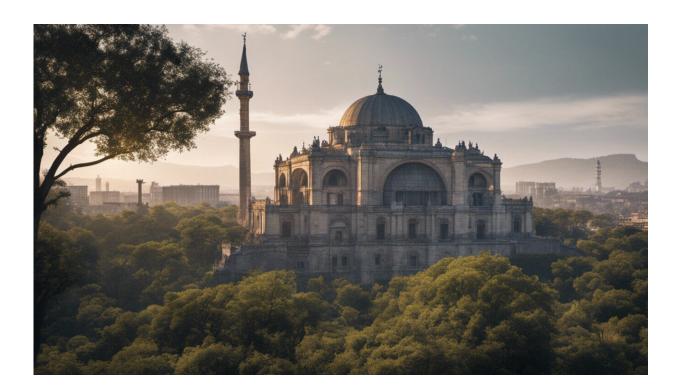


## Mexico's energy reform may increase socioenvironmental conflict

March 10 2017



Credit: AI-generated image (disclaimer)

The opening of Mexico's energy sector to private investment, along with more critical public attitudes on the environmental and community toll of energy extraction activities, may increase the incidence and visibility of socio-environmental conflict in Mexico, according to a new paper from the Mexico Center at Rice University's Baker Institute for Public



## Policy.

The paper, "The Implementation of the Energy Reform and Socioenvironmental Conflicts Regarding Hydrocarbons in Mexico," was authored by Alberto Abad Suarez Avila, a professor at the Universidad Nacional Autonoma de Mexico's Institute for Legal Research in Mexico City. Suarez Avila discusses the history of socio-environmental conflict in Mexico, the potential emergence of such conflicts in urban and rural areas in the future and the role the judicial branch may play in resolving socio-environmental challenges.

The paper focuses on the hydrocarbons industry, which Suarez Avila believes will experience the greatest variation and concentration of socioenvironmental conflict over the short and medium terms.

"The new legislation establishes some conditions to decrease risks, such as the inclusion of residents' right to be consulted and compensated for the use of community land for extractive activities," Suarez Avila wrote. "Even in this manner, it is foreseen that Mexico will have to accept a future with greater socio-environmental conflict. It is predicted that, in addition to the traditional extra-institutional arrangements to resolve such conflicts and the expertise of the new players who will participate in the sector, an avenue for resolving conflicts through the judicial system will be created. Greater institutional autonomy with respect to the executive branch, a new constitutional paradigm guided by international human rights laws, the introduction of collective or class action proceedings and the reform of amparo proceedings would make Mexican judges arbitrators of the predicted new socio-environmental conflicts regarding energy issues."

The paper was written for a Mexico Center research project examining the rule of law in Mexico and the challenges it poses to implementing the country's <u>energy reform</u>. The project's findings are compiled in a



Spanish-language book and are being posted on the Baker Institute's website in English.

Mexico's <u>energy sector</u> had been under strict governmental management since 1938. This changed in 2013 and 2014 when Mexico amended its constitution and passed legislation overhauling its energy sector to allow private and foreign investments.

"The change of the regulatory paradigm for hydrocarbons is accompanied by significant transformations in the structure of the political and social environment in which the industry will operate," Suarez Avila wrote. He said that previously, the state monopoly represented by the Mexican company Petróleos Mexicanos (PEMEX) operated in an environment that was mainly characterized by three factors: a public discourse that promoted a development model based on oil dependency; public acceptance of the social and environmental impact resulting from the work of PEMEX; and PEMEX's opacity with respect to its operations.

"Despite the fact that the socio-environmental conflicts related to energy matters in other Latin American countries have multiplied since the 1990s and continue until the present, the three characteristics ... allowed PEMEX's activities to have a low incidence and perception of scarce conflict," Suarez Avila wrote. "Within the context of a liberalized energy sector, it is noted that such characteristics will hardly be maintained; therefore, there is a higher risk of the emergence and visibility of socio-environmental conflicts.

"The distance that the state will maintain with respect to the new economic players, a public opinion that is more critical of the socioenvironmental impact of energy and extraction activities, and greater transparency in the sector make it possible to foresee the emergence of a social context with greater conflict, which will bring Mexico closer to a



scenario similar to cases in other parts of Latin America."

**More information:** "The Implementation of the Energy Reform and Socio-environmental Conflicts Regarding Hydrocarbons in Mexico," <u>www.bakerinstitute.org/media/f ... Law Avila-030317.pdf</u>

Provided by Rice University

Citation: Mexico's energy reform may increase socio-environmental conflict (2017, March 10) retrieved 18 July 2024 from <u>https://phys.org/news/2017-03-mexico-energy-reform-socio-environmental-conflict.html</u>

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