

Mexican president-elect promises one-time electricity debt forgiveness

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The Mexican president-elect, Andrés Manuel Lopez Obrador (AMLO), has announced a populist measure for a one-time debt forgiveness for households owing to the Federal Electricity Commission (CFE), the largest electricity distributor in Mexico.

The move is aimed at concealing the right-wing character of his administration, while at the same time preparing for future utility shutoffs, attacks against electrical workers' pensions and further moves to privatize the CFE under the pretext of fighting against "corruption."

AMLO's vague statement on July 31 made it appear as though millions of indebted households across the country would be granted much-needed relief: "From this July 1 going back there will be a new, just, and differentiated rate. The poorest will pay less, and electricity used for industrial purposes will be higher, but not more than they pay now."

The one-time move made it clear that future debts would not be forgiven, while saying nothing about maintaining future subsidies or lowering electricity prices. But even this paltry measure was backtracked two days later, when AMLO noted that, far from the national policy that his original statement had alluded to, the relief would only apply to the small southeastern state of Tabasco, his home state.

Thousands of people in Tabasco have carried out "civil resistance" against the state government since 1995, when AMLO lost the governorship of the state to future Institutional Revolutionary Party (PRI) presidential candidate Roberto Madrazo. Declaring the election fraudulent, AMLO advocated refusing to make payments to the state or federal governments as a form of protest. According to the CFE, about half a million users are behind on their electricity bills in the state.

AMLO's limited "clean slate" avoids the political

embarrassment of having to cut off electricity as a result of a maneuver that he formulated and advanced in a previous campaign. AMLO's political stunt is also meant to provide a thinly-veiled "left" cover for his appointment for the new head of the CFE, Manuel Bartlett.

Bartlett is yet another figure in AMLO's cabinet that will come from previous right-wing PRI administrations. He was a former public education secretary and secretary of the interior in successive Institutional Revolutionary Party (PRI) administrations in the 1980s and early 1990s.

Bartlett is infamous for his role in the 1988 elections, when he announced a "breakdown of the system" that was used to rig the elections against Cuauhtémoc Cárdenas of Authentic Party of the Mexican Revolution (PARM) in favor of Carlos Salinas de Gortari of the PRI.

In 2009, former president Miguel de la Madrid told the *New York Times* that the PRI had in fact manipulated the elections to ensure its own victory. He added that three years after the election, all paper ballots were burned to eliminate evidence of fraud. In 2017, Bartlett himself acknowledged that Salinas had lost the election. As then-secretary of the interior and president of the Federal Electoral Commission, Bartlett was tasked with overseeing the rigging of the election.

AMLO is well aware of Bartlett's political past. The incoming president is a former member of the Party for Democratic Revolution (PRD), which Cárdenas launched after the 1988 elections. For a politician whose stock-in-trade has been to rail against stolen elections, AMLO is mute when it comes to elevating a figure who was instrumental in carrying out massive fraud and trampling on the democratic rights of millions of people. When AMLO says that he means to

fight “corruption,” he does not mean jailing and prosecuting the bankers, corporations and politicians who control Mexico’s economic and political system.

Rather, he means going after the salaries of rank-and-file government employees, workers’ pensions, and government debt held by households, states and municipalities. AMLO’s administration has vowed to continue the “reforms” that were supported by all major political parties as an effort to privatize oil, electricity, telecommunications and education. AMLO and Bartlett, who both previously postured as being against the legislation, have since sought to make all the necessary reassurances that the “rule of law” will be respected.

“I was against the energy reforms here in Congress, but the energy reform is working,” stated Bartlett shortly after he was named as new CFE director. “Andrés Manuel has already clearly stated that he will not take up any constitutional reforms, we are going to respect the existing structure that was set up by the energy reforms, and what is currently taking place which are market rules.”

The Peña Nieto administration told tall tales of how the energy “reforms” would lead to thousands of new jobs, lower oil and electricity prices and a new wave of economic growth. Five years later, the only real “growth” has been the fattening of the financial portfolios of the foreign and domestic financial oligarchy.

The “reform” has left consumers at the mercy of oil prices, since fuel is the main input for the generation of electricity. From the approval of the legislation in August 2014 to January 2016, CFE prices decreased by about 35 percent, mirroring a decline in oil and natural gas prices. Since then, however, they have increased by 54 percent and are now higher than before the legislation.

The CFE, which was created in 1937 as part of the nationalizations carried out by Lázaro Cárdenas, has been steadily privatized since the 1990s. Until five years ago, the CFE was the sole authorized provider of electricity across the country. Now, the CFE participates in an energy market with private companies and has awarded more than 25 contracts to private investors for the production of energy.

The CFE has over 14 billion pesos (over 750 million USD) in debt from states and municipalities and 36

billion pesos (over 1.9 billion USD) in debt from unpaid bills. Finance capital has made it clear that the CFE’s debts should come off the backs of workers through debt collections, an end to subsidies and slashing electricity workers’ pensions.

The CFE reported that it shut off electricity to 216 municipalities between December 2017 and January 2018 alone due to unpaid bills. Meanwhile, the federal government has stated that it would only back CFE workers’ pensions if the government could negotiate a new contract with the Mexican Oil Workers Union (STPRM). Pension liabilities for both Pemex and CFE amounted to 1.7 trillion pesos (over 91 billion USD), or almost 10 percent of GDP. The Mexican Supreme Audit of the Federation has noted that the number of retirees with pensions will increase by 28 percent during the next 15 years.

As with all major social problems, the demands for affordable electricity, an end to utility shutoffs and fully funded pensions cannot be taken up by any representative of the capitalist class. Even the most basic needs of working people require an expropriation of the wealth of the financial aristocracy, in Mexico and internationally, to guarantee that the resources and technology that humanity already has available can be used to elevate the living standards of the international working class to new heights. This will require the fight for socialism to unite all workers in a fight to overturn the source of their misery, the capitalist system.



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