XX. CORRUPCIÓN EN MÉXICO EN EL SIGLO XXI

Corruption and inequality: A dangerous cocktail in Mexico

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Abstract:

The consequences of corruption and wealth inequality are multiples and among of the most painful are the increase of violence. Mexico is a case in point, where these elements combined are causing thousands of deaths, millions of people living with less than a dollar per day, while 10% of Mexico's richest concentrates 64.4% the country's wealth. The main objective of this paper is to describe the relation between political corruption and income inequality in the Mexican context. The text is divided into three parts. The first one presents a theoretical review of the relationship income inequality and political corruption. The second one exposes the distribution of wealth in Mexico and the levels of corruption in the country. The third one shows the effects of income inequality and political corruption in the light of violence generated by organised crime and impunity that experience thousands of Mexicans, and finally it is presented some comments, which wrap up the challenges ahead.

Key words: social inequality, Mexican political system, violence, abuse of power

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Introduction

The correlation between political corruption and social inequality has been largely analysed in the literature, in relation to the impact of corruption on economic growth and wealth distribution. Several studies highlight the potential of corruption to increase social inequality by affecting income distribution, the use of international aid and decision making in public expenditure. Inequality also contributes to promote corrupt behaviour by political elites, which priority is to keep their privileges through the vulnerability of the poorer classes that engage in clientelistic relationships or bribes as a way of surviving.[1]

The studies underline, the influence of inequality to foster corruption as an acceptable and natural behaviour. This research considers that corruption reinforces or widens existing inequalities and vice-versa.[2] In this context, the present text raises the following questions: Does inequality foster corruption or corruption foster inequality? Do inequality and corruption contribute to increase violence? Is Mexico a toxic example of the relation inequality and corruption? What are the challenges that Mexico should face to reduce inequality and corruption?

The objectives of this text are 1) Describe the relation of political corruption and social inequality. 2) Analyse Mexico as country case study, where the melting of corruption and inequality foster other phenomena such as violence and impunity. 3) Present the new political scenario in the light of the government of Andrés Manuel López Obrador -AMLO. 4) Offer some lesson from the Mexican case to reshape the trend of wealth worldwide and in the Latin American region.

This text considers the following hypotheses: 1) Political corruption and social inequality nourish each other, since sometimes inequality drives corruption, and in others cases corruption motivates inequality due to the interest to protect elites' privileges. 2) Corruption and inequality in Mexico have contributed to accelerate violence and impunity.3) Mexican political corruption

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[1] See Zuñiga (2017:1).
[2] See You / Khagram (2005).

and social inequality present particular features that need to be analysed in order to draw lessons about the danger of this mixture for contemporary societies.

The text is based on qualitative analysis and outstanding research, as well as literature reviews of theoretical and empirical evidence on this subject, observational studies, and qualitative data extracted from global organisations, leaving the door open for future research projects.

According to World Inequality Report (2018)"wealth is substantially more concentrated worldwide than income. The top 10% owns more than 70% of the total wealth in China, Europe and the United States" (Chancel 2018: 198) and the top 1% own 33% of total wealth in 2017. This inequality of wealth is analysed by Piketty, who considers that this global trend of concentration "cannot be sustained in the long run and that ought to worry even the most fervent champions of the self regulated market"(Piketty 2014: 572).

Piketty[3]attributes inequality to the fact that the private rate of return on capital can be significantly higher for long periods of time than the rate of growth for income and output. Inequality implies that wealth accumulated in the past grows more rapidly than output and wages. Thus, the rentiers –capital owners–become more dominant over wage earners.

Some pieces of research have related wealth and income inequality with corruption and they have started to have some eco in recent years among decision makers and politicians worldwide. It is important to mention that in this text wealth and income inequality[4] are used to describe unequal background possessions and unequal earnings. This openness provides the opportunity to reflect about the impact of corruption and inequality in the increase of impunity, violence and criminal activities in Mexico, where the most vulnerable people are those, who pay the highest price not only in financial terms, but also in human suffering.

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[3] Piketty analyses the dominant inequality regimes of the past millennium from feudalism to capitalism, from communism to western democracies dominated by two rival elites, reflected in two-party electoral systems: a financial elite that favours open markets, and an educational elite that stands for cultural diversity, but has lost faith in progressive taxation as a basis for social justice, see Piketty (2014: 174ff.).

[4]Wealth is the total purchasing power, wealth means a *stock* of valuable possessions. Income is an inflow of new purchasing power through money you receive such as wages for employment. Income inequality means some people are earning more than other people. Wealth inequality means some people have more than other people, see Credit Suisse Research Institute (2019).

1. A theoretical review

The literature about the relation between corruption and wealth inequality[5] in recent years has started to be explored particularly in Asia, Africa and Latin America, where this correlation is more notorious, among the most important contributions are the works of Gupta, Davoodi and Alonso-Terme, who demonstrate that high and rising corruption[6] increases inequality and poverty by reducing economic growth, limiting tax system, reducing effectiveness of social spending and formation of human capital, what's more perpetuating an unequal distribution of asset ownership and unequal access to education, health and public services.[7]

On the other side, You and Khagram argue that income inequality increases the level of corruption through material and normative mechanisms.[8] The wealthy have both greater motivation and opportunity to engage in corruption, while the poor are more vulnerable to extortion and less able to refuse, monitor and hold the rich and powerful accountable as inequality increases. Inequality also affects people's social norms about corruption and beliefs about the legitimacy of rules and institutions, thereby corruption makes easier to tolerate it as an acceptable behaviour.

Besides, You and Khagram found a significant interaction effect between inequality and democracy,[9] as inequality affects norms and perceptions about corruption and about civil rights of citizens, therefore there is a relation between poor democracy and high inequality. Often corruption also contributes to income inequality, as societies fall into vicious circles of inequality and corruption, for examples in societies with high level of inequality are more likely to sell their votes, which goes against democracy and wellbeing of societies. This situation is allowed and encouraged by political elites due to the corruption.

For Gupta corruption drives inequality, as for You and Khagram inequality leads to corruption. Certainly, both phenomena are related and they nourish mutually, sometimes corruption drives inequality, and sometimes is in the opposite direction, and often corruption and inequality go together. Nuraini, Arsyad and Pradiptyo consider that there is a mutual influence between corruption and income inequality, taking Asian countries as study cases due

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[5] The term inequality is used to describe an unfair situation in society, when some people have more opportunities: more money, better jobs, better public and private services, better education, wealth, and better quality of life than others, see Nuraini / Arsyad / Pradiptyo (2018).

[6] Corruption is defined as the use of public office for private gain, or in other words, use of official position, rank or status by an office bearer for his own personal benefit. Following from this definition, examples of corrupt behaviour would include: (a) bribery, (b) extortion, (c) fraud, (d) embezzlement, (e) nepotism, (f) cronyism, (g) appropriation of public assets and property for private use, and (h) influence peddling, see U Myint (2000: 35).

[7] See Gupta/Davoodi/Alonso-Terme (1998:4).

[8] See You / Khagram (2005: 139).

[9] See You / Khagram (2005: 148).

to the high levels of corruption and poor governance existing in the region. According to this research:

> The results show that the higher the level of corruption is, this can aggravate income inequality, and the higher the income inequality level is, this can affect the level of corruption in Asian countries. Other variables that have a robust effect on income inequality in Asia are per capita income, the gross enrolment rate in primary education, population growth, foreign direct investment, and governance (Nuraini / Arsyad / Pradiptyo 2018:1).

From the economical perspective, Kaufmann and Gray, indicate that corruption and inequality are associated with economic development. That means that the incidence of corruption varies enormously among different societies, ranging from rare to widespread to systemic, which has impacts in the development inequality.

> If it is rare, it may be relatively easy to detect, punish, and isolate. Once it becomes systemic, however, the likelihood of detection and punishment decreases, and incentives are created for corruption to increase further. This pattern of an initially rising, but then falling, cost of engaging in corrupt acts can lead to multiple equilibriums: one holding in a society relatively free of corruption, the other holding in a society where corruption is endemic (Gray / Kaufmann 1998: 8).

Gyimah-Brempong (2002) analyses the relation of corruption and income inequality, and its impact over economic growth, using data from African countries. He finds that corruption decreases economic growth directly and indirectly through decreased investment in physical capital. An increase of one unit in corruption reduces growth rates of GDP and per capita income by between 0.75 and 0.9 percentage points and between 0.39 and 0.41 percentage points per year respectively. Thus, corruption decreases the growth rate of income directly through reduced productivity of existing resources, and reduces investment in physical capital. Secondly, corruption is positively correlated with income inequality, measured by the Gini coefficient.[10] This study shows a positive correlation between corruption and inequality and their impact in economic growth.[11]

Another important contribution in the analysis of corruption and inequality is the political perspective, which considers other variables not only those of economic nature, such as democracy –electoral competition, civil and political rights–, government size, decentralization or centralization. In this stream, La Porta et al. consider that democracy, public policies, public

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[10] The Gini index [coefficient] measures the extent to which the distribution of income (or, in some cases, consumption expenditure) among individuals or households within an economy deviates from a perfectly equal distribution. A Lorentz curve indicates the cumulative percentages of total income received against the cumulative number of recipients, starting with the poorest individual or household. The Gini index measures the area between the Lorentz curve and a hypothetical line of absolute equality, expressed as a percentage of the maximum area under the line. Thus a Gini index of 0 represents perfect equality and 1 perfect inequality (The World Bank 2018).
[11] See Gyimah-Brempong (2002).

services, tax compliance and good government have an important part in the development of inequality and corruption, which are closely related: "The measures of public good output are highly correlated with each other. Low infant mortality, significant school attainment, low illiteracy, and high-quality infrastructure typically come together" (La Porta et al. 1999: 239).

On the other hand, Birdsall states that inequality is perpetuated by social and cultural relations such as marriage and social alliances, and corruption is derived from this social inequality. Men from wealthy families tend to choose women from wealthy families as their spouses, and vice versa. Naturally, individuals feel comfortable in a relationship if there is no inequality between the two people. Another feature of this process is that the poor tend to have more children than the rich. The higher number of children leads to higher family life needs, resulting in lower per capita expenditure. This causes lower levels of health and education, so that poor families tend to remain poor and accept corruption as part of the poverty circle.[12]

After this brief theoretical review, it can be said that corruption is closely related to social and income inequality. This text also argues that income and wealth inequality also affect people's conditions and perceptions of corruption, as well as tolerance to corruptive practices. "At higher levels of inequality, the rich are likely to increasingly believe that corruption is a more acceptable way of preserving and advancing their societal position as this behaviour goes unpunished and social networks of corruption expand"(You / Khagram 2005: 139).

Besides, the couple corruption and inequality brings about impunity and unequal political, social, cultural and symbolic relations. For example, during political elections, unequal societies tend to buy poor people's vote, threat, blackmail or exchange votes for money, gifts, food or public services access, in order to perpetuate status quo and privileges. These unequal political relations are also reflected in their access to the exercise of rule of law and judiciary system. The unequal relations are often accompanied by social and cultural differences. Poor people usually have low educational levels, low income and low access to private services. Most of the times, poor people assume a natural inequality from birth, and symbolically they feel inferior to the privileged and rich people.

Corruption contributes to inequality by facilitating the unequal appropriation of wealth and privileges, as corruption and inequality are used to impede institutional changes that could threaten existing advantages, particularly to the elites in power. Thus, the persistence of corruption goes along with the persistence of inequality.

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[12] See Birdsall (1998: 80-82).

2. Country Profile: Mexico living with inequality and corruption

Mexico is an important market for the world, as it represents the 11th largest economy in the world with a $2.4 trillion dollar economy, and between 1994 and 2017 the proportion of trade as percentage of Gross Domestic Product (GDP) increased from 28% to 78%. Besides, "Mexico has benefitted from credible economic management that has allowed the country to weather a period of low oil prices and significant currency volatility [registering a] GDP growth, at 2.0% and 2.3% in 2017 and 2018 respectively" (Martínez Kukutschka 2018: 7). Nevertheless, the inequality levels are still high. The number of people in situation of poverty increased from 49.5 in 2008 to 52.4 million people between 2008-2018.[13]

Mexico is considered one of the most open economies in the world and has free trade agreements with the most important economies, including US, China, India and Japan. Mexico has signed 12 free trade agreements with a total of 46 countries, and Mexico is part of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTTP) with a relation of 11 Asia-Pacific countries.[14] It is expected that Mexico will be one of the world's top 10 economies in 2050, taking the place 7th after Brazil and Russia, and ahead of Japan, Germany and the United Kingdom.[15]

But in terms of citizens' wellbeing, Mexico drags serious backwardness, since 61.1 million of people in 2018 or 48.8% of Mexicans do not have the means to afford all the goods and services to live above poverty line, for example, the poorest state in this dimension is Chiapas with 76.4% of its population living in poverty.[16] In this context, the main indicators to measure poverty in Mexico given by the Coneval –*Consejo Nacional de Evaluación de la Política de Desarrollo Social* / National Council for the Evaluation of Social Development Policy– reside in two methodologies: 1) economic well-being: measured as the necessary income to afford a basket of goods and services; and 2) six social privileges: educational gap, access to health, access to social security, quality and spaces of the dwelling, access to basic services and food security.[17]

Taking the second measure of poverty based on the six social privileges, outlined above, the population in situation of extreme poverty in Mexico has gone down from 11% in 2008 to 7.4% in 2018 during the last decade, which means that Mexico has passed from extreme poverty to

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[13]See Cárdenas / Espinosa / Li Ng (2019: 1) and Coneval (2018).
[14] See Martínez (2018: 7).
[15]See PWC (2017: 4).
[16] See Coneval (2018).
[17] See Coneval (2018).

moderate poverty levels.[18] This is positive, however, the main reason behind this improvement is the increased access to healthcare due to the creation in 2004 of *Seguro Popular / popular insurance*, reaching nearly 60 million people in 2018.

However, the conditions to access to social programs are driven by clientelism, nepotism, cronyism, and political interest rather than genuine interest to reduce inequality. In this sense, the social programs encouraged by the government contribute to reinforce corruptive agreements. Many poor families are forced to vote for a specific political candidate in order to have food vouchers or public services such as street lighting, sewer system and drinkable water.

On the other hand, if the first methodology of the Coneval is taken, based on the economic well-being measured as the necessary income to afford a basket of goods and services, it is reported that the population vulnerable per income increased from 4.7% in 2008 to 6.9% in 2018 (Coneval 2018), which means that Mexico has still high levels of inequality.

Meanwhile, the wealthiest Mexicans that account for 1% of the population get 21% of the nation's, total income[19], and according to the Global Wealth Report 10% of Mexico's richest concentrate 64.4% of the country's wealth.[20] On the other hand, taking the Global Gini index, which ranks from 0 for the highest equality, and 1 for highest inequality, in 2018. Mexico reached 45.4%, which means that Mexico has a Gini coefficient of 0.454. This data is reported by the World bank in percentage (45.4%)[21] , whereas the inequality worldwide average is only 0.373 or 37.3%. In other words, Mexico has a significantly higher index than the average.

Meanwhile, Mexico's 15 billion-dollar clans were worth $33.3 billion – in 2017–, according to Forbes Mexico's 2017 billionaire ranking, which lists both individuals' and families' net worth. (Estévez 2017). This situation represents a huge contrast with the rest of the Mexican people.

One of the big problems resides in that Mexican "tax policy favours those who have more. It is in no way progressive and the redistributive effect is almost non-existent"(Esquivel 2015: 8). By taxing consumption – over and above income – poor families end up paying more taxes than the rich, since they spend a higher percentage of their income.

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[18] See Coneval (2018).

[19] See Esquivel (2015:15).

[20] Net worth, or "wealth," is defined as the value of financial assets plus real assets (principally housing) owned by households, minus their debts. This corresponds to the balance sheet that a household might draw up, listing the items which are owned, and their net value if sold. Private pension fund assets are included, but not entitlements to state pensions. Human capital is excluded altogether, along with assets and debts owned by the state (which cannot easily be assigned to individuals), see Credit Suisse Research Institute (2019).

[21] See Gini Index in The World Bank (2018)

In terms of income mobility, according to a comparative study among 8 countries,

> Mexico is in last place, with an upward income mobility of 2.1%. This mobility, which is extremely low, means the country does not have an effective system to equalize citizens' opportunities of access to key goods and services. Conversely, the economic origins of Mexicans determine, to a great extent, the socioeconomic conditions they live under as adults (El Colegio de México 2018: 50).

Another severe gap in the wealth redistribution and restriction on social mobility is corruption. It is no secret that Mexico experiences high levels of corruption. The OECD reports that Mexico spent between 5 and 10% of its GDP in corruption, and 21.2% of government expenditure of public procurement is allocated to corruption.[22] Unethical practices can occur in all of the public procurement cycle; however, each phase may be prone to specific kinds of corruption.

The perception of corruption in Mexico is widespread, following the Corruption Perceptions Index 2018, which analyses perception of corruption on public sector over 180 countries, using a scale of 0 to 100, where 0 is highly corrupt and 100 is basically free of corruption. Mexico is ranked 138 with a score of 28, which testifies a high level of perceived corruption.[23]

In the same vein, the Capacity to Combat Corruption (CCC) index 2019 for Mexico is 4.65 out of 10, where 10 means very transparent and 0 non-transparent. Mexico is placed between Peru (5.17) and Guatemala (4.55).[24]The Capacity to Combat Corruption index 2019 reports also three more categories based on Legal Capacity, Democracy and political institutions and Civil Society, Media and the Private Sector to measure levels of integrity in Latin America.

According to CCC 2019, Mexico reaches a low score (4.28 out of 10) in "Legal Capacity", and (4.52 out of 10) in "Democracy and Political Institutions", but it gets better score (6.47 out of 10) in "Civil Society, Media and the Private Sector", which means that Mexico is advancing in civil rights and development of business.[25]

In a nutshell, non-governmental organizations (NGOs), independent consultancies and international organisations coincide that corruption is a serious problem in Mexico. The severe inequality and high levels of corruption in Mexico have contributed to increase the frequency and intensity of other phenomena such as impunity, indigenous and gender exclusion, narcotrafficking, human trafficking and femicides.

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[22] See OECD (2017: 20, 26).
[23] See Transparency International (2018).
[24] See Simon / Aalbers (2019).
[25] See Simon / Aalbers (2019).

3. Scope of consequences

In recent years, violence in Mexico has grown quickly and dramatically. The situation has been the result of many factors among them the high levels of corruption and inequality. Enamorado et al. demonstrate that inequality has played an important role in increasing violence in Mexico, using a linear regression analysis based on the Gini coefficient and number of homicide rates, they underline the following:

> We find that for the period that goes from 2005 to 2010, an increase of one unit in the Gini coefficient (our income inequality measure) translates in more than 4 additional deaths per 100,000 individuals when focusing on the total homicide rate. Moreover, this effect is larger if we focus just on drug-related crimes, where an increase in the Gini coefficient of one unit is associated with an increase of more than 10 deaths (Enamorado et al. 2014: 3).

Certainly, the number of homicides in Mexico started to increase in 2007, soon after Felipe Calderon's administration (2006-2012) took office and launched a military offensive in December 2006, sending 6,500 troops to Michoacán, and deploying 45,000 troops by 2011.

The number of deaths in Mexico related to drug trafficking[26] reached and exceeded those of a civil war. In comparison, the number of deaths to civilians in Afghanistan have reached more than 26,000 from 2001 to 2014; and in Iraq, 160,500 from 2003 to 2014. In Mexico, the number of homicides related to drug trafficking reached 164,000, between 2007-2014. Even in the same period (2007-2014) the number of deaths in Iraq and Afghanistan was approximately 103,000.[27] These figures show that the human costs are higher in Mexico by the organised crime than in Iraq or Afghanistan under civil wars and declared foreign interventions.

According to Global Conflict Tracker, the criminal violence in Mexico has registered an estimate number of 150,000 deaths since 2006 and more than 200 drug trafficking cells across the country.[28] In the same vein, in 2019, the economic impact of violence in Mexico reached US$ 238 billion dollars, which represented 4.57 trillions of Mexican pesos. This figure is equivalent to 21.3% of the GDP.[29]

Following the report of the Institute for the Economics and Peace (IEP) in 2020 for Mexico,

> the economic impact of violence was eight times higher than public expenditure on health and six times higher than spending on education. On a per capita basis, the economic impact of violence was 36,129 Mexican pesos, approximately five times the average monthly wages (IEP 2020: 3).

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[26] Drug trafficking is a global illicit trade involving the cultivation, manufacture, distribution and sale of substances which are subject to drug prohibition laws. UNODC is continuously monitoring and researching global illicit drug markets in order to gain a more comprehensive understanding of their dynamics, see UNODC (2018).

[27] See Breslow (2015).

[28] See Council on Foreign Relations (s.t.).

[29] See IEP (2020: 3).

The same report considers: "If Mexico were to reduce its homicide rate by 10 percent–an achievable target– the economic impact of homicide would decrease by 219 billion pesos. This reduction would be equivalent to four times what the government spent on science, technology and innovation in 2019"(IEP 2020: 3). It is necessary to remember that since 2015, the homicide rate has risen 86%.

The increase of criminal cells in Mexico is also related to the high levels of inequality, corruption and impunity. Following Zeoeda Lecuona, in terms of impunity, the probability of a crime being denounced and cleared in Mexico is 1.14%,[30] which means that there is a little risk to be prosecuted on criminal charges.

The theory of criminal behaviour as a cost-benefit calculation, proposes that crime is a function of an individual's calculations in weighing the expected utility of crime against the utility of using the same time and resources to pursue legal activities. Thus, it is not difficult to see that in this theory poor individuals living in an unequal setting will be more prone to recur to illegal activities, as their outside options (i.e., legal activities) do not offer higher benefits in the short term.[31]

Certainly, the theory serves to understand the crime motivation, although there are many other causes such as risk of prosecution, inefficient judiciary institutions, social tolerance, family dysfunction, sense of life, sense of achieving a goal, possibility of social mobility, sense of nothing to lose, among the most relevant.

From the point of view of sociology, unequal societies experience more proliferation of gangs, since criminal activities are perceived by poor people as the only way to survive, give sense to their lives and use their lives to get some money even if it is just for having money once in life.[32]

The research of García-Reyes about the motives of members of drug cartels in Mexico goes in the same direction of Pfefferkorn, since many *narcos* indicated during an interview that they started working in the drug business because it is the best option that they have. Furthermore, this sector allows them to survive well and support their families.[33]

> Working in this business is risky. No doubt about it but nothing in this world is free. We all have to pay a price. I thought that it was worth it, I would die in a horrible way but I was also having the best life I could have (in Garcia 2018: 127).

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[30] See Zepeda Lecuona (2018: 2).
[31] See Becker (1968).
[32] See Pfefferkorn (2007: 376).
[33] See García-Reyes (2018).

The text of García-Reyes about *narcos* indicate that they come from poor and marginalised families with high levels of family violence. They feel alone and without future, and in that environment "the law of the fittest" reigns, and the "rule of law" is inexistent.

> I remember being beaten and mistreated by my dad. He beaten my mum up so much... I tried to defend her, but I was too small. I became very violent, I began beating my wife up out of jealousy (Inmaculado) (in Garcia 2018: 109).

Garcia's work presents an interesting relation among gang violence, domestic violence and income inequality, which trend to grow up under the umbrella of corruption. Even worse, when these social problems become systemic, they may enhance the levels of criminality that nowadays are present in Mexico.

In the same line, the study of Enamorado et al., considers that there is a positive correlation between income inequality and crime. The research covers a period of 20 years and over 2,000 Mexican municipalities, taking the case of the Mexico's Drug War.[34] During the period (2006-2014), drug-trafficking organizations multiplied and expanded geographically across the country, facilitating the incorporation of individuals to criminal activities. Enamorado concluded that most of the individuals that belong to the criminal gangs came from poor and excluded families.

On the other hand, following the Institute for the Economy and Peace (IEP), "since 2015 homicide is now the leading cause of death for 15 to 44 year old people, and the fourth most common cause of death for children five to fourteen". Furthermore, "each year, more than a third of homicide victims are between the ages of 15 and 29" (IEP 2020: 2, 35). Given this situation, young people died as victims and perpetrators, and most of this population come from a disadvantaged background, which shows a strong relation between income inequality and violence.

The relation between income inequality and violence has been explored mainly in the framework of family violence, however the studies of Enamorado et al. are pioneering regarding income inequality and violence in organised crime in the context of a drug war in Mexico.

In terms of effects of income inequality and political corruption, the most vulnerable are also poor people, because they pay the most expensive price of this relation, not only in economic and social terms, but also in terms of the respect to their human rights, access to public services, health and education, access to the rule of law and legal institutions, respect to their labour rights and human dignity.

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[34] See Enamorado et al. (2014:16f.).

An example of the consequences of corruption, inequality and violence is the case of Ayotzinapa, in which 43 students are missing, and 9 students are declared dead. The incident took placed in the Mexico's southern Guerrero state on 26 September 2014, under the government of Enrique Peña Nieto (2012-2018), when more than 100 students from the Raúl Isidro Burgos Rural Teachers College of Ayotzinapa in Tixtla, a town in Guerrero state, travelled to Iguala –town center– to protest against what they considered discriminatory hiring and funding practices by the government. They were intercepted by the local police, who arrested 43 of the school's students, who have not been seen since.[35]

Following some Newspapers reports, the students were abducted on the orders of the mayor of Iguala, José Luis Abarca Velázquez (2012-2014), who was concerned that they would disrupt a family event in his town.[36] The students were then handed over by corrupt police to members of Guerrero's drug gangs, who are said to have murdered the students and burnt their bodies in a rubbish dump. Two hit men working for the drugs cartel said that they had piled the bodies on bonfires.[37]

The event described above has been denounced openly; however, there are many other cases that pass unseen by the media and civil society as they occur in distant regions of the country. The relevance of this tragedy shows the relation of social inequality and corruption. The students were from a poor region of Mexico, most of the students came from peasant, indigenous and illiterate families for whom the rule of law is inexistent. Many of the murdered students were the first members in their families able to read and attend a school. The corruption and impunity prevalent in the state of Guerrero have contributed to sharpen other phenomena such as social inequality and crime violence, as the students were murdered by criminal gangs in collusion with local authorities. The regional rulers –or caciques– are known by brutal control that they can exercise over local communities, which in most of the cases are vulnerable and poor people.

The same pattern –inequality, corruption and violence–, is repeated through the constant killing of women. In Mexico, *femicide* is recognized as a form of extermination of women under schemes of physical or sexual violence. For example, from January 1 to April 30, 2019 1,199 feminicides were registered in Mexico. This means that, on average,"at least 10 women are murdered in Mexico every day" (Pereda Martínez 2019). However, these figures could increase due to unregistered killings or cases reported as missing people.

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[35] See Alexander (2015) and Verza (2014).
[36] See Alexander (2015).
[37] See Alexander (2015).

The effects of corruption and inequality have been addressed in the New Mexican political scenario. The landslide victory of Andrés Manuel López Obrador (2019-2025), commonly referred to as AMLO and his National Regeneration Movement (MORENA) have campaigned in Mexico's 2018 presidential election for a clear departure from the previous political order. AMLO secured 53% of the vote, with second place candidate Ricardo Anaya gathering approximately 23%. This is the first time a leftist politician has been elected as president in Mexico in three decades. The magnitude of MORENA's victory in the Presidential election was replicated in the Congress with MORENA and its allies securing 308 deputies out of 500 and 69 senators out of 128.

AMLO's government represents an opportunity to act against corruption, despite the failings of the previous PRI's governments, *Partido Revolucionario Institucional* / Institutional Revolutionary Party, which implemented a wide-ranging anti-corruption reforms due to the pressure of civil movement, which "establish specific sanctions for acts of corruption and take a tougher stance on administrative misconduct" (Meyer / Hinojosa 2018: 8). The new government is the inheritor of institutional and legislative reform developments, for example the National Anti-Corruption System (SNA). This combination of political will and institutional development offers an exceptional momentum to address corruption.

The purpose of the SNA is to increase authorities' capacity to identify and prosecute corruption cases by increasing coordination between federal and state levels. It will also expand audit powers and increase citizen engagement in the anti-corruption process by establishing a citizen participation committee. A crucial element of the system is the creation of a new, Autonomous National Prosecutor's Office, which should decrease the likelihood of political interference.[38] The introduction of the SNA represents an important step, since it provides political will and financial autonomy.

The anti-corruption strategy of AMLO's government is undergoing, therefore it is quite early to assess it, although it is needed to consider that six years of government (2019-2025) is a short period to heal centuries of impunity, clientelism, cronyism, nepotism, corruption, government mismanagement, kleptocracy, indigenous exclusion, gender, social, income and wealth inequality that have characterised the exercise of political power in Mexico.

Final comments

The present text has explored the hypothesis of the relation between political corruption and income inequality analysed in the light of the Mexican context, which offer the following

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[38] See Meyer Hinojosa (2018: 10).

points: Firstly, there is consensus on the negative effect of corruption and inequality on economic growth and well-being of members of society. Secondly, the relation of inequality and corruption is utterly dangerous for any society, particularly when both phenomena are chronic and systemic. Even more, inequality brings about other consequences, for example on physical and mental health[39] that trigger family and social violence.

Certainly, Mexico is a case in point, where inequality is causing the misery of millions of people. Thousands of families are destroyed, children are robbed from their childhood and young generations are lost.

In terms of population, Mexico represents an important country for the productivity and future of its young people, since more than "30 million are young (15 to 29 years), representing 24.6% of its total national population, which account of nearly 120 millions"(INEGI 2020), who deserve a better world rather than being condemned to survive under poverty and violence. The mentality of politicians and decision makers in Mexico should change from *El que no tranza, no avanza* / "who does not cheat, does not get ahead" to "inequality and corruption affect to all of us". Instead of being proud of abusing public budget and political power, they should be ashamed of these excesses. The tolerance to corruption in Mexico has a long history,[40] which includes citizens and political elites. Due to the nature of this study, which is focused on political corruption and political elites, the corruption in Mexico has been part of the codes of socialization among political elites, which are present through their social and political relations such as clientelism, cronyism, nepotism, godparenting, caciquism, and caudillismo.[41]

The study and analysis of the relation of inequality and corruption worldwide and in Mexico, in particular, represent an important step forward in order to help to reduce these phenomena and its consequences over its population. Middle and high class should be more inclusive, and stop demonization of poor people. Simultaneously, public policies should be created with long term effects, rather than managerial strategies of short term delivery that benefit just to middle and high class.

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[39] Wilkinson and Pickett analyse the social cost of inequality for all members of society, as inequality does not harm only the poor, but also middle and high class. According to Wilkinson and Pickett, poverty is not only a political or economic issue, but rather a medical and biological condition that affects everyone. The poor struggle for survival, as the rich suffer from anxiety, stress, fear and emotional problems, makes them seek comfort in obsessive shopping and consume psychoactive medicines. Countries with the biggest gap between the rich and the poor are confronted with many social and medical problems related to low levels of trust, low rates of life expectancy, poor children's educational performance, and scarce social mobility, as well as high levels of mental illnesses (including drug and alcohol addiction), high scores of infant mortality, high index of obesity, high numbers of teenage births, high rates of homicides and imprisonments, see Wilkinson/ Pickett (2010).
[40] See Nieto (2014).
[41] See Nieto (2011).

Another important area to be improved is the Mexican tax system, which favours those who have more. The elites have been benefited "through lack of regulation or excessive tax privileges", the Mexican tax policy "is in no way progressive or the redistributive effect is almost non-existent" (Esquivel 2015: 8).

Following Thomas Piketty,"current levels of inequality cannot long be maintained and new policies will be introduced [...] based on the assumption that 'inequality regimes' never last for ever"(in Davies 2020).Therefore, Mexico is at the crossroad to turn its unequal and corruptive regime into a fairer society.

However, there are many risks that AMLO's government needs to face such as the complexity of the Mexican political system, organised crime, historical inequalities, political elites socialized under colonialist codes -the power predominance of white people under indigenous ones-, concentration of wealth, exclusion of indigenous and poor people in public policies, discriminatory public policies addressed to indigenous people, and exercise of political power for personal gain.

AMLO himself comes from a traditional political elite, which increases the risk to continue reproducing the same historical inequalities and exercise political power under schemes of corruption, nepotism, authoritarian and despotic authority, but it is necessary to wait until the end of his government period in order to have a clear picture. Although, it is necessary to keep in mind that a government of a few conduct policies for the benefit of a few, generating large mass of dispossessed people. This inequality is facilitated by a system that allows a minority to become richer, while the majority of the population is excluded from any possibility of prosperity and social mobility, and when the exclusion and corruption become systemic, they are never a good sign for progress and development of any society. On the opposite, countries with good politicians, good public policies, good governance, less corruption, better redistribution of wealth, they have more inclusive societies with individuals with the possibility to unlock their potential.

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