MIRANDA INTELLIGENCE

Public Affairs Chatter

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Electoral reform: Redesigning the Rules, One Party Manual at a Time

President Sheinbaum formally initiated her administration's electoral reform process during her August 4 press conference, announcing a series of forums and surveys aimed at shaping the reform's agenda. While framed as a bottom-up exercise in democratic participation, the core proposals are to eliminate proportional representation seats (so-called *plurinominal*es), reduce public funding for political parties, and lower top-tier government salaries further. Almost all analysts expect the reforms to consolidate Morena's power still further, given that Morena loyalists will be drawing up the new laws.

The message, reiterated throughout her remarks, was calibrated to align with public discontent: "The people say: no more *plurinominales*, no more excessive funding, no more golden bureaucracies." Addressing institutional concerns, the president emphasized the autonomy of the National Electoral Institute (INE) and the protection of the voter registry—two areas that were targeted during prior reform efforts under Morena. Yet, absent any draft legislation, the consultation phase is all but certain to function more as a legitimizing tool than an open deliberative process.

The commission tasked with designing the legislative proposal will be led by the leftist economist and Morena diehard Pablo Gómez, who until recently headed the Financial Intelligence Unit (UIF). His appointment was quietly disclosed over the weekend through an internal briefing note. The commission's full membership was later formalized in the evening edition of the Official Gazette (DOF), offering a clearer picture of the political architecture behind the reform effort.

Alongside Gómez, the commission will include key figures from the current administration: Interior Minister Rosa Icela Rodríguez, ATDT head Pepe Merino, Legal Counselor to the President Ernestina Godoy, Chief of Staff Lázaro Cárdenas Batel, Advisor Coordinator Jesús Ramírez Cuevas, and former Chief Justice Arturo Zaldívar. While the decree allows for the participation of representatives from Congress, academia, civil society, and both public and private institutions, such participants will attend strictly in an advisory capacity—without any voting rights.

Opposition parties and civil society organizations have voiced early opposition. Critics argue that the elimination of proportional representation mechanisms would erode pluralism in Congress, particularly affecting minority parties in states dominated by a single political force. Cuts to public financing, they add, would disproportionately weaken smaller parties, further tilting the balance in favor of the ruling coalition.

Recurring proposals to allow direct election of INE councilors and to consolidate local electoral bodies into a single national entity have also resurfaced. Observers warn that such changes could centralize control and dilute local oversight, paving the way for executive influence in electoral processes.

Institutional voices, including former IFE president Luis Carlos Ugalde, have underscored that the reform risks consolidating power in Morena rather than strengthening democracy. Organizations such as Article 19 and *Causa en Común* have described the process as an attempt to institutionalize electoral centralism under the banner of austerity and simplification.

Assuming that in 2024 there were only directly elected Deputies, Morena, PVEM and PT would have won 254 out of 300 of the seats or 85% of the total. But as the PRI and PAN won relatively more of the 200 proportionately elected seats, the Morena alliance ended up with 73% of Congress. As this suggests, a key factor in the election outcome will be rules governing the alliances between parties. The Green and PT party actually outperformed in directly elected seats in 2024 as Morena ceded directly elected positions to them to circumvent rules governing over representation of any party when it came to allocation of proportionately elected seats. Without the over representation rule, Morena may not have the same incentive to cede directly elected positions to these satellite parties, who thus may resist electoral changes – especially if there are no longer bonus proportionately elected deputies to be had.

Side Benefit: Change at UIF at a Crucial Time

President Sheinbaum also announced Omar Reyes Colmenares as new head of the UIF, replacing Pablo Gómez. The UIF's standing and credibility had been under strain since the U.S. Treasury flagged three Mexican financial entities—Ci Banco, Intercam, and Vector Casa de Bolsa—for alleged links to narcotics financing. Pablo Gomez was also seen as loyal to AMLO, the former President, more left-wing ideological than technical, and reportedly had been investigating financial operations of government officials close to Sheinbaum, including Edgar Amador, the current finance minister. It was surely uncomfortable for Sheinbaum to have an AMLO ally in such a critical position.

A lawyer with a background in security operations, Reyes previously oversaw Mexico City's penitentiary subsystem under Sheinbaum's local administration, managing intelligence-driven interventions in high-risk detention centers. His subsequent roles in the Industrial and Banking Police and as Mexico's Interpol liaison further solidified his credentials as a security operative rather than a financial regulator. His close ties to Security Secretary Omar García Harfuch further reinforce the perception of internal cohesion over political considerations.

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Tariff Pause: Mexico's 90-Day Breathing Room Comes with Upside

With less than 12 hours remaining before the scheduled implementation of new U.S. tariffs, Mexico secured a 90-day postponement following a 40-minute call between Presidents Trump and Sheinbaum. The agreement halts, for now, the proposed 30% tariff on non USMCA compliant Mexican exports, maintaining current duties—25% on non-USMCA goods, 50% on cars (with exceptions), steel, aluminum, and copper derivatives —at existing levels. While Sheinbaum framed the outcome as a diplomatic success, and Trump as a product of "negotiating strength," it came with a ''concession'', that might well be positive for Mexico's investment climate.

As part of the agreement, Mexico committed to the "immediate elimination" of a broad set of non-tariff barriers—language vague enough to seem procedural, but with institutional implications. These so-called barriers are embedded within the operational structure of the Mexican state: pharmaceutical approvals by COFEPRIS, customs and port procedures, ag-biotech restrictions, digital commerce requirements, energy market controls, and legacy telecom frameworks. The implications will only be known as negotiations advance, but many in Mexico's private sector will be delighted if the US forces Mexico's government to treat private companies – be they American or Mexican or European – more fairly and efficiently.

The White House has been explicit. Press Secretary Karoline Leavitt underscored that the 90-day reprieve is not a negotiation window—it is a performance timeline. Should the U.S. determine insufficient movement on regulatory barriers, tariff escalation remains on the table.

The current arrangement may have neutralized the immediate tariff threat, but it repositioned the battleground. In accepting reform commitments across diverse regulatory domains, Mexico has opened its domestic framework to external pressure—setting an important precedent ahead of the 2026 USMCA review. And for many in Mexico worried about lack of counterweights to the Morena government, that will be welcome news.

'Sorry for your trouble': 18 Years Later, Vallarta Goes Free

After nearly two decades of pretrial detention, Israel Vallarta—the Mexican half of the controversial "Cassez-Vallarta" case—was released from prison last week. The announcement provided President Sheinbaum with an opportunity to denounce past law enforcement practices; however, the president was careful to note that the release of Mr. Vallarta was a judicial decision, made independently by Judge Mariana Vieyra Valdés. "The federal government did not intervene," she stated at her August 4 press conference. She emphasized that Vallarta's arrest was staged for television and involved torture, describing it as a symbol of an era in which justice operated as spectacle.

Broadcast in real time under the direction of then–federal police chief Genaro García Luna, the case has come to symbolize the excesses of Mexico's prior security strategy: fabricated evidence, forced confessions, and highly publicized arrests designed more to deliver political capital than actually fighting crime. For López Obrador, the case became a rhetorical device. Under Sheinbaum, it has been reframed as institutional malpractice corrected by the judicial process.

But the focus quickly expanded beyond the case itself. Sheinbaum used the moment to contrast media silence during the Calderón years with current criticism of her administration's proposed judicial reform. She challenged detractors who now call for institutional restraint. Still, she noted that they remained silent when Genaro García Luna—now imprisoned in the U.S. on drug-related charges—led the country's security apparatus.

The judge at the center of the decision, Mariana Vieyra Valdés, is not without political context. According to the media, Vieyra appeared as candidate #14 on the June 1 ballot for the election of judges. Her name surfaced in several of the "cheat sheets" or *acordeones* circulated in Toluca—documents that sparked controversy over the integrity of the selection process.

While the ruling was presented as independent, the optics are complex. A judge associated with the new judicial selection model, questioned for her inclusion in pre-marked ballots, delivers a decision with deep symbolic weight—both legally and politically.

Asked whether the federal government would issue an official apology to Vallarta, Sheinbaum deferred to procedure, stating that under current law, the request must originate from Vallarta himself.

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