

## CHAPTER 2

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# A Mexican Oil Story

## *Historic Background and Contemporary Setting*

In Mexico, oil holds a very special place not only in the popular imagination but also in the national budget. Mexican oil is a foundation for the economy and the cornerstone of nationalism.

—Lisa Breglia, *Living with Oil*

In this statement, Breglia illustrates the twofold nature of oil in Mexico. Oil is indeed a strategic economic resource that, despite the dropping oil price and the oil crisis of first decade of the twenty-first century, funds up to 40 percent of the national budget through its revenues. Within the years of 2013 and 2016 the country ranked tenth in the world with regard to crude oil reserves and fourth in natural gas reserves in the Americas (Sánchez Campos 2016: 292). But oil is also keenly discussed in questions of national resources sovereignty and political organization and has therefore come to play an important role within the construction of Mexican identity (Checa-Artasu and Hernández Franyuti 2016: 7; Monreal Ávila 2008: 69; Seelke et al. 2015: 2). An understanding of the context of oil in Mexico is vital for engaging with the particularities of oil extraction at the local level, since the national and even global entanglements of the hydrocarbon market result in a wide array of local outcomes. The example of Emiliano Zapata illustrates the local impacts of national and international decision-making processes in the oil sector, for which a brief contextualization of oil in Mexico and its linkages to the regional and local levels will be provided.

### **From Vanilla and Oil: The Formation of Totonacapan**

Looking at the tropical evergreen surface of the hilly landscape of the municipality of Papantla, an unaware visitor might not notice the fortune hidden under the surface of the area at first sight. Papantla is part of a

geological feature called Paleocanal de Chicontepec in northern Veracruz, a 3,815 square kilometers accumulation of Palaeocene-age sediments. It was explored for extraction in 1926, with the commercial production beginning twenty-six years later in 1952. Even though the expectations regarding its prospects have been lowered recently, it currently represents the largest PEMEX asset. With 139 billion barrels of oil in place, and considerable gas deposits, it is expected to extend Mexico's peak beyond declining production of the former major oil field Cantarell, especially because of the assumed potential of its unconventional gas deposits (Fry and Delgado 2018: 12; Sígler 2016). The municipality of Papantla once belonged to the larger cantón de Papantla, which comprised about 3,500 square kilometers until it was divided by the Constitution of 1917. It is located in a region with coastal plains—the Llanura Costera and the Sierra Papanteca, a strongly vegetated hilly area crossed by river valleys. A variety of climatic conditions as well as different infrastructure developments in the past have also led to diverse economic development in the Llanura Costera and the Sierra Papanteca. The coastal region is also called *tierra caliente* (hot soil) because of its warm climate, tropical rainforest, and high humidity. Together with its exceptional rainfall, this is the reason for Papantla's particularly fertile soils, which allow two corn harvests per year without supplemental irrigation, thus facilitating the agricultural base of many rural communities (Kourí 2004: 38–40). However, while the oil deposits of the Llanura Costera enabled rapid industrialization, accompanied by a shift to cash crops and monocultures, the cultivation of maize for local consumption and more traditional cultivation patterns persisted for a longer period of time in the Sierra Papanteca (Velázquez Hernández 1995: 39–42).

The city of Papantla de Olarte is the capital city and governing authority of the municipality, covering a territory of about 1,200 square kilometers, with 376 localities, out of which only three are classified “urban.” The municipality has a total population of about 166,000 with a high percentage (68.5 percent) of the population considered “poor”<sup>1</sup> (SEFIPLAN 2016). More than 40 percent of citizens in Papantla speak an indigenous language, and it is thus recognized as an “indigenous municipality” by the Comisión Nacional para el Desarrollo de los Pueblos Indígenas de México (CDI) (CDI Catálogo de Localidades Indígenas 2010). The dominant indigenous language is Totonac. The Totonac people are officially the eighth biggest group of indigenous peoples in Mexico with approx. 213,000 speakers, concentrating in the northern parts of Veracruz and Puebla (Chenaut 2010: 47). Papantla is therefore part of an area known as Totonacapan (realm of the Totonacs), which today consists of several municipalities in the states of Puebla and northern Veracruz, with Papantla



**Map 2.1.** Contemporary Totonacapan with distribution of Totonac speakers in the area © Orestes de la Rosa, used with permission.

being the vastest among them (Masferrer Kahn 2004: 22–23; Valderrama Rouy 2005: 188).

The extension of today's Totonacapan is different from its historical expansion the Spaniards found at the time of the Conquista. In its heyday during the post-classical period from 1200–1540 CE, it stretched from the Cazonas River in the north to the southern Papaloapan River, and from the western coast to the region that today is known as the northern highlands of Puebla. The city of Papantla was probably already an important trading spot during that time (Kasburg 1992: 12–13). After the takeover by the Spaniards, many Totonacs escaped into the hilly region of the north, which was covered with dense rainforest and therefore more difficult to access, to escape repression and turmoil induced by the colonial intruders. The expropriation of the indigenous population at the end of the sixteenth century caused even more Totonac people to flee further to the north. Here, they were able to continue living relatively unhindered in their preferred circumstances, thus preserving the system of communal land and family parcel ownership. This was mainly possible because of the subsistence-oriented agriculture (*milpa*)<sup>2</sup> and dispersed settlement patterns, facilitating a certain local independence and enabling many Totonac

communities to maintain their traditional lifestyles until the twentieth century. In general, the colonial authorities showed only minor interest in the territory of Papantla that remained commercially insignificant before the onset of commercial vanilla production in the nineteenth century (Kasburg 1992: 25–27; Kourí 2004: 2). Nevertheless, Papantla was the scene of several violent uprisings in the wake of the Bourbon Reforms and, in particular, the monopolization of tobacco in the mid-seventeenth century with riots by Totonac communities that were in an increasingly difficult economic situation at the time (see Frederick 2016).

Papantla has a long history with commercial oil extraction, which has shaped and influenced its rural areas in distinctive ways. Northern Veracruz maintains not only one of the most important regions for oil and gas extraction nationwide today, but hydrocarbon products have been known and used by the population since precolonial times. The Olmec people, who were the first users of crude oil, are often said to be the earliest major “civilization” in Mexico, referring to their organization of society, their art and craftwork (e.g., Diehl 2004; Grove 2014). They settled between 1500 BCE and 400 BCE at the Gulf coast area in the south of today’s state of Veracruz and in Tabasco and were the first ones in Mesoamerica to collect and process *chapotote*—a form of petroleum also known as asphalt or bitumen, whose texture is highly viscous and liquid or semi-solid. It consists of a mixture of natural hydrocarbons, oxidized products and residues of certain crude oils. It was used by the Olmec to seal aqueducts and boats, for decoration, as construction material or glue, as well as toothpaste or chewing gum (Carreón Blaine 2007: 25). To improve its usability, the Olmec people also processed the *chapotote* through boiling, which became known as refining later in the nineteenth century. They also commercialized the *chapotote* so it was used by other ethnic groups in Mesoamerica as well, such as the Aztec people in today’s state of Veracruz, who gave the substance its contemporary name. *Chapotote* stems from the Nahuatl word *chapototli*, deriving from *tzauc* or *tzouctli* (glue, cement, rubber) or *chiáhuatl* (fat) and *popochitli*/*popochtli*/*poctli* (smoke, odor, perfume) (Gerali 2013: 240; Santiago 2016). In the fifteenth-century Huasteca region, the Teenek also started using *chapotote* they had gathered from natural springs. There is no evidence that the pre-Hispanic ethnic groups extracted the oil from the ground with technical procedures, but rather gathered it where it surfaced naturally. Oil extraction as it is known today therefore did not start until the twentieth century. As different ethnic groups in precolonial Mexico gathered and used *chapotote* where it was accessible, it is very likely that also the Totonac of northern Veracruz used the substance according to their cultural circumstances (García Martínez 2005: 69).

After the Conquista, *chapotote* was first mentioned by the Spanish Franciscan missionary Bernardino de Sahagun in 1547, reporting that the local population of the Gulf coast collected big uneven patches of *chapotote* floating on seawater. The Spanish colonizers used the *chapotote* as varnish or as sealant repairing leaks in their ships, while the tar pits were also regarded as hazardous for the livestock of the colonial settlers at the Gulf coast. Soon Spanish merchants began to export the Mexican crude oil but only in small quantities and limited to the Iberian Peninsula. In 1783, oil was recognized as a mineral resource by a decree of King Charles III of Spain, with the Spanish crown holding the exclusive right of exploitation, even though it maintained a low value (Gerali 2013: 241–42). The industrial usage of petroleum started in the second half of the nineteenth century when crude oil could be converted into kerosene for lanterns, which led to commercial interest in the deposits. However, the tropical vegetation and climate created a difficult terrain for extraction and prevented early exploitation of the Gulf coast deposits in Veracruz at first.

Beginning in the mid-nineteenth century, the exponential increase of vanilla production induced a series of transformations even in regions where social patterns had been dominated for many decades by *milpa* economy and the corresponding social organization. Traditionally, vanilla is an indigenous crop, which has been cultivated in the region since precolonial times by the Totonac. Later on, the Spaniards exported vanilla to Europe on a regular basis during the eighteenth century. In the early nineteenth century, the usage of vanilla in Europe, especially France, started to increase significantly and the scarce commodity, only growing in very distinct climatic circumstances of the Gulf coast, experienced a high demand. At that time, Papantla was still relatively isolated from the commercial centers and dominated by traditional indigenous settlements based on subsistence agriculture. The rise of the vanilla economy initiated the most important process of social and economic change in nineteenth- and early twentieth-century Papantla. Papantla soon became the most important vanilla-producing region worldwide, triggering a variety of local socioeconomic changes (Kourí 2004: 80–83). Several land tenure conflicts developed primarily at the local or regional level, with the emergence of vanilla and Papantla became directly involved in the capitalist logic of domestic demand and export trade. It produced global pressures on the control of production and trade of the spice and therefore introduced massive changes within the economic organization and land tenure (López Vallejo 2020: 23–24).

With the vanilla boom, a class of entrepreneurs and merchants of European descent emerged who changed the economic and social pattern of

the whole region while the easy money that could be made with vanilla also brought tensions and social stratification to the Totonac localities. The land gained value through its aptitude for vanilla cultivation, which led to increasing pressure toward its privatization. Large parts of the area were viewed by the state government as “underpopulated” and “unexplored,” which then intended to specifically invite European settlers to further develop the commercial vanilla economy. In 1826, a decree issued by the state congress had already defined the dissolution of indigenous communal landholdings and their transformation into private property. However, due to a lack of administrative power, the decree was not put into practice for more than fifty years, but when the land values rose, the state government increasingly pressed for the dissolution of communal lands. Some plots were sold to the same community members who had previously worked the land from communal landholding, causing discontent among the communal land right holders. Other areas were given to European settlers with the goal to establish a vanilla-producing hacienda. On these haciendas, the cultivation of agricultural products was most often strictly oriented toward commercialization, with new forms of optimizing production processes, such as the artificial pollination of vanilla. This process of land distribution was highly conflict-ridden and led to various violent local uprisings, particularly in the late nineteenth century. As a response, the government aimed for partial privatization rather than none, and permitted the establishment of so-called *condueñazgos*, private landholding associations. Within these, each *condueño* owned a share of the land that could be bought or sold individually and was subject to property taxes. Yet less than ten years after their establishment, it had become evident that these joint stock associations of landowners had not displayed solidarity but rather deepened the tensions that had started with the increasing use of the land for commercial vanilla cultivation (Kourí 2004: 104–8; Skerrit Gardner 1994: 162–64).

Despite continuing endurance of ancient practices of *milpa* agriculture and a social organization marked by the dispersion of settlements, the rural landscape at the end of the nineteenth century reflected the emergence of viable profit-oriented enterprises and haciendas. Certain syncretistic practices emerged on cultural level, where the European settlers were confronted with local customs and Mexican cultural patterns (see Serna 2008; Skerrit Gardner 1994). The diversification into commercial vanilla production, cattle ranching, tobacco growing, coffee farming and newly discovered oil wells competed with the *milpas*. Soon unregulated logging and other more destructive forms of land use took over and led to gradual deforestation in the area. The *condueñazgos* were dissolved in the later years of the nineteenth century, accompanied by social unrest and consid-

erable bloodshed. Former vanilla barons had become big landowners, occupying large holdings in the region, who bought and violently grabbed even more land after the dissolution of the *condueñazgos*. Uprisings caused by this appropriation of mostly Totonac territory in 1887, 1891, 1896, and 1906 were brought to an end through violent interventions from the government (Chenaut 2010: 56–57; Kourí 2004: 108).

When petroleum increasingly gained economic value in the United States in the years following 1900, US companies began to explore the promising deposits on the Gulf coast and the first regional oil booms began (Breglia 2013: 33; López Vallejo 2020: 46). The first drillings with the purpose of oil extraction in Mexico took place in the years 1858–69, but it still took until the turn of the century to start the commercial production of crude oil in the country. In that year, a small group of Anglo-Americans, who worked for the British Mexican Railroad Company (Mexico City–Veracruz route) for the first time started the attempt of exploring an oil deposit 40 kilometers southwest of the town of Papantla known by the Totonac population as Quhax, later renamed by the Spaniards as Cuguas. The attempts were initially unsuccessful, as unpaid debts, lack of diplomatic relations, and poor exchange rates prevented the first companies from obtaining the necessary funds from Europe. The first successful attempt to drill for oil started in 1907, when the British businessman and oil pioneer Percy Furber recognized the economic potential of the Cuguas area, and La Constanca became what is known as the Furbero oilfield today. Due to abundant yields, national oil production increased significantly. A few years later, Furber sold the rights to the influential US oil firm *Compañía Mexicana de Petróleo El Águila SA*, also known as *El Águila*, which henceforth conducted all commercial extraction and exploration activities in the area. The company operated the fields mostly with their own personnel, rarely benefiting the local population (Garner 2011: 82; Gerali and Riguzzi 2013: 77–79).

In the following years, Mexico became the third largest producer of oil in the world, with companies mostly exporting to the United States. Although oil production was not entirely free from conflict and violence in 1910 when the Revolution began, it remained relatively stable due to high international demand and the protection of labor by US companies. Oil production continued until 1915 when oil workers began to increasingly organize strikes. Working conditions had become a contentious point by then and the imbalance between the conditions of Mexican personnel and US staff had caused further discontent among the Mexican workers (Brown and Knight 1992: 2–5).

The 1917 constitution promised more rights for workers and obligations for employers and created an additional basis for protest movements

claiming those rights and responsibilities. In the aftermath of the constitution turmoil and conflicts among the oil workers arose and continued until the year 1920, when the demand and thus also the price of oil decreased. Meanwhile, the Carranza regime was overthrown by General Álvaro Obregón, who established taxes and regulations that weakened the role of foreign investors. The imposition of Article 27 established the separation of the ownership of the land and the subsoil and endows the nation with dominion over the latter. With this act, oil became subject to national mining, and the inalienable and imprescriptible dominion over hydrocarbons was consecrated to the nation. The constitution secured a permanent and inalienable right of the natural resources to the Mexican government for the first time and therefore weakened the property claims of foreign oil companies. Its practical application and regulation with foreign extractive companies caused much political tension between investors and General Álvaro Obregón, and later with the successor president Plutarco Elías Calles (Cárdenas Gracia 2009: 20; Rippey 1972: 34).

Foreign investment in the sector and the rights and interests of foreign oil companies in Mexican oil remained a major subject of political debate in the 1920s when Mexico had become the second largest oil producer in the world. In the 1930s, El Águila explored the Poza Rica oilfield located on the territory of the municipality of Coatzintla, only about seventeen kilometers from Papantla. The discovery of this large oil deposit caused a major upswing of the hydrocarbon industry in the region as well as on a national level. The situation and tensions about foreign investment worsened further in the course of the 1930s, when oil revenues began to suffer from the Great Depression and the Mexican government's share of the profits still declined further. Due to constantly falling wages unrest rose among Mexican workers (Brown and Knight 1992: 20–23). At the beginning of the presidency of Lázaro Cárdenas, whose political goal was the final implementation of the promises of the constitution of 1917, the union Sindicato de Trabajadores Petroleros de la República Mexicana (STPRM) was established in 1935 and demanded the rights the constitution had promised. Poza Rica already had a local union, but it was the STPRM that gave the region its collective strength. This led to a strong cultural unification among the workers, paired with certain distancing from the demands of the campesinos<sup>3</sup> of the same area, whose troubles and demands were structurally different. In 1937, the Poza Rica oilfield produced 40 percent of the national crude oil, and the STPRM became particularly powerful in the region (Olvera Ribera 1992: 66–69). They rapidly gained organizational strength, and when several lawsuits were filed in labor disputes and a national strike by oil industry workers put the economic functioning of the country at risk, the Mexican government was forced to take



drastic measures. Thus, President Cárdenas decreed the expropriation of foreign oil companies on 18 March 1938. This expropriation is understood as a nationalization of the hydrocarbon sector because the expropriation of company properties functioned as a direct measure to change the economic structure of the whole country rather than an individualized action. With this act, the Mexican state received the domain of exploration, production, refining, and distribution of oil and natural gas, and the production and sale of petrochemical products (Cárdenas Gracia 2009: 31; Rippey 1972: 286–87). The same year on 7 June, President Cárdenas created the company PEMEX. Since then, the firm has been in charge of the production, distribution and commercialization of Mexican hydrocarbons. Thus, the oil industry became the lever of national development at that time and laid the foundations for the formation of an economic model of import substitution. PEMEX also took over the Poza Rica oilfield and its prosperity (Cárdenas Gracia 2009: 31). With the intensification of the extraction and production of hydrocarbon products, a new industrial era dawned. Attracted by the infrastructure and economic wealth provided by PEMEX, many people from all over the country started to settle in and around Poza Rica in the following decades and modified the sociodemographic structure of the region significantly (Kouri 2004: 127; Velázquez Hernández 1995: 175).

## **Oil and the Ejido: Between Two Pillars of the Mexican Revolution**

Oil and Mexico's economy at the time of the Revolution was mainly based on agriculture, and despite its prominent position as an oil producer, the bonanza was contributing little to the national income. An important outcome of the Mexican Revolution was comprehensive land reform with the purpose of redistributing the land, of which overwhelmingly large parts were in the hands of *hacenderos*—a great landowner, mostly of European descent in Latin America. In Mexico, the majority of the Mexican territory was owned by *hacenderos* before the Mexican Revolution (see Storck 1986). This reform introduced the concept of the ejido, a unique figure of communal landholding for agricultural communities not only in Latin America but also on a global scale enshrined in Article 27 of the 1917 constitution. After the Revolution came to an end in 1920, large holdings of wealthy landowners were expropriated and distributed to landless peasants to be administered as communal land by a community of ejidatarios with equal rights and responsibilities. The territory demarcated as the ejido was to be governed by recognized members of the ejido and could not be rented out

or sold. At first, after the Revolution, ejido territory was reluctantly given out, yet under President Cárdenas from 1934 onward, it was extensively distributed in the whole country and persists until today (e.g., Nuijten 2003: 4; Schmidt 2007: 526–29).

Legally, the ejido lands are owned by the federal government, but the ejidatarios are endowed with the usufruct rights to farming parcels on the territory. These land use rights were granted until the death of an ejidatario and then transferred to one single successor or reverted to the community for redistribution. The governing body of each ejido is the *comisariado ejidal*, which is elected by the general assembly of all ejidatarios. Land conflicts within the ejido territories are mostly resolved internally. The ejido strengthened the legal position of peasants to a degree previously unknown and therefore played a crucial role within the constitution of an indigenous peasant identity in Mexico. In contemporary Mexico, slightly more than half of the national surface belongs to ejidos and agrarian communities allowing for a certain level of self-determination in regard to governance of the endowed territory (Castañeda Dower and Pfützte 2013: 5; D. Smith et al. 2009: 176).

When the Mexican Revolution started, social unrest in the region increased as it did in the whole country. Many Totonac farmers migrated further north to more remote places to escape revolutionary violence. After the end of the Revolution, some of the areas further south were resettled by the Totonacs, so that today's Totonacapan—consisting of the municipalities of Czones de Herreras, Coahuilán, Coatzintla, Coxquihui, Coyutla, Chumatlán, Espinal, Filomeno Mata, Gutiérrez Zamora, Macatlán, Papantla, Poza Rica de Hidalgo, Tecolutla, Tihuatlán and Zozocolco de Hidalgo—was formed in the 1920s and 1930s (Kasberg 1992: 27; Masferrer Kan 2004: 22–23). In the aftermath of the Revolution, a new form of communal landholding was established, which forms an important distinctive element in the turbulent history of Mexican landownership figures. With the ejido, a form of communal land holding was re-established in Mexico. Its roots lay in the ideal of a precolonial times communal organization that was based on an idea of joint land governance by rural communities for agricultural purposes. As one of the agreements after the Mexican Revolution, large parts of private landholdings were expropriated and granted to agricultural communities in the whole country. The figure of the ejido in Mexico underwent a series of modifications during its history but it endures until the present day (see Schmidt 2007; Vázquez Castillo 2004). Two concepts can be considered the main pillars of a postrevolutionary national project. The first one is the ejido as the expression of a nationwide redistribution of land for agricultural purposes for communal management through agrarian reform, and the second one is the industrialization

as well as the nationalization of strategic industries such as the hydrocarbon industry. However, they have rarely been analyzed as complementary parts of the same redistributive force causing conflicts and frictions over property within the oil areas of Mexico (del Palacio Langer 2015: 130–32). Ana Julia del Palacio Langer makes an attempt to analyze the land distribution as ejido and the nationalization of the hydrocarbon sector as two corresponding parts. She thereby shows how the industrialization of the nation through the oil industry opposed sometimes with the distribution of land for agricultural purposes. Even though ejido land was inalienable by its invention, Article 27 of the constitution of 1917 encompassed the possibility of expropriation of strategic resources for “the common good” but guaranteed indemnifications. These rules came into play especially with respect to the interests of PEMEX: after the hydrocarbon sector was nationalized in 1936, PEMEX expropriated large parts of ejido territory in the country aiming at extracting for the common good of national development. Although the ejidos were compensated accordingly, this process was often conflictual in practice (del Palacio Langer 2015: 22, 138).

Until the 1940s, many communities in Papantla held titles as ejidos, but in some areas community members obtained farming and housing plots as private property rather than applying for the ejido status. That time, many small-scale farmers continued to grow vanilla for an international market. At the same time oil became the main source of income for the country and with it, PEMEX conquered its place as the nation’s main company, as it was also the largest taxpayer. During the following decades, PEMEX remained successful and, ending up with a monopoly on oil and gas extraction, as well as its processing and production of petrochemicals. The STPRM managed to negotiate particularly favorable conditions for the workers, and besides a certain prestige, the PEMEX workers soon came to enjoy a number of advantages compared to workers in other sections, campesinos, or even workers on temporary contracts (see Olvero Ribera 1992; Quintal Avilés 1994) Until today, being a *petrolero* and the state company itself plays an emblematic role within Mexican nationalism (Seelke et al. 2015: 2; Suárez Ávila 2017: 8; Monreal Ávila 2008: 69).

## PEMEX: Patrimony and National Emblem

At first, the oil workers who began to strike in 1937–38 benefited only little from the nationalization. The unions’ demands were rejected by the government, which attempted to directly manage the industry. Nevertheless, wages began to rise, and the work week was limited to forty hours. When the unions kept demanding the full implementation of the rights granted

by the constitution in 1940, PEMEX's general manager Vicente Cortés, accused the workers of lacking discipline and appropriating company equipment. President Cárdenas then called on the workers to be patient and to allow the labor to be suspended until the industry could pay off the losses of indemnification money to the expropriated companies (Maurer 2011: 611).

Soon, the awaited economic development of the oil industry brought the desired progress. The oil industry became the economical lever of the nation and the national budget began to build up on petroleum. PEMEX then became the most important national company, also due to the fact that it generated the major part of tax revenues at the time. The emerging oil city of Poza Rica became an important factor for national revenues as well as for the regional development in the 1930s, which attracted migrants from different parts of the country. This process rearranged social life in the former rural area of Poza Rica and consolidated the formation of a working class, forging new identities like that of the oil worker, which challenged the foremost rural agriculture-based indigenous and campesino identity of the area (Chenaut 2017: 95; Olvera Ribera 1992: 66–67). By the end of the decade, the Mexican government had managed to negotiate several pacts with Western nations enabling the flow of capital, material, and know-how, so that PEMEX could enter its “golden age” in the 1950s (Brown and Knight 1992: 203). The industry managed to unfold a variety of activities within a short time period and started to produce diesel, gasoline, liquid gas, asphalt lubricants, paraffin, dry gas, and later also petrochemicals. This helped PEMEX to further professionalize and independently advance their activities. The company then started to train its own engineers and material experts and began to fund its own research and development of material, technology and laboratories (Cárdenas Gracia 2009: 35).

The next president, Ávila Camacho, continued to negotiate the indemnification payments with the expropriated foreign firms. The negotiations took until the year 1947, when a final settlement was reached. During the negotiation process, the government under President Ávila Camacho allowed foreign involvement in the exploitation of fossil fuels in Mexico through a special contract form with very limited scopes. Under the governance of President Miguel Alemán in the second half of the 1940s, the first contracts were signed between PEMEX and small US firms who agreed to explore in limited areas over the course of ten to fifteen years. In a document of the president's campaign, it was expressed that foreign investment should be marginal and that the most important deposits should not be touched by foreign firms, as for the refining or commercialization of fuels. In addition, it became clear that at no time the state property on

the deposits would be touched. In the end, these contracts did not turn out to be beneficial for Mexico as they did not generate the external resources that had been expected. However, it took several years until the legislation was modified again (Cárdenas Gracia 2009: 37–40).

In 1960, under the mandate of President López Mateos, Article 27 was reformed once more, determining the prohibition of contracts with foreign companies for the extraction of oil, reaffirming the dominance of the Mexican state over all resources. This strategy generated many benefits for PEMEX and strengthened the national industrialization model backed by import substitution until the crisis in 1973, when oil prices were rising due to the US oil embargo imposed by the member countries of the Organization of Petroleum Exporting Countries (OPEC). In the early 1970s, petroleum production had become increasingly important for Mexico, but was still not the dominating sector, a fact which helped to deal with the oil shock in 1973. During the President Luis Echeverría administration (1970–1976), more investments were made in the petroleum industry, leading to overproduction of crude oil and making Mexico an oil exporting country, with the United States as its main partner. But at the same time, these loans generated an external debt of more than \$19,000 million that left Mexico in a deep economic crisis. At this point, the country had undergone a constant process of modernization, but by the beginning of the 1970s, the agricultural sector also fell into a crisis. Until then, the sector had served as a financing pillar for the industrialization. The economic crisis of 1976 was overcome by an ascension of the oil revenues, as PEMEX managed to deal with the shock in a productive manner that transformed into the Mexican oil boom a few years later (1978–1979). The boom raised the expectations for a better and wealthier future through the expansion of the oil industry (Cárdenas Gracia 2009: 43;). The oil industry and the commercialization of agricultural products during the boom years 1970–90 has shaped the landscape of coastal Totonacapan until today. In the 1950s and 1960s, this changed with the fall of the vanilla price by the rapidly increasing competition and the industrialization of the sugar production in other parts of Mexico, which displaced manually processed sugar. A dropping coffee price in the 1980s added on to the increasing hardship in small-scale agriculture. This finally led to a rapidly advancing impoverishment, especially of the highland areas (Kasburg 1992: 19–21, Kourí 2004: 198–99).

While the highland of Totonacapan is characterized by a stronger Totonac identity and by keeping traditional communal farming patterns and certain community customs until today, commercial agriculture and wage labor are more common in the lowlands. This division is the result of political trends to foster a national industrialization and the economic

development in the rural areas of Mexico, which has been conducted more intensely in the lowlands. These include less remote and more populated towns, such as Papantla de Olarte or Gutiérrez Zamora. They have facilitated the execution of governmental power due to a better infrastructure than the hilly highland communities, which are difficult to access. An important factor for the establishment of this infrastructure was the emergence of the oil infrastructure mainly limited to the lowlands. Many of the roads, as well as the flow of capital and goods is directly connected to the PEMEX activities in the area and has changed the sociodemographic patterns in the lowlands during the oil boom more than in the sierra, where no larger extraction had been undertaken (García Martínez 2012: 78; Popke and Torres 2013: 218).

The Mexican oil boom reached its peak between 1977 and 1981 and even though several fields had been discovered in the meanwhile in other parts of the country, like the extremely productive Cantarell field in 1976, the oil wealth around Poza Rica continued. In times of the oil boom, PEMEX relished a prestigious status around the country and became the major driver for national industrial development. During that time, the company further developed its internal infrastructure, building its own schools, hospitals and leisure facilities for its staff. Higher PEMEX staff gained the privilege of company-provided housing and medical service, as well as high pensions and guaranteed workplaces for their children. The STPRM, which had always been deeply entangled with national politics, continuously gained more power. Since at least the time of the boom and its aftermath in the 1980s, the status of PEMEX as a national symbol for political sovereignty, wealth and progress was established (Suárez Ávila 2017: 8). This also provided economic benefits to the communities around the city and the wider area. During the 1990s, the wealth of the area did not increase further but remained mainly stable until the oil crisis hit the country in the first decade of the twenty-first century (see Sánchez Campos 2016). By 1980, the peak of the oil bonanza was over. In the following years, the external debt situation worsened, and although Mexico based the national economy on petroleum and became the fourth largest exporter in the world, the low price of oil resulted in the declaration of the moratorium on the payment of foreign debt in 1982 (Cárdenas Gracia 2009: 43–44).

## **Crisis and the Neoliberal Turn**

Due to the debt crisis, the Mexican government was forced to change the economic model even more toward integrating neoliberal ideas in order to strengthen the market economy. In the beginning of the 1980s, 40

percent of the national budget came from oil resources, and PEMEX remained an indispensable actor for the national economy. The government then began to disintegrate and limit the company following the measurements suggested by the World Bank to reduce public investment. The leaving president López Portillo as well as the 1982 installed President Miguel de Madrid took measurements to open up some national sectors to foreign investments to revive the economy. (Brown and Knight 1992: 257–59; Cárdenas Gracia 2009: 51–52). Despite these political tendencies, at the beginning of the president de Madrid's term of office in 1983, a constitutional reform was adopted to determine hydrocarbons and petrochemicals as a strategic area of the national economy. The production and processing of hydrocarbons then was assigned exclusively to the public sector. However, the criterion of maximizing oil production as an export good and as a guarantee for obtaining international loans was reaffirmed. Under the political pressures of the United States to limit the monopoly of PEMEX, in 1986, President de Madrid authorized the import of petrochemical products that PEMEX could not produce. Also, the privatization of some PEMEX subsidiaries was promoted, together with regulations for opening to the international market (Breglia 2013: 218; Cárdenas Garcia 2009: 47).

Under the term of the next president, Carlos Salinas de Gortari (1988–1994), more foreign companies entered due to contracting in the petrochemical sector and the role of the oil workers union, the rights and benefits of Mexican oil workers. The pressure of privatization in Latin America at the time also affected Mexico as part of the Washington Consensus, which consisted of a set of neoliberal reforms including trade liberalizations, tax reforms and deregulation, and a liberalization of property rights (Breglia 2013: 216). The financial crisis of 1995 was the trigger for the solicitation of international support by the Mexican government. To obtain a loan from the International Monetary Fund, President Ernesto Zedilla, successor to Salinas de Gortari, signed an agreement with the United States in which he guaranteed the payment of the debt with hydrocarbons. In the agreement he also committed to deliver all strategic information of PEMEX to the United States. Once again, the Regulatory Law of Article 27 of the constitution was amended to exclude exclusivity from transportation, storage, distribution, sale, and foreign trade of natural gas from the petroleum industry, which remained public in general. It also opened up the petrochemical industry to private initiatives (Cárdenas Gracia 2009: 51; Wood 2010: 858–60).

Apart from a reform of the oil sector, through a comprehensive reform of the agrarian law in 1992, the redistribution of land eventually came to an end and promoted the privatization of the ejido land. In times of

neoliberal modernization, the ejido incorporated notions of backwardness and rural mores, opposed to any kind of development or economic ambition. The reform aimed at giving private ownership of house plots and the prospect of private ownership of demarcated farmland to individual ejidatarios if the general assembly and the comisariado ejidal, agreed to it. Through the reform, ejidatarios could then lawfully mortgage, rent, or sell their plots. The reform was recognized by several scholars as of tremendous significance for the structure of land ownership in Mexico under the premises of a wider set neoliberalization policies and thereby characterized as a counter reform, as its tendency toward privatization counteracts the initial premise of a movement toward communal governance (see Vázquez Castillo 2004). As a key instrument of privatization, the Programa de Certificación de Derechos Ejidales y Titulación de Solares Urbano (PROCEDE) program was introduced as an initiative to certify the communal lands. The program was voluntary and designed to survey external boundaries and internal divisions of tens of thousands of ejido territories on a national level since 1993. It was conducted and administered by three different state entities and followed the final goal to promote investment in the rural sector and increase agricultural productivity. Yet, the process of implementation was often linked to internal conflicts about the exact dimensions as well as present and future distribution of the parcels (D. Smith et al. 2009: 181, 187).

With the entry of President Vicente Fox (2000–6) in 2000, the uninterrupted governmental period of the Partido Revolucionario Institucional, which had begun after the Revolution, came to an end with the first president from the opposition party Partido Acción Nacional (PAN). The former Coca-Cola executive Fox brought an even more intensive neoliberalist vision to the country and thereby to PEMEX. As part of his campaign, Fox had called for the privatization of PEMEX but backpedaled upon the negative reaction this aim had provoked among many Mexicans. Nevertheless, the neoliberalization trend intensified significantly under the new PAN president. Despite his nationalistic rhetoric, which also concerned the administration of PEMEX and oil in its role as national patrimony, the private sector became increasingly involved in the oil industry. Multiple service contracts were allowed in the hydrocarbons sector, which in the strict sense of the constitution were illegal. Especially in the sectors of the liquefied natural gas industry and the distillate of hydrocarbons, PEMEX lost several territories for extraction (Breglia 2013: 219).

During the presidency of Felipe Calderón (2006–12), this trend not only continued but intensified, and multiple contracts became possible to an extent that PEMEX granted private companies the entire network of oil pipelines and pipelines in the southern region through a service contract.



Calderón was working toward an energy reform that also included the administration of PEMEX. He attempted to privatize electricity and made an effort to change the constitution accordingly. After a dispute with the PRI and discussions in congress, a modified PAN energy reform bill was passed that maintained the national ownership of oil and PEMEX's status as a state-owned company but included other amendments concerning PEMEX's autonomy. Mexico's oil sector was still maintained as the *de jure* national patrimony while at the same time *de facto* participation of the private sector was expedited (Breglia 2013: 225; Cárdenas García 2009: 55). A continuing decrease of the oil production in Mexico during the 2010s had a substantial impact on the urban as well as the rural areas of Papantla and Poza Rica. Also, the supremacy of PEMEX was seriously threatened when it became increasingly obvious that the state firm had become unable to compete on an international level (O'Connor and Viscidi 2015: 3; Sánchez Campos 2016: 307). The decreasing oil production affected the city of Poza Rica as the "oil capital" and the adjoining rural area heavily. The job market decreased, poverty, delinquency, and the influence of the organized crime increased (see de la Fuente et al. 2016: 64; Hernández Ibarzábal 2017: 367–69).

## **The Energy Reform 2013–14**

Mexico was still classified as the fourth largest oil producer in the world, but recent developments in oil policy greatly impacted the hydrocarbon sector. In 2014, Mexico's position as an oil producer had already fallen to tenth place when crude oil production was at its lowest point since 1986. Mexico's oil production then continued to decline, and exports were decreasing. In other words, the oil bonanza came to an end, and the sector began to withdraw from its position as the main pillar of the national economy (Breglia 2013: 25–26; Sánchez Campos 2016: 292; Viscidi and Fargo 2015: 6). As a result, the hydrocarbons industry in Mexico was finally considered to be capable of competing, a result of which PEMEX was ultimately dethroned as a symbol of the national oil bonanza (Gómez 2015: 7; O'Connor and Viscidi 2015: 3). However, to this day the state company continues to hold an emblematic position within Mexican nationalism and is often still regarded as an image of national wealth in the days of economic prosperity (Monreal Ávila 2008: 69; Suárez Ávila 2017: 8).

In order to take advantage of international demand and to revive the national economy, in his campaign for the 2012 elections, current president Enrique Peña Nieto (2012–18) announced a reformist agenda that intended to improve Mexico's competitiveness. It included a reform of the

energy sector, again aiming at privatizing the oil sector, as attempted by several of his precursors. This reform consists of the modification of the Articles 25, 27, and 28 of the Constitution of the United Mexican States, the creation of new laws and a modification of twelve existing ones. It was approved on 20 December 2013, which *inter alia* included the following key elements: The hydrocarbon resources of the subsoil in the country remain in state ownership, but private companies can appropriate the resources at the time they are extracted and reserve them for accounting purposes. Four new types of contracts were created to involve private companies, including contracts to obtain ownership of the resources after the payment of taxes. In addition to changing the legal status of PEMEX to a “state productive enterprise,” an autonomous budget was facilitated and a board of directors, excluding representatives of the unions was installed. This new figure seeks the provision of greater technical and operational autonomy but changes the budget regulations of the company. In addition, the Agencia de Seguridad, Energía e Ambiente (ASEA) was created through the new Law on the National Agency for Industrial Safety and Environmental Protection of the Hydrocarbons Sector. This body acts independently of the Secretaría de Medio Ambiente y Recursos Naturales (SERMANAT), responsible for the regulation and supervision of oil and gas activity in environmental matters, industrial and operational safety (de la Fuente et al. 2016: 9; Seelke et al. 2015: 3).

Through the reform, hydrocarbon exploration and extraction activities are declared social interest and public order, which means that the activities will have “preference over any other activity that involves the use of the surface or subsoil of the lands”<sup>4</sup> (Nueva Ley de Hidrocarburos 2014, Artículo 96). Through them, priority is given to activities related to the extraction of hydrocarbons. In theory, this regulation prohibits the expropriation of rural communities by companies. However, a constitution of a legal tenure of lands under which the respective hydrocarbon source is found can be promoted through a federal executive. This applies in cases of lacking an agreement between assignees or contractors and the owners of the land or property, including ejidos or communal rights. The figure of legal servitude existed before the reform within the Federal Civil Code, but with the reform, its application is allowed for a wider range of types of works and greater territorial occupation (Vidal Cano 2016: 4).

However, Article 118 of the Hydrocarbons Law establishes the guarantee of the principles of “sustainability and respect for human rights of the communities and people in the [affected] regions”<sup>5</sup> (Nueva Ley de Hidrocarburos 2014, Artículo 118). This regulation represents the tendency of the legal reform to prioritize the business interests, where criticism is mainly directed at the insufficient implementation of mechanisms of par-

ticipation of the population. The implementation of “social impact studies” and “social impact assessments” have been criticized as insufficient at first due to the lack of a specific format, which allowed for companies to carry them out as they best saw fit. They therefore have been developed further in cooperation with Mexican universities (García-Chiang 2018: 5). Yet they continue to be criticized by scholars and the media for lacking considerations of sociocultural implications, as well as a limited participation mechanism for the public and indigenous stakeholders (see Huesca-Pérez et al. 2018: 488; de Montmollin 2018). Prior to granting contracts, the Secretaría de Energía (SENER) together with the Ministry of the Interior must carry out a social impact study. The study is presented to companies interested in conducting an exploration or extraction project. Afterward, companies must carry out a social impact assessment and submit it to the SENER, which issues a resolution and gives recommendations. To conclude the process, the SENER resolution must be presented to the ASEA (de la Fuente et al. 2016: 65). These studies do not foresee the participation of the population, nor their information on the measures. In this regard, the absence of an efficient mechanism for the implementation of prior consultation according to the right to free and informed consent is mentioned in accordance with the provisions of convention 169 of the International Labor Organization (ILO) signed by Mexico in 1990. Since then, the legal implementation of prior consultation has been debated and could not be solved (de la Fuente et al. 2016: 68–67; Viscidi and Fargo 2015: 6)

A further source of uncertainty is the promotion of an intensified exploration of unconventional oil and gas sources via fracking. Former explorations of unconventional gas in Mexico have been conducted since 2001 and hydraulic fracking has been implemented to a limited extent since 2003 (Silva Ontiveros et al. 2018: 482). The major concern is an expansion of fracking through the government auctioning unconventional gas sources to the private sector, which is allowed by the energy reform (Castro Alvarez et al. 2018: 2; Hernández Ibarzábal 2017: 364). The uncertain situation of the extent to which fracking is already taking place and the future prospect of its increasing implementation has initiated an oppositional social movement joined loosely under the organization Alianza Mexicana Contra el Fracking (AMCF). The activists organize events and talks in several parts of the country that might be or might become affected by fracking in order to inform the local population and also possibly support them with regard to the articulation of protest (Silva Ontiveros et al. 2018: 482).

Emiliano Zapata is a case of a community located in an area where national NGOs suspected fracking activities have been taking place without being able to access official data confirming the conjecture at first. Even though the energy reform has already been adopted into law since 2014,

the first official bidding process for shale gas sources was conducted until 2018. The local communities that might be feel negative effects in terms of health or environment were not consulted by an official process beforehand. Apart from the uncertainty related to possible environmental and social damages that an intensified usage of fracking could imply, there is great uncertainty regarding the exact geographical location of the wells, the technical specifications, and the boundaries of the oilfields. The prospect of communities being affected by fracking activities without being informed how and where these activities are carried out, nor what would be the possible consequences, has caused major concerns within society (de la Fuente et al. 2016: 64; Hernández Ibarzábal 2017: 367–69; Silva Ontiveros et al. 2018: 482).

### **Sitting on Oil: Setting and Community Organization in Emiliano Zapata**

The example of the community Emiliano Zapata illustrates the described processes in Totonacapan in many ways while, like any locality, it maintains its particularities. Today, most of the rural communities in the municipality of Papantla earn their living from a variety of income-generating activities. The cultivation of corn for auto-consumption is widely practiced but rarely the only livelihood. Most families support themselves through a variety of smaller revenues at the same time. They include part-time wage work, agriculture for auto-consumption, the sale of agricultural produce or handicraft products and small businesses like tailoring or selling everyday items in community stores (Chenaut 2010: 60–61; Valderrama Rouy 2005: 208). Today, in addition to the extraction of hydrocarbons, about 89.8 percent of Papantla’s surface area is used for agriculture and livestock, with the main crops being citrus fruits and corn.

The name of the community Emiliano Zapata is at the same time also the name of the ejido, which was demarcated in 1936. It is located twenty-five kilometers to the southeast of the municipality of Papantla in an area known as El Llano.<sup>6</sup> The term derives from *llanura*, which means “plain” or “prairie” and represents a commonly known name for a region in the coastal area of Totonacapan, within the municipality (see Aguilar León 2018: 34; Hoffmann and Velázquez Hernández 1994). It encompasses several communities determined by cattle ranching and citrus fruit production, and social and cultural patterns perceived as campesino rather than indigenous. The area is locally known as stricken by poor infrastructural development and economic disadvantages. As PEMEX is operating in or close to several of the Llano communities, the oil industry and its environ-



**Figure 2.1.** Papantlas hilly landscape with orange orchards and an oil well, Papantla, Mexico, 2016 © Svenja Schöneich.

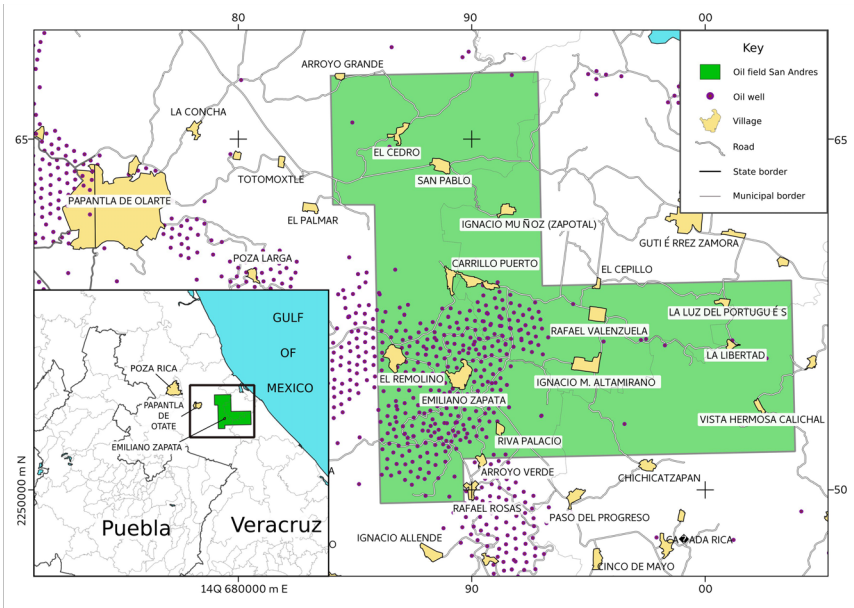
mental and economic implications play a role in many of them (see Redacción el Heraldó 2018; Velázquez Hernández 1995: 104). Emiliano Zapata fits this broad description of the Llano area in several aspects. Besides part-time or temporary wage labor in the agricultural or service sector relating mostly to the oil industry, the major income-generating activity in the community is the cultivation of commercial agricultural products. Remittances generated by transnational migration have become an increasingly significant source of income for the community of the Llano in recent years. Economic opportunities for young people are often pictured as difficult, especially in rural areas. The alternatives to agricultural occupations are scarce and many young members of rural communities search for an improvement of their status and income in the nearby towns or bigger cities further away. The increasing violence in the region through the emergence of drug cartels, a rising delinquency, as well as the increasing criminalization of human rights activism play an important role for the perception of hardship and decision for migration (see e.g., Chenaut 2010, 2017; Popke and Torres 2013; Silva Ontiveros et al. 2018).

Emiliano Zapata is located on the San Andrés oilfield (Bloque San Andrés), which is exploited by PEMEX as an Área Contractual (AC). It covers

an approximate area of 209 square kilometers within three municipalities in the north of Veracruz: Papantla, Gutiérrez Zamora, and Tecolutla. The San Andrés oilfield was discovered in 1956 and consists of 356 wells, out of which fifty are in operation today. The production peak of the oilfield reached 44,870 bpd in the year 1965 and maintained its productivity for many years until it decreased in the first decade of the twenty-first century, with a new low point of 950 bpd in 2011. This oil area occupies a large part of the municipality of Papantla, and therefore one of the main centers of the Totonacapan region. Forty-six settlements are located within the contractual area of the Bloque San Andrés, accumulating a total population of about 16,600 inhabitants according to the last census of 2010 conducted by the Mexican Instituto Nacional de Estadística y Geografía (INEGI). Ten of these communities are particularly close to extraction installations, Emiliano Zapata being one of them. The total number of inhabitants on the contractual area has been declining continuously since 1995 when 20,073 inhabitants were counted. This demographic development, caused by a composition of several different factors related to neoliberal political trends and the economic decline of the oil sector, reflects a general trend in Totonacapan (Checa-Artasu and Aguilar León 2013: 2; Nejapa García 2018: 9–12; Popke and Torres 2013: 220–21).

The communities located on the Bloque San Andrés rely on a variety of different occupations for the generation of income, but the main source has remained agriculture. This includes *milpa* economy for subsistence, the production of commercial produce such as citrus fruits and corn, cattle farming practiced on ejido as communal landholdings, as well as small-scale farming on independent private land holdings. The resulting “messy patchwork of crops and land tenure systems” (Popke and Torres 2013: 216), which is visible in the composition of the communities within the borders of the San Andrés contractual area, characterizes the contemporary Totonacapan landscape. Social frictions about access and usage rights to land are also mirrored within the conflicts that have emerged about environmental damages caused by the oil industry. Lately, a growing body of literature and studies on environmental conflicts have emerged, which reflects the conflictive situation of local farming communities struggling with the impacts of hydrocarbon extraction (e.g., Aguilar León 2018; Checa-Artasu and Aguilar León 2013; Nejapa García 2018).

While the topic has been known for a longer period of time, the issue has gained popularity—in the whole country and therefore also in Totonacapan—through the implementation of the energy reform and the aligned modifications in national law and extraction practices (Viscidi and Fargo 2015: 6–7; García-Chiang 2018). The issue of fracking has been



**Map 2.2.** Contractual area of the San Andrés oilfield with communities located within the area © Orestes de la Rosa, used with permission.

discussed recently as Veracruz is the state with the highest number of operating fracking wells so far. Furthermore, large parts of the state territory are integrated in the bidding rounds for foreign direct investments, who want to operate Mexican oil sources. Where PEMEX already maintains many extraction facilities, new companies are often hired as subcontractors. In 2012, Pemex Exploración y Producción (PEP) launched rounds of bidding for contracts for exploration for the three contractual areas for the first time. The result of this process was the entry of private companies as PEMEX's partner. During the second bidding round on 19 June, PEMEX and twenty-eight other companies participated to obtain integrated contracts for exploration and production of mature fields for the north region of Veracruz and Tamaulipas, among them the Bloque San Andrés. The company Oleorey SA de CV, belonging to Monclova Pirineos Gas was awarded the San Andrés oilfield (García-Chiang 2018: 4–5). The local communities within the oil-rich areas of the state, such as the communities located on the Bloque San Andrés, are therefore affected by the regulations of the energy reform in several different ways and hence largely concerned about its future implications (Chenaut 2017; Cruz 2018; SENER 2015).

## Administration, Social Structure, and Local Politics

Emiliano Zapata holds the status of an ejido with areas for human settlement, which entails the implementation of certain political institutions accountable to the municipal or state government, like the establishment of an *agencia municipal* and a *comisariado ejidal*. These two governing bodies are compulsory by law, as are their composition and term period for the respective incumbents. The total surface of the ejido territory is about 662 hectares,<sup>7</sup> from which 11 percent is endowed as *asentamiento humano*, which can only be utilized for human settlement. Approximately 7 percent are occupied by infrastructure like roads, a storage tank, and three small rivers, representing the community's water supply. Of the ejido territory, 192.37 hectares are currently officially expropriated for extraction purposes by PEMEX reducing the surface disposable for the community members to 469.62 hectares.

The community has a system of public education from kindergarten to high school, where students can obtain a university entrance degree. Several different forms of businesses are present in Emiliano Zapata, such as grocery stores, small pharmacies, mechanical workshops and a car wash, a hairdresser, gas stations, stationers, and three internet cafés. Furthermore, several small family businesses provide street foods and snacks, or sell bread around the clock. The lack of a potable water system and the deplorable condition of many roads is perceived as one of the biggest shortcomings, and the community members have attempted several times to receive financial support for the construction of both. So far, they have not been successful. Even though a garbage collection system exists, transporting the garbage to the closest official dump via truck, most of the community members do not regularly use this service since the truck is perceived as unreliable and the frequency of the service as insufficient. Therefore, the majority of the households continue to burn most their garbage themselves.

Emiliano Zapata is equipped with a rather well-developed economic infrastructure compared to other communities of the same size in the area. Nevertheless, the community is characterized by official means as an agricultural community with a high degree of marginalization (CONAPO 2006). Similar to many marginalized communities, Emiliano Zapata receives support from several different government programs. One of them is PROSPERA,<sup>8</sup> which currently includes about 250 families in the community and supports many rural localities in the area. A community kitchen constructed as a joint program with support from the Ministry of Social development's Secretaría del Desarrollo Social (SEDESOL)<sup>9</sup> and PEMEX. The government keeps providing aliments on a regular basis, while



volunteering community members—only women—prepare breakfast and lunch in shifts for only seven pesos a meal. The women who work there do not receive a salary but have access to additional food supplies, they are allowed to take food home for themselves and receive an expense allowance every Christmas. Many of the women are wives or widows of migrants working abroad or in other parts of Mexico to maintain their family through remittances. Many community members seize that service. Furthermore, a community store<sup>10</sup> selling subsidized products for basic needs has been operating in Emiliano Zapata since 1983.

Most households in Emiliano Zapata depend at least partly on income from agriculture. Despite the commercialization of products, the profit from small-scale farming is considered to be rather low in comparison to wage labor activities. The most important crops are citrus fruits, banana leaves, and corn, while some farmers also maintain small numbers of cattle. Another important source of income for many is day labor employment as farm hands, who earn about 120 pesos working from seven o'clock in the morning until two o'clock in the afternoon. During harvest season, farm hands are required by most farmers. Most male community members permanently living in the community engage in the cultivation of crops, even if the majority does not hold the ejidatario title. To obtain plots for cultivation, they have to negotiate the distribution of land parcels with the comisariado ejidal and the ejido council.

As an ejido, the ejidatarios in Emiliano Zapata remain the governing entity of the territory and decide about the distribution of land among themselves and for any other resident. The main governing bodies of the community are therefore the *agencia municipal* with regard to public responsibilities and political representation, and the *comisariado ejidal* regarding all issues concerning the government of the ejido territory. Moreover, different committees exist, which are responsible for certain public tasks. Those committees are part of the governmental bodies of all communities in the wider area, but their exact organization and structure differs locally according to the needs and preferences of every community. All local political entities comprise a president, a secretary, and a treasurer and are elected by the group of people they represent within the community. In the following, the individual local political entities will be listed and briefly introduced.

### *Agencia Municipal*

The community is headed by the *agencia municipal*, which is accountable to the council of the municipality, in this case, the city of Papantla.<sup>11</sup> The *agencia* is constituted by a president, a secretary and a treasurer, and three

respective deputies, accompanied by a surveillance committee (*comité de vigilancia*), which monitors all activities of the incumbents. The *agencia* is elected every three years by all community member over the age of eighteen. The *agente municipal* summons general assemblies every month, which require the attendance of at least one member of every household of the community. All public issues are discussed in the assemblies, where all important public political decisions are taken by vote. The *agencia* also organizes the community service (*faenas*) that all adult community members are expected to serve on a regular basis. The service usually involves cleaning and maintenance of public buildings and areas within the community.<sup>12</sup> If a compulsive assembly or the community service is not attended, the respective individual must pay a fine.

### *Comisariado Ejidal*

The *comisariado ejidal* represents all *ejidatarios* and administers the communal land in terms set by the assembly of all members. It distributes and administers all of the territory within the *ejido* endowed as communal. The *comisariado* is also monitored by a surveillance council to hinder corruption. The *comisariado* convenes the *ejido* council consisting of all *ejidatarios*, has the responsibility to conduct the agreements taken within the assembly, and is elected by its members every three years. In Emiliano Zapata, there are only fifty-eight *ejidatarios* in total, while sixteen of them are currently in the process of approval after inheriting the title from their predecessor. The governmental agency corresponding to the *comisariado ejidal* is the *Registro Agrario Nacional (RAN)*, where the *ejidatarios* must file and administer their titles and all political decisions regarding the *ejido* lands.<sup>13</sup>

**Table 2.1.** Community committees as institutional entities in Emiliano Zapata © Svenja Schöneich.

Name of the committee	Tasks	Representing	Notes
Comité de junta de mejoras	Organizes the maintenance of public places and the construction of buildings and infrastructure for the public good	All community members	Re-election every three years aligning with the <i>agente municipal</i>

Comité del agua	Organizes the distribution of water via a pump from one of the streams, which is the main water source for the community	All community members	
Comité de la casa de salud	Organizes working shifts for a nurse who regularly comes to the community to care for patients within the "casa de salud," administer the distribution of medicaments	All community members	Every representative has a vice representative
Comité de la ambulancia	Organizes the maintenance of the ambulance and its operations in case of emergency	All community members	Sometimes facilitates the ambulance to neighboring communities in need
Comité de la primaria	Intermediation between teachers and parents, representing the interests of parents before the school directory	All parents who have children attending primary school	
Comité de la preparatoria	Intermediation between teachers and parents, representing the interests of parents before the school directory	All parents who have children attending secondary school	
Comité del telebachillerato	Intermediation between teachers and parents, representing the interests of parents before the school directory	All parents who have children attending telebachillerato	

Comité del comedor	Organizes the groups of chefs, administers the salaries and supplies for the community kitchen	All women participating as chefs	
Comité rural de abasto	Organizes the supply of the community store	All community members	
Comité de la iglesia católica	Organizes the masses, administers the collections for certain religious events	All individuals of Catholic faith within the community	
Comité de fiestas patronales	Organizes festivities within the community	All community members	
Comité del drenaje	Organizes the drainage of the sanitation facilities since the community lacks a sewage system	All community members	Campaigns for the installment of a sewage system

### **Conclusion: A Community Built on, with, and around Oil**

Among the states with a high conflict potential is Veracruz, a state rich with oil, which has been one of the main sites for hydrocarbon extraction since the beginning of the industry in the country. The region around the city of Papantla was already explored with the purpose of oil extraction since the 1860s (Brown 1993: 11). The city of Poza Rica de Hidalgo, founded initially as an oil camp in 1932 and as a city in 1951, has been a strategic center of Mexico’s petroleum industry until today. It looks at a differentiated local identity deeply interwoven with oil and PEMEX (see del Palacio Langer 2016; Olvera Ribera 1989; Quintal Avilés 1994). This long and intensive history of oil and gas extraction has affected in a variety of ways the indigenous and peasant communities in the area of the field research for this study (Chenaut 2010: 60).

The history of Mexico's oil is inseparable from the history of the Mexican Revolution and its aftermath upon which the political history of the nation reflects and has been constructed. Within the process of the nationalization of natural resources after the Revolution, the state-owned company PEMEX was founded, which held a monopoly of extraction and processing of hydrocarbon products for seventy-six years. The company therefore plays an emblematic role within Mexican nationalism. It was and mostly still is the determining authority for everything related to oil in the country, but also an important factor for regional development wherever PEMEX did business. In the beginning of the 2000s, Mexico's oil bonanza decreased significantly. Mexico is considered to have passed peak oil in 2004, which first went unnoticed, because of the oil price rising at the same time (Ferrari 2014: 27; Fry and Delgado 2018: 11), yet the decline became palpable in a decrease of oil revenues from 3.8 million barrels per day to 2.5 million barrels in 2013. Mexico's hydrocarbon industry had finally proven to not be able to compete on an international level anymore (Gómez 2015: 7). As a counter measure, the oil industry was thought to be revived through political reforms, first and foremost through the amendment of three articles in the constitution, known as the Mexican energy reform 2013–14. The reform opens the hydrocarbon sector to private investment and thus ended the seventy-six-year monopoly of PEMEX, changing the perspectives for PEMEX employees and oil workers, but also for related sectors and local residents who had dealt with a single responsible entity until this point. Furthermore, the reform included the implementation of new technologies such as fracking to revive the national economy (Seelke et al. 2015: 3; Viscidi and Fargo 2015: 6). The work at hand takes place at a point in time where the reform was being implemented, and the uncertainties about the economic and environmental consequences were topic of a lively national and international debate.

The historical overview at the national, regional, and local level has shown that the history of oil in Mexico is inextricably linked to the situation in Emiliano Zapata. Oil extraction impacts local and regional infrastructure, land tenure and distribution, and social dynamics. Zooming into the region, it becomes clear how the composition of the community reflects its sociodemographic development in connection with the oil industry. As part of the overall affected coastal region of Veracruz, Emiliano Zapata is a representative example of the transformation into an oilscape, where the different nuances of everyday life have been determined in one way or the other by the presence of oil and its extraction. As the following analysis along the lines of temporalities, materialities, and social dynamics in the community will show, viewing Emiliano Zapata as an oilscape contributes to the understanding of the various uncertainties that arise in from a time bomb.

## Notes

Epigraph: Breglia (2013: 5).

1. “Pobreza: Una persona se encuentra en situación de pobreza cuando tiene al menos una carencia social (en los seis indicadores de rezago educativo, acceso a servicios de salud, acceso a la seguridad social, calidad y espacios de la vivienda, servicios básicos en la vivienda y acceso a la alimentación) y su ingreso es insuficiente para adquirir los bienes y servicios que requiere para satisfacer sus necesidades alimentarias y no alimentarias” (SEFIPLAN 2016: 10).
2. The traditional economic basis for most Totonac communities was the practice of the *milpa* system. This form of small-scale farming has existed since pre-colonial times and represents a form of subsistence economy that guarantees a relatively high diversity of crops cultivated through slash-and-burn agriculture. Its basis comprises corn, beans, and chilies, which are cultivated in polyculture following a certain crop rotation system, which includes further types of edible plants. This agricultural system is practiced until today by several rural Mexican communities. The *milpa* includes communal control of natural resources and the reciprocal work of the whole community. Slash, burn, and sow in work groups formed by several community members through mutual assistance. This support system goes beyond agriculture and influences many other aspects of social life, which is linked to the local mythology and the festivities of the seasons that are generated by the circle agricultural activities, such as sowing and harvesting, as well as local ecological knowledge (González Jácome 2007: 173; Govers 2006: 199).
3. The term *campesino* in Mexico and most of Latin America is laden with a certain ideological implication that exceeds the denotation “farmer.” Today’s notion of *campesino* has its roots in the aftermath of the Mexican Revolution, when the entire rural population of Mexico was included in the juridical category of *campesino*. With this term, the revolutionary elite created a homogeneous clientele group with the purpose of denominating the criterion of land ownership in the postrevolutionary order. Before 1910, the term *campesino* was mainly used in the sense of a small proprietor. At that time, this property category, which shaped many political structures in the country, disappeared. The *campesino* became a common term for the landless population of the countryside, which is hardly reflected upon even by agrarian historiography until today. The right to own land in Mexico used to be attached to the conditions of its effective use, according to which the land belonged to the one who was working it and the category of the *ejido*—a form of communal land-ownership granted for agricultural purposes for communities of *campesinos* emerged. The concept of the *campesino* differs from the concept of indigenous peoples because it does not include an indigenous identity but rather refers to a certain attachment to their farmland, even though several of the landless peasants after the Revolution were indigenous people. Over time, the *campesino* became an important figure in agricultural policy and social science. It represented a class of small-scale farmers struggling against unequal and

unfair land distribution in favor of the big landowners, politically favored during a long episode of agricultural politics in Mexico and other Latin American countries (Schmidt 2001: 537–38).

4. “preferencia sobre cualquier otra que implique el aprovechamiento de la superficie o del subsuelo de los terrenos afectos” (Nueva Ley de Hidrocarburos 2014, Artículo 96).
5. “sostenibilidad y de respeto de los derechos humanos de las comunidades y pueblos de las regiones” (Nueva Ley de Hidrocarburos 2014, Artículo 118).
6. The name Llano appears to be a locally known term, which largely corresponds to the regional concept of the “Llanura Costera” (see Hoffmann and Velázquez Hernández 1994).
7. An official report from 2012 published by the federal government defines the total surface of the ejido with 604.91 hectares, which would contradict the official endowment numbers (338 hectares in 1936 and additional 324 hectares in 1944 summing up to a total of 662 hectares) (Secretaría de la Reforma Agraria [SRA] Cuaderno de Alternativas de Desarrollo y Retos del Núcleo Agrario “Emiliano Zapata,” Papantla de Olarte, Veracruz, Marzo 2012). It is possible but not ensured that the missing approximately 57 hectares have been excluded from the count as settlement area of the San Andrés colony, which appears as an individual locality in the INEGI census in 2005 and 2010, despite its administrative affiliation to Emiliano Zapata. The sometimes-contradicting numbers from different official sources reflect the discordance in questions regarding land ownership and management, which is very prominent in Emiliano Zapata.
8. PROSEPRE is a conditional cash transfer (CCT) program to foster social inclusion. It was launched in 2014 following its predecessors *Solidaridad* (1988–1997), *Oportunidades* (2002–2014) and *Progresá* (1997–2002). The households are elected by an application proxy, based on the survey Encuesta de Características Socioeconómicas y Demográficas de los Hogares (ENCASEH), based on a socioeconomic and demographic household survey answered by one person of the household. Once accepted in the program, the participating families must comply with a set of health- and education-related responsibilities, where they are registered with the authorities from their community in charge of checking the compliance. In the year 2014, more than six million households all over the country were receiving payments from the program (see Dávila Lárraga 2016).
9. In 2018, the Ministry was renamed Secretaría de Bienestar.
10. The community stores are supported by a government-related company providing supply programs (DICONSA, previously CONASUPO), establishing points of sale for products of basic needs for a reduced price.
11. The Mexican states are divided into municipalities, which emerged as administrative entities after the Mexican Revolution. Its citizens elect a “president” (*presidente municipal*) who heads a municipal council (*ayuntamiento*) responsible for all public services. A municipality includes at least one, but usually several, settlements (*localidades*), where the largest is usually the seat of the *ayuntamiento*. Other *localidades* elect representatives who are accountable for

their town or community to the *ayuntamiento*. In Veracruz, they are usually called *agencia municipal*. The *agencia* is the political representation of the respective community (see González Minchaca 2011).

12. In case the public area in question falls within the remit of a certain group of people and therefore a specialized committee (for example, the school, where only parents of students are responsible), the corresponding committee organizes the *faenas*.
13. For more information about the legal circumstances and role and tasks of the *comisariado ejidal*, see Barragán (2019).