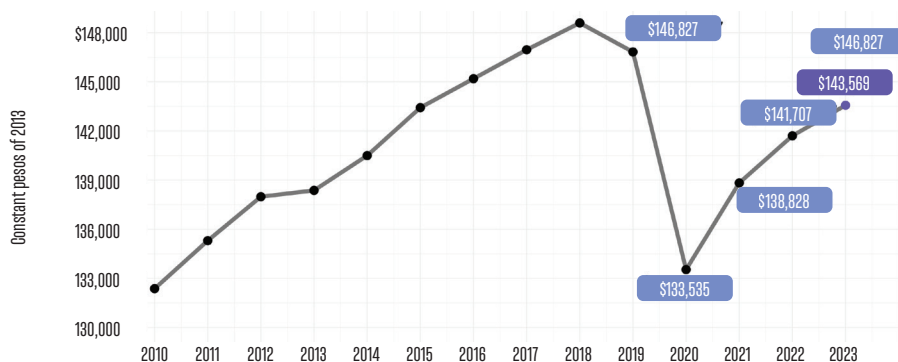MADE BY MÉXICO, ¿CÓMO VAMOS? WITH DATA FROM THE U.S. DEPARTMENT OF COMMERCE

3. GDP per capita

→ Mexico's GDP grew 1.0% quarterly and 3.7% annually in Q1 2023, reaching a new historical high.

→ However, Mexico's GDP per capita remains at 2015 levels, **indicating eight years of lag and regression.**

GDP per capita
Seasonally adjusted series for the 1st quarter of 2023
Population projections by CONAPO

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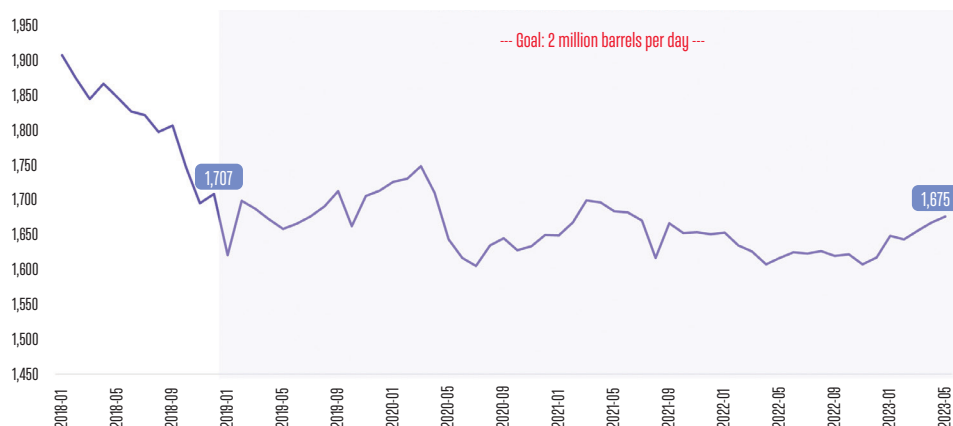
4. Social Progress

→ The Social Progress Index **(SPI)** is a comprehensive measure of a country's social performance, it evaluates Basic Human Needs, Foundations of Well-Being, and Opportunities.

→ The SPI aims to assess important aspects of people's lives, such as housing, food, and education.

→ Alarmingly, between 2018 and 2021, 30 states experienced a decline in welfare.

Social Progress Index
2015-2021

YEARS	Nacional	AGS	BC	BCS	CAMP	COAH	COL	CHIS	CHIH	CDMX	DGO	GTO	GRO	HGO	JAL	MEX	MICH	MOR	NAY	NL	OAX	PUE	QRO	QROO	SLP	SIN	SON	TAB	TAM	TLAX	VER	YUC	ZAC
2015	62.9	68.4	67.8	68.4	61.9	64.6	68.5	49	63.1	72.5	63.9	61.1	48	61.4	67.7	64.4	59.2	61.1	63	71.1	50.8	59.4	68.9	65.5	60.8	65.2	67.1	56	64.8	64.6	56	62.9	61.6
2016	63.3	69.4	69.5	69.2	61.6	67.2	65.4	51.2	66.5	73.2	66.4	62.8	47.6	63.1	68.5	64.1	59.8	61.8	65	70.1	49.6	60.2	67.7	66.7	61	66.1	67.5	57	64.9	62.9	54.9	65.1	62.1
2017	63.8	69.4	68.4	67.6	62.1	67.5	65.6	52.2	66.2	73.5	65.8	63.3	48.6	62.3	68.8	65.9	60.6	62.3	64.1	70	50.5	61.3	68.6	67	60.6	68.3	69	57.1	64.7	63.5	56.2	66.9	62.1
2018	64.8	71.3	68.3	69.7	61.8	68.6	67	52	67.4	75.8	65.8	63.9	50.3	63.4	69.8	66.2	62	64	64.9	72.3	52.6	63	69.2	66.9	62.2	68.4	70.4	56.8	67.3	65.5	57.1	66.7	63.8
2019	64.5	71.9	68.8	69.6	61.5	69.1	64.8	52.1	66.8	75.1	66.1	62.9	48.4	64.1	70.1	65.6	61.5	64	65.7	72.8	52.2	62.3	69.2	66.1	62.2	68.7	69.5	57.5	68.3	64.9	56.3	68.4	63.7
2020	64.1	70.7	68.7	69.7	61.1	67.8	66.4	51.7	64.3	72.3	67.1	61.3	49.9	64.6	69.3	63.7	60.4	61.7	64.1	72.9	50.2	60.4	71.1	64.3	59.1	67.6	67.9	56.8	67.5	63.9	56.6	66.9	61.3
2021	63	71.5	67.2	68.5	58.5	67.8	64.6	49.3	65.8	73.1	64.7	61.1	48.9	61.9	69	61.7	58.8	60.4	62.6	71.1	46.9	57.6	69.2	63.9	59.9	66.8	65.9	58.2	66.4	65	52.4	66.3	62

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5. Access to healthcare services

→ National deterioration of 31 points in the Nutrition and Medical Care component of the Social Progress Index (2018-2021), with Oaxaca, Campeche, and Chiapas being the most affected states.

6. Education

→ National regression of 4.8 points in Access to Basic Knowledge component of Social Progress Index, with 27 states scoring lower in 2021 than in 2018.

7. Energy generation

→ Conventional energy sources have dominated Mexico's energy generation. In December 2022, conventional energy represented **74.3% of the total energy generated,** showing a decrease of 4.2 percentage points compared to December 2018.

→ However, clean energy sources only accounted for 26.1% of the energy generated in 2022, lower than the 27.5% recorded in 2021, highlighting the need to further invest in renewable and non-renewable clean energy.

8. Oil production and support for Pemex

→ Despite the fiscal support provided to Pemex, no investment has been made to achieve the production target of 2 million barrels per day. As a result, current production levels remain below those observed at the beginning of AMLO's presidency.

Hydrocarbon production
Thousands of barrels per day

--- Goal: 2 million barrels per day ---

9. Public Spending Priorities

→ Mexico allocated minimal additional resources for facing the COVID-19 emergency compared to other emerging countries, while priority infrastructure projects like the Dos Bocas Refinery, Felipe Angeles Airport, and Maya Train continued their execution and incurred additional expenditure beyond the budgeted amounts. Furthermore, the profitability analyses and Social Impact Evaluation are not fully disclosed to the public.

Minimum agenda for 2024

We have identified a minimum agenda of challenges for the next Administration:

1. A Progressive and sustainable fiscal reform. (In collaboration with CIEP)

⟶ The next administration will face social issues in health and education with limited public resources. Pension spending is high, reducing funds for health, education, and infrastructure.

⟶ The budget deficit has increased by 16% and the financial cost of debt has risen by 10.9% compared to 2021. In 2023, expenditure on debt servicing and pensions is expected to reach 9% of GDP, while income tax revenue stands at around 8 percentage points of GDP.

Public spending on pensions, health care, education and infrastructure
2013- 2023. Percentage of GDP

MADE BY CIEP WITH DATA FROM SHCP 2013-2023

— Health   — Education   — Infrastructure   — Pensions
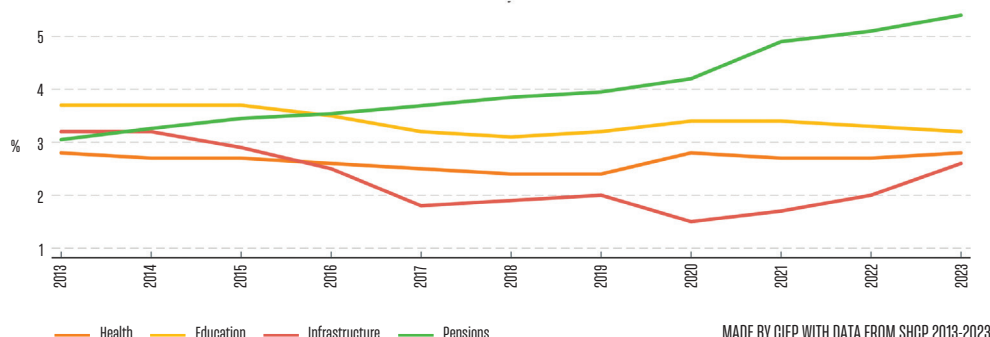
2. Addressing structural issues in the labor market: predominantly informal and with low female participation.

⟶ In the first quarter of 2023, 51.3% of the non-farm employed population lacked social security coverage, with Oaxaca and Guerrero experiencing informality rates exceeding 70%.

3. Evaluate the educational backlog caused by school closures during the COVID-19 pandemic.

⟶ Lack of a national program to evaluate educational regression and dropout rates.

⟶ Southern region of Mexico has a higher dropout rate compared to other regions, according to **UNDP[1].**

For more information check www.mexicocomovamos.mx
Contact us at contacto@mexicocomovamos.mx and 55 7590 1756

1. COVID-19 y educación en México: Primeras aproximaciones de una desigualdad agudizada https://www.undp.org/sites/g/files/zskgke326/files/2022-07/COVID19%20y%20educaci%C3%B3n%20en%20M%C3%A9xico.pdf