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QUARTERLY POLITICAL REVIEW

A Limited Reform Scenario Under Calderon

The glass is half empty, and the glass is half full. Analyst views on the political panorama facing **Felipe Calderon** when he takes office on Dec. 1 tend to fall into two diverging camps. Some deem his prospects doomed by a weak mandate and a militant opposition in Congress that refuses to recognize his authority. Others believe the abysmal showing by the current **PRI** in the elections will compel it to cooperate with the ruling **PAN** and deliver reforms that will modernize the economy and boost Calderon's public stature. We think it's a little of both. Calderon's reform glass may not be dry, but it doesn't contain a long, cool drink, either.

The half-empty, half-full divergence mirrors the all-or-nothing mentality surrounding reforms. Disappointment awaits observers hoping for a fiscal reform that weans federal coffers off oil revenue and dramatically raises tax collection, for an energy reform that creates a modern **Pemex** at the center of ample private-sector alliances, or for a labor reform that introduces flexibility and efficiencies into the marketplace.

But important gains may still be made. The administration of President **Vicente Fox** is generally said to have failed in its efforts to achieve fiscal reform. But if "reform" is taken to mean an amendment or change for the better,

CONGRESSIONAL CONSTELLATION

Senate		Chamber of Deputies	
PAN	52	PAN	206
PRD	33	PRD	127
PPD	26	PRD	106
Green Party	6	Green Party	17
Convergencia	5	Convergencia	17
Labor Party	5	Labor Party	12
Independent	1	PANAL	9
Total	128	ASDC	5
Majority	65	Independent	1
Supermajority	86	Total	500
Broad Progressive Front	36	Majority	251
Non-BFF	92	Supermajority	334
		BFF	156
		Non-BFF	344

Source: Senate, Chamber

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Mexico Bureau Chief
Jeffrey Wright
jwright@latintotal.com
+52 (55) 5516-9091

Customer Service
contact@latintotal.com
+1 (877) 836-8728 Toll Free
+1 (305) 921-9109 Phone
+1 (305) 875-2886 Fax

Subscription
sales@latintotal.com

American News International
Miami | Mexico City | Mexico
http://www.latintotal.com

2520 SW 22nd Street
Suite 2-130
Miami, FL 33145

SUSTAINABILITY Latin America 2006

1. Chile 69%
2. Argentina 55%
3. **Mexico 53%**
4. Venezuela 49%
5. Brazil 48%
5. Colombia 48%
7. Ecuador 35%
8. Peru 31%

Source: Management & Excellence

Somewhat Sustainable. Mexico fell to third in the 2006 edition of the annual ranking of Latin America's "ethics/sustainability," based on more than 50 metrics of mainly public sector performance that is designed by the Madrid-based agency Management & Excellence. "Mexico slipped behind Argentina this year despite having the best economic numbers and ambitious reforms in corporate governance, due to weaknesses in education and corruption," the report said. "Argentina benefits not only from the best educational performance, but from good numbers in human rights, political liberties, life expectancy and quality of life." The report attempts to assess an amalgam of economic, political, social, corruption, environmental and legal data across eight Latin American nations.