Center-Left Coalition to Hold Referendum on Calderon's PEMEX Reform Plan

LADB Staff
Center-Left Coalition to Hold Referendum on Calderon's PEMEX Reform Plan

by LADB Staff
Category/Department: Mexico
Published: 2008-07-16

The center-left coalition (Frente Amplio Progresista, FAP), overcoming resistance from the other political parties, has succeeded in organizing a nonbinding referendum to give Mexican citizens input on whether the private sector should be allowed to participate in any form in the activities of the state-run oil company PEMEX. Organizers hope the referendum, which will take place in July and August, will send a message to Congress as it considers comprehensive reforms to make PEMEX a more viable company and salvage Mexico's floundering oil industry.

Nonbinding referendum seeks to influence debate

The public consultation is primarily the brainchild of former presidential candidate Andres Manuel Lopez Obrador and his collaborators, who were seeking a way to mount an effective opposition to President Felipe Calderon's proposed energy-reform plan. As part of the campaign, the FAP joined forces with the Comite en Defensa del Petroleo, a coalition of nongovernmental organizations (NGOs), university students, and labor organizations.

Proponents of the referendum say Calderon's initiative would transfer Mexico's energy resources to Mexican business elites and to foreign interests, in violation of Article 27 of the Mexican Constitution, which designates oil in all its forms as the patrimony of all Mexicans. The president's plan seeks some private investment in PEMEX, although the proposal was scaled down significantly to give it a better chance to gain a consensus in Congress (see SourceMex, 2008-04-30).

Lopez Obrador initially sought a more formal referendum organized by the federal electoral agency (Instituto Federal Electoral, IFE), but had to settle for a less formal vote because of complaints that a referendum would infringe on the constitutional right of the Mexican Congress to craft legislation. Still, the FAP comprising the Partido de la Revolucion Democratica (PRD), Partido del Trabajo (PT), and Partido Convergencia por la Democracia (PCD) countered that the Mexican Constitution also contains a provision that allows the executive branch to organize a referendum.

Given the Calderon administration's strong opposition to a referendum on this issue, the FAP decided instead to hold the consultation piecemeal, initially organizing the event in communities and states governed by the PRD and its allies. The effort was later expanded to cover all communities and states in Mexico.

Under a timetable developed by organizers, citizen consultations will be held on July 27 in the PRD-governed entities of Mexico City, Michoacan, Guerrero, and Baja California Sur states. Organizers also obtained permission if not full support from PRI governors in Mexico, Hidalgo, and Veracruz states, and the PAN chief executives in San Luis Potosi, Morelos, and Tlaxcala states, to hold the referendum in those states on July 27. The vote will also be held on that date in municipalities around the country where the chief executive is a member of the PRD, PT, or PCD.
The participation of Mexico state in the first phase of the referendum is considered a coup for organizers because of initially strong opposition to the measure by popular Gov. Enrique Pena Nieto, widely considered a strong contender to represent the PRI in the 2012 presidential election. "We have to respect the Constitution, which means that any decision to hold a consultation would have to come from the Senate," Pena had said in early June.

Referenda on Aug. 10 and Aug. 24 will eventually cover all 32 states, including Zacatecas and Chiapas, which are governed by the PRD. In many instances, state electoral agencies will provide support. In Mexico City, the Instituto Electoral del Distrito Federal (IEDF) will take charge of organizing the vote.

The referendum will be very simple, asking citizens two questions:

*Currently the production, transportation, distribution, supply, and refining of hydrocarbons are exclusive activities of the government. Do you agree with allowing private companies to participate in these activities?

*Do you agree or disagree with the energy-reform proposals currently under debate in the Congress?

The organizers have recruited an 11-person committee comprising academics and representatives of NGOs to oversee and validate the results of the referendum. The committee includes prominent personalities such as journalists Carlos Monsivais, Guadalupe Loaeza, and Elena Poniatowska, and academics like Lorenzo Meyer and Rolando Cordera Campos. Critics say referendum violates Constitution The Calderon administration has opposed the referendum from its inception, insisting that the vote is unconstitutional because it infringes on the right of the Mexican Congress to craft legislation. "Our legal framework does not allow a public consultation for matters of this importance," said Energy Secretary Georgina Kessel. "We have to respect our Constitution."

PEMEX director Jesus Reyes Heroles said Mexico is a representative democracy, and legislators were elected to make important decisions like PEMEX reform. "The citizens provided their input in 2006 when they cast their ballots for the Congress," said Reyes. PAN and PRI leaders in the Senate expressed a similar position. They acknowledged that Article 26 of the Constitution has language allowing for a referendum but does not apply to issues as specific as PEMEX reform.

PRI Sen. Manlio Fabio Beltrones said the promoters of the citizen consultation have taken "a very lax view" of Article 26 to conform to their own purposes. Political observers view the referendum as an attempt by the PRD and its FAP allies, whose numbers in Congress are small compared with the PRI and PAN, to increase its influence during the energy debate in Congress in the fall session.

In the current Congress, whose term runs through 2009, the FAP hold only 36 of 128 seats in the Senate and 156 of the 500 seats in the Chamber of Deputies. Calderon had hoped that Congress would approve an energy bill during a special session in the summer, but legislators decided to wait until September to begin full debate on the issue (see SourceMex, 2008-07-09). Most analysts expect low participation from the general public in the referendum, with supporters of the FAP and
Lopez Obrador comprising the largest percentage of voters. Therefore, they say it is very likely that the results will reflect a strong rejection of private participation in PEMEX. "This will be another element that will allow the PRD to justify any demonstrations it leads against the reform," said Jose Antonio Crespo, a political analyst at the Centro de Investigacion y Docencia Economica (CIDE).

The Centro de Estudios Economicos del Sector Privado (CEESP) raised concerns that the impact of the referendum would weaken Mexico's institutions, particularly the legislative branch. Furthermore, the private-sector organization repeated arguments from the administration that an issue as complex as reform of PEMEX should be decided by the Congress. "The [differences on the] initiative offered by the executive cannot be resolved with a simple 'yes' or 'no' vote," said the CEESP.

Lopez Obrador has disputed the contention that the citizenry is not capable of making the decision on PEMEX. "Stupid are those who think that the public is stupid," the PRD politician said in a speech in Chiapas state. Organizers urge Congress to heed results of citizen vote Organizers warned the Congress to consider the results of the referendum when debate does begin in September. This means, said referendum coordinator Manuel Camacho Solis, that the PAN and the PRI must not downplay the input of the FAP during congressional debate.

"The fate of our oil resources is the most important political issue facing our country," said Camacho Solis, who served as a federal legislator with both the PRI and the PRD. "The decisions taken in Congress will strengthen or weaken Mexico, they will contribute to greater unity or to greater polarization."

The dialogue among the three major parties has already begun in the Congress. In mid-July, PRD, PAN, and PRI leaders in the Chamber of Deputies announced they had begun a series of meetings to attempt to develop consensus on energy reform. The PRD leadership under interim president Guadalupe Acosta has also approached PAN president German Martinez and PRI secretary-general Jesus Murillo Karam to begin a dialogue on how the parties can work together on an energy-reform proposal.

One area where the three parties are in agreement is to change the structure of PEMEX to allow the company to keep the lion's share of its profits rather than fund the Mexican treasury (see SourceMex, 2008-07-09). The referendum has succeeded in bringing together a fractured PRD, whose divisions were evident in a botched leadership election earlier this year (see SourceMex, 2008-06-04). But the move to find consensus with other parties in the Congress has exposed some differences in approach between congressional PRD leaders and Lopez Obrador. "[The outreach to the other parties] is happening despite the opposition of Andres Manuel Lopez Obrador, who has come out against a parliamentary negotiation and insists that Calderon withdraw his plan altogether," said the Mexico City newspaper La Jornada.

-- End --