

**CRITICAL ISSUES IN THE NEW  
U.S.-MEXICO RELATIONS:  
STUMBLING BLOCKS  
AND CONSTRUCTIVE PATHS**

UNIVERSIDAD NACIONAL AUTÓNOMA DE MÉXICO  
COORDINACIÓN DE HUMANIDADES  
CENTRO DE INVESTIGACIONES SOBRE AMÉRICA DEL NORTE  
MICHIGAN STATE UNIVERSITY  
CENTER FOR LATIN AMERICAN AND CARIBBEAN STUDIES

# **CRITICAL ISSUES IN THE NEW U.S.-MEXICO RELATIONS: STUMBLING BLOCKS AND CONSTRUCTIVE PATHS**

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(editores)



UNAM



CISAN

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## FOREWORD

“Distant friends?” To what extent will a closer friendship make the difference in Mexico-U.S. relations at the expense of a serious and respectful partnership? It is commonplace to expect and desire that the bilateral relationship grow on the core foundation of wholehearted friendship, even complicity. This approach to foreign policy and handling proximity leads to a series of confusions and misinterpretations of what Mexico’s national stance should be and the room for maneuver a country has internationally in accordance with its interests and needs.

If anything is to be salvaged from the Bush administration, it is the lesson of what went wrong back then and what could work better in the future. A bilateral relationship based on the personal identification of the first executives certainly did not work for repositioning Mexico—in a very particular moment of transition to democracy—as the regional leader and bridge between the two Americas that it can potentially become. On the other hand, keeping all our eggs in the immigration basket tied Mexico’s hands and prevented us from advancing the rest of our interests of a bilateral and urgent nature, especially in a context of crisis and shared economic and security risks.

Parallel to the aforementioned lessons, Mexico has to deal with a personality problem. Historically, two attitudes have polluted the formulation and execution of its foreign policy. On the one hand, Mexico has struggled to create a relatively clear distance from Washington in the eyes of the world. On the other hand, Tlatelolco has worked persistently to guarantee the U.S. a convenient, peaceful, close relationship, to the point that our northern partner has taken for granted the support and the “alliance.” And Mexico on its own has underestimated both the need to improve the quality of the agenda and to ensure the real character of the relationship that it wants to establish with the U.S. Even though NAFTA, the SPP, and the Merida Initiative are built on the understanding that there is a partnership with shared responsibilities and duties, the three actors involved have remained far behind in the construction of a solid, respectable partnership in all fields of the integration process.

No recipes for asymmetrical partnerships can be produced, and no model can be replicated for a context such as that of the North American region. The widespread Mexican expectation is to have a partnership (especially with the U.S.) that could lead to understanding and dealing with the natural obstacles that come with proximity, embracing the opportunities to bridge the distance and take advantage of the natural, institutional paths of communication that have emerged in the regional

arena. Nevertheless, paths need to be blazoned that will become the channels of communication and exchange that both sides of the road deserve and require. For such a purpose, a prior understanding and internalization of the region as the starting point for the U.S.-Mexico bilateral discussion is critical, however overlooked. Canada may not have the most active frontier with the U.S., or be only peripheral for the Mexican trade balance. Notwithstanding the lack of connectedness with its Canadian fellows, Mexico needs to acknowledge —despite Canada's relative reluctance to accept it— the importance of strengthening the areas of opportunity it shares with the more distant of its northern partners, in order to succeed regionally and hemispherically.

The coming Obama administration poses interesting challenges for the bilateral relationship since Mexico is not one of the top priorities on the president-elect's foreign policy agenda. Nevertheless, George W. Bush's departure unfolds the red carpet to welcome a different attitude among the regional actors. Even though the economic crisis, domestically and internationally, the Middle East chaos, and the repositioning of the U.S. as the global leader top the forty-fourth president's agenda, Obama came to international politics with such a conciliatory, multilateral-led, and open perspective on international relations that almost every country —and particularly Mexico— can be aware of an American turn in its foreign endeavors. This shift represents the strongest foundation for a renewed bilateral relationship that can be boosted by Mexico and proposed on a less asymmetrical scheme for a partnership of the dimension and importance of NAFTA. There is no guarantee of resonance —let alone success. Nonetheless, the reconstruction and reinforcement of the bridges between the U.S. and Mexico, sustained by a deep and comprehensive understanding of each other, are the strongest step toward reducing the cultural and sensibility gap.

The stumbling blocks and constructive paths of U.S.-Mexico relations are not exclusive to the intricate phenomenon of migration, and the present book highlights the diversity of issues that bring both countries together in an apparently conflictive relationship that is more cooperative than it seems. Migration is not the only clue to solving the North American puzzle; it may be the most evident materialization of undeniable integration, but it is certainly not the only field. The economy and security are drawing attention away from immigration to other issues that have remained silent or worse, underestimated. The need to disassociate foreign policy from the victimized perspective recurrent in the Mexican government's immigration discourse may settle the path toward fully embracing the standing that the country has in the region, as a partner, as an influence, and a middle power but from the very different and perhaps unusual edges of the bilateral relation.

The contributions in this book share that holistic and multidimensional perspective of U.S.-Mexico linkages, in the sense that it embodies a unique composition of dimensions ranging from the latent, never-ending discussion of migration, trade integration, and the security alliance to the emerging topics focusing on the regulation of scientific developments, bilateral diplomacy, and the dynamics of rising transnational elites.

Compartmentalization of the U.S.-Mexico conundrum may be adequate for profound learning and study of the multiple areas of unstoppable integration; however,



in the long run, there is a need not only to build connections among the states but also among the issues in order to actually reduce the distance, uncertainty, and, most importantly, the reluctance to rapprochement with our neighbors. The pieces in this publication are a pristine example of that commitment.

*José Luis Valdés-Ugalde, PhD.*  
Director of the CISAN



## **INTRODUCTION**

### THE STUMBLING BLOCKS AND CONSTRUCTIVE PATHS OF U.S.-MEXICO RELATIONS

*Manuel Chavez and Silvia Núñez-García*

This book came about after the presentation of a set of lectures entitled “Advanced Seminar Lecture Series on U.S.-Mexico Relations 2005,” where researchers from the UNAM’s Center for Research on North America (CISAN) and from MSU’s Center for Latin American and Caribbean Studies (CLACS) had the opportunity to present their findings to CLACS students and MSU faculty. Each of them dealt with either a particular research topic or finding or a novel exploration of different issues that we consider important to analyze in the current scenario of the U.S.-Mexico relationship.

It is important to highlight that this book does not attempt to deal in a linear way with the issues it contains, but rather to provide an open and a provocative forum for exploring and discussing different ideas and perspectives. These essays truly reflect the situation of the stumbling blocks of the U.S.-Mexico relations.

We purposely provided a forum to ensure that each researcher would offer a logic and support for his or her points and then test their assumptions with participating faculty and the audience. When we finished, we decided that the presentations were not only rich in content but in dealing with non-traditional subjects in the relations between the two neighbors. The experience was qualitatively stimulating to the point that it was worth trying to present them in what today is this book.

This effort demonstrates that an increasing number of Mexican and U.S. scholars are committed to building and advancing a constructive path for a better understanding between our two countries. Therefore, the book explores a number of “selected” issues on the U.S.-Mexican agenda. As explained later, priorities in the relationship change because of variations in interests, unexpected events, and political environments. Some of them, like the scientific contribution, may not be on the priority list, but nonetheless are critical topics because of the need to regulate the production of genetically modified organisms. Another non-traditional topic included is the importance of working on each other’s public opinion. Public opinion in each country, what each society thinks of the other, is its lowest point, and governments need to do a better job in educating and informing citizens.

We faced a difficult task in determining what topics would be included both in the lecture series and the book. As editors, we wanted to include every single topic affecting the relationship between the two countries. But space, time, and scarce resources forced us to limit the topics. The authors are well known scholars, media experts, and many of them have participated as consultants or advisors for policy makers. Some of

their contributions are cases placed in a complex interdependent analysis, and others are thorough explanations where theories have not yet been developed.

Over time, the change in topics in the bi-national relationship is clear. The issues in the U.S.-Mexican relationship have revolved around a variation of critical themes derived from each country's natural political economy and the forces of domestic interests of their respective policy agendas. The issues that were a priority in 1994 have a different importance today. For instance, in the mid-1990s, concerns related to trade, environment and labor protection were both nations' top priorities. At the beginning of the 2000s, with the adjustment and dislocation of economic sectors in each country due to the new free trade agreement, tariffs, quotas and subsidies —this included Canada as well— became the top issues on the agenda. And then came September 11, 2001, and the agenda once more changed to place security at the top, with important consequences for almost everything else in bilateral relations. At the beginning of 2009, national security continues to be the main concern, with two additional components: immigration control and border security.

The book can be used in two formats: as a complementary source book for advanced courses on international relations, U.S.-Mexico relations, and North American studies; and as a scholarly resource on selected topics on U.S.-Mexico bilateral relations. A very important caveat to mention is that the authors write about questions that have been significant over the last six years. So, there is no corresponding timeline with a presidential administration in either country. Suffice it to say that in the case of Mexico, it includes the administrations of Presidents Vicente Fox and Felipe Calderón; and in the case of the United States, the first and second terms of President George W. Bush.

## **The Framework of U.S.-Mexico Relations**

The relationship of the United States and Mexico has been at the forefront of both countries' foreign relations agendas. At the beginning of the new millennium, this vital, entwined relationship offers new challenges and opportunities. And as neighbors, it encompasses new dynamics that challenge public policy formulation in both nations.

However, any analysis of this relationship must start from the recognition of each country's specific history. The United States and Mexico not only have different origins but very distinct heritages. From colonial times to the process of emancipation as independent nations until modern times, language, religion and cultural differences have stressed misperceptions and reinforced negative attitudes about one another.

Relations between these nations have never been easy, probably because Americans and Mexicans both value national pride and patriotism. The former find their identity in power and domination, while the latter reject foreign intervention and discrimination. Their geographical location fits perfectly James N. Rosenau's descrip-

tion of a “distant proximity,” making them a social laboratory for today’s international relations.<sup>1</sup>

It is important to recognize that the origins of what makes the relationship between the U.S. and Mexico difficult are still being debated. Whether everything started by the mid-1800s or right after WWII is open for discussion and academic research. What is clear is that in the early 1960s, the relationship began to increase in magnitude and intensity. Flows of goods and people grew significantly during this period making the geographical border area a critical point on the bilateral agenda.<sup>2</sup> Likewise, this relationship was at the forefront of the new forces of globalization and regionalization.

Their traditional geographical relationship is currently embedded in numerous, complex matrices that go beyond the border itself. These issues are economic, political, social and cultural and offer no simple answers. Moreover, the forging of North America as a regional economic bloc has imposed on both nations fluid and dynamic interactions requiring attention not only from governments but also from their respective societies. The strong, visible repercussions are points of contention that offer opportunities to build on, as in the case of those who advocate eliminating borders and those who support the construction of fences that divide.

The relationship is multifaceted and extensive, as it follows a complex model of interdependence where decisions made on one side of the border have significant and immediate repercussions on the other. From the “official” content of the bilateral agenda, which includes energy, trade and logistics, to the de facto agenda of unprecedented migratory flows, drug smuggling, increasing inequality, disputes over natural resources and an expanding role of transnational NGOs and cultural interaction, the list includes every topic imaginable.

For some time, especially at the beginning of the George W. Bush administration, relations were cordial and promised a very constructive path. However, the 9/11 attacks had an impact on that assumption when most of the attention of the U.S. administration switched from regional issues to Afghanistan and Iraq, while placing national security at the forefront of its foreign policy.

As interactions and day-to-day presence have increased, the psychological and ideological forces of stereotyping regained ground and showed their impact by impeding full mutual understanding.

Following Polish journalist Ryszard Kapuściński’s interpretation for understanding such forces, there are three ways whereby one culture can approach “others”: 1) by declaring them enemies and thus promoting war; 2) by advocating isola-

<sup>1</sup> Professor James N. Rosenau is renowned for his work on the dynamics of world politics and the overlap of domestic and foreign affairs. He is the author of scores of articles and more than 35 books, including *Turbulence in World Politics: A Theory of Change in Continuity* (Princeton, NJ: Princeton University Press, 1997).

<sup>2</sup> Oscar Martinez writes about these benchmarks in the Introduction of the book he edited, *The U.S.-Mexican Borderlands. Historical and Comparative Perspectives* (Wilmington, DE: Jaguar Books/ Scholarly Resources, 1996).

tionism and building fences, or 3) by building bridges to the other through communication and dialogue.<sup>3</sup>

Mexico and the United States have already learned from war and conflict with one another. At the same time, the stage of distrust between them has not been overcome due to the reinforcement of stereotypes and myths. Arrays of ideas of cultural superiority or imaginary threats still reproduce a perception of an ethnocentric reality, where there is no space for recognizing that we are all simultaneously diverse and equally human.

Taking into account that the origins and current implications of free trade (the North American Free Trade Agreement) in Mexico and the U.S. have been intensively explored from an economic, political and public policy perspective, we want to highlight the need for reinforcing the study of the human factor. Deepening the analysis of culture and society appears to be the next step forward for this relationship. Values and traditions are core elements for understanding the way national identities operate, and therefore essential issues for promoting alternative forms of cooperation between U.S. and Mexican societies.

We argue that in order to overcome the stage of self-centered cultures, our countries need to recognize that interacting with one another surpasses the exchange not only of goods and people, but of cultural values. Professor Raymond Rocco reinforces this position by saying that “the levels of interdependence between Mexico and the U.S. brought about by the related processes of globalization, transnationalization and migration require the development of [new] forms of governance.”<sup>4</sup>

A clear example is the increasing number of Mexican immigrants to the United States, as this is not only having a demographic impact on both sides of the border, but has evolved into a model where diverse and contradictory traditions and values result in a “cultural hybrid.”<sup>5</sup> Through Kapuściński’s, it is possible to interpret that the United States and Mexico have come to mirror each other, due to the undeniable interaction between them.

Likewise, today both countries converge as democratic societies where citizens enjoy freedom of choice. Therefore, the starting point for promoting positive attitudes toward one another is building a new political will that understands that cultural change is unavoidable within globalization trends. Because the stage of caring for one another —Kapuściński’s ultimate goal for different cultures— is not yet foreseeable for the United States and Mexico, our aim is to combat the remains of any frozen conflict by promoting mutual knowledge, respect and dialogue.

<sup>3</sup> See Ryszard Kapuściński’s detailed work about the construction of “otherness” in his *Encuentro con el otro* (Barcelona: Anagrama, 2007).

<sup>4</sup> Dr. Raymond Rocco is a professor at UCLA. His fields of expertise include political theory, race relations, ethnicity and politics.

<sup>5</sup> Kapuściński’s, *Encuentro*, 24-25.

## **The Extent and Distinctiveness Of U.S.-Mexican Relations**

Our two countries have come to acknowledge the presence and importance of these factors: the role and weight of their domestic agendas, the dynamics of local needs and the relevance of working on international agreements. At any given time, the three factors do not have the same influence on policy making. In fact, public policies directed at one country may correspond to all three factors at a given moment, while the other country may respond with a policy that corresponds to one or two of the factors. The difficulty, now and in the future, is to ensure that those policies are compatible with the neighbor's remedies.

The issues that come to the top of U.S.-Mexico agenda continue to be a priority for Mexico and of critical importance for the United States. The areas include three levels of priority: 1) high priority, including border and logistical security, aviation and maritime security, terrorism intelligence-sharing, migration, terrorist and drug financing and banking and military and law enforcement cooperation; 2) mid-level priority, including energy, trade, environmental and natural resource management, health and food safety, manufacturing, economic sector coordination and emergency management; and 3) low priority, including education, scientific cooperation, family reunification, child protection, labor and human rights, regional and social development and cultural exchanges. This list is neither exhaustive nor complete, but illustrates the wide and complex range of issues involved. Each one has a subset of areas and topics that makes them virtually unattainable.

One area that represents a serious point of contention is migration. While immigration policies and controls are polarizing in the United States, Mexicans living in the U.S. resent the immigrant-bashing attitudes displayed in most communities. Regardless of the two countries' interactive labor market, immigration reform remains unresolved. Important sectors of the U.S. economy like agriculture, services, construction and the hospitality industry, where the forces of supply and demand are at full strength, continue to rely on immigrant labor. The situation attracted the full attention of the United States with the recent, unprecedented rallies of thousands of migrants in Los Angeles, Chicago, Houston, Dallas, Miami and New York. As immigrants took to the streets, the news media provided prime-time coverage of the conditions, forces and human side of immigration.<sup>6</sup> Yet, the immigration reform bill, supported by the Bush administration, was a casualty of the polarization and did not get enough support in Congress to become law.

Border security has increased as result of a new domestic U.S. national security policy. As never before, Washington has created new policies to increase Americans' security and communities with extensive law enforcement, intelligence and anti-ter-

<sup>6</sup> Randal C. Archibold's front-page article reported on the marches. "Immigrants Take to U.S. Streets in Show of Strength", *The New York Times*, May 2, 2006, A1.

rorism measures.<sup>7</sup> These policies have an impact on the two countries bordering the U.S. since they are the nations with the most active movement of people and goods in the world. As reported by Manuel Chavez in his chapter, U.S. Homeland Security officers on the border with Mexico perform almost one million inspections per day. Measures that are part of the new national security policy seek primarily to deter potential terrorism, but also to control illegal immigration and drug trafficking. The new national security paradigm is non-negotiable; however, the programs and initiatives derived from it can be adjusted by open collaboration.

Likewise, trade and transportation are a combined priority item for both countries. The almost one billion dollars of trade per day is of critical importance for many sectors of both economies, including agriculture, electronics, textiles, transportation, auto-parts, home appliances and oil. The flow of goods and services is also part of the economic interdependence experienced by both countries in the last 20 years. The fully-integrated economic sectors in North America cannot be separated without causing fatal damage to both economies.

Despite all the difficulties and arid areas of binational relations, the Security and Prosperity Partnership of North America (SPP), recently signed by the governments of the U.S., Mexico and Canada (2005), is an instrument that recognizes the importance of collaboration. The federal governments developed a list of areas under security and prosperity to coordinate bilateral and trinational efforts. The security goals seek primarily to control border flows, air and maritime traffic and the overall security of North America. As mentioned above, this area is not only based on the control of terrorism but on drug and illegal immigration targets. The prosperity goals are oriented toward deepening regional economic integration and ensuring that threats do not disrupt the flows of people and goods. Also, prosperity actions seek to better coordinate sectors like energy, steel, transportation, agriculture, sanitation control and the environment.

## **Examining Selected Issues in the Relationship**

Given this complex scenario, this book offers an exploration of a selective set of critical issues facing Mexico and the United States in the years to come. While the issues presented here serve as a basis for understanding this difficult relationship, they are neither complete nor exhaustive. They also provide some policy recommendations and ideas to be explored by policy makers.

Furthermore, as our countries grow closer, our understanding requires learning and knowing more about each other, so this should be done not only in the classroom or in this book, but at home and in our respective communities.

<sup>7</sup> The newspaper *USA TODAY* published a series of stories with an extensive review of the new U.S. security anti-terror measures and their different implications for citizens' rights. "Intelligence Bill also an Anti-terror Catchall and Legislation Set Stage for Uniform Driver's Licenses," *USA TODAY*. December 16, 2004.



José Luis Valdés-Ugalde presents a comprehensive discussion of Mexico's foreign policy and its relationship to governance in his chapter, "Foreign Policy and Governance in Mexico: A Conceptual and Operational Dilemma." He first examines the forces behind foreign policy and the need to connect them with the population's general well-being. He emphasizes the notion that political systems need to make any policy, whether domestic or international, jibe with the population's well-being. All of this is presented in the context of Mexico's policy toward its powerful neighbor, the United States.

Valdés-Ugalde also examines the assumption that any foreign policy draws its main tenets from domestic affairs, and that many countries exceed that relationship, while others do not even include it in their calculations. He provides an example about how former President Fox understood foreign policy as a tool for domestic development and concluded that the plan failed because of misplaced calculations. Valdés also provides a rich discussion of the theoretical framework for understanding global forces and their assessment to formulate realistic foreign policy. He examines the foreign policy challenges Mexico currently faces and provides a fresh view of a positive, realistic and comprehensive approach that can be taken to deal with the difficult relationship with the United States.

The chapter "Mexico-U.S. Security: A Priority for the Bilateral Agenda" by Leonardo Curzio recognizes the importance of national security in the relationship between Mexico and the United States. Curzio examines the context of George W. Bush's *pre-emptive* doctrine that establishes the United States' new military motivations derived from the 9/11 attacks. He discusses Mexico's difficulty in acknowledging the unprecedented, watershed implications of the post-9/11 period in the U.S. security paradigm that banished all previous arrangements.

Curzio elaborates on U.S. Homeland Security's official discourse about the logic of cooperation with Mexico on security matters. He examines the public statements of the highest U.S. federal security official, and then contrasts that with the reactions by Mexican federal officials. He further writes that the new security circumstances mark a turning point in the traditional interactions of Mexico with the U.S. on military and law enforcement cooperation, leading to the creation of the 2005 Security and Prosperity Partnership of North America. He notes the inability of Mexican political actors in dealing practically and objectively with these new realities.

Curzio also ponders the daily intersection of forces of integration and security between the two countries. He cites the increasing volumes of trade, visitors, migrants and also dependency on local resources. He concludes by outlining the paradoxical situation that both countries face for coexisting under these new circumstances.

The broader implications of the Security and Prosperity Partnership of North America (SPP) is examined by Manuel Chavez in his chapter "Information, News Media and Diplomacy under the Security and Prosperity Partnership of North America: Increasing Cooperation in Turbulent Times." He examines SPP contents, requirements and commitments and states that the partnership is a new formal arrangement to enhance structural conditions between the U.S., Mexico and Canada. He also shows how the automotive sector, as an integrated manufacturing model in North America, is facing multiple challenges that the SPP acknowledges and attempts to aid.

Chavez argues that the SPP seeks to deepen and strengthen the already developed economic systems that make the countries regionally interdependent with strong contents of 9/11 U.S. national security concerns. He also points out that information given to the general public about the SPP has been confusing and contradictory, creating a hostile public environment, especially in the United States. And he states that the North American regional agenda depends on active engagement by the three governments to provide and use information and institution building particularly in areas that interact with each other on daily basis. He describes the premises of the SPP, placing them in the context of how the media have presented it to the general public, contrasting at the same time the coverage in each country. His results show that (dis)information has hindered its potentiality and makes a strong case for the use of a sophisticated model of public diplomacy to actively incorporate the news media.

The article by Silvia Núñez-García, "Emerging Influences in Contemporary U.S.-Mexico Relations," attempts to explore the feasibility of recognizing the formation of new elites at the transnational level. Her starting point is the increasing interaction between Mexican and U.S. societies, giving way to unprecedented activities affecting individual and collective behavior.

The basic premise of her analysis is the recognition that the formation of their traditional elites has been different, due to particular histories and cultural backgrounds.

Nevertheless, Núñez seeks to stimulate a debate on the current potential of highly visible transnational actors (Mexican-American social activists and Mexican-American entrepreneurs) who are key players in a new social fabric. In this context in which the driving force behind power can be either politics or the economy, these transnational elites could pave the way to its construction. Addressing the role of the U.S. Hispanic Chamber of Commerce and the Institute for Mexicans Abroad, she illustrates the relevance of institutional arrangements for forging new influential actors on the transnational level.

Elaine Levine's article "Mexican Migration to the United States," describes migration between Mexico and the U.S. as commonplace ever since the two countries redefined their border in 1848. Her chapter discusses the characteristics and most recent changes in this process and highlights the factors determining its continued growth. In discussing these issues, she sheds light on how and why the immigration debate has become so controversial in the U.S. today.

Levine explains that over the years economic conditions in both countries greatly facilitated—and in fact propitiated—a large increase in undocumented migration. The persistent wage differential between the two countries makes jobs that are undesirable for many native-born U.S. workers attractive to Mexicans. Migration provides not only an escape valve for workers the Mexican economy cannot absorb, but also generates foreign exchange and income flows from the remittances those workers send back home. Further, she mentions that nativist sentiments and xenophobic attitudes make immigration policy a highly sensitive issue in the U.S. Moreover, recent immigration legislation and border controls designed

to keep unauthorized migrants out have caused the opposite effect by prompting those who manage to enter the U.S. to stay for longer periods of time, giving rise to more permanent settlement.

Monica Gambrell's chapter, "The 'Maquiladorization' of the Mexican Manufacturing Industry under NAFTA," analyses the process whereby manufacturing wages have been reduced to the level paid in the maquiladora industry. Her objective is to determine the extent to which economic liberalization has operated to the detriment of industrial workers and the development of manufacturing in Mexico. To do this, she carefully separates the impact that the two major economic crises have had on wages from that which can fairly be attributed to free trade, focusing on GATT and NAFTA. This industry-wide comparison is then split into the different branches of industry to increase the number of comparisons between general manufacturing and maquiladoras. She detects three types of responses to free trade: branches of manufacturing that cut their wages exactly to the maquiladora level; branches that fall even further below this level; and branches that have been able to maintain their wages significantly above this minimum. The author examines the structural and political reasons behind these different wage policies and, based on that, makes policy recommendations.

In Edit Antal's chapter, "The United States and Mexico in the Face of Scientific Uncertainty: Regulating Genetically Modified Organisms," the author takes a comprehensive look at the challenges for Mexico and the United States of the two countries' discordant regulations. She includes an analysis based on the differences between the decision-making process, regulations, institutions and actors in the two countries.

By crossing elements from political economy, participatory democracy and comparative public policy studies, Antal differentiates U.S. deregulation strategy for genetically modified organisms (GMOs) with that of Mexico, which seeks to protect its unique, world-class biodiversity. Her article analyses the profit-oriented trend promoted by the U.S. in accordance with policies favoring GMOs by means of advancing science and technology. On the other hand, by focusing on the case of corn, Mexico's ancient cultural symbol, Antal develops her argument about NAFTA's impact on Mexican peasants, who are defending their right to oppose the unfair competition created by GMOs and publicly denouncing the risks to their cultural traditions and the environment, in the absence of scientifically proven security standards.

## **The Future of the Relationship Signs of Optimism?**

We believe that the future of the relationship rests on three possible scenarios: a pessimistic one marked by the Bush administration's abandonment of Latin America and, especially of Mexico. A second, frankly optimistic scenario, supported by U.S. and Mexican economic sectors including chambers of commerce and industry. And a third one, somewhere in between, where the parties realize that they share too much in both their economies and their territorial space, to afford to lose it.

The gloomy scenario is based on domestic ideological forces in either country pushing for retrenchment and isolationism. If these forces continue expanding they will make conditions more difficult to manage. Retraction and unilateral actions will damage the relationship and the spirit of collaboration. The optimist scenario is the one forged by the intensity of economic forces, continuing academic exchanges, the persistent social and cultural exchange between the two countries and the large number of U.S. citizens living in Mexico.<sup>8</sup> The third alternative is a plain working scenario that seeks to manage the substantial, profound content of the relationship. This pragmatic scenario focuses on the existing realities that will continue to subsist in the years to come.

Active stumbling blocks are nativism, ethnocentrism and the seemingly endless plain discrimination evident all over the United States. Hate crimes against Latinos in the U.S. FBI report. In fact, 819 people were victimized in anti-Latino hate crimes in 2006.<sup>9</sup> Samuel Huntington's incendiary comments in his book *Who Are We? The Challenges of Americas' National Identity* are close to being doctrine and catechism for demagogic TV and radio commentators like CNN's Lou Dobbs, FOX's Bill O'Reilly and radio-talk-show host Rush Limbaugh. Unfortunately for Mexico and the United States, these destructive forces seem to be in the lead at this time.

Some binational efforts deserve a chance to succeed, like the Annual U.S.-Mexico Border Governors' Conference, the efforts of the North American Development Bank and the Binational Environmental and Health Commission. The conference of governors seems to attract enough media and political attention to impact regional and national policies, but little progress is shown after the meetings. Likewise, both governments need to embark more aggressively on public diplomacy. The role of public diplomacy needs to be understood as an instrument to facilitate understanding, mutual respect and cooperation. This type of diplomacy needs to be reconsidered and implemented as a permanent feature of the binational relationship.

Citizens of both nations also play an important role in exercising public diplomacy. Examples of this are the many organized communities along the U.S.-Mexico borders that have proven successful in understanding one another. By identifying an objective, such as the preservation of the environment, they have learned to focus on common problems. Communication is therefore the core strategy in developing a new era of bilateral collaboration.

Lastly, the use of the media by diplomats is necessary for forging and influencing proper information about each country's culture and decisions. Many top-level federal officials in Washington do not agree with this view, and they do little to reduce misinformation and disinformation. This in turn can be interpreted as being neutral about them. The same happens with Mexican diplomats in the U.S. capital who are

<sup>8</sup> According to U.S. Deputy Secretary of State Charles Shapiro, more Americans live in Mexico than in any other country in the world. The group includes retirees, executive and corporate staff and their families, entrepreneurs, investors, academics and students. Source: 25th Workshop for Journalists and Editors on Latin America and the Caribbean held in Miami, Florida, May 4, 2007.

<sup>9</sup> Federal Bureau of Investigation, *Uniform Crime Report 2006* (Washington, D.C.: FBI, 2006).

popular because of their absence in the broadcast and print media. The new reality requires each country's officials to shift from neutrality to commitment. The successor to the Bush administration will need to be effective in creating policies toward Mexico, without causing any major confrontations with the United States' third largest trade partner. The intensity of interaction between the two countries is undeniable and requires the full attention of national, state and local governments.

In an era of declining trustworthiness, we hope this book will shed light and provide ideas about the two countries' challenges and new ways for interacting. It is a step toward continuing the dialogue, and ultimately, we would rather approach reality as a promising adventure and not an insoluble dilemma. We invite our readers to review and examine each chapter as a way to stimulate the bilateral debate, as well as to build a constructive path for overcoming the current stumbling blocks.



# FOREIGN POLICY AND GOVERNANCE IN MEXICO A CONCEPTUAL AND OPERATIONAL DILEMMA<sup>1</sup>

*José Luis Valdés-Ugalde\**

## **Introduction**

Vicente Fox taking office as the first non-PRI president on December 1, 2000 was a watershed in Mexican politics. On the one hand, it meant the beginning of a transformation of the political regime, which had been dominated by a non-democratic political tradition and a political class without a coherent long-term political project. Mexico was a country with a closed political system, controlled by a one-party regime, and with a relatively authoritarian order. Therefore, a comprehensive political transition was needed to make institutional change and the consolidation of new democratic rules possible. Hence, the new administration was the crystallization of a long struggle to create the essential conditions for turning Mexico into a modern democratic nation. The purpose of this was, in the first place, to secure the values embraced by liberal democracy through modernization, and, secondly, to guarantee that progress within the framework of this broad political development would bring about the climate needed to create the basis for the economic opportunities required to achieve the prosperity postponed for almost three decades.

Within this framework, in the past, both Mexico's domestic political climate and its interaction abroad had been quite rigid. Domestic change in Mexico occurred alongside neo-globalization,<sup>2</sup> particularly taking into account the international community's widespread demand for radical democratic change in Mexican politics, and the final outcome of moving toward the country's democratic renovation. At the same time, the challenge of both political and economic modernization required that Mexico transform the polity and the economy to maintain the balance

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<sup>2</sup> This concept has recently been coined to replace the term "globalization" in order to explain today's economic process, in which the aim is to improve macroeconomic indicators regardless of growing dependency and the widening gap between rich and poor. It is a neoliberal globalization emphasizing privatization, liberalization, free trade and widespread democratization, but using for these goals existing widespread technological innovations and generally disregarding the population's welfare.

between the need for a historic domestic change and the prevailing international reality. To a great extent, this expectation was fulfilled by deepening the domestic political process, placing Mexico in a decisive stage on the path of economic modernization and political progress.

For better or for worse, globalization represented both an opportunity and a challenge for Mexico, since ostensibly the opening and the strengthening of the economy would simultaneously ensure an opening of the political system. Since the end of the 1980s, important actors in the international community had begun a full transformation of its socio-political and economic environment. On the one hand, almost every single country underwent its own process of integration into regional market blocs and the creation of a new normative framework, so much so that almost none of the international actors remained unattached to some form of geopolitical arrangement.<sup>3</sup> On the other hand, international society reached a new level of organization and an even more autonomous international civil society emerged, its dynamism enhancing the political presence of a novel and belligerent international citizenry. Mexico was no exception.

In the context of Mexico's progress toward a new democratic order, a wide spectrum of possibilities opened up for the country. One of the most representative fields where this happened was the international sphere, where old risks were apparently in the process of being overcome. The new administration's main statements from December 1 onward—and even before that, when Fox was still a presidential candidate—emphasized the need to equate the opening of the economy and the democratic outcome of the July 2000 elections with citizens' rights. Moreover, its foreign policy clearly stated that Mexico's insertion into the new international reality had to be produced by making respect for human rights a central component of the democratic project.<sup>4</sup> This was one of the avenues for consolidating the democratic legitimacy obtained at the polls. Thus, the defense of human rights was both a trigger and a launching pad for democracy. It was also one of the main steps for enhancing the international legitimacy that the 2000 elections had produced. On the other hand, it embodied a component of an international trend, from which Mexico could not divorce itself.

Contrary to what had happened in the past when old-guard politicians conceived of foreign relations from a conventional perspective, during the Fox administration, foreign policy was intended to be a priority to ensure Mexico's entry into the new cen-

<sup>3</sup> Regional integration processes under the framework of the "new regionalism" entail severe disadvantages that can be accentuated when involving countries of different levels of development. Some of the problems are over-concentrated dependency; lack of reciprocity; high transition and adjustment costs as a result of inadequate liberalization policies; stagnation and a widening development gap; distribution problems; the polarization of inequality; asymmetry in building institutions; conflicts between protectionist and liberalization tendencies; and exclusion costs for non-members. See Wilfred J. Ethier, "The New Regionalism," *The Economic Journal*, vol. 108, no. 449 (July 1998); and Roberto Bouzas, "El 'nuevo regionalismo' y el área de libre comercio de las Américas: un enfoque menos indulgente," *Revista de la CEPAL* 85 (April 2005): 7-18.

<sup>4</sup> Jorge Castañeda, "Mirando al futuro," *Nexos*, vol. 23, no. 288 (December 2001).



tury's globalized order as a dynamic actor capable of presenting itself as a paradigm of modernity. The Mexican president was supposed to know that the current context of both the continental and international order presented a broad spectrum of possibilities for this country. Whereas Mexico's standing within the North American Free Trade Agreement (NAFTA) placed it in an even more important position as a potential Latin American litigant than its peers, the competing middle powers of the region, Brazil—and to some extent Venezuela—were overtaking the regional standing that geo-strategically used to belong to the Mexican realm of potentialities.

In this regard, the foreign policy project was designed along two main axes. Owing to strategic considerations, they deserve prior attention since they are indispensable for Mexico to develop an efficient and relevant foreign policy to address the country's real needs. The first is the construction of a strategic relationship with the United States, and the second, the active participation of Mexico in the configuration of the new international system. Jorge G. Castañeda, Minister of Foreign Affairs from 2000 to 2003, once and for all unraveled the official vacillation between principles and interests by stating that what the administration wanted was to ensure the adequate protection and promotion of the country's interests in the contemporary international scenario. Within the most rational and realistic paradigm, Jorge G. Castañeda argued that the two axes were compatible, but above all inseparable because of the extremely concentrated dependence of the asymmetrical bilateral relationship.<sup>5</sup>

And yet, the challenge was misunderstood and greatly confused with another feature of bilateral relations with the United States: namely, the long-standing and allegedly exceptional friendship-led relationship dominating several of the decisions and reactions of the overestimated transitional government. All of this eliminated the possibility of both embracing its domestic momentum of full democratic validation and taking on the responsibility of reshaping the framework under which Mexican foreign policy could have better performed its internationalization. Unfortunately for Fox, this did not happen.

Likewise, Mexico was to be regarded by Canada and the U.S., among other important actors of the industrialized world, as both an effective and a constructive bridge for drawing the lines of the new regional arrangements. Among the most relevant topics on the regional agenda were drug smuggling, migration flows, trade, environmental issues and economic aid. At the same time, the new opening of the international system allowed Mexico to start exploring the possibility of finding other partnerships beyond the scope of its traditional relationships forged throughout history with different actors in the hemisphere. It was about developing closer links with, among others, the countries of the European Union, Asia and the Middle East, such as Japan and Israel. In this context, Mexico would develop new trade relations by signing a number of agreements, all of which will show their real potential for Mexico in the coming years.<sup>6</sup>

<sup>5</sup> *Ibid.*

<sup>6</sup> See Appendix 1 on trade agreements signed by Mexico and Appendix 2 on the agreements for mutual promotion and protection of investment it has signed.

For the aforementioned reasons, foreign policy became a powerful instrument of domestic development. A new foreign relations agenda was designed so Mexico could accomplish this international integration process. In this context, the country's democratic legitimacy and, thus, broader room for maneuver posed a four-fold structural challenge: 1) reinforcing the new domestic democratic reality by ensuring that transparent local political processes slated for that year and during the *sexenio* (Mexico's six-year presidential term) strengthened the comprehensive project for political and economic change that ushered Fox into office; 2) as a result, Mexico was very probably going to play a prominent role in international affairs, a vision that never materialized. The effects of this engagement in international politics were going to be at the regional level, the most important goal being the democratic and economic transformation of the Latin American countries. By developing an independent and innovative international policy, Mexico would have the opportunity to become both a bridge for reasonable cooperation and a containing wall against those interests that threaten its own and the hemispheric priorities; 3) consolidating the basis upon which Mexico had already established its relative dominance within the regional sphere, such as its partnership both in NAFTA and the potential new Latin American markets that President Fox announced as priorities for Mexico's new development goals, and, finally, 4) building a predictable foreign policy, whose strategy could primarily, efficiently match objectives, priorities and outcomes that are both understandable and easily identified with.

The election of President Vicente Fox ushered Mexico into a new era. Democratic legitimacy presented a wide range of opportunities and responsibilities. The advantages of a democratic transition in a country as complex as Mexico also represented a myriad of challenges. As was already mentioned, guaranteeing Mexico's success in this process required that both the economic and the political variables coincide—a need that remains to be met. However, the success of the new democratic project depended on the following: *a*) the deepening of a broad democratic transition; *b*) the participation of the majority of political actors in this transformation so that it produced conditions for the emergence of a stable democratic regime; *c*) a strong economy; and *d*) Mexico's active participation in the increasingly challenging globalized arena *vis-à-vis* international economic conditions. These are the challenges I will delve into more deeply theoretically and empirically in this chapter. Most importantly, I would argue that as much as foreign policy represents a window of opportunity within a very incomplete democratic reform process, it has also been an obstacle for accomplishing the democratic government's most cherished domestic goals,<sup>7</sup> to the extent that the intimate link between domestic and foreign policy created a great crisis of legitimacy in both fields.

<sup>7</sup> It was during the Fox administration that the reform of the Mexican state was launched as the ultimate goal of the national project. The key elements for consolidating it are the regime and government, the electoral system, the strengthening of federalism, the judicial branch, the tax system and social guarantees.

## The Foreign Policy Labyrinth

I should begin by stating —and not even Mexico’s principled foreign policy can be exempt from this— that neither foreign policy nor the reality surrounding the strategic decisions taken in defense of national interests is immutable. Foreign policy must sometimes change its programmatic and basic priorities as changes occur in history.

Any modern state must design a foreign policy. This stems from the circumstances. In the first place, as Lenin once observed, the state is not a cloistered island, but a member of a society of states in which it inevitably participates. In the second place, in this society of states, in theory, power should not be centralized but distributed among them, not in equal amounts but equitably. While foreign policy is similar to any other state activity, such as guaranteeing education and health services or ensuring law and order, it differs from them to the extent that the state exercises only imperfect control —if any at all— over the world in which it lives.

According to Roscoe Pound, domestic policy exerts social control through the law. Foreign policy, for its part, consists of the use of political influence to get other states to exercise their executive and legislative power in a way that satisfies the state in question. At the same time that this consideration is necessary in the process of any foreign policy, we cannot underestimate the strength of the unpredictable, of what Fisher once called “the play of the contingent and the unforeseen.”<sup>8</sup> To this, we should add what can only be considered the perverse logic of international events, the tendency for situations to arise that were not only unanticipated but which the states made all their best efforts to avoid.<sup>9</sup>

## Change or Continuity

What foreign policy is not subject to day-to-day pressures that question even its historic alliances, the common interests it professes with friendly states and the sacrifices it can make in the name of accommodating other powers and, in crisis situations, hostile powers? What foreign policy is not subject to important modifications when a place must be found in the world and the regional concert in the context of changing its own local political conditions, and of a world transition of still unsuspected dimensions? The price of foreign policy effectiveness is permanent vigilance against the irremediable changes in world politics. In no other way can a foreign policy be conceived that is at the same time strategic (visionary and long-term), pragmatic and resolute (providing concrete solutions to the needs

<sup>8</sup> H.A.L. Fisher, “Preface”, in *History of Europe* (Boston and New York: Houghton Mifflin Co., 1934).

<sup>9</sup> See José Luis Valdés-Ugalde’s review of the book *La política exterior de México bajo un régimen democrático*, in Rafael Velázquez Flores, coord., *Anuario de la División de Estudios Internacionales y Humanidades* 2 (2002): 203-210.

posed by world events). In that sense, the question of whether a policy must be guided by principles—in my opinion, a relatively weak argument—transcends even the legal and constitutional discussion.<sup>10</sup>

Nevertheless, it is true that foreign policy is an endless dialogue between the *powers of continuity* and the *powers of change*.<sup>11</sup> We have, first of all, the continued existence through the years of the general aspects of the international system in which states live and which, sooner or later, their external behavior will help to configure. Regardless of any Byzantine discussions that may arise, above all in societies like Mexico's that have not yet created solid institutional arrangements to give strength to their economic and political modernization projects, the surprising aspect of states' encounters with the international system in situations of low-level, medium-level or radical crisis, is that through time, we find ourselves adjusting to states' circumstantial requirements. This may be, for example, by practicing a balance of power (when dealing with hegemonic or medium-sized powers) that might counter their ideologies, or by refusing to continue a foreign policy that ignores universal principles on which its own political genesis should be based, not to mention the future of its march toward achieving those two elusive spirits: progress and modernity.<sup>12</sup>

What is more, in this system, geographical space may remain immobile but the geopolitical scenarios of the different states and their geographical relations have enormous mobility; certainly technology, social movements, regime changes and even crises can change the implications of the physical factors and make them transcend the merely physical frontiers, imposing a transnational character on the interaction not only among states but also among nations and societies.

This is the case of the relations that develop in the framework of NAFTA and among European nations, for instance. Nevertheless, it should be pointed out that it can be the case of societies and nation-states that have been affected by changes in government and ideology—even revolutionary changes—in which there are no necessarily substantial modifications in the way their foreign policy is conducted. But here, particularly in this chapter, where we are discussing the basic aspects of the not-always-felicitous relationship between domestic and foreign policy, it seems imperative to bring up some of the differences in the functions of ideology in foreign policy: 1) uniting a country psychologically; 2) offering a scale of values so people know what to support and what to reject; 3) furnishing a frame of reference that allows people to become aware of just how disconcerting international reality can become and to justify government efforts to deal with it, even through basic changes in strategy; and 4) providing a prism through which states perceive the international realities their foreign policy must be based on. Without ideology, a country does not precisely die, but it would be relatively rudderless when deciding what to approve or disapprove. Conversely, it can be said that in

<sup>10</sup> Ibid.

<sup>11</sup> See F.S. Northedge, *The Foreign Policies of the Powers* (London: Faber & Faber, 1968).

<sup>12</sup> Valdés-Ugalde, *Anuario*.

ordinary circumstances, we can expect that rational calculations about national interests and ideological schema go hand in hand; most modern ideologies are extremely malleable, and even more so when confined to “the international.”<sup>13</sup>

### **Changing Foreign Policy Realities and Options**

Thus, how is it that, if everything is fixed and orderly in foreign policy, a government or state of any size can be a free agent or actor in the execution of its international policy? In any case, we can say that, historically, policy makers have found that their options are predetermined at the domestic policy level, yes, but to a much greater extent in international matters, even more than they perceived or rationally calculated before taking office. This does not mean that foreign policy makers do not make mistakes in the course of their rational deliberations, all of which is implicit in the implementation of (foreign) policies and can hardly be fully understood—and is sometimes even underestimated—by most of the public. As a matter of fact, in a democracy, state policies are not exactly fashioned to be understood by a broad public, although they do require a sphere of legitimacy that rests on the institutional organization of an institutionalized government—whether firmly institutionalized or not—that all modern states and societies should have, to allow for subtle conditions for preservation and preventing risks. However, the freedom that does matter in foreign policy questions—and weighs critically in most cases—is the ability to decide among relatively few options. A recurring image for illustrating this reasoning is a card game. Just like in cards, the government’s hand is a result of the circumstances: there is no freedom to play a card that you do not have in your hand; of the cards in your hand, there are always one or perhaps two that are the “right” card to play at that stage of the game. It is the “right” one in the sense that when the game is over and all the hands are face up on the table (and part of the story reconstructed), that card was the right one to play under the circumstances, with the understanding that the player was ready to win the game. The reason the player makes a mistake by not playing the decisive card at the decisive moment can be because of personality, political or religious beliefs or his/her partisan loyalties, or because of a lack of ideally perfect information. But in my opinion, there is no doubt that there is a decisive card, whose identity is not governed by the player’s personal traits, but by the very way the game is going, its rhythm. The game generates a “climate” or “climates” in which concrete policies develop and force decisions that are not always subject to the rigor of consensus: they are decisions that in a democratic environment stem from a legitimate power whose responsibility is to act, first with a sense of commitment to the obligations assumed in the international sphere and, second, that require, of course, a statesman’s vision.

<sup>13</sup> Valdés-Ugalde, *Anuario*.

## **Mexican Foreign Policy Objectives And Times of Transition**

What, then, is foreign policy? What do governments seek from it? In effect, it must be assumed that foreign policy stems from the intimate interaction between the internal and the external. It is a matter of defending interests more than of national interests —interests that are served or interests that must wait to be satisfied; not all interests are satisfied. It is a matter of the representation of interests emblematic of the national ethos. This is, I believe, the basis that motivates the work of a leader in foreign policy: principles are insinuated through political representation, and national interests are fulfilled in the light of a political reality.

In a liberal democracy such as the one Mexico is trying with great difficulties to achieve and consolidate, the debate centers on what interests are defensible and which, if necessary, can be sacrificed. All of this happens in the framework of the implementation of foreign policy. The question is 1) whether some interests are going to be damaged, and 2) which interests they should be. The hierarchy of interests that a government tries to defend or refuses to decline is based on desires, needs and a state's demands in the international order, and on a national consensus that is sufficiently firm so as to support and sustain leaders whose responsibility is to represent the state in international policy.

In the framework of globalization, the state must reorganize itself and therefore also the social relations that constitute it, so that these lost ties of the state community are reconstructed. External sovereignty cannot represent a state before the rest of the states if the state does not recognize itself and define its personality and sense of identity. It must be strong *from within* in order to be able to defend its national interests in an interdependent world, and simultaneously, it must recognize the rights of the rest of the states that make up international society. The current challenge for each national state is to strengthen internal sovereignty.

Recent social phenomena, the transformation of national and international relations and the reorganization of the economy and society undoubtedly show us that in the last 20 years the world has become a different place. To paraphrase Zaki Laïdi, globalization has turned into an important social representation of the twentieth and twenty-first centuries.<sup>14</sup> Globalization is a socio-political phenomenon related to the end of the Cold War: after the fall of the Soviet Union, it emerged as the triumph of the democratic-liberal model. It has included the universalization of certain ideological, cultural and value models like those identified with the principles of democracy and liberalism. In addition, it is commonly understood as the transition between the reunification of the world and the disappearance of national borders; it is related to processes of regionalization, cultural harmonization and the transformation of the national state.

Globalization and recent political changes bring us face to face with a vast historical and cultural diversity not explicable in the usual way. These changes have

<sup>14</sup> Zaki Laïdi, *Un mundo sin sentido* (Mexico City: FCE, 1997), 11.

generated transformations in all spheres of human relations and in the dynamics of international society, which in turn spur the creation of new theories to explain and make reasonable order out of these new international social configurations.

The nature of the “new world order” is by no means obvious. With the end of the Cold War, political expectations were dashed, as were models that explained the bi-polar order and attempted to sketch its possible future (very often from uniformity, like “real socialism”). What is certain is that the transition from the old bi-polar order to this new order caused disquiet and academic and political uncertainty about whether theoretical elements are still valid or if others need to be incorporated.

After the end of the bi-polar order, all states have redefined their place in the new international configuration. Basic concepts like sovereignty, independence, national interest and national and international security have changed as the objectives they pursue also changed. Formulation and execution of the national foreign policies should therefore be designed accordingly.

### **The Mexican Paradox**

For the first time in the history of Mexico since the Mexican Revolution, foreign policy has acquired great importance and transcendence and has been more closely linked to the success of domestic policy. For the last two presidential terms, Mexico had sought to be present in and participate more in multilateral discussions and negotiations for a simple reason, which, although not the only one, was perhaps a kind of catalyst: the economy became the central focus of Mexican international policy. As the country internationalized, the government had to abandon its “anti-U.S.” stance, opt for cooperation instead of conflict and forge a partnership mainly in economic but also in political terms with the United States and Canada. The partnership-building process required a broader definition of the Mexican foreign policy paradigm and of the national perception of the interests it wanted to pursue as an active international actor. The undeniable fact is that the partnership was a demand that came from the *de facto* integration that has always exceeded the institutional framework of the North American bloc. The most representative —though not very successful— outcome of this new institutionalized interconnectedness is the proposal for creating a sphere of cooperation under the principle of policy unification and coordination to promote regional security and prosperity (the SPP). This partnership can be praised as a successful outcome for U.S. foreign policy that advanced —and up to a certain point imposed— its national interest to protect U.S. citizens, notwithstanding the fact that Mexico or Canada would need to include other elements to defend their security in the region.

Despite the fact that foreign policy has changed in practice, its discussion has been postponed. This is why the legal principles that frame the formulation and execution of Mexico’s foreign policy are becoming more and more incongruous

with time.<sup>15</sup> The aforementioned principles are contained in Article 89 of the Mexican Constitution since the reform of 1988, and refer to the guiding foreign policy principles that the chief executive should implement:<sup>16</sup>

- 1) Non-intervention;
- 2) The self-determination of nations;
- 3) A peaceful solution to controversy;
- 4) The elimination of threats or the use of force in international relations;
- 5) The legal equality of states;
- 6) International cooperation for development; and
- 7) The fight for peace and international security.<sup>17</sup>

Furthermore, the much sought-after reform should go beyond the debate on principles and strategies and contemplate the broad, effective participation of all actors involved in Mexico's foreign policy-making process (i.e. the president, Congress, political parties, civil society, the private and academic sectors, etc.). What initially was interpreted as a rather generalized consensus could have been more accurately characterized as a lack of interest on the part of other actors and an executive branch monopoly in the field.<sup>18</sup> Only a small governmental elite participated in this decision making, thus rendering the democratic foreign policy process precarious. For example, traditionally, the executive has had greater power over the formulation of foreign policy than the legislature, even though Congress—and exclusively the Senate—is the body that constitutionally should sanction the decisions previously made by the executive branch.<sup>19</sup> This subordination was a direct result of Congress's lack of political independence and the over-concentration of information in the executive branch. To a great extent, it evinced one of the structural problems of the Mexican political regime: that is, the absence of a coherent and consistent balance of power.

As the twentieth century advanced and the international context changed, the incompatibility of those principles became increasingly evident. The Mexican gov-

<sup>15</sup> See Humberto Garza Elizondo, "Los cambios en la política exterior de México, 1989-1994," *Foro Internacional*, no. XXXIV (October-December 1994): 534-544.

<sup>16</sup> These principles are inserted in a multitude of international instruments that Mexico is a part of, having subscribed, approved, ratified and adhered to them: the Charter of the Organization of American States (ratified November 23, 1948) reformed by the Buenos Aires Protocol of 1967, and by the Cartagena of Indias Protocol of 1985; UN General Assembly Resolution 2625 (XXV) (October 24, 1975) containing the Declaration on Principles of International Law Concerning Friendly Relations and Cooperation Among States in Accordance with the Charter of the United Nations. See Edmundo Hernández-Vela Salgado, *Diccionario de política internacional*, 5th ed. (Mexico City: Porrúa, 1999).

<sup>17</sup> Alonso Gómez Robledo Verduzco, "Mexican Foreign Policy: its Fundamental Principles", *Mexican Law Review* no. 3 (January-June 2005) IJ-UNAM, at <http://info8.juridicas.unam.mx/cont/3/arc/arc5.htm>.

<sup>18</sup> See Rafael Velázquez Flores, *Factores, bases y fundamentos de la política exterior de México* (Mexico City: Plaza y Valdés, 2007).

<sup>19</sup> See Articles 73 and 76 of the Mexican Constitution in Secretaría de Gobernación, *Constitución Política de los Estados Unidos Mexicanos*, 8th edition (Mexico City: SG, 2001), 66-72 and 74-75.



ernment used foreign policy doctrine with increasing discretion to present itself as a relatively weak country that had to resort to the law to defend itself from external intervention. Nevertheless, for a long time, and despite being an anachronism, the principle of non-intervention and the Estrada Doctrine<sup>20</sup> basically made it possible for the Mexican government, through a very intelligent maze of relationships and complicities, to be authoritarian without any international ally being able or wanting to intercede. In some cases, explicit accords were established, like in the case of Cuba, not to intervene in each others' internal affairs in exchange for mutual support to further both countries' authoritarian political models. Mexico's ambivalence, expressed through the so-called "agreement to disagree,"<sup>21</sup> shaped Mexico-U.S. relations for decades, in the sense that it was the only arrangement that allowed a margin of relative independence for Mexico regarding the United States in foreign policy implementation, without endangering Mexico's most important bilateral relationship, and without officially compromising with any of the parties involved. Despite this, Mexico intervened actively in the Central American process in the 1980s and before that, in the Chilean events of 1973. It was a relatively comfortable foreign policy —although at the same time it had two faces— for an authoritarian regime that cautiously used it as a smoke screen to hide the enormous socio-political contradictions inside the country.

In that sense, Mexico's foreign policy, like that of any other country, depends on the international conditions of the state in question, but also on the international historic environment and context. Domestic political conditions have changed gradually in recent years, and, as I already mentioned, the year of democratic alternation in office, beginning in July 2000, was particularly important. Some political actors' attempts to defend a supposed tradition that they think is idealistic, legal and principle-based are surprising, however, and they fight for its continued implementation arguing that continuity is a sign of effectiveness, owing to the apparent status in the international arena that Mexico used to enjoy. Nevertheless, if one of international society's characteristics is dynamism, it is also reasonable to say that foreign policy changes in accordance with international politics, adjusting itself to historical circumstances to be effective.

<sup>20</sup> This doctrine, also known as "the Mexico Doctrine," "the Mexican Doctrine" or even "the Ortiz Rubio Doctrine," basically makes reference to the recognition of states and the assumption of a right to pass judgment critically on the legal capacity of foreign regimes, a right that is detrimental to the sovereignty of other states. Consequently, the Mexican government thereafter confined itself to maintaining or withdrawing its diplomatic representatives, as it deemed appropriate from time to time, without any regard to accepting or not accepting any change of government. This doctrine gives welcome evidence to the important distinction between recognition of a new state and recognition of a new government. See Philip C. Jessup, "The Estrada Doctrine," *The American Journal of International Law*, vol. 25, no. 4 (October 1931): 719-723.

<sup>21</sup> Adolfo Aguilar Zinser, "La seguridad mexicana vista por Estados Unidos," in Sergio Aguayo Quezada and Bruce Michael Bagley, comps., *En busca de la seguridad: aproximaciones a la seguridad nacional* (Mexico City: Siglo XXI, 1990), 306.

In a complex, conflictive, permanently changing world, a policy emphasizing tradition and continuity (unchanging principles and objectives) as its most outstanding traits could well be a policy that lags behind and is not very flexible. A policy that does not change and better itself is a rigid, old-fashioned policy that will not march to the rhythm of global change.<sup>22</sup>

Mexico's traditional foreign policy model has changed in practice without this being recognized in discourse or in theory. For that reason, I will mention some of the most noteworthy components of today's Mexican foreign policy:

- 1) Nationalism has been replaced by internationalism;
- 2) Independence has been replaced by interdependence;
- 3) Principles have been replaced by interests;
- 4) Legalism and symbolism have been replaced by pragmatism;
- 5) Idealism has been replaced by realism;
- 6) Being unrelated to domestic policy has been replaced by the effective linkage to domestic policy; and
- 7) Passiveness has been replaced by activity.

The internationalism and activity that Mexico tried to exhibit during the first democratic administration was clear in several efforts to exert international leadership, the climax of which was its period as a non-permanent member of the Security Council in 2002-2003. Other efforts that presented the new face of its pro-active foreign policy were the launching of the Puebla Panama Plan; the candidacy of Ernesto Derbez, Minister of Foreign Relations, for general secretary of the Organization of American States; the hosting of several international conferences; and the campaign for United Nations reform. Regarding the latter, Mexico pushed an agenda completely motivated by national interests when in April 2004, the president launched the Group of Friends for the Reform of the United Nations, aiming to reach "an integral understanding of the reform process that would allow the United Nations to address the most delicate challenges and threats of each historical cycle, not focusing exclusively on the composition of the Security Council."<sup>23</sup> However, it was Mexico's proposal to enlarge the Security Council that overtly demonstrated its competition with Brazil for the prize of regional leadership.

Mexico tried to make its commitment to multilateralism as clear as possible, as well as the effort to distance itself somewhat from the traditional associations the international community used to take for granted, such as the unspoken agreement

<sup>22</sup> Humberto Garza Elizondo, "Desequilibrios y contradicciones en la política exterior de México," *Foro Internacional*, no. XXIV (April-June 1984): 538.

<sup>23</sup> The counterparts invited were Germany, Algeria, Australia, Canada, Chile, Colombia, Spain, Japan, Kenya, New Zealand, the Netherlands, Pakistan, Singapore and Sweden. See Misión Permanente de México ante Naciones Unidas, *Grupo de amigos de la reforma de las Naciones Unidas*, at [http://www.un.int/mexico/index\\_reform.htm](http://www.un.int/mexico/index_reform.htm).

with Cuba during the annual human rights condemnation and the idea of being subordinated to U.S. foreign policy interests —the greatest show of intended distancing was Mexico's refusal to acquiesce to the Iraq invasion. At the same time, Mexico was advancing its perceived national interests, frequently through very thoughtless pragmatism that could have been mistaken for historic indifference, diplomatic lack of concern and fragmented maneuvers. The pursuit of the "whole enchilada" is the case that best portrays this new foreign policy framework in which interests are prioritized, principles disregarded and policies are randomly adjusted as a simple reaction to contingencies.<sup>24</sup>

The component highlighting the alleged effective linkage to domestic policy must be nuanced: effectiveness depends on the sphere of action, self-evaluation, the domestic and international impact of the recognition of areas of concern and, for some specific cases, the degree of cooperation of the transnational partner. In the fight against drug-trafficking, domestic policy went hand-in-hand with U.S. security demands and the international condemnation of organized crime. In contrast, the migratory issue involved several inconsistencies: first, since domestic policy is still behind in recognizing Mexico's responsibility for the push factors of migration, and, secondly, there is no migration policy that would finally deal with the impressive incoherence between the abandoned southern border and the overexposed northern border realities. The national human rights deficit that the Mexican government recently has openly condemned in multilateral forums also must not be forgotten.

It is not that Mexico's foreign policy was not realistic, pragmatic and active or that it did not take into account and act in accordance with specific interests. What should be recognized is exactly the opposite: that is, that it did do all of this, but covertly, always behind a "neutral" and —why not say it?— simulated discourse and as the offspring of a frankly worn out —if not decomposed— post-revolutionary regime. It is time to make what is happening in practice unreservedly legitimate and legal.

Historically, it has been said that there was a contradiction between the principles and interests of Mexican foreign policy, despite this vision expressing a false dichotomy that in turn stems from an erroneous idea of international society (which, by the way, permeates the legislature today): it is believed to be static and that, therefore, it acts in accordance with a pre-established order that has predetermined the social and political roles of the states that make up international society. While it is true that developing countries do not have the same power of negotiation as developed countries, this idea should be rethought to assume that principles and interests are compatible with each other if they are put forward coherently in an interdependent and interconnected world. The use of the law and of principles of doctrine in favor of internal development is not opposed

<sup>24</sup> The "whole enchilada" was the expression coined by former Minister Jorge G. Castañeda to refer to a comprehensive immigration reform, including regularization of illegal Mexican migrants; a guest worker program and an increase in permanent visas. This became the only issue on the table with the U.S., making the foreign policy agenda one of the most heavily dominated by migration ever.

to their defense in international forums through the promotion and proposal of bilateral, trilateral and multilateral initiatives.

Principles of doctrine help as counterweights to the inequalities among states, but are insufficient to fully exercise foreign policy for two reasons: 1) it would be very hard to disagree with them since Mexican foreign policy principles are the same as those of international law, and, therefore, they are general and inflexible; and 2) they can be used to explain and argue a kind of behavior that they can, however, only justify *post-factum*.<sup>25</sup>

It is a good idea to clearly and openly incorporate a dose of realism into the exercise of foreign policy to avert the ambiguity in which Mexico has historically been situated (being in everything and with everyone, but not in favor of or against anything or anybody) and define national interests, and that policy's priorities and objectives. We should clarify that when we talk about realism, we are not referring to the type of policy conceived of as the exercise of power with no ideals or values, using fraud and implemented mercilessly. As Giovanni Sartori says, this is a mistaken conception:

Political realism is not what it is erroneously supposed to be. It is not a kind of self-sufficient policy, something that can agree with or oppose the systems we call democratic, socialist or others. In this continuum, there is no place for political realism for the simple reason that it is only one element, one ingredient of each and every one of the political positions. Every accurately descriptive explanation is a realistic explanation, which is the same as saying that realism only leads us to the antechamber of policy. Policy requires information; it needs to know reality and this is what political realism brings to the mix, but it does so to the benefit of all and not of a single side.<sup>26</sup>

The conviction that the application of international law is fundamental in the development of international policy must be preserved and, what is more, validated in states' domestic policies, and, more specifically in Mexico, imbuing international treaties (such as those referring to human rights) with the weight of the law and enforcing them in society. However, the fact that there are no private political interests often contrary to what is established in international law should not be disregarded, and, precisely for that reason, active participation in multilateral forums must be a constant. Although facts and values —understood as what they are and what they should be— are reciprocally related, we should not forget that they are two independent spheres that complement each other.

<sup>25</sup> See Héctor Manuel Ezeta, *Los principios y los intereses de la política exterior mexicana* (Mexico City: Secretaría de Asuntos Internacionales/Instituto de Estudios Políticos, Económicos y Sociales, 1990).

<sup>26</sup> Giovanni Sartori, *Aspectos de la democracia*, Rafael Castillo Dibildox, trans. (Mexico City: Limusa-Wiley, 1965), 49-50.

We must not make the mistake of using a fact to refute a value or, vice-versa, using a deontology to reject a manifestation of fact.... We must not fall into the mistake of believing that the entire case can be presented in terms of a description of reality or, to the contrary, in terms of value judgments. I mean that to encompass the entire field of politics, we need both facts and ideals.<sup>27</sup>

## Conclusion

Domestic political change cannot be divorced from the changing international process. In the entire world, foreign policies have adapted themselves to the changing times of international reality and, to a great extent, NAFTA shows this. The pre-eminence of the globalized era over these policies has given states no rest. The states, for their part, have gone through an important process of transformation to which they have conformed, more or less rationally, their societies.

What is a historic fact is that in the last two decades, foreign policy issues have had an increasing impact on domestic policy. Domestic policy, foreign policy and international policy are three different moments of a single process. Thus, it is also true that domestic policy generates a great number of the issues and problems that are later transferred to the arena of foreign policy. This is why it is said that domestic and foreign policies are increasingly interrelated, and, in addition to not being really separable, are strategic components of a long-term state policy.

For analysts, but mainly for political actors directly involved in decision making, it is of the utmost importance to understand this unity and its meaning in the defense of national interests. What is more, it is of considerable significance that, regardless of political or ideological differences, legislators and federal officials agree on state strategies, forging a consensus about the steps for carrying out a foreign policy project that was offered to society. All the actors involved are responsible for articulating this project, sorting out their political differences—they are, after all, professional politicians—and achieving a consensus as a point of departure. It is my impression that nowadays, none of the political parties or political actors is sufficiently clear on these ideas. Their legislators' behavior vis-à-vis foreign policy issues gives the impression that they lack a clear vision: both of a national and a foreign policy project. It would seem that they are still moving among the old models of international relations—which up to a certain point is explicable—and the reality I have already described. That is, politicians seem to lack strategic vision. This, on the other hand, stems from the lack of professionalism that has dominated the legislature, partly because of the absence of a professional civic class that can teach them about the country's most important issues, and partly because legislators themselves are novices in the matters they must deal with during their terms. In this sense, it would seem to be even clearer that what is needed is to overcome the three major political parties' conservative resistance to constitutional reform and re-election.<sup>28</sup> Here, and of course in the

<sup>27</sup> Ibid., 51.

<sup>28</sup> The Institutional Revolutionary Party (PRI), the Party of the Democratic Revolution (PRD) and the National Action Party (PAN).

consciousness and principles of party doctrine, is where the parties are most backward in assuming responsibility for foreign policy in accordance with the new, already stormy, times that our country has to face. Undoubtedly, this scenario has an impact on the future of Mexico's international relations, and it has also negatively impacted, within the realm of NAFTA, our country's complex bilateral and trilateral relations.

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## Appendix 1

### FREE TRADE AGREEMENTS SIGNED BY MEXICO

<i>Agreement</i>	<i>Country</i>	<i>Date Published</i>	<i>Entry into Force</i>
NAFTA	United States and Canada	December 20, 1993	January 1, 1994
G3 FTA	Colombia and Venezuela *	January 9, 1995	January 1, 1995
Mexico-Costa Rica FTA	Costa Rica	January 10, 1995	January 1, 1995
Mexico-Bolivia FTA	Bolivia	January 11, 1995	January 1, 1995
Mexico-Nicaragua FTA	Nicaragua	July 1, 1998	July 1, 1998
Mexico-Chile FTA	Chile	July 28, 1999	August 1, 1999
Mexico-EU FTA	European Union	June 26, 2000	July 1, 2000
Mexico-Israel FTA	Israel	June 28, 2000	July 1, 2000
Mexico-Northern Triangle FTA	El Salvador, Guatemala and Honduras	March 14, 2001	March 15, 2001 with El Salvador and Guatemala, and June 1, 2001, with Honduras.
Mexico-European Free Trade Association FTA	Iceland, Norway, Liechtenstein and Switzerland	June 29, 2001	July 1, 2001
Mexico-Uruguay FTA	Uruguay	July 14, 2004	July 15, 2004
Mexico-Japan Agreement of Economic Association	Japan	March 31, 2005	April 1, 2005

\* As of November 19, 2006, only Mexico and Colombia participate in the FTA with the G3.

**Source:** Free Trade Agreements signed by Mexico, Vice Ministry for International Commercial Negotiations, Ministry of the Economy, [http://www.economia.gob.mx/work/sneci/negociaciones/ficha\\_publica\\_tlcs.htm](http://www.economia.gob.mx/work/sneci/negociaciones/ficha_publica_tlcs.htm); accessed June 20, 2008.



## Appendix 2

### AGREEMENTS FOR MUTUAL PROMOTION AND PROTECTION OF INVESTMENT SIGNED BY MEXICO

<i>Country</i>	<i>Date Signed</i>	<i>Date Ratified by the Senate</i>	<i>Date Published</i>	<i>Entry into Force</i>
Argentina	November 13, 1996	April 24, 1997	August 28, 1998	July 22, 1998
Australia	August 23, 2005	February 21, 2006	June 12, 2007	July 18, 2007
Austria	June 29, 1998	December 14, 1998	March 23, 2001	March 26, 2001
Belgium-Lux Union	August 27, 1998	December 14, 1998	March 19, 2003	March 20, 2003
China	July 11, 2008	Pending	Pending	Pending
Cuba	May 30, 2001	December 11, 2001	May 3, 2002	March 29, 2002
Czech Republic	April 4, 2002	October 29, 2002	March 25, 2004	March 14, 2004
Denmark	April 13, 2000	April 28, 2000	November 30, 2000	September 23, 2000
Finland	February 22, 1999	April 17, 2000	November 30, 2000	August 21, 2000
France	November 12, 1998	April 17, 2000	November 30, 2000	October 11, 2000
Germany	August 25, 1998	December 14, 1998	March 20, 2001	February 23, 2001
Greece	November 30, 2000	April 26, 2001	October 11, 2002	September 17, 2002
Iceland	June 24, 2005	December 6, 2005	June 6, 2006	April 28, 2006

## Appendix 2

### AGREEMENTS FOR MUTUAL PROMOTION AND PROTECTION OF INVESTMENT SIGNED BY MEXICO (CONTINUE)

<i>Country</i>	<i>Date Signed</i>	<i>Date Ratified by the Senate</i>	<i>Date Published</i>	<i>Entry into Force</i>
India	May 21, 2007	December 11, 2007	March 5, 2008	February 23, 2008
Italy	November 24, 1999	April 17, 2000	January 17, 2003	December 4, 2002
Korea	November 14, 2000	April 16, 2002	August 9, 2002	June 28, 2002
Netherlands	May 13, 1998	December 14, 1998	July 10, 2000	October 1, 1999
Panama	October 11, 2005	April 4, 2006	December 19, 2006	December 14, 2006
Portugal	November 11, 1999	April 17, 2000	January 8, 2001	September 4, 2000
Spain	June 22, 1995 October 10, 2006*	November 16, 1995 April 26, 2007*	March 19, 1997 May 19, 2008*	December 18, 1996 April 4, 2008*
Slovakia	October 26, 2007	Pending	Pending	Pending
Sweden	October 3, 2000	April 3, 2001	July 27, 2001	July 1, 2001
Switzerland	July 10, 1995	November 16, 1995	August 20, 1998	March 11, 1996
Trinidad and Tobago	October 3, 2006	March 6, 2007	September 12, 2007	September 16, 2007
United Kingdom	May 12, 2006	April 26, 2007	July 25, 2007	July 25, 2007
Uruguay	June 30, 1999	December 11, 1999	August 9, 2002	July 1, 2002

\* Dates corresponding to the renegotiated agreement.

**Source:** Status of the Agreements for Mutual Promotion and Protection of Investment signed by Mexico, Office of Foreign Investment, Ministry of the Economy, <http://www.economia.gob.mx/?P=1210>, accessed June 25, 2008. Updated January 2009.

## **MEXICO-U.S. SECURITY: A PRIORITY FOR THE BILATERAL AGENDA**

*Leonardo Curzio\**

In recent years security has become a fundamental topic in relations between Mexico and the United States. For both countries, it occupies a vital place on their own domestic agendas, and on the bilateral agenda as well. Due to geographic determinism and a circle of common economic interests —and despite political variations in the state of affairs at any given moment and notwithstanding some wounded sensibilities— they share a common problem unparalleled in history.

Beyond some confusion and what appeared in the media, Mexico's position following the September 2001 terrorist attacks was one of full support. It is true that there was some wavering on the part of some members of the cabinet in the days after the attacks, and a certain mean-spiritedness on the part of some political parties. Equally true is that these blunders have been well-documented in a kind of combination “book-reproach” written by Jeffrey Davidow when he was U.S. ambassador in Mexico. From the very first pages, his annoyance at Mexico's lack of consideration is evident:

The initial reaction by the Mexican people and government was, as expected, one of horror.... However, the reaction rapidly became confused, and degenerated into an unseemly political debate that revealed a great deal of imprudence and insensitivity.<sup>1</sup>

Beyond this clumsy reaction, Mexico carried out all the necessary changes in its security strategy and risks agenda to cooperate in a resolute, visible way to improve security levels.

However, Washington's reaction to Mexico and other countries has not contributed much to creating a better atmosphere. The premonitions expressed by many observers after hearing President Bush's initial speeches after the attacks were not very encouraging and leaned toward the United States opting for a fundamentally unilateral, self-absorbed policy, and adopting a paradigm that, as Luis Ernesto Derbez has put it very well, consists of obtaining security “against everyone and despite everyone.”<sup>2</sup>

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<sup>1</sup> Jeffrey Davidow, *El oso y el puercoespín* (Mexico City: Grijalbo, 2003), 23-24; translated from Spanish by the author; available in English as *The Bear and the Porcupine*, published by Markus Wiener Publishers. [Editor's Note.]

<sup>2</sup> Luis Ernesto Derbez Bautista, “Una frontera en franca evolución,” *El Universal*, August 9, 2004.

This has had tangible consequences. Influential political analyst Fareed Zakaria attests to the increasing incomprehension in other countries of the way in which Washington has handled its foreign policy since 2001. In countries as disparate as France and Indonesia, anti-U.S. sentiment has increased to its highest levels in the last 50 years.<sup>3</sup> It is probably not that high in other countries, but there is growing mistrust, and this is not a spontaneous occurrence.

The initial security strategies designed by the Bush administration were developed as if its surroundings were totally hostile, fraught with danger and threats. Inspections and control of passengers and cargo containers were initiated without regard to the fact that the United States is flanked by two friendly countries, allies and trade partners, specifically Mexico and Canada.

It is important to emphasize here that there are two components in U.S. security strategy: at the bilateral level, which is the most important for the two countries, the issue is dominated by the guidelines of the National Strategy for Homeland Security,<sup>4</sup> and on a broader level, the controversial doctrine of preemptive action has gained ground.<sup>5</sup> For most of the world's countries, these two elements of U.S. strategy can be conceived of as one and the same. However, for Mexico, it is vital to distinguish between them, since the disagreements generated by U.S. international actions do not necessarily affect the crucial agreements for defending the North American security perimeter.<sup>6</sup>

Mexico has cooperated without fail in maintaining the North American security perimeter.<sup>7</sup> Meetings between the U.S. Secretary of Homeland Security and Mexico's Interior Ministers have been frequent, and communication is guaranteed through special channels maintained between the two government officials. In addition, Mexico reinforced its border controls, especially in relation to the so-called restricted nationalities and has accepted and supported the concept of intelligent borders. Mexico has implemented all the controls imposed by U.S. authorities on its civil aviation, as if they were part of its own program. Operation Centinela was implemented in response to the war in Iraq, mobilizing security forces several thousand strong.<sup>8</sup> Another facet of this cooperation is the partici-

<sup>3</sup> Fareed Zakaria, "The world's most dangerous ideas," *Foreign Policy* (September-October 2004).

<sup>4</sup> Office of Homeland Security, "National Strategy for Homeland Security," July 2002, at [http://www.whitehouse.gov/homeland/book/nat\\_strat\\_hls.pdf](http://www.whitehouse.gov/homeland/book/nat_strat_hls.pdf).

<sup>5</sup> See "The National Security Strategy of the USA," September 2002, and especially Chapter V: "Prevent our enemies from threatening us, our allies and our friends with WMD," at [www.whitehouse.gov/nsc/nssall.html](http://www.whitehouse.gov/nsc/nssall.html).

<sup>6</sup> A description and justification of Bush security strategy can be found in Philip Zelikow, "The Transformation of National Security," *The National Interest*, no. 79 (spring 2003). An interesting criticism of aspects of Bush security doctrine can be found in Madeleine Albright, "La guerra equivocada," *Foreign Affairs en español*, vol. 3, no. 4 (2003).

<sup>7</sup> See the critical perspective offered in regard to all these matters in Alejandro Dávila Flores, "Smart borders y seguridad nacional después del 11 de septiembre ¿tomando decisiones inteligentes?" in Cristina Rosas, comp., *Terrorismo, democracia y seguridad* (Mexico City: UNAM/Australian National University, 2002).

<sup>8</sup> Press conference, Ministers of the Interior and Defense, March 18, 2003, at [www.gobernación.gob.mx](http://www.gobernación.gob.mx).

pation in exercises simulating a terrorist attack, such as those conducted in November 2003 along the Sonora-Arizona border. At the bilateral level, cooperation is fluid, with no strings attached. Since the 2005 Waco summit, the Security and Prosperity Partnership (SPP) has been the new trilateral framework for bolstering the security agenda and striking a balance with the prosperity agenda.

However, there have been important discrepancies in the multilateral context, especially in how to deal with Iraq. During Mexico's participation in the United Nations Security Council (2001-2003), it took positions supporting the inspections headed by Hans Blix,<sup>9</sup> and this autonomy led to some friction with the hegemonic power, without, however, placing bilateral cooperation in jeopardy—which is, in the end, the most important for Washington and for Mexico.<sup>10</sup> In addition to this, Mexico is clearly off the map in terms of the fundamentalisms that encourage terrorism. This comparative advantage has not, in our opinion, been adequately considered.

In short, the U.S. reaction—although initially understandable—offended a good number of its allies in numerous ways, and this is especially true in the case of a partner like Mexico, since it knocked Mexican affairs down to last place on its list of priorities.<sup>11</sup> Issues of great importance, such as the agenda for deepening bilateral relations between the two countries, and consolidating North America as a region, vanished from the scene in 2001. The so called “NAFTA Plus” has experienced practically the same fate,<sup>12</sup> although recently, more importance has been placed on economic issues, and a more serious focus has been given to the competitiveness of the North American region (United States, Canada and Mexico) through the SSP with respect to other regions of the world.

The long-aspired-to migration agreement for regularizing the situation for thousands of undocumented Mexicans working in the United States (proposed at the beginning of the Fox administration) was brushed aside, relegated to the lowest of U.S. priorities for nearly two years.

The issues that are fundamental for Mexico in a context dominated by the need to redefine its relations with its neighbor to the north in a more constructive and comprehensive way were literally placed on the back burner.

## The Forgotten Agenda and Its Consequences

The progress made in Mexico since the year 2000 in terms of democratization, respect for human rights, top-level cooperation in the fight against drug traffick-

<sup>9</sup> Hans Blix, *¿Desarmando a Irak?* (Barcelona: Planeta, 2004).

<sup>10</sup> This relative independence in handling multilateral issues is not new. A few months before NAFTA was signed, Mexico took a position in the United Nations condemning the invasion of Panama.

<sup>11</sup> See Jorge Castañeda, “La relación olvidada,” *Foreign Affairs en español*, vol. 3, no. 2 (2003). On a humorous note, the editor of *Foreign Affairs*, Moisés Naim, has said that from the perspective of the Bush administration, Latin America has become Atlantis, the lost continent.

<sup>12</sup> On December 12, 2003, President Vicente Fox Quesada was interviewed by *Business Week*, and explicitly addressed the idea of NAFTA Plus.

ing and the determination to deepen relations with the United States has not been matched with concrete proposals. This lack of response from Washington has implied political costs for Mexico's first non-Institutional Revolutionary Party (PRI) administration.

What is true is that not all of the above can be attributed to U.S. disinterest in Mexican affairs. The misunderstandings and mistakes made by the Fox administration in the way it handled the proposal for a migration agreement have damaged the Mexican government's credibility in the eyes of the public. Fox was mistaken in his initial proposal, when he assumed that a splendid personal relationship between the two presidents would be enough to provide the needed push for such an important instrument. Reality has demonstrated the contrary.

The "old" Mexican nationalists regrouped into the PRI and Party of the Democratic Revolution (PRD) attacked Fox for his "naïveté" in trusting the Bush administration, reaffirming their long-held positions and prejudices with regard to the United States. The notion of being considered the "back yard" of the world's foremost power has been reinforced in the perceptions of broad sectors of the population.

The consequences of this situation are clearly negative for Mexico. The traditional political class is reinforcing its anti-U.S. prejudices, which had gradually been disappearing in the previous years with the advancement of trade integration.

The alleged initial spirit of the two administrations for seeking greater understanding and cooperation remained nothing more than good intentions. A large number of U.S. opinion-makers in the mass media and a considerable number of decision makers have not been able to understand that friendly cooperation was crucial for recognizing Mexico as a real partner with whom it wishes to deepen relations. A gesture of friendship and trust from its neighbor to the north would have been useful for the Mexican government, with the aim of preventing cooperation from being interpreted by revolutionary nationalists as a sign of surrender, and also, for expanding that cooperation to other spheres. A fence along the common border as a way to deal with security and migration issues is not precisely a constructive agenda.

## **Integration Comes to a Halt**

By 2006, the development of North America as an economic region and trade area marked by internal coherence had not advanced beyond the levels characterizing the previous decade. The George W. Bush administration enjoyed boasting of its privileged relationship with Mexico. At the closing ceremony of the 2002 Monterrey summit, Bush said that between Mexico and the United States, there was "a historic partnership, one which will benefit both our peoples and provide a good example for the rest of the world."<sup>13</sup> How can such a statement be interpreted?

<sup>13</sup> George Bush, March 22, 2002, at <http://www.whitehouse.gov/news/releases/2002/03/20020322-10.html>.

While other regions of the world, like Europe, have developed an emerging supra-national identity, while preserving their national particularities, North America has not moved beyond the free trade level,<sup>14</sup> and since 2001, the gap between Mexico and the United States has grown. Far from developing more trust between the two countries, our main successes can be described at two levels:

- 1) The first is that despite the obsession around security, we find that economic and human flows have been maintained, although hindered and marked by more mistrust.
- 2) The second is that we have cooperated in a satisfactory way, not in building bridges and liaisons for enhancing the prosperity of both countries, but in building borders, controls and even fences.

To the contrary, European countries have consistently worked together to deal with security issues. The group of countries in what is known as the Schengen area has suppressed internal border controls and created a European office for addressing terrorism-related matters. They are working at a more comprehensive level to develop a common security arrangement.<sup>15</sup> But let us return to North America.

At a tactical-operational level, we should point out that despite the errors in the way Mexico initially addressed the problem, and despite the nationalist reactions in the United States, the two countries have adapted practically to security arrangements for North America. Tom Ridge, the former Secretary of Homeland Security, put it this way in 2004:

Each of us has a homeland to protect. An attack on one affects the security and economy of the other... the mission of guaranteeing our liberties and protecting our citizens against terrorists and other offenders who harm and take advantage of innocent people. We share a clear vision of prosperity and security, of democracy and open markets. We understand exactly what is at stake. Mexico is a strong partner in the war against terrorism.<sup>16</sup>

We clearly share the same objectives. However, when it comes to the methods used for dealing with problems, the two countries' perceptions begin to diverge. For the U.S. government, everything is potentially a risk and therefore must be given priority attention. Once again, let us look at comments made by Tom Ridge:

Our historic confidence in the protection offered to us by two vast oceans and two good neighbors will no longer be adequate against an enemy that turns airplanes into

<sup>14</sup> Robert Pastor, "La segunda década de América del Norte," *Foreign Affairs en español*, vol. 14, no. 1 (2004).

<sup>15</sup> Javier Solana, "Una Europa segura en un mundo mejor," document, European Council meeting, Thessaloniki, Greece, June 20, 2003, at <http://www.ue.eu.int/newroom>.

<sup>16</sup> Tom Ridge, "Dos patrias, una misión. Cómo la seguridad interna y la respuesta estadounidense al 11S han unido a México y Estados Unidos," *Foreign Affairs en español*, vol. 4, no. 2 (2004).

missiles and cargo containers into transportation for weapons. The same communication and transportation systems used to expand prosperity throughout the world and lift people out of poverty are now used by terrorist networks to spread fear and harvest destruction.<sup>17</sup>

Within this logic of universalizing risk, the everyday lives of the economic actors who base their prosperity on free trade are directly affected. The long waits for trucks at the borders and all the necessary certification processes for entering the U.S. market constitute a type of neo-protectionist barrier. Agricultural exporters and livestock producers have witnessed how regulations and controls have multiplied, in line with the bioterrorist legislation that came into effect at the end of 2003. The United States has not managed to —nor has it wanted to—propose its security agenda as a matter of mutual interest, through which what Colin Powell once called a “zone of confidence”<sup>18</sup> could emerge. Rather, a lack of trust has been the dominant tone.

The Mexican-U.S. border is a dynamic border with an intensity that cannot be easily compared to any other in the world. Along its 3000 kilometers, there are 400 million border crossings each year, of which nearly 253 million are pedestrian crossings. It has been calculated that 98 percent of bilateral trade —which reached a level of US\$400 billion in 2006— takes place across that border. According to reports from the Colegio de la Frontera Norte (the Northern Border College), Tom Ridge’s aspiration of balancing security with free trade and agility in the transit of individuals who legitimately enter the United States is merely a laudable intention since, in the words of the president of the Northern Border College, Jorge Santibáñez, U.S. security policy “has put the management of international immigration in the same category as the fight against terrorism, drug trafficking and weapons trafficking.”<sup>19</sup>

Things could certainly be worse. It is true that efforts have been made to improve and facilitate border crossings. Between the two countries, it has been possible to conjure up a scenario of the impregnable fortress, and despite restrictions and stepped-up security measures, “a dynamic has been achieved that makes the U.S. obsession with security now compatible with trade flows and the transit of citizens who have legitimate reasons for visiting the United States.”<sup>20</sup>

U.S. and Mexican authorities concur on the need to invest considerable resources to prevent the border from becoming an obstacle to legitimate activities. However, little progress has been made to date toward this objective. Mexicans continue to be eligible for a visa that may be granted only after extensive data has been collected.

<sup>17</sup> Ibid., translated from Spanish by the author. [Editor’s Note.]

<sup>18</sup> <http://usinfo.state.gov/regional/ar/mexico/powell14.htm>, translated from Spanish by the author. [Editor’s Note.]

<sup>19</sup> Jaime Hernández Hernández, “Seguridad fronteriza hunde negocios,” *El Universal*, September 13, 2004, 1 and 4; and “El vía cruces. Cruzar la frontera se volvió un calvario para pequeños exportadores,” *Expansión* (September 29 to October 13, 2004): 28.

<sup>20</sup> Luis Ernesto Derbez Bautista, “Una frontera en franca evolución,” *El Universal*, August 9, 2004, 11.



Mexico was one of the first countries to be included in the U.S. Visit program, but entrance procedures into the United States can be long and annoying.

Beyond investment in technology to better control the entry of citizens and merchandise, Mexico's proposal for simultaneously moving forward with both the migration and security agendas was very logical and even provocative. The link between the two agendas was put in this way:

U.S. national security strategy would be strengthened by identifying the population currently living within its borders in legal limbo —meaning that this population is vulnerable to abuses and hindered from openly joining efforts by the responsible authorities to enforce the law. This is not simply a matter of recognizing their rights, but also making them fully responsible for fulfilling their civic obligations.<sup>21</sup>

Mexico's attempt to make the migration issue coincide with the increase in security levels has not been successful, nor will it succeed in the immediate future. There are a variety of reasons, but especially evident is the fact that despite all we share and all that sets us apart, our region has not managed to clearly identify the circle of issues within which cooperation would provide better results for implementing sovereign policies. For Mexicans, illegal immigration opens up a situation marked by abuse, and for the U.S., it demonstrates that its control over the population is highly vulnerable and probably susceptible to corruption, since it is impossible to explain how more than 6 million individuals neither have legal immigration status nor are in the process of acquiring it.

The United States finds itself facing an undeniable fact: its citizens coexist with millions of individuals who have violated its immigration laws for purely economic reasons. Ignoring the issue or attempting to address it unilaterally, without acknowledging the economic component, only leads to a reduced perception of security, since the world's greatest power has been shown to be incapable of controlling the problem through legal channels.

### **North America: A Tribute to Differences**

The North American community should make efforts to acknowledge its circle of common interests, which include many more than those on either side of the border initially want to recognize. The SPP is probably the first step in the right direction because it is a highly controversial attempt to reach a balance in the region's security concerns and prosperity priorities.

The objective of shared security is a magnificent opportunity for working together, if we can surpass restrictive visions and complexes, since, as Jorge Montaña has said, we can stop being anything but neighbors. Geographic determinism forces us to jointly

<sup>21</sup> Santiago Creel, "La migración y la seguridad entre México y Estados Unidos: caminos diferentes, metas comunes, nuevos aliados," *Foreign Affairs en español*, vol. 4, no. 2 (2004).

address security matters.<sup>22</sup> If terrorism is the main issue on the agenda, Mexico is an invaluable ally and an ideal neighbor.

As already stated here, Mexico is not a country that encourages terrorism in any way. We are a country that receives very few immigrants from the countries considered to be potentially dangerous. Furthermore, despite the fears of some nativists, Mexico shares with its neighbor the values of individual freedom, the market economy and the entire symbolic model represented by the United States.

In 1993, Samuel Huntington published an essay that sparked an enormous controversy regarding the ways in which conflicts will take shape on the international scene after the decline of ideologies. He suggested that cultural factors will constitute the main driving force of conflict. Even the title of his article was revealing: “The Clash of Civilizations?”<sup>23</sup> In his text, he defined a set of elements characterizing Western civilization, and in contrast to Naipaul, he established that the West was not the universal civilization, and that only a group of countries sharing certain characteristics fully belonged to Western civilization. He stated that there is little resonance for ideas of individualism, liberalism, constitutionalism, human rights, equality, the rule of law, democracy, free markets and the separation of church and state in Islamic, Confucian, Japanese, Hindu, Buddhist and Orthodox civilizations.<sup>24</sup>

There is no doubt that Mexico shares the values mentioned here, in some cases as something to aspire to, and in others, as a goal achieved after years of debate and struggle. Mexico is a country that aspires to political modernity in accordance with Western norms.

Definitively, the Mexican population cannot be considered —socially or culturally— a threat to U.S. security. On the contrary, the United States finds on its southern border a country that, albeit with resentment and mistrust derived from a stormy relationship, aspires to live in peace and to create greater prosperity for the region.

What perhaps have not been fully understood in some political, academic and media circles are the transformations experienced by Mexico in economic, demographic and political spheres, which should be reflected in a new foreign policy and crowned with a new relationship with the United States. If the United States considers these changes with greater perspective, it should realize that Mexico cannot continue to receive the same treatment it received 20 years ago.

## Paradigms in Transformation

Mexico was “hooked” into economic globalization with the signing of the North American Free Trade Agreement (NAFTA) in 1993, however other issues such as national security, foreign policy and Mexico’s role in the world remained largely anchored to

<sup>22</sup> Jorge Montaña, *Misión en Washington 1993-1996* (Mexico City: Planeta, 2004), 273-274.

<sup>23</sup> Samuel Huntington, “The Clash of Civilizations?” *Foreign Affairs* (Summer 1993).

<sup>24</sup> *Ibid.*, 40.

doctrinaire matrices of the past.<sup>25</sup> This is due in part to national inertia, and in part because the door has not been opened in the United States to the possibility of thinking of a more generous integration scheme that is more politically attractive to the majorities. The debate around the type of relations that should be developed with the United States is evolving at coordinates very similar to those of the 1970s.

Strategic debate has been narrowing considerably since 2001. Any topics not resolved at previous moments have been removed from the discussion. However, if changes do not appear to be that significant in the area of international politics, the process of Mexico's integration into the U.S. economy is a seemingly irreversible trend. The interdependence between the two economies is astounding. Let us look at some data. In the 1990s Mexico became consolidated as one of the world's export powers. Its total trade volume in the year 2000 was 2.3 times greater than that of Russia. Or to compare it with another Latin American economy with a practically identical gross domestic product (GDP), Mexico's foreign trade volume is more than five times greater than that of Brazil.<sup>26</sup>

In 1993, one year before NAFTA, Mexico's total exports amounted to nearly US\$52 billion. Three years later, the figure had reached nearly US\$96 billion,<sup>27</sup> and by 2006, its total exports to the U.S. were just above US\$212 billion.

This process of becoming more connected internationally is accompanied by increasing integration into the U.S. economy. In 1992, two years before the free trade agreement with the United States and Canada went into effect, 81 percent of Mexico's exports were destined for the U.S. market; however by the end of that decade, the figure had increased to levels slightly above 88 percent, which in practice, is equivalent to almost complete dependence on the United States. In 2006, of Mexico's total exports of US\$250 billion, approximately US\$212 billion was concentrated in the United States.<sup>28</sup>

On the other side of the coin, imports are less concentrated. However, the figures are high, with a tendency to rise. In 1992, 71.2 percent of Mexico's imports came from the United States, and in 1999, they increased to 74.2 percent. In 2006, Mexico imported from the United States US\$131 billion.<sup>29</sup> In other words, what Mexico purchases from the United States—which means competitiveness, jobs and well-being for the U.S.—is greater than the total purchased from the United States by several European countries, such as Italy, France, Spain and England. Thus, if we measure the relationship of interdependence in terms of bilateral trade, Mexico should not be considered a burden in the region.

<sup>25</sup> Salinas de Gortari's foreign policy is summarized in Andrés Rozenthal, *La política exterior de México en la era de la modernidad* (Mexico City: FCE, 1993). An interesting and very complete analysis of foreign policy during the Zedillo administration (1994-2000) can be found in Humberto Garza and Susana Chacón, comps., *Entre la globalización y la dependencia. La política exterior de México, 1994-2000* (Mexico City: El Colegio de México/ITESM, 2002).

<sup>26</sup> El País, *Anuario 2002* (Madrid: El País, 2002), 59.

<sup>27</sup> <http://www.naftaworks.org>.

<sup>28</sup> <http://www.economia.snci.gob.mx>

<sup>29</sup> The data for 2002 has been taken from the *Anexo estadístico del Tercer Informe de Gobierno* (Mexico City: Poder Ejecutivo Federal, 2003), 328-329.

However, the connection between the two countries can be perceived in other ways beyond trade figures and consumer patterns. It is also important to consider demographic dynamics, since they offer clear elements for analysis. In a period of 30 years (1970-2000), Mexico's population doubled, and a significant portion migrated to large cities in Mexico or to the United States. The number of Mexicans living in the United States has increased enormously in recent years.

Today, between 10 and 12 million Mexicans live in the United States, and between 40 and 50 percent of them are undocumented, according to estimates received by the Pew Hispanic Center and the U.S. Census Bureau.

Migration and trade figures demonstrate that the current degree of integration of the two countries is enormous, although many prefer to ignore this. "Strategic ignorance" is always an option for politicians but Mexico is clearly a country that has been *transnationalized* in economic and demographic terms.

### **North America: A Pipe Dream?**

Despite the convincing nature of trade and demographic statistics, as well as the political will of the Vicente Fox administration to redefine bilateral relations around new key points,<sup>30</sup> the foundations for deepening bilateral relations have not been established.

Because of this dilemma, many years have been lost to Mexico, which has been unable to find a meeting point between, on the one hand, its economic and demographic reality with a focus on the North American region, and on the other, a traditional foreign policy discourse that continues to be deeply entrenched in the nation's political class.<sup>31</sup>

It is true that Mexico is highly confused as to its place in the world. The revolutionary nationalism that holds together the PRI and the PRD is anachronistic for one of the world's export powers. However, this continues to be the dominant focus of these two political parties' discourse, and the generalized opinion is that the United States does not consider Mexico a real partner. This predominance of nationalism has an important reactive component, and has methodologically hindered any progress in reformulating national interests.

In this context, the region is experiencing a period of great ambiguity. Mexico defines its trade and economic interests separate from and sometimes in opposition to its foreign policy. And the United States defines its foreign and security policies as if Mexico were a country with which it has only insignificant exchanges, and as if it were potentially dangerous.

<sup>30</sup> Monica Serrano, "Bordering on the Impossible: US-Mexico Relations after 9/11," in Peter Andreas and Thomas Biersteker, *The Rebordering of North America* (New York: Routledge, 2003).

<sup>31</sup> Interesting analyses of Fox's foreign policy in the first years of his administration can be found, for example, in Rafael Vázquez, comp., *La política exterior de México bajo un régimen democrático* (Mexico City: Plaza y Valdés/UQR, 2002); and Rafael Fernández del Castro, comp., *Cambio y continuidad en la política exterior de México* (Mexico City: Ariel, 2002).

Few dare to state clearly that a North American focus is —by geographic, economic and demographic definition— of the highest priority for Mexico, and to a significant degree, for the United States as well.

Thus, we have an ongoing problem that sparks heated patriotic discussions on both sides of the border. The rhetoric does not exactly prevent moving forward in the integration of the North American region; but, it does create mistrust and reinforce prejudices. Nor does patriotic propaganda endanger bilateral relations, which are handled with a great deal of pragmatism. However, what we have is far from an ideal situation.

It is worth asking ourselves seriously and directly whether the United States is interested in developing a different relationship with Mexico. The very year that NAFTA was approved, in his article on the clash of civilizations, Samuel Huntington proposed the concept of “torn countries,” and referred to three cases: Turkey, Russia and Mexico.

He stated that Mexico is the closest country to the United States, and one that debates whether it will remain part of Latin America or become part of North America. At the end of his article, he stated that in order to define to which civilization a “torn country” belongs, it must satisfy three requirements. The first is that its economic and political elites support the transformation. The second is that its people are in agreement with the redefinition, and the third is that the dominant groups in the civilization of destination are willing to receive the new convert. It is important to point out that in the text cited here, Huntington indicated that “all three requirements in large part exist with respect to Mexico.”<sup>32</sup>

If this was true in 1993, and if structural data for 2007 points toward greater convergence between Mexico and the United States, in the coming years, the two countries should find a place of collaboration and cooperation on security issues that, in turn, should generate greater trust. Montañaño phrased it well when he wrote, “There is no way to ignore that we are neighbors, and thus we will never be able to disregard the importance of our contribution to the security equation. This is our only real playing card for achieving change, and we should use it legitimately and responsibly to maintain dialogue that is indispensable for Mexico.”<sup>33</sup>

Being indispensable for the security equation is mutual. Mexico is indispensable for guaranteeing U.S. security, and U.S. security is indispensable for Mexico. A terrorist attack perpetrated from Mexican territory would be disastrous for bilateral relations and indeed for the country’s viability. Mexico is convinced —for practical and ideological reasons— of the importance of cooperating, and consequently it does not deserve to be treated as if it were a potentially hostile country.

Being indispensable for the security equation implies acknowledging that the security of North America guarantees its future economic viability as well, in relation to major competitors such as the European Union and China. In this respect, Mexico comprises a market of more than 105 million inhabitants and is a fundamental actor in U.S. development, especially for some U.S. states in particular. A prosperous Mexico

<sup>32</sup> Huntington, “The Clash,” 44.

<sup>33</sup> Montañaño, *Misión en Washington*, 273-274.

guarantees jobs and prosperity for North Americans, and conceiving of North America as a coherent economic and trade area offers the United States greater vigor and strength to compete with the economic and demographic giants in the East (China and India) and the West (the European Union) throughout the twenty-first century.

Being indispensable for the security equation means acknowledging that Mexican workers who migrate to the United States play a fundamental role in its competitiveness and demographic revitalization. At the same time, these workers serve as an oxygen tank for the Mexican economy, contributing nearly US\$25 billion each year with their remittances sent to families in Mexico. Migration should be understood as a problem that presents challenges to U.S. immigration laws, but never to its national security. This is the great difference that is sometimes forgotten.

Finally, being indispensable for the security equation means that in addition to geographic determinism, there is a new, inevitable circle of shared interests, as well as a set of values that historically urge us toward convergence. Consequently, and as the twenty-first century progresses and the major regional powers of Europe and China are consolidated, the two countries will have to abandon sovereignty-oriented logic and open up to a truly regional focus that includes Canada. In this focus, what is beneficial for Mexico is also useful for the United States, and vice versa —without, of course, losing sight of each country's specificities.

The possibility of Mexico and the United States becoming further distanced from each other in the coming years seems unthinkable, in the context of new threats and the configuration of a new international order. On the contrary, and without lapsing into voluntarism, we can assume that we are condemned in the long run to develop a better understanding of each other, due to the converging interests we share.

If Mexico is politically stable, it can generate the conditions for sustainable development, which not only offers prosperity, but also well paying jobs that do not force people to migrate. If Mexico is demographically stable, as predicted by experts for the coming decades, this will imply fewer tensions with its neighbor, and we will have a safer border. If Mexico benefits from infrastructure and investment, it will enhance the region's global competitiveness, strengthening the relative power of the United States in the world economic context.

In the current state of affairs, the issue of security represents an opportunity to come together in tactical and operational terms. We should clear the air of past offenses and tactless mistakes and focus squarely on the facts. The great challenge of the coming years is to move beyond tactical and operational aspects to a strategic focus that considers security in the long term. It seems evident to me that if we consider the panorama over the next 50 years, and we use our political will to overcome the prejudices each side has toward the other, U.S. security will inevitably be formulated from a perspective that unquestionably includes Mexico.

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# **INFORMATION, NEWS MEDIA AND DIPLOMACY UNDER THE SECURITY AND PROSPERITY PARTNERSHIP OF NORTH AMERICA INCREASING COOPERATION IN TURBULENT TIMES**

*Manuel Chavez\**

## **The Creation of the Security and Prosperity Partnership of North America**

The Security and Prosperity Partnership of North America (SPP), touted as an instrument to increase the economic potential of the United States, Canada and Mexico in a secure framework for people and communities, was signed in Waco, Texas, March 23, 2005. Canadian Prime Minister Paul Martin, Mexican President Vicente Fox, and U.S. President George W. Bush officially launched the agreement at the signing ceremony.

The partnership includes two major policy components: an economic one called “prosperity” that proposes the deepening of trade and the economic interdependence of the three countries. The other is called “security” and is based on measures to improve U.S. safety and security concerns, especially as related to the logistics of its daily interaction with Mexico and Canada. The latter is the result of U.S. security concerns derived from the terrorist attacks of September 11, 2001; the former is the result of open demands by corporations and transportation, industrial and commercial organizations.

In the report prepared for the three countries’ heads of state in June 2005, the agencies responsible for writing the partnership’s rationale described the content and scope of the SPP agenda as “improving the efficiency of the movement of people, goods and services crossing borders while protecting our environment and promoting health and safety for our people.”<sup>1</sup> These impressive goals are supposed to improve the overall well-being of the people of North America.

Public officials in each country have emphasized SPP content as an enhancement of trade proposed by NAFTA and as an instrument to promote prosperity in the three countries. But in examining the content and text of the partnership, the clear rationale for the creation of the SPP is the U.S. security concerns related to terrorism. The increased notion of national security is, clearly, a direct response

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<sup>1</sup> *Security and Prosperity Partnership of North America. Report to Leaders* (Washington, D.C.: U.S. Government/Government of Mexico/Government of Canada, June 27, 2005).

to the potential of terrorism and indirectly to the violence generated by organized crime smuggling drugs and immigrants.

The U.S. borders with Mexico and Canada and their security suddenly took on a major role in the national political debate after September 11, 2001. Borders or the concept of “defending borders” became a central theme for the U.S. government, regardless of the fact that all the terrorists responsible for the attacks arrived in the U.S. by air. Political conditions forced the U.S. government to create policies that would be diplomatically manageable with Mexico and Canada. There was no similar precedent in which most of the border interaction became more scrutinized, reexamined and re-regulated, despite the fact that both Canada and Mexico are historically aware that their border with the U.S. is a potential source for problems with their powerful neighbor. Some examples of the complexity include: managing traffic and human flows, administering trade, conciliating environmental regulations and aiding in the case of natural disasters.

In addition, the border with Mexico took another turn under the pressure of a massive political movement to control illegal immigration. Since early 2003, most of the southwestern states pushed for more border controls as this became a highly political issue. During the 2004 presidential campaign President Bush responded to those pressures and made the border a central issue with two major components: terrorism and illegal immigration. In a way, that situated drug smuggling as secondary. The rhetoric increased as the election approached, and the border became “the issue” that helped President Bush get reelected. The conservative support he received accrued political capital with the administration that can create a real problem for Washington, by demanding drastic measures on border control.

While the U.S. border with Mexico had attracted most of the attention, the Canadian border also showed difficulties and future challenges. The new Homeland Security document entry requirements for Canadian citizens crossing the border caused major delays never seen before at inspection stations. Pre-9/11, at the border crossings between Detroit and Windsor, the average weekday crossing time was 10 minutes; by 2006, the time had quadrupled. Trucks that used to wait for one to two hours to cross the border between Ontario and Michigan now spend twice as much at the inspection stations. Interestingly, both issues were covered by the Canadian media, which in turn pressured Ottawa to engage in diplomatic negotiations with the U.S. government.<sup>2</sup>

### **The Contents of SPP by Focus And Categories of Collaboration**

While the SPP concentrates on security programs, not all measures focus on border areas. The SPP arrived as a policy mixing domestic issues with international

<sup>2</sup> Barria McKenna, “Lobby to Tackle the Border Crossing Chaos,” *Globe and Mail* (Toronto), May 24, 2007.

agreements under a new security model led by the U.S. With two major aspects concentrating on security and economic prosperity, the agenda items are ambitious and challenging (see table 1). In the area of security, the agreement included the creation of biometric standards, cooperation of law enforcement and emergency agencies, sharing information and intelligence and the creation of regulations for “trusted travelers and goods.” The trusted travelers concept includes coordination through the NEXUS, FAST and SENTRI programs. Also, the partnership proposes a new coordination model for the prevention of, protection from and response to cross-border terrorism, cross-border health threats (including epidemics and pandemics) and cross-border natural disasters.

TABLE 1  
CATEGORIES AND FOCUS AREAS OF THE  
SECURITY AND PROSPERITY PARTNERSHIP OF NORTH AMERICA

	<i>Security</i>	<i>Prosperity</i>
<b>Major categories</b>	<ul style="list-style-type: none"> <li>• Secure North America from external threats</li> <li>• Prevent and respond to threats within North America</li> <li>• Further streamline the secure movement of low-risk traffic across shared borders</li> </ul>	<ul style="list-style-type: none"> <li>• Improve productivity</li> <li>• Reduce the costs of trade</li> <li>• Enhance the quality of life</li> </ul>
<b>Focus</b>	<ul style="list-style-type: none"> <li>• Development of joint preventive, protective and response actions</li> <li>• Intelligence sharing and screening</li> <li>• Collaborative operations and law enforcement</li> </ul>	<ul style="list-style-type: none"> <li>• Facilitate business operation</li> <li>• Collaboration for business resources (movement of G and P)</li> <li>• Safe food supply and joint controls for environment and health</li> </ul>

**Source:** Developed by the author based on the SSP Report to Leaders. U.S. Government-Government of Mexico-Government of Canada. June 27, 2005.

In the area of economic security, the SPP recommends the creation of trilateral alliances and close collaboration of corporations in the energy, auto, textile and agricultural sectors. Collaboration includes formulas that include expanding current enterprises, the overall increase of productivity and efficiency and expanding sub-sectors for companies based in one of the three countries. Yet, it also provides more demanding policies such as further liberalization of the rules of origin and the harmonization of air navigation systems. In addition, the prosperity section awkwardly recommends policies to protect the environment, especially air and water resources.

TABLE 2  
 SPECIFIC AREAS OF COLLABORATION UNDER THE SECURITY AND  
 PROSPERITY PARTNERSHIP OF NORTH AMERICA

	<i>Security</i>	<i>Prosperity</i>
<b>Content Areas</b>	<ul style="list-style-type: none"> <li>• Traveler security</li> <li>• Cargo security</li> <li>• Bio-protection</li> <li>• Aviation security</li> <li>• Maritime security</li> <li>• Law enforcement cooperation</li> <li>• Intelligence cooperation</li> <li>• Protection, prevention and response</li> <li>• Border facilitation</li> <li>• Science and technology cooperation</li> </ul>	<ul style="list-style-type: none"> <li>• Manufactured goods, sectoral and regional competitiveness</li> <li>• Movement of goods</li> <li>• E-commerce and ICT</li> <li>• Financial services</li> <li>• Transportation</li> <li>• Energy</li> <li>• Environment</li> <li>• Food and agriculture</li> <li>• Health</li> </ul>
<b>Total Areas</b>	10	9

**Source:** Developed by the author based on the SSP Report to Leaders. U.S. Government-Government of Mexico-Government of Canada. June 27, 2005.

The SPP proposes a series of areas for programmatic development, and while many measures target the border areas, others have national and regional content, as seen above in table 2. The three countries agreed that to increase “border security,” programs include biometric standards for North America requiring governments to issue complying official documents by 2008. Also, under the security umbrella, there is a concrete law enforcement program that includes information and intelligence sharing and inter-agency cooperation.

A very critical area of cooperation includes the protection from, prevention of and response to emergencies. After many years of marginal progress, the SPP proposes programs and the collaboration of the three governments to control the potentials for cross-border terrorism, cross-border health threats and cross-border natural disasters. This area proposes the open communication and collaboration of federal agencies to respond not only to deliberate threats but to natural or health-related risks.

Sectors included in the SPP considered priorities for the North American regional economy include: food and agriculture, energy, manufacturing (steel and auto), the environment, transportation and the financial sector. For the energy sector, the SPP proposes expanding science and technology in North America, cooperating on nuclear facilities and materials and standardizing rules for regulatory cooperation. In addition, it would also include cooperation to safely trade natural gas and oil and to increase efficiency in the entire sector.

Clearly, this trilateral partnership proposes to speed up the process of integration and the current modes of operation practiced by the three countries since NAFTA came into effect in 1994. The novel component, though, is the new security policy framework. In principle, the SPP offers a call for collective welfare and the improvement of socio-economic conditions of the three societies; however, the content falls short of offering practical alternatives. Given the early stages of the agreement and

its relatively slow advance and progress, it is important to analyze its content and connections with communities and the general public.

### North American Economic And Security Interdependence

Economic interdependence in North America is the result of the continuing intertwined forces and actions of the regional economy. As seen in table 3, trade is still the main economic thrust in North America. Despite its inadequacies and missing elements, trade has cemented an economic process that encompasses other social, political, environmental and cultural content. Now, since 9/11, the emerging U.S. Homeland Security policies require adjustments in U.S. interaction with Mexico and Canada with minimal impacts on trade and economic interaction.

TABLE 3  
U.S. AND MEXICO TRADE. SELECTED YEARS 1993-2005  
(IN MILLIONS OF U.S. DOLLARS)

	1993	1995	1993- 1995 % change	2000	1995- 2000 % change	2005	2000- 2005 % change
Exports to Mexico	45 295	53 828	18.8	109 610	103.6	121 710	11.04
Imports from Mexico	42 850	66 273	54.7	145 640	119.8	171 125	17.50
<b>Total Trade</b>	<b>88145</b>	<b>120101</b>	<b>36.3</b>	<b>255250</b>	<b>112.5</b>	<b>292835</b>	<b>514.72</b>

**Source:** U.S. Department of Commerce. Trade Statistics, 2007.

Trade between the United States and Mexico has increased significantly in the last 10 years. As seen in table 3, in 1993, the year before the formalization of NAFTA, total trade between the two countries came to US\$88 billion. By 2000, trade had increased almost three-fold. And while from 2000 to 2005 trade increased 15 percent, during the decade from 1995 to 2005, it expanded the same three times. The relatively slow growth of 25 percent is chalked up to two factors: the U.S. recession from 2001 to 2003 and the logistical impacts derived from 9/11.

The U.S. Trade Administration reported in 2006 that the country's two main trade partners were Canada and Mexico, representing a total inter-trade volume of US\$866 billion in 2006, or roughly US\$2.4 billion a day.<sup>3</sup> Likewise, both for Mexico and Canada, the U.S. is their main commercial partner.

<sup>3</sup> U.S. Department of Commerce, Trade Statistics (Washington, D.C.: U.S. Government Printing Office, 2007). In 2007, for the first time, China became the U.S.'s second largest trade partner followed by Mexico (see U.S Trade Report: 2008 Trade Policy Agenda and 2007 Annual Report at [http://www.ustr.gov/Document\\_Library/Reports\\_Publications/2008/2008\\_Trade\\_Policy\\_Agenda/Section\\_Index.html](http://www.ustr.gov/Document_Library/Reports_Publications/2008/2008_Trade_Policy_Agenda/Section_Index.html). Accessed September 2008). However, the volume of trade between Canada and Mexico is primarily cross-border, as opposed to that with China which relies heavily on maritime transportation.

Security interdependence is also evident in the volumes of trade, vehicle traffic and people crossing the U.S. border. No other international border has the volume of traffic that Canada and Mexico share with the United States, as seen in table 4. The official U.S. Department of Transportation report shows the operational difficulties caused by the number of incoming crossings, reported as inspections and verifications of individuals, cargo and vehicles. The total number of trucks that crossed into the U.S. from Canada and Mexico in 2005 was 11.4 million, more than 30 000 every day. The number of passenger vehicles totaled roughly 122 million, or more than 335 000 a day. More than 295 million passengers and pedestrians crossed the U.S. border in 2005, more than 800 thousand individuals a day, regardless of their citizenship.<sup>4</sup>

TABLE 4  
NORTH AMERICAN BORDER CROSSINGS  
TO THE U.S., 2005 (IN MILLIONS)

	CAN-USA	% of Total	MEX-USA	% of Total
Trucks	6.7	6.7	4.7	1.4
Vehicles	30.3	30.2	91.5	27.9
Pedestrians	0.7	0.7	45.8	14.0
Passengers	62.6	62.4	186.1	56.7
<b>Total inspections</b>	100.3	100.0	328.1	100.0

**Source:** U.S. Department of Transportation, Transportation Reports, 2007.

The figures listed in the table reflect two things: first, Canada and Mexico's large-scale social and trade interdependence with the United States; and, second, the logistical challenge this represents for the U.S. government to monitor these flows. Both in crossings from Canada and Mexico, individual inspections (passengers or pedestrians) accounted for almost two-thirds of all inspections in 2005. The second logistical challenge is the number of vehicle crossings into the U.S. on either border in a year, which represents roughly one-third of total inspections. Furthermore, three times more vehicles come from Mexico than from Canada.

The relationship between the United States and its neighbors has deepened in the last 20 years and broadened from simple economic and trade interdependence to other areas of strong, intertwined dynamics, such as: labor, environment, energy, law enforcement, natural resource management, social issues and immigration. And while economic forces need to be maintained and strengthened because of their importance to the economies of each country, security needs are becoming a new variable.<sup>5</sup> The new security policies, derived from a redefinition of national security in the U.S., pose a paradigm shift for the interaction among

<sup>4</sup> U.S. Department of Transportation, Transportation Reports (Washington, D.C.: U.S. Government Printing Office, 2007).

<sup>5</sup> Raúl Benítez-Manaut, *Mexico and the New Challenges of Hemispheric Security* (Washington, D.C.: Woodrow Wilson International Center for Scholars, 2004).

the three countries, including not only the traditional human and trade flows; but also new items like biohazards, nuclear energy, health emergencies and the expeditious crossing of “trusted” travelers.

## **A Regional Sector with Complex Interdependency**

The North American automotive industry is the single largest manufacturing sector in the region. It illustrates the importance of sectoral integration, which, if well managed, can be expanded to other regional sectors. Also, the North American auto industry is the single largest sector of trade among the United States, Mexico and Canada. In 2006, the U.S. automotive trade balance with Canada and Mexico was almost US\$153 billion, surpassed only by energy and oil trade.<sup>6</sup>

This sector has recently felt the impact of global competition, which has repercussions in every country. The negative impacts affect employment and revenue and ultimately the well-being of the communities where the industry is located. In Michigan, for instance, in 2006 and 2007, the state had the country’s highest unemployment rate, almost 2 percentage points above the national rate of about 5 percent. According to a report published in 2006 by the Wayne State University Center for Policy Studies, in the last three years Michigan has lost around 170 000 manufacturing jobs, with a drop of 19 percent of the jobs in that sector.

By the end of 2007 and the first part of 2008, the auto industry was in a downward spiral of low sales and limited production. GM’s losses in 2007 were US\$38 billion, while Ford’s were close to US\$3 billion.<sup>7</sup> The number of jobs lost in 2007 is estimated at 36 000, and in 2008, that number is expected to increase significantly. In response, GM announced early in 2008 that it would close some truck and sport utility vehicle plants, including two in the U.S. (Janesville, Wisconsin, and Moraine, Ohio), one in Canada (Oshawa, Ontario) and one in Mexico (Silao, Guanajuato).<sup>8</sup>

Since the regional auto industry depends to a large extent on the North American market, it benefits from concerted trinational policies. Specifically, the SPP considered the North American automobile sector a priority with the creation of the Automotive Partnership Council of North America (APCNA). The council is made up of very representative industry organizations, specifically the Automotive Trade Policy Council, the Automotive Industry Action Group, the Alliance of Auto Manufacturers, the Canadian Vehicle Manufacturing Association and the Mexican Automotive Manufacturing Association.

The APCNA strategy focuses on facilitating integration, economic growth and ultimately global competitiveness. APCNA is touted as an instrument of the three governments seeking to be a real partnership of industry and government. While it is

<sup>6</sup> U.S. Department of Commerce, Trade Statistics.

<sup>7</sup> Associated Press, November 7, 2007.

<sup>8</sup> Nick Bunkley, “GM offers more buyouts after \$722 million loss,” *International Herald Tribune, The New York Times* (February 12, 2008).

clear that there is a general agreement on the goals, the differences lie in the remedies and the speed of implementation.

Yet, the design and formulation of common policies is a major challenge. Despite the original target for the formalization of APCNA by September 2005, the announcement of its creation came six months later, in March 2006. By the end of 2007, APCNA was supposed to make public a list of short- and long-term actions to strengthen the auto industry.<sup>9</sup> The areas of cooperation will include country-specific as well as regional actions.

Currently, some of the areas of cooperation and coordination actually constitute facilitation of trade rather than industrial synchronization. Most measures are additional tariff reductions and some revisions and updates of previous agreements like rules of origin and rules for standardization. The only measure with an industry-wide impact seems to be defined as technological cooperation to re-concentrate research and development in North America.

In the original SPP document, the creation of the Automotive Partnership Council of North America describes narrow but ambitious goals. Four major categories of action were mentioned: regulation, innovation, transportation infrastructure and border facil-

TABLE 5  
NORTH AMERICAN ECONOMIC SECTORS UNDER THE SPP (INTEGRATION BY AREA)

	<i>Security</i>	<i>Prosperity</i>
<b>Major categories</b>	<ul style="list-style-type: none"> <li>• Transportation infrastructure (supply chain)</li> <li>• Border facilitation               <ul style="list-style-type: none"> <li>◦ ATM &amp; ACE (Automated Truck Manifest and Automated Commercial Environment)</li> <li>◦ FAST &amp; C-TPAT</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Regulatory frameworks</li> <li>• Innovation and technology cooperation</li> </ul>
<b>Focus</b>	<ul style="list-style-type: none"> <li>• System to oversee the packaging, sealing and information about movement in North America</li> <li>• U.S. Customs and Border Protection inspections               <ul style="list-style-type: none"> <li>◦ moving the border to the place of production</li> </ul> </li> <li>• Streamline the secure movement of manufactured goods across shared borders</li> </ul>	<ul style="list-style-type: none"> <li>• Facilitating business operations</li> <li>• Collaboration for business resources (movement of personnel)</li> <li>• Move to more synchronized standards</li> </ul>

**Source:** Developed by the author based on the SSP Report to Leaders. U.S. Government-Government of Mexico-Government of Canada. June 27, 2005.

<sup>9</sup> Even by April 2008, the list was still unavailable and the APCNA representation in Washington, D.C. was not firm in setting a possible date for its announcement.



itation. Two of the categories relate to the economic regulatory framework and two relate to security. The proposal, again, was created under the assumption that these categories will increase the automotive sector’s competitiveness.

APCNA’s three major objectives are complex and pose serious challenges for local and state governments: 1) to facilitate integration of the North American auto industry by looking at mechanisms to facilitate competitive advantage and location; 2) to stimulate industry’s economic growth by looking at product and market diversification and special attention to the North American consumer; and 3) to increase global competitiveness by looking at mechanisms mostly from federal, state and local governments to provide incentives for the industry.

TABLE 6  
 MAJOR GOALS OF THE AUTOMOTIVE PARTNERSHIP  
 COUNCIL OF NORTH AMERICA (APCNA)

	<i>Integration of the Auto Industry</i>	<i>Economic Growth of the Industry</i>	<i>Increase of Global Competitiveness</i>
<b>Themes on the action list</b>	<ul style="list-style-type: none"> <li>• Shared production</li> <li>• Location</li> <li>• Rules of origin</li> <li>• Logistics</li> <li>• Harmonization of standards</li> </ul>	<ul style="list-style-type: none"> <li>• Research and development</li> <li>• Market diversification and differentiation</li> <li>• Training and skills building</li> </ul>	<ul style="list-style-type: none"> <li>• Incentives</li> <li>• Removal or further reduction of tariffs</li> <li>• Logistics (fast and secure supply] chain)</li> </ul>

**Source:** Developed by the author based on the SSP Report to Leaders. U.S. Government-Government of Mexico- Government of Canada. June 27, 2008.

APCNA working groups are finalizing the council’s action lists. But it is still unclear when the document will become public and no deadline has yet been set. Moreover, not much has been public or covered by the media about this critical and strategic initiative. This is a serious problem with the SPP: information about the council’s actions has not been shared with the public, and the potential for creating positive public opinion is slim. Public support may be limited if local governments, workers and communities are kept out of the loop.

For this industry, the movement of products across borders is fundamental. Auto makers and suppliers are embedded in the new security practices imposed on logistics in North America. Measures being explored include monitoring production sites within each country. As mentioned by the U.S. Chief Officer of the Port of Detroit last year, these are “policies that move the border where the product is packaged.”<sup>10</sup> With that premise, new programs are emerging like the one creat-

<sup>10</sup> Presentation by U.S. Customs and Border Protection Director Bruce Farmer at the “Beyond Borders Workshop on North American Logistics,” Canadian Studies Center, Bowling Green State University, Ohio. June 2, 2007.

ed by Canada and the U.S. to improve security, transportation time and clearance in the supply chain. The program is called FAST (Free and Secure Trade) and includes a registry called C-TPAT (Customs Trade Partnership Against Terrorism). This program is also being negotiated with the Mexican government to harmonize its supply chain system with those of both Canada and the United States.

As this example shows in the case of the automobile sector, industries fully integrated in North America require significant operational changes not only on border areas but at their manufacturing, processing and shipping locations. The impacts on states and provinces need to be carefully assessed to prepare adequate local responses. In other words, state governments and legislatures need to be prepared for a major policy reformulation.

### **The SPP, the News Media, Public Opinion and Diplomacy**

Public support is a required component of the Security and Prosperity Partnership. The careful cultivation of public opinion needs to be incorporated at two levels: one, on the level of transparency and access to information required for any policy design and another regarding accountable proposals clear to all. If those more likely to be affected, such as border communities and their respective local governments, are not informed, the model is likely to fail. Moreover, the press and news media need to receive timely briefings and to have access to information so readers and viewers form a collective public sphere that understands the purposes of the new policies.

The press, especially in the U.S., has published a limited number of stories about areas of prosperity; and more about security because of the increasing waves of violence near the U.S.-Mexico border. This type of coverage has impacted negatively on Mexico's image in the U.S. and has influenced the formulation of severe, divisive policies between the two countries. Information about the formalization of important bi-national programs on energy, environment, transportation and manufacturing is not placed in the context of cooperation, making the flow of information distorted and incomplete. A similar but less damaging pattern exists in news coverage related to Canada.

Of all the news published by Canadian, Mexican and U.S. newspapers from 2005 to 2007, Canada exhibits stronger coverage of the Security and Prosperity Partnership of North America. This affirmation comes after examining news stories and editorials published by national elite newspapers in each country in February, March and April of each year. The first year, a significant number of stories related to SPP were printed in the three countries. But, since the SPP was signed in March 2005, the number of articles dropped by more than 10 percent per year, representing a total decline of almost 35 percent.

As table 7 shows, of all the news published about the SPP, almost half the articles were printed in Canada, followed by Mexico with one-third. In the United States the

coverage of SPP, its implications, contents and processes made up close to one-fifth of the total stories published about North America. In fact, in the U.S. after 2005, the coverage declined by 30 percentage points each year.

TABLE 7  
NEWS COVERAGE OF THE SECURITY AND PROSPERITY  
PARTNERSHIP OF NORTH AMERICA

	2005	% of Total	2006	% of Total	2007	% of Total
Canada	67	46	54	45	42	44
U.S.	32	22	23	19	18	19
Mexico	46	32	42	35	35	37
<b>Total</b>	<b>145</b>		<b>119</b>		<b>95</b>	

News data bases consulted: FACTIVA, Lexis-Nexis, FIRSTSEARCH, plus the archives of the following newspapers: Canada: *Globe and Mail*, *Toronto Star* and *Ottawa Citizen*; U.S.: *The New York Times*, *Washington Post* and *Wall Street Journal*; and Mexico: *El Universal*, *El Financiero* and *La Jornada*.

The content of the coverage has some similarities. For the most part, Canadian coverage reflects the new regulations and border controls that are more restrictive and demanding of Canadians than in the past. Passport requirements for Canadians entering the U.S., for instance, are a security regulation that affected many commuters and business and regular travelers. Other news dealt with trade, energy and general program cooperation with the U.S. and Mexico. U.S. news focused mostly (85 percent) on security and border controls and only a few articles delved into energy and manufacturing collaboration. Mexico's content was similar to Canada's: border controls affecting local communities received more attention, followed by general trade and transportation issues. Agriculture was the sector that received the most attention from the Mexican press. Security and migration together were the main focus (80 percent) of all stories published in the three countries. Only a small 20 percent looked at areas of prosperity, as defined by the SPP.

Its programs, initiatives and overall coverage, however, receive minimal attention, taking into consideration the importance of the partnership. The national newspapers published news stemming from presidential activities. Two situations seem to explain this: one is the increasing coverage of illegal migration to the U.S. and the probable legal reforms to address the problems of almost 11 million illegal workers and their families. And the other is related to the border policies themselves, particularly as related to the monumental increase of law enforcement to defend the border and the building of the fence. The "border" as an issue is a response to the perceived threat of terrorism and defending borders is an ideological statement. In fact, the border with Mexico—and to a certain degree with Canada—is touted as a back door to terrorism and an open gate to illegal immigration and drugs.

Moreover, the media has contributed to the disinformation about the partnership by ignoring topics that illustrate significant collaboration between the United States and its neighbors. Some of the missing topics include the coverage and follow up of the annual meeting of ten U.S.-Mexico-border governors, investments by the North

American Development Bank in urban infrastructure, educational mobility programs and the good neighbor environmental board, as well as the collaboration of the Great Lakes Commission. The press largely under-reports conferences, workshops and official meetings sponsored by the Canada-U.S. and Mexico-U.S. legislative binational commissions, except in Canada and Mexico.

For instance, the Twenty-Fifth Border Governors Conference on September 27-28, 2007 in Puerto Peñasco, Sonora, where the governors announced emergency response plans for the U.S.-Mexico border, got little media attention. Of the 22 Associated Press wire reports sent during the conference, only 3 made it to national papers and not necessarily on the proposed prevention, preparation and response measures, but on the governors' agreement to join forces to reduce methanol trafficking.

In the analysis of news flows, it is clear that one topic is unifying Americans regardless of their origin, income, religion, education or party affiliation: undocumented immigration. There is a consensus like never before about the need to deter and control immigration not only in the Southwest but in all areas of the country. Areas with traditionally low influxes of migrants, like the Southeast and all the way to the Great Lakes region, began to be polarized about the divergent policies to control migration. The unintended consequences of this process have caused an openly negative attitude toward migrants and Mexico. Very little is being said about migrants' contributions to the U.S. economy, the type of jobs they do and their interdependent relationship with labor markets in the service, hospitality and agricultural sectors.

As mentioned at the beginning of this section, information has increased, but so has ideological disinformation. The distortion has eroded good will among the three countries. Each country's government needs to work on each other's public opinion; this is one of the goals of public diplomacy, and journalism and the news media are the tools. By the end of 2007, given its deteriorating public image in the U.S., Mexico clearly needs this the most. The generalized negative opinion of Mexico is eroding the small but important support the current administration has for proposing significant changes in the relationship. While the public image of a vibrant and integrated North America is the responsibility of each country within its own borders, there is little doubt that they all need to influence and persuade their neighbors.

## **Risks and Opportunities of the SPP**

As mentioned in the previous section, one important actor for building public opinion is the news media. As expected, the U.S. border press pays close attention to transportation, border controls and security issues; but the influential national media only minimally covers regional or tri-national issues unless they are conflict-based. The media keeps influencing our notions of each other, while Mexican and Canadian newspapers spend more time on U.S.-related news, which U.S. newspapers do not do. Specifically, U.S. news coverage of Mexico comes in sensationalist waves rather than informing the public to be able to understand interdependent issues that will only be solved by the actions of the two neighbors.

Under the heading of security, natural resources, transportation, migration, trade, energy and, ultimately, development come topics the U.S. needs to address as common problems with both its neighbors. Security is a matter of concern not only for the United States; proximity makes it an issue for both its neighbors. To deepen interaction within North America, economic interests are as important as local political concerns. How each society and its culture will emerge from this readjustment of interests remains to be seen. However, regardless of the format adopted, a new regional form of integration is being forged.<sup>11</sup>

The evidence shows that as economic interdependence grows, concerns about cooperation and sovereignty increase. Mexico participated in the NAFTA agreement in asymmetric conditions that, together with a parochial ideological setting and governmental incapacity, makes its role more complicated. The best example for Mexico, though, is to examine the Canadian experience, rich in dealing and working with the U.S. and having a more pragmatic and realistic approach to their relationship. Mexico needs to learn from Canada's institutional and lobbying actions to influence the U.S., which provide practical approaches on how the two countries solve common problems. This is particularly important in maintaining bi-national organizations, fostering local agencies' input to solve common problems, educating populations on common issues and promoting accountability and access to information.

Another important issue to demystify is the role of the U.S. administration in many political decisions and policy issues. Most media in Mexico do a poor job of differentiating the administration's role (the executive branch) and Congress's (the legislative branch) in policy formulation. The tendency is to place most of the responsibility on the president, rather than on congresspersons and senators with narrow agendas.<sup>12</sup> For instance, the recent decision to build a fence between the two countries can be traced more to the pressures of conservative constituencies on members of Congress than on the administration's internal policy decisions. New measures to control illegal immigration also come from Congress rather than from the administration. In fact, the last comprehensive immigration bill that included temporary worker provisions and the regularization of millions of undocumented immigrants was strongly supported by the Bush administration but did not get enough support in Congress to pass. To illustrate Congress's power—and independence—many Democrats and a vast majority of members of the president's own political party (the Republicans) did not support the measure and ultimately killed the bill.<sup>13</sup>

Despite its good intentions, the new North American agenda needs to add more than just trade and economic collaboration. The new form requires a drastic help-

<sup>11</sup> Manuel Chávez Márquez, "Dinámicas de integración y seguridad. Población, desarrollo y recursos naturales en las políticas públicas de México-Estados Unidos," in Alfonso Cortés, Scout Whiteford and Manuel Chávez, comps., *Población, agua y desarrollo en la frontera México-Estados Unidos* (Tijuana, Baja California: Colegio de la Frontera Norte, 2005).

<sup>12</sup> Robert Pastor and Rafael Fernández de Castro, eds., *The Controversial Pivot. The U.S. Congress and North America* (Washington, D.C.: Brookings Institution Press, 1998).

<sup>13</sup> Brian Naylor, "Senate Abandons Immigration Bill," *Morning Edition NPR*, June 8, 2007.

ing hand to address the quality of life, including food safety, natural resources, employment and health. As important as the content is, prompt information sharing and dissemination will play an important role to inform the citizenry on the SPP's scope.<sup>14</sup>

Mexican, Canadian and U.S., citizens share not only a space but an economic system, both of which frame their daily lives. This complex interactive system requires constant fine-tuning to operate and the Security and Prosperity Partnership of North America offers a mechanism for doing that. The paradox is to maintain economic vitality while ensuring that citizens of both countries live in a secure environment.

Under these conditions, the first challenge for the SPP is to increase the collective prosperity of the citizens of North America, as agreed by the three governments. Also, the U.S. needs to acknowledge that the trilateral relationship goes beyond solely economic and trade purposes. The well-being and prosperity of citizens in the three countries are essential.

The second challenge is to seek pragmatic formulas that give local needs a more prominent role in the new regulations imposed by U.S. Homeland Security. The North American governments need to recognize that local municipalities and border states are points of interaction every day and that these jurisdictions will continue to interact in the years to come. Also, local capacity to respond to logistical and security demands will require investment and resources that need to be funded by the central governments.

A last challenge is to increase public understanding of trinational policies that aim to improve general conditions in North America. The creation of security and economic programs must be shared widely, including information about SPP goals and programs. For the partnership to be successful, it needs to offer a clear view of how prosperity is going to be achieved and how the benefits will be shared.

One of SPP's direct beneficiaries is undoubtedly the North American regional economy. The partnership needs to better coordinate economic sectors that are already integrated or are in the process of regional consolidation. The SPP acknowledges priority sectors like energy, steel, automotive, transportation, banking and financial services and agriculture, but it needs to add other social sectors like education, health and infrastructure. Whether each national economy is capable of benefiting its citizens is one of the major questions the SPP needs to address to fulfill the promise of prosperity "for all citizens living in North America" as stated in the official document signed by the three heads of state.

<sup>14</sup> Emily Heard, ed., *Toward a North American Community. A Conference Report* (Washington, D.C.: Woodrow Wilson International Center for Scholars, 2002).

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# EMERGING INFLUENCES IN CONTEMPORARY U.S.-MEXICO RELATIONS

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Given its indissoluble geographical link with the United States, the world's foremost economic actor, Mexico's insertion in the global order is a strategic laboratory for Latin America in terms of analyzing the two nations' growing interdependence.

Together with its dynamic trade with the U.S., Mexico's structural adjustment program, in place since the 1980s, has irrefutably had an impact on its society. This is shown by the growing inequality and increasing number of Mexicans who emigrate to the United States, an average of 450 to 500 thousand a year.<sup>1</sup>

In this context, the aim of this article is to contribute elements to allow us to explore examples that not only illustrate the growing transnational activity between the two countries, but also to study relations between transnational actors who may forge new elites in social, economic, political or cultural structures. We will concentrate on the characteristics of two organizations, the U.S. Hispanic Chamber of Commerce (USHCC) and the Institute for Mexicans Abroad, both recognized by the Mexican and U.S. governments.

## The Transnational Phenomenon

Specialist Rebeca Morales's observations are an obligatory reference point for this topic. She emphasizes that institutions, individuals, capital and all kinds of organizations are transnationally mobile. This erodes traditional spheres of influence and simultaneously generates new forms of behavior and fields of action.<sup>2</sup> Her analy-

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<sup>1</sup> Gerónimo Gutiérrez Fernández, "Migración, dimensión y factores de un fenómeno complejo", in Centro de Estudios Sociales y de Opinión Pública (CESOP), *La migración en México: ¿un problema sin solución?* Legislando la Agenda Social Collection (Mexico City: Cámara de Diputados LIX Legislatura, 2006), <http://www3.diputados.gob.mx/camara/content/download/28773/126405/file/La%20migracion%20en%20Mexico,%20un%20problema%20sin%20solucion.pdf>, accessed March 26, 2007.

<sup>2</sup> Rebeca Morales, "Dependence or Interdependence: Issues and Policy Choices Facing Latin Americans and Latinas," in Frank Bonilla, et al., eds., *Borderless Borders. U.S. Latinos, Latin Americans and the Paradox of Interdependence* (Philadelphia: Temple University Press, 1998), 1-25.

sis includes the concept of “interpenetration”, particularly important in the case of Mexico-U.S. relations because of the growing impact on political, economic, social and cultural structures.<sup>3</sup>

We base our analysis on the idea that transnationalist approaches have emphasized thinking about the interactions of immigrants with their countries of origin and their adopted countries that led to processes linking up geographically separate institutions and communities.<sup>4</sup> We are interested in stimulating the debate about current shifts in the U.S. economic agenda and Mexico’s political agenda, in order to join specific transnational communities to new organizational dynamics that would tend to strengthen an eventual coalescence of traditional and emerging elites. This does not keep us from recognizing that both the origins and the power of the elites in the two countries are different since they have grown out of the specificities of each respective historical process.

According to the experts, the concept of “the transnational” must go beyond this, analyzing the occupations and activities for which surpassing territorial boundaries is absolutely necessary to get results.<sup>5</sup> Thus, in this article, the aim is to inform the reader about the impact that the organization and cohesion of transnational groups have on the agendas of the United States and Mexico.

According to Alejandro Canales and Christian Zolniski, “It is enough to be part of a community where transmigration... has allowed [the actors] to expand their territorial spheres of social and economic reproduction” to constitute a transnational community.<sup>6</sup>

### **The U.S. Hispanic Chamber of Commerce (USHCC)<sup>7</sup>**

Though founded in 1979, in the last few years the USHCC has become more visible because it is one of the most important means for defending, representing and promoting Latino businesspersons in the United States. Its current membership comes to two million businesses, and 150 Local Hispanic Chambers.<sup>8</sup>

Its objectives include:

- Implementing and strengthening national programs that assist the economic development of Hispanic firms;

<sup>3</sup> Ibid.

<sup>4</sup> Alejandro Canales and Christian Zolniski, “Comunidades transnacionales y migración en la era de la globalización,” paper (Simposio sobre Migración Internacional en las Américas, San José, Costa Rica, September 2000).

<sup>5</sup> Alejandro Portes, Luis E. Guarnizo and Patricia Landolt, “The Study of Transnationalism: Pitfalls and Promise of an Emergent Research Field,” *Ethnic and Racial Studies*, vol. 22 (2) (March 1999): 219.

<sup>6</sup> Canales and Zolniski, “Comunidades transnacionales y migración,” 6, 3 and 19.

<sup>7</sup> U.S. Hispanic Chamber of Commerce, <http://www.usfcc.com/about.html>, accessed March 3, 2008.

<sup>8</sup> Ibid.

- Increasing business relationships and partnerships between the corporate sector and Hispanic-owned businesses;
- Promoting international trade between Hispanic businesses in the United States and Latin America;
- Providing technical assistance to Hispanic business associations and entrepreneurs and monitoring legislation, policies and programs that affect the Hispanic business community.

Considering that immigrants of Mexican origin make up most of the U.S. Hispanic population (64 percent in 2006),<sup>9</sup> the following data outlines the context for this chamber's growing importance as a space for the transnational business sector's advocacy:

- The most recent U.S. Census Bureau figures, for 2006, show that the total Hispanic population comes to 44.3 million people, of whom 28.3 million are of Mexican origin. The demographic trend is for this figure to grow, so that by the year 2050, there will be more than 102 million Hispanics in the U.S., 25 percent of the total population.<sup>10</sup>
- In the last decade, this community's buying power has increased 56 percent, reaching almost US\$700 billion by May 2004.<sup>11</sup>
- The number of Hispanic firms is growing almost three times faster than the rest of U.S. businesses. According to USHCC, while in 1992 there were fewer than 800,000, by 2002, there were an estimated 2 million, and their total profits went from US\$35 billion to US\$300 billion in that same period.
- Hispanic-owned companies' commercial value totals over US\$175 billion.
- The five states with the highest concentration of Hispanic firms are California (427,805), Texas (319,460), Florida (266,828), New York and New Jersey. In the first two there is a high concentration of Mexicans: 73 percent of Hispanic businesses are owned by Mexicans, Mexican-Americans and/or Chicanos.<sup>12</sup>
- The U.S. Spanish-speaking community is considered the world's fifth largest.
- The Latino market in the U.S. can be considered the world's third most important, after Brazil and Mexico.

On the other hand, Mexico was the main country of destination for Texas exports in 2006, totaling US\$54.877 billion.<sup>13</sup>

<sup>9</sup> U.S. Census Bureau, "Hispanics in the U.S.," 2006, [http://www.census.gov/population/www/socdemo/hispanic/files/Internet\\_Hispanic\\_in\\_US\\_2006.pdf](http://www.census.gov/population/www/socdemo/hispanic/files/Internet_Hispanic_in_US_2006.pdf); accessed March 3, 2008.

<sup>10</sup> [www.usfcc.com/res-statistics.html](http://www.usfcc.com/res-statistics.html).

<sup>11</sup> "Hispanic Purchasing Power Surges to 700 Billion," [www.hispanicbusiness.com/news/news\\_byid.asp](http://www.hispanicbusiness.com/news/news_byid.asp); accessed March 10, 2008.

<sup>12</sup> Hispanic American Demographics, updated May 2006, [www.ameredia.com/resources/demographics/hispanic\\_dem.html](http://www.ameredia.com/resources/demographics/hispanic_dem.html); accessed March 10, 2008.

<sup>13</sup> "Foreign Trade Statistics: State Exports for Texas," <http://www.census.gov/foreign-trade/statistics/state/data7tx.html>; accessed March 3, 2008.

In that same year, Mexico was also the main destination for Californian exports, coming to US\$19.30 billion, or 15.4 percent of its foreign trade.<sup>14</sup> And, it ranked first among all the nations of Latin America for exports from the state of New York.

Experts estimate that by 2010, the United States will sell more products to Latin America than to Europe and Japan combined.<sup>15</sup>

This is why the USHCC is betting that its linguistic and cultural links will strengthen the projection of Hispanic business and professional elites inside and outside the United States, which would provide, in our view, a window of opportunity for making transnationalization even more dynamic.

Even though the number of small and large Mexican-origin entrepreneurs is low in the United States, if we add the fact that only 25 percent of Hispanic businesses manage to survive beyond the second generation, and 13 percent beyond the third because of a dearth of professional advisory services,<sup>16</sup> the U.S. Departments of State and Commerce have committed to a crusade to consolidate this business sector. Using mechanisms for technical and financial assistance and establishing commercial missions in Mexico and Latin America, they are seeking to facilitate bridge-building for their expansion based on the natural links offered by cultural affinity.

We should underline the fact that the close economic relationship between Mexico and the Mexican community in particular and the Hispanic community in general in the United States goes far beyond the issue of remittances, which came to US\$13.605 billion in the first seven months of 2007.<sup>17</sup>

### **The Institute for Mexicans Abroad (IME)<sup>18</sup>**

During the 2000 presidential campaign, candidate and future President Vicente Fox expressed concern about Mexican migrants getting attention and responses to their many demands.

As part of a comprehensive strategy, the Ministry of Foreign Relations led the institutionalization of different mechanisms to create the Program for Mexican Communities Abroad. This program promoted links between those communities and their country of origin and their development in the areas of health, education, sports, culture and community organization.

<sup>14</sup> "Foreign Trade Statistics: State Exports for California," <http://www.census.gov/foreign-trade/statistics/state/data/ca.html>; accessed March 3, 2008.

<sup>15</sup> Elizabeth Lisboa-Farrow, "Strengthening U.S. Relations with Latin America" (remarks, The Secretary's Open Forum Distinguished Lecture Series. Washington, D.C., October 11, 2002), <http://www.state.gov/s/p/of/proc/tr/14680.htm>; accessed December 5, 2006.

<sup>16</sup> Karla Wucuan Ochoa, "Proliferan los negocios familiares," *La Opinión*, February 17, 2004, <http://www.laopinion.com>; accessed June 10, 2004.

<sup>17</sup> Juan Antonio Zúñiga, "Estancado, el ingreso de divisas por remesas, reporta el Banco de México," *La Jornada*, September 5, 2007, <http://www.jornada.unam.mx/2007/09/05/index.php?section=economia&article=025nleco>; accessed March 3, 2008.

<sup>18</sup> See [www.ime.gob.mx](http://www.ime.gob.mx).

Based on this experience, the Mexican government's commitment to Mexicans living and working abroad led in 2002 to the creation of the Institute for Mexicans Abroad (IME). Its mission is to promote strategies, develop programs and receive proposals and recommendations from the communities, its members, organizations and consultative bodies that tend to raise the living standards of Mexican communities abroad. The IME's objectives are to:

- Promote the rethinking of the phenomenon of migration and decent treatment for Mexicans living abroad.
- Be a liaison with the Mexican communities living abroad, in coordination with Mexico's diplomatic missions.
- Establish appropriate coordination with governments, institutions and organizations of Mexico's states and municipalities with regard to prevention, attention and support to Mexican communities abroad and other related, complementary issues.
- Gather and systematize proposals and recommendations that tend to improve the social development of Mexican communities abroad.

The institute carries out different activities to promote the study and analysis of migration to develop new proposals for improving the well-being of Mexican communities abroad.

The IME operates through a Consultative Board (CCIME), first created in 2006 with 126 full members. Most are from the Mexican and Mexican-American community in the United States, although Mexican-Canadians (elected leaders living in the United States and Canada) also sit on it.

The CCIME also includes 10 councilors from the United States' most representative Latino organizations, like the Association of Farmworker Opportunity Programs, the Hispanic National Bar Association, the Hispanic Scholarship Fund, the League of United Latin American Citizens, the Mexican American Legal Defense and Educational Fund, the National Council of La Raza, the New American Alliance, U.S. Hispanic Chamber of Commerce and the National Association for Bilingual Education, plus a representative from each of Mexico's 32 state governments.

The IME has strengthened the CCIME's ability to fulfill its mission, which is to give a voice to migrants and their descendents, by forming six working commissions. These bodies concentrate efforts on issues of common interest and direct actions to benefit Mexicans and persons of Mexican origin living in the United States. Currently its commissions are the following: Economic Affairs and Business; Educational Affairs; Legal Affairs; Political Affairs; Health Affairs; Dissemination and Media; and Border Issues.<sup>19</sup> According to table 1, of all 126 CCIME full U.S. members: 18 percent are business owners and/or executives; 21 percent earn their livings in the professions (doctors, lawyers, educators, etc.); 4 percent are owners or editors of local or national Hispanic newspapers; 9 percent are local or state officials; 2 percent are mayors or members of Congress.

<sup>19</sup> See [www.ime.gob.mx/ccime/directorios/Dir-CCIME-2006-2008](http://www.ime.gob.mx/ccime/directorios/Dir-CCIME-2006-2008).

TABLE 1  
 PROFILE OF THE 126 FULL MEMBERS OF THE INSTITUTE FOR MEXICANS  
 ABROAD CONSULTATIVE COUNCIL (CCIME) (2006-2008)

<b>United States</b>	
Members of Hispanic organizations and/or organizations representing the established Mexican community	73
Business owners and/or business executives	23
Political representatives of the Mexican and/or Hispanic community (mayors and members of Congress)	3
Local county or state government officials	11
Active members of the broadcast media (radio or television)	7
Owners, directors of the print media specialized in the Mexican and/or Hispanic community	5
Workers and/or activists exercising their professions (academics, educators, doctors, interpreters, lawyers, etc.)	27
Members of bi-national Mexico-U.S. organizations, institutes and committees	10
Labor leaders	4
Members/leaders of Hispanic religious organizations	7
Promoters/disseminators of Mexican art and culture	9
Members of the Mexican American Legal Defense and Educational Fund (MELDEF)	1
Members of the League of United Latin American Citizens (LULAC)	7
Members of the National Council of La Raza (CONCILIO)	3
<b>Canada</b>	
Members of Hispanic organizations and/or organizations representing the Mexican community	2
Members of bi-national Mexican-Canadian organizations/associations	1
Promoters/disseminators of Mexican art and culture	1
Active members of the broadcast media (radio or television)	1

NOTE: In most cases, the CCIME members participate in several activities at the same time and belong to different organizations, which is why the numbers do not add up to 126.

Source: Table developed with information available at the IME official portal [http://www.ime.gob.mx/ccime/perfiles\\_ccime06.pdf](http://www.ime.gob.mx/ccime/perfiles_ccime06.pdf), accessed May 20, 2008.

When we analyze these percentages, we find that 54 percent of the 126 councilors have sufficient economic means or influence to be considered an emerging transnational elite.

Looking more deeply at this same hypothesis, we can say that the first and current IME director, Cándido Morales, appointed in September 2002, sets a significant precedent given his personal history.

Morales was picked from among a group of 320 candidates, all Mexican men and women living abroad, mainly in the United States. Originally from the small town of Miltepec, Oaxaca, he now holds dual nationality after emigrating at the age of eight

to California to join his father, a farm worker who entered the United States as an undocumented migrant.

After getting his college degree at Sonoma State College, Cándido Morales began a distinguished career as a social worker at the California Human Development Corporation (CHDC), where he rose to the position of vice president and director of communications.

This non-profit organization provides social services for people living in poverty in 18 rural Northern California counties. Presumably, a large number of its beneficiaries are Mexican migrants. The CHDC's work is carried out through contracts signed with the federal, state and local governments.

The IME's current president has distinguished himself as an able community leader, vocational advisor, press director and head of several development programs targeting California's Hispanic and Mexican communities.<sup>20</sup>

He has also been a member of the Hispanic Chamber of Commerce of Sonoma County, where he demonstrated his ability to build bridges between social activism and the transnational business milieu.

His appointment prompted strong reactions from conservative sectors in the United States, who said,

[As] Vice President and Director of Communications at CHDC, Morales's job was to make sure illegal aliens received every federal and state handout available.... On and on goes the Mexican propaganda machine. Whether the names are Salinas de Gortari, Zedillo... or Morales, their mission is monotonously the same: gimme, gimme, gimme.<sup>21</sup>

## Final Thoughts

The two examples described here show us that both institutions are based on transnational networks, where businesspersons on the one hand and politicians or social activists on the other link up with society in Mexico and the United States. This allows them to gradually have an impact on their respective national governments and state and/or local institutions, broadening out the traditional spaces for social, cultural, economic and even political reproduction. This way, both bodies find the ideal spaces for optimizing their specific objectives, increasing their members' social capital.

Although with different focuses, both organizations confirm what Robert Smith has pointed out about transnationalism being promoted by states once the governments realize the importance of their communities abroad, or the potential of those

<sup>20</sup> Embajada de México en Estados Unidos de América, "President Fox names the director of the Institute for Mexicans Abroad." September 16, 2002, <http://embassyofmexico.org/>; accessed June 11, 2004.

<sup>21</sup> Joe Guzzardi, "Fox Appoints another Mexican Meddler," January 3, 2003, <http://www.vdare.com/guzzardi/morales.htm>; accessed June 11, 2004.

who have already emigrated, and for that reason they take on the role of facilitators of new initiatives that can benefit them.<sup>22</sup>

In the case of the U.S. Hispanic Chamber of Commerce, we can see what Portes et al. point to when they argue that “the economic initiatives of [new] transnational entrepreneurs who mobilize their contacts across borders in search of suppliers, capital and markets” situates this organization in the category of *Transnationalism from above*.<sup>23</sup> On the other hand, the IME could be identified with promoting *Transnationalism from below*, since its aims and actions include “the political activities of... government functionaries, or community leaders whose main goals are the achievement of political power and influence in the sending or receiving countries.”<sup>24</sup>

We consider that a space for promoting emerging elites is being created in the shadow of these two organizations, taking into account that the actors operating there have to change their patterns of adaptation and integration into society in the United States and Mexico. In other words, it is worth wondering whether the conditions imposed by globalization favor the accumulation of social capital based on the mobilization of economic, political and cultural resources around transnational actors, prior to the displacement of those other actors who resist this process and who, by closing themselves off from it, could see their capacity to influence erode even within the context of national states.

In conclusion, we believe that these examples confirm that a sector of the national political elites in both countries has decided to deepen the design and strengthening of pro-active, institutional mechanisms to benefit from the emergence of increasingly interdependent political and business-sector transnational actors.

The role of social networks today in determining new spheres of influence is undeniable. In turn, these networks are articulated beyond national borders, and their capacity for influence has transnational potential.

On the other hand, we base our ideas on the conviction that the development of organizational skills is an imperative that must be fulfilled in constituting elites—in accordance with the theses of Italian thinker Gaetano Mosca—and that this is happening in the cases we have presented here.

We find empirical research to deepen our analysis and comparison of Mexico-U.S. transnational actors extremely important. It would incorporate into the study of the elites concepts like heterogeneity, and thus make it possible to recognize new interactions among economic, political, social and public administration leaders who include negotiation, pacts, compromise and strategy development in their calculations for achieving power.

In the approach developed here, we think that the United States and Mexico are already converging in a model of pluralist democracy in which societal power trans-

<sup>22</sup> Robert Smith, “Domestic Politics Abroad, Diasporic Politics at Home” (paper, session Transnational Communities: Space, Race/Ethnicity, and Power, American Sociological Association, New York, NY, August 1996).

<sup>23</sup> Alejandro Portes et al., “The Study of Transnationalism,” 221.

<sup>24</sup> *Ibid.*



cends the concept of closed elites. Thus, the USHCC and the IME-CCIME will have to demonstrate their capacity to have an impact on society in both countries in order to prove or refute their insertion as strategic elites,<sup>25</sup> the result of the complexities of modern society, which has imposed a high degree of specialization in decision making.

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<sup>25</sup> See Suzanne Keller, *Beyond the Ruling Class* (New York: Random House, 1963).

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## MEXICAN MIGRATION TO THE UNITED STATES

*Elaine Levine\**

Migration from Mexico to the United States is one of the most formidable and complex issues on the bilateral agenda today. Mexico now has more emigrants than any other country in the world and over 95 percent of them have gone to the U.S. The United States is the top immigrant-receiving country worldwide, and it hosts more immigrants from Mexico (approximately 30 percent of the total of almost 40 million) than from any other country. The U.S.-Mexican border is by far the world's leading migration corridor. It has been estimated that from 1970 to 2006 the number of persons born in Mexico who reside permanently in the U.S. rose 15-fold, to approximately 12 million. The average annual flow grew from about 220 000 per year in the first half of 1980s to around 610 000 per year in this century.<sup>1</sup> It should also be pointed out that, in all likelihood, 85 percent or more of those who have entered the U.S. since 2000 are undocumented,<sup>2</sup> which is now one of the main points of controversy.

This migratory flow has been commonplace ever since Mexico was forced to cede half its territory to the U.S. after losing the war in 1848. For many years thereafter, movement between the two countries was entirely unregulated and was relatively small-scale. In 1924, the United States began controlling and restricting entry for the first time. During the 1930s, many Mexicans were deported from the U.S.—including some persons who had been born there, of Mexican parents, and thus were, in fact, U.S. citizens—as scapegoats for the massive unemployment and severe economic hardships imposed by the “Great Depression.”

However World War II produced a shortage of male labor, and once again Mexican workers were needed in the U.S. This renewed demand was filled through what is commonly known as the *bracero* program, which lasted from 1942 to 1964. Under this program, male workers were supplied mainly for agricultural employment and some railroad construction and maintenance on a temporary seasonal basis. Many *braceros* established strong ties to their employers and some settled permanently in the U.S., while others continued to go there to work on a season-

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<sup>1</sup> Jeffrey Passel, “How Many Mexicans Are Coming to the United States and How Are They Faring?” (paper, seminar “U.S. Immigration Reform and Challenges for Mexican Policy,” Mexico City, June 20, 2007).

<sup>2</sup> Jeffrey Passel, “Unauthorized Migrants: Numbers and Characteristics,” Pew Hispanic Center, Washington D.C., June 14, 2005.

al basis long after the *bracero* program itself ceased to exist. From that time on, unauthorized migration grew steadily so that it had reached significant proportions by the mid-1980s.

The Immigration Reform and Control Act (IRCA) was passed in 1986 to regularize undocumented workers who had been living and working in the U.S. for a considerable period and supposedly stem future growth in unauthorized migration between Mexico and the U.S. The end result, however, seems to have been just the opposite. Large numbers of Mexicans (between 2 and 3 million) who achieved permanent residency in the U.S. began requesting permission for their family members to join them. Many who were discouraged by the long waiting periods began to look for other means to reunite their families north of the U.S.-Mexican border, thus providing a new impetus for undocumented migration in the post-IRCA period.

At the same time economic conditions in both countries greatly facilitated—and in fact propitiated—a significant increase in undocumented migration. While industrial and economic restructuring in the U.S. eliminated many fairly well paying manufacturing jobs, employment opportunities for less skilled and lower paid service workers began to rise, as the numbers of persons willing to accept these jobs declined. Furthermore, economic restructuring and modernization, as implemented in Mexico, created a large supply of redundant labor. Many of Mexico's unemployed, underemployed or informally employed and underpaid workers sought to better their lot by migrating to the U.S. The significant wage differential makes jobs deemed undesirable by many native born U.S. workers desirable enough to attract hundreds of thousands of Mexicans who literally risk their lives to enter the U.S. to work each year.

Migration provides not only an escape valve for much of the labor that the Mexican economy cannot absorb, but also generates foreign exchange and purchasing power from the remittances these workers send back. The cheap, abundant supply of low-skilled workers from Mexico keeps prices down for many domestically produced goods and services in the U.S. and thus contributed significantly to economic growth throughout the 1990s and the early 2000s. However, nativist sentiments and xenophobic attitudes have combined with fears of job loss and downward pressure on wages to make immigration policy a highly controversial issue in the U.S. There seems to be no easy way to resolve the contradiction of needing Mexican migrants as a source of cheap unskilled labor and yet not wanting them as residents.

Paradoxically, U.S. legislation and increased border surveillance, designed to keep unauthorized immigrants out, have in effect worked toward an opposite end, keeping those who do manage to enter the U.S. there for longer periods of time and increasing their efforts to bring in family members as well. Thus, for many, the once circulatory patterns of going and coming between Mexico and the U.S. on a regular basis have given way to more permanent settlement. This has in turn exacerbated the xenophobic and anti-immigrant sentiments prevalent among some segments of the U.S. population. Since IRCA, the U.S. has consistently opposed any further facilitation of freer transit and more permanence for workers from Mexico despite the evident demand for such labor. Nevertheless Mexican immigration has continued to grow over the past few decades contrary to the decline that was expected to result from the North

American Free Trade Agreement (NAFTA), and even though entering the U.S. has become much more difficult since 9/11.

In this chapter we will discuss the characteristics of, and most recent changes in, the migratory process and highlight the factors determining its continued growth in recent years. We will address the following issues: Why do so many Mexicans migrate to the U.S.? How can the U.S. economy absorb so many migrants? What kinds of jobs do they find and what are their earnings levels? What opportunities and obstacles do the children of these migrants face in the U.S.? In discussing these issues, we will also try to shed some light on how and why the immigration debate has become such a controversial topic in the U.S. today and hence a conflictive item on the bilateral agenda.

### **Why Do So Many Mexicans Migrate to the U.S.?**

The flow of Mexicans entering the U.S. began to surpass European migration during the 1980s. This sharp increase in Mexican migration was spurred by the country's profound economic crisis and the neoliberal economic policies implemented at that time. Subsequently, in spite of the rhetoric and false hopes pinned on NAFTA—both the Mexican and U.S. presidents maintained that the trade agreement would significantly stem the growing migratory flow—migration from Mexico grew even more during the 1990s. Increased border surveillance after 9/11 has not deterred migrants either; it has only prompted them to remain in the U.S. for longer periods of time, often leading to more permanent settlement. Thus, in recent years Mexico has been the main supplier of cheap unskilled labor for the U.S. market. This is just the most recent twist in Mexico's ongoing search for easy solutions to the country's unresolved economic problems. The Mexican economy began facing difficulties in the 1970s, when the "stabilizing development model" based on import substitution, credited with having produced 30 years of favorable macroeconomic performance, became less and less effective in promoting economic growth.

The oil boom in the late 1970s postponed the crisis for a while, but resulted in over-indebtedness and instability. When international oil prices dropped back to their more normal levels at the beginning of the 1980s, the flow of foreign exchange fell and Mexico was about to default on its foreign debt payments. The payments were finally renegotiated and an "adjustment program" was implemented, abruptly changing the course of economic policies.

For Mexico, as in the case of most of the other Latin American countries, the 1980s was considered a lost decade in terms of economic growth and well-being for the majority of the population. Subsequent improvement during the Salinas administration (1989-1994) rested on very shaky foundations (volatile foreign capital flows, attracted by high interest rates and manipulation of the exchange rate) as was evidenced by the peso crisis at the end of 1994. After a sharp drop (-6.2 percent) in GDP in 1995, the economy grew at an average rate of just under 5.5 percent for the next

five years. Real GDP did not grow at all in 2001 and remained stagnant until 2004.<sup>3</sup> Growth rates from the mid-1990s on seem to indicate that macroeconomic behavior in Mexico depends now, more than ever, on economic performance in the U.S.

Starting in 1999, employment growth in Mexico began to wane, and it was negative in 2004.<sup>4</sup> Until the early 1960s, over half of the work force was still engaged in agriculture, dominated by subsistence farming. However, agricultural employment has declined significantly since then and currently stands at around 15 percent. Between 1997 and 2006, almost three million workers were forced out of agricultural employment.<sup>5</sup> Some of these eventually found precarious low-paying jobs in services or construction, while many others opted for migration to the U.S.

Employment growth in construction and services contrasts with the loss of almost 700 000 manufacturing jobs between 2000 and 2006. Moreover, less than one-fifth (18 percent) of manufacturing workers are employed by the large firms that produce 80 percent of the sector's value added. A slightly smaller percentage work in *maquiladora* plants, which still have not recovered the 2000 employment levels of 1 291 000 jobs. Almost half of all jobs (48.4 percent in mid-2006) are provided by micro-businesses, with up to only 15 employees in manufacturing or five or fewer in trade and services. Less than one-quarter of the economically active population (EAP) works in medium-sized or large firms.<sup>6</sup> Almost half (approximately 48 percent) of all wage earners have no written contracts. While 20 percent of those employed reported working fewer than 35 hours a week, 27 percent reported averaging more than 48 hours. Around 40 percent of all workers have no benefits. Only 32 percent are registered in the national social security system (IMSS), with an additional 5.7 percent covered by social security for government employees (ISSSTE).<sup>7</sup>

The official "open unemployment" rate, which was 4.4 percent in mid-2006, clearly underestimates the existing job deficit, and is also an attempt to hide the fact that more than half of the persons counted as employed only work sporadically and/or, in fact, work in the informal sector of the economy. According to Sandra Polaski, informal employment grew during the first half of the 1990s, reaching approximately 50 percent, and although it has declined somewhat, it still stands at around 46 percent.<sup>8</sup> However an International Labor Organization (ILO) report released in 2004 maintained that over the past few years, informal employment in Mexico had risen from 55 to 62 percent.<sup>9</sup>

<sup>3</sup> Presidencia de la República, *Sexto Informe de Gobierno, Anexo Estadístico* (Mexico City: Presidencia de la República, September 1, 2006).

<sup>4</sup> *Ibid.*

<sup>5</sup> *Ibid.*

<sup>6</sup> *Ibid.*

<sup>7</sup> *Ibid.*

<sup>8</sup> Sandra Polaski, "Perspectivas on the Future of NAFTA: Mexican Labor in North American Integration" (paper, colloquium "El Impacto del TLCAN en México a los 10 años," Universidad Nacional Autónoma de México, Mexico City, June 29-30, 2004), 17.

<sup>9</sup> "En la economía informal, 62% de los empleos de México: OIT," *La Jornada*, June 12, 2004, 33.



It is frequently said that Mexico needs to create one million new jobs per year just to maintain current employment levels. This is slightly below the annual average of 1 144 000 new jobs created between 1991 and 1999, according to official figures. Between 2000 and 2006 the average was only 406 000 new jobs per year.<sup>10</sup> The deficit of approximately 600 000 a year coincides rather closely with Jeffrey Passel's estimate of about 610 000 Mexicans migrating to the U.S. every year since 2000.<sup>11</sup>

It is also frequently argued that it is not so much the outright lack of jobs that is driving increased migration, but rather the lack of adequately paying jobs, or in other words, the wage differential between Mexico and the U.S.<sup>12</sup> In addition to underemployment, disguised unemployment or informal employment, the Mexican work force has also had to withstand steadily declining real wages, which have been eroding individual and family incomes over the past 25 years. The main objective of the price controls imposed after the 1982 crisis was to keep wages from rising. Official data reveals that between 1982 and 2002 nominal wages increased by 150.5 percent, while prices rose 618 percent. The net effect was a 75 percent decline in purchasing power.<sup>13</sup> Until the end of May 2007, the federal minimum wage in the U.S. was US\$5.15 per hour, or approximately ten times more than the Mexican minimum wage at that time, depending on the exchange rate. Twenty-two percent of workers in Mexico earn the minimum wage or less; almost two-thirds earn up to three times the minimum, and 83 percent earn up to five times the minimum, which turns out to be less than half of the current U.S. minimum wage.<sup>14</sup>

The low wages and precarious working conditions so prevalent in Mexico often make migration to the U.S. appear as the only viable alternative. Every state in the country now has some level of international migration. Although most still come from the traditional sending states in the western central region, states in Central, Southern and Southeastern Mexico show high growth rates in the number of recent migrants. Increased female migration is another new trend, along with the extraordinary growth of remittances. The amount sent back to family members in Mexico rose by more than 600 percent between 1995 and 2006. It is estimated that approximately five percent of all Mexican households receive remittances, which represent about 36 percent of their total income.<sup>15</sup> The Mexican Central Bank (Banco de México) recognized that, as of 2003, remittances became the country's second source of foreign exchange, after oil exports, and that they were vitally

<sup>10</sup> Presidencia de la República, *Sexto Informe*.

<sup>11</sup> Jeffrey Passel, "How many Mexicans?"

<sup>12</sup> See, for example J. Bortz and M. T. Águila, "Emigración y bajos salarios: cosecha amarga de la globalización," *Memoria* 213, November 2006, 5-8.

<sup>13</sup> Data from the Banco de México, quoted in A. Ortiz Rivera, "Hijos del salario mínimo," *El Independiente*, August 15, 2003, 4-5.

<sup>14</sup> Presidencia de la República, *Sexto Informe*.

<sup>15</sup> F. Lozano and F. Olivera, "El estado actual de la migración mexicana a los Estados Unidos," in E. de la Garza and C. Salas, comps., *La situación del trabajo en México* (Mexico City: Plaza y Valdés, 2006), 413-435.

important in bolstering consumer spending during the economically stagnant years from 2001 to 2003.<sup>16</sup>

Some years ago the Mexican government was accused of indifference toward those who left the country to seek work in the U.S. Needless to say, the government has no interest in preventing this north-bound flow. The main concern now seems to be how to make sure that those who go continue to send money to their families back home. Recently, in fact, there have been efforts to strengthen migrants' ties to their homeland. Dual nationality was approved, and hometown associations are actively promoted and supported. Mexican consulates now provide a form of identification (the *matricula consular*, or consular registration) for all who request it. Those living abroad now have the right to vote in Mexican presidential elections. All of these measures help keep those who leave connected in some way to their places of origin. However, in spite of all the adverse conditions in the Mexican labor market and the fact that so many people have friends and relatives living in the U.S., there would not be so many migrants today if there were no opportunities for employment once they cross the border.

### **How Can the U.S. Economy Absorb So Many Migrants?**

Just as remittances have become more and more important for the Mexican economy, immigrant labor has become more and more important in the U.S. Andrew Sum and his co-authors maintain that the record number of 14 million immigrants arriving in the U.S. between 1990 and 2000 was decisive for filling old and new jobs during the extraordinary period of uninterrupted economic growth from 1991 to 2001.<sup>17</sup> Many people, including George W. Bush and Alan Greenspan, have recognized how important immigrant labor is for the economy today, while others insist that it has been negative for native-born workers.<sup>18</sup> The foreign-born, almost a third of whom are from Mexico, currently make up 15 percent of the work force. Undoubtedly their presence has facilitated certain changes in the U.S. economy, in particular shifts in the employment structure.

In absolute terms, the U.S. work force increased by 140 percent from 1950 to 2005, whereas, relatively, it only grew from 59.2 to 66 percent of the total working-age population.<sup>19</sup> However, important economic and social transformations (the scientific and technological revolution, particularly the revolution in information

<sup>16</sup> R. González Amador, "Las remesas de EU mantienen el consumo interno en México", *La Jornada*, February 4, 2003, 20.

<sup>17</sup> Andrew Sum, Neeta Fogg, Paul Harrington, et al., "Immigrant Workers and the Great American Job Machine: The Contributions of New Foreign Immigration to National and Regional Labor Force Growth in the 1990s" (paper, National Business Roundtable, Washington, D. C., August, 2002), 2.

<sup>18</sup> See S. A. Camarota, "A Jobless Recovery? Immigrant Gains and Native Losses," *Background*, (Washington, D.C.: Center for Immigration Studies, October, 2004).

<sup>19</sup> U.S. Department of Labor, *Employment and Earnings*, vol. 53, no. 1 (Washington, D.C.: United States Government Printing Office, January, 2006), 203.

technology; the growth of transnational corporations; the civil rights movement; the feminist movement; globalization; increased access to higher education; economic and industrial restructuring; and neoliberal economic policies, to mention just a few) have significantly changed the characteristics and sectoral distribution of the work force over time.

First of all, employment in agriculture dropped severely in both absolute and relative terms. In 1940, 20 percent of the EAP, or 9.5 million persons, were employed in agriculture compared to 2.2 million, barely 1.6 percent of the EAP, in 2005. Nevertheless, the U.S. continues to be one of the world's leading producers and exporters of agricultural goods. Overall, the proportion of workers involved in producing goods declined from 37.9 percent of the EAP in 1955 to 15.8 percent in 2005, in contrast to the rise of those producing or providing services, which grew from 62.1 percent of the EAP to 83.4 percent.<sup>20</sup> Furthermore, thanks in part to the growing trade deficit, the range of goods and services available to U.S. consumers is broader than ever.

In spite of the relative decline in manufacturing employment, the absolute number of jobs in this sector grew until 1979 when it reached 19.4 million. Since then, over 5 million jobs have been lost in manufacturing, which went from employing 30.6 percent of the work force in 1955, to 21.6 percent in 1979 and just 10.7 percent in 2005.<sup>21</sup> The decline was particularly sharp from 2000 to 2005 when over 3 million manufacturing jobs disappeared, over a third of them in the seven-state Great Lakes region. Most of the workers laid off were men without college degrees who will have a difficult time finding another position that offers similar income levels and benefits. Therefore, many of them have simply dropped out of the work force.<sup>22</sup>

Male work force participation rate has declined slowly but surely since the middle of the twentieth century, from 86.4 percent in 1950 to 73.3 percent in 2005.<sup>23</sup> Even the number of prime-working-age men (those between 30 and 55) who are not in the work force has risen and now stands at around 13 percent.<sup>24</sup> Female participation, on the other hand, has increased steadily (from 33.9 percent in 1950 to 59.3 percent in 2005), to such an extent that women now constitute 46.4 percent of the EAP. Female participation in the work force rose most heavily during the

<sup>20</sup> U.S. Department of Labor, *Employment and Earnings*, vol. 53, no. 1 (Washington, D.C.: United States Government Printing Office, January 2006).

<sup>21</sup> *Ibid.* and U.S. Department of Commerce, *Statistical Abstract of the United States 1984* (Washington, D.C.: United States Government Printing Office, 1984); and U.S. Department of Commerce, *Statistical Abstract of the United States 2005* (Washington, D.C.: United States Government Printing Office, 2006).

<sup>22</sup> Howard Wial and Alec Friedhoff, "Bearing the Brunt: Manufacturing Job Loss in the Great Lakes Region, 1995-2005," Washington, D.C., The Brookings Institution, 2006.

<sup>23</sup> U.S. Department of Labor, *Employment and Earnings*, vol. 31, no. 1 (Washington, D. C.: United States Government Printing Office, January, 1984), 157; and U.S. Department of Labor, *Employment and Earnings*, vol. 53, no. 1 (Washington, D. C.: United States Government Printing Office, January 2006), 204.

<sup>24</sup> Louis Uchitelle and David Leonhardt, "Men not working, and not wanting just any job," *The New York Times*, July 31, 2006, <http://www.nytimes.com/2006/07/31/business/31men.html>.

1970s and 1980s. Probably catalyzed first by the feminist movement, the later rise came as a response to greater labor market insecurity and instability in family incomes due to industrial restructuring and neoliberal economic policies. The increase in service-sector jobs also facilitated greater female work force participation.

However, the U.S. work force grew by only 11.5 percent in the 1990s, and it has been calculated that without newly arrived immigrants it would have increased by only 5 percent.<sup>25</sup> There is general consensus that new immigrants were vital for employment growth as well as economic growth in general.<sup>26</sup> Unfortunately, both women and lower skilled immigrants tend to be paid less than white non-Hispanic males for similar work; hence, their increased labor force participation is also associated with the decline in average wages observable since 1973. Growing polarization, in terms of both types of jobs and earnings levels, has characterized the U.S. labor market in recent decades. Job growth has been heaviest at both the high and the low ends of the skills and earnings spectrum. Mexican migrants, most of whom have low levels of educational attainment, are absorbed and concentrated in low-skilled, low-paying jobs.

### **What Kinds of Jobs Do They Find and What Are Their Earnings Levels?**

For most Mexican migrants who come to the U.S., their primary motivation is to work and earn dollars. It is not surprising, then, that the Mexican-origin population<sup>27</sup> has the highest work-force participation rate in the country: 68.4 percent in 2005.<sup>28</sup> The male rate of 81.8 percent significantly exceeds that of any other group. Although the female rate (53.6 percent) is slightly lower than for some other population groups, it is much higher than women's participation in the EAP in Mexico, which is around 38 percent. Unemployment rates for those of Mexican origin mirror the ups and downs of economic activity as do unemployment rates in general. For the past three decades or more, unemployment rates for Mexicans and for Latinos in general in the U.S. have consistently been lower than the rates for African Americans but higher than those of the non-Hispanic white population.

It is not unusual for low-skilled recent immigrants to have the least desirable and lowest-paying jobs, which nevertheless provide incomes much higher than

<sup>25</sup> Andrew Sum, et al., "Immigrant Workers," 2002.

<sup>26</sup> See, for example, Council of Economic Advisers, "Immigration's Economic Impact," June 20, 2007, [http://www.whitehouse.gov/cea/cea\\_immigration\\_062007.pdf](http://www.whitehouse.gov/cea/cea_immigration_062007.pdf); and Sum, et al., "Immigrant Workers."

<sup>27</sup> The term "Mexican origin" refers to all persons born in Mexico who now reside in the United States and also those born in the U.S. of Mexican ancestry (parents, grandparents, etc.). We will use the term "Mexicans" as shorthand for the term "Mexican-origin population" when it is clear from the context that we are referring to both U.S. residents born in Mexico and persons of Mexican origin born and living in the U.S.

<sup>28</sup> U.S. Department of Labor, *Employment and Earnings*, vol. 53, no. 1 (Washington, D. C., United States Government Printing Office, January, 2006), 210-211.

they could earn in their countries of origin. Such has been the experience of the vast majority of Mexican migrants to the U.S. since they have relatively few years of schooling and little or no knowledge of English upon arrival. However, certain disadvantages in terms of educational attainment persist even for the second and third generations and affect labor market outcomes for many who were born in the U.S.

Department of Labor statistics indicate that the Mexican-origin work force is more or less evenly distributed among four of the five major occupational categories: 24.1 percent in services; 22 percent in natural resources, construction and maintenance occupations; 19.7 percent in production, transportation and material moving; and 20 percent in sales and office occupations. Only 14.2 percent are employed in the fifth major category of managerial or professional positions, which is much lower than 34.7 percent for the entire work force and lower than any other racial or ethnic group. Only 3.1 percent of all Mexican workers are employed in the sub-category of farming, fishing or forestry; nonetheless, the percentage employed in these activities, where wages tend to be extremely low, is much higher than that of any other group.<sup>29</sup>

Significant numbers of Mexicans are employed in manufacturing and construction (11.2 percent and 15.9 percent, respectively), where there are some well-paying positions for highly skilled, experienced workers. However, most hold low-paying, low-skilled jobs. Just over 11 percent have office and administrative support positions, but many of these are female-dominated occupations where salaries tend to be low. The same holds true for most of the sales jobs that provide employment for 8.7 percent of Mexican workers. Another 9.1 and 8.8 percent, respectively, work preparing and serving food and cleaning and maintaining buildings and grounds, and their wages are very low. Within each of the general occupational categories or sub-categories, Mexicans and other Latinos tend to be concentrated or constitute a relatively high proportion of all workers in certain specific occupations: certain branches of light rather than heavy manufacturing; cleaning and maintenance services for buildings and grounds; food preparation and handling; cashiers in self-service stores and retail sales; and certain types of construction work, to mention a few.

Data for employment by industry reveals that some branches have come to depend more and more on Latino workers, almost two-thirds of whom are Mexican (see table 1).<sup>30</sup> Between 1990 and 2005 the proportion of Latinos in the work force grew from 7.5 to 13.1 percent. At the same time in the animal slaughtering and processing industry it rose from 17 to 39.3 percent. In construction, it increased from 8.5 to 23 percent. In some branches (landscaping services, cutting and sewing apparel, private household service) where Latino participation was already high, the growth is less spectacular. Latino participation in food manufacturing grew from

<sup>29</sup> Ibid., 224-225.

<sup>30</sup> Ibid., 234-238; and *Employment and Earnings*, January, 1991, 196-199.

14.1 to 27.7 percent and was even more pronounced in certain sub-sectors. Carpet and rug mills showed the sharpest rise: in just 15 years the percentage of Latino workers grew from 10.1 to 31.6 percent. Dalton, Georgia is the carpet capital of the United States, and Latinos are now around 40 percent of the town's total population.

TABLE 1  
INDUSTRIES WITH HIGH CONCENTRATION OF LATINO WORKERS (2005)

<i>Industry</i>	<i>% Latino 1990</i>	<i>% Latino 2005</i>	<i>Increase in % Latinos 1990-2005</i>
<b>Total</b>	<b>7.5</b>	<b>13.1</b>	<b>74.7</b>
Animal slaughtering and processing	17.0	39.3	131.2
Landscaping services*	25.2	37.5	48.8
Cut and sew apparel	22.6	35.8	58.4
Car washes*	22.5	35.4	57.3
Private households	17.6	33.9	92.6
Fruit and vegetable preserving and specialty foods	21.0	32.8	56.2
Services to buildings and dwellings	18.0	32.3	79.4
Carpet and rug mills	10.1	31.6	212.9
Crop production	19.5	29.1	49.2
Support activities for agriculture and forestry	15.4	27.9	81.2
Food manufacturing	14.1	27.7	96.5
Bakeries, except retail*	13.0	27.3	110.0
Warehousing and storage	13.8	24.7	79.0
Dry cleaning and laundry services	14.6	24.5	67.8
Retail bakeries	14.4	24.4	69.4
Textiles, apparel and leather	20.2	24.4	20.8
Specialty food stores*	13.1	24.4	86.3
Traveler accomodation	15.2	23.7	55.9
Soap, cleaning compounds and cosmetics	14.5	23.6	62.8
Construction	8.5	23.0	170.6

\* There is no data for these industries in 1990; the figures shown in the first column are for 1994 and the change is with respect to that year.

**Source:** Author's calculations with data from *Employment and Earnings* (January 2006), 234-238.

Occupational and industrial concentration among Latino workers is intertwined with their geographical concentration. Approximately three-fourths of all Latinos live in just seven states. However, in some states in the South, the Midwest and the West, the Latino population —still quite small numerically— grew from more than 200 to almost 400 percent between 1990 and 2000, because of employment opportunities.<sup>31</sup> Often Mexicans and others are actively recruited to fill jobs in meat packing or poultry processing plants, or carpet and rug mills, that local workers now disdain. The same holds true for agricultural work in many parts of the

<sup>31</sup> Passel, "How Many Mexicans?"

Southeast or states like California, Texas and Oregon. The demand for workers to carry out undesirable low-paying jobs rose significantly at the end of the twentieth century, and coincided with the arrival of new waves of immigrants from Mexico and other Latin American countries, who were more than willing to take such jobs.

Most of the occupations with large numbers of Latinos are low-skilled, low-wage jobs requiring no more than a high school education (see table 2). In occupations with over a 100 000 Latino workers where median weekly earnings are above the overall median, the percentage of Latinos, with respect to the total number employed, tends

TABLE 2  
OCCUPATIONS WITH THE HIGHEST NUMBERS OF LATINO WORKERS (2005)

<i>Occupations</i>	<i># Latino</i>	<i>% Latino</i>	<i>Median Weekly Earnings</i>
<b>Total 16 Years and Over</b>	<b>18,566,630</b>	<b>13.1</b>	<b>\$651</b>
Construction laborers	608,328	40.8	\$502
Janitors and building cleaners	566,202	27.3	\$408
Driver/sales workers and truck drivers	559,076	16.4	\$624
Cooks	538,534	29.3	\$336
Cashiers	498,150	16.2	\$336
Maids and housekeeping cleaners	486,464	35.2	\$335
Grounds maintenance workers	443,938	37.4	\$389
Carpenters	438,468	24.4	\$556
Farming, fishing and forestry occupations	393,328	40.3	\$372
Retail salespersons	383,264	11.8	\$494
Laborers and freight, stock, and material movers, hand	353,976	19.6	\$456
First-line supervisors/managers of retail sales workers	317,070	9.0	\$631
Secretaries and administrative assistants	300,914	8.6	\$562
Waiters and waitresses	294,831	15.3	\$352
Nursing, psychiatric and home health aides	285,000	15.0	\$388
Stock clerks and order fillers	248,370	17.0	\$427
Painters, construction and maintenance	241,150	35.0	\$466
Child care workers	240,549	18.1	\$332
Customer service representatives	240,123	13.1	\$524
Packers and packagers, hand	188,032	41.6	\$372
Automotive service technicians and mechanics	168,858	17.7	\$629
Receptionists and information clerks	167,872	12.2	\$466
Food preparation workers	162,016	24.4	\$321
Elementary and middle school teachers	154,344	5.9	\$826
First-line supervisors/managers of office and administrative support	143,820	9.0	\$686
First-line supervisors/managers of non-retail sales workers	138,572	9.8	\$881

**Source:** Author's calculations based on data in *Employment and Earnings* (January 2006).

TABLE 3  
OCCUPATIONS WITH THE HIGHEST PERCENTAGES OF LATINO WORKERS (2005)

<i>Occupations</i>	<i># Latino</i>	<i>Median Weekly Earnings</i>	<i>% Latino</i>
<b>Total 16 Years and Over</b>	<b>13.1</b>	<b>\$651</b>	<b>18,566,630</b>
Cement masons, concrete finishers and terrazzo workers	54.4	\$519	64,736
Drywall installers, ceiling tile installers and tapers	46.8	\$511	117,936
Roofers	42.0	\$500	115,080
Butchers and other meat, poultry and fish processing workers	42.0	\$444	122,640
Packers and packagers, hand	41.6	\$372	188,032
Construction laborers	40.8	\$502	608,328
Graders and sorters, agricultural products	40.5	\$402	27,945
Farming, fishing and forestry occupations	40.3	\$372	393,328
Carpet, floor and tile installers and finishers	40.0	\$482	118,800
Helpers, construction trades	38.6	\$437	43,618
Helpers, production workers	37.8	n.d.	21,924
Packaging and filing machine operators and tenders	37.6	\$410	113,928
Grounds maintenance workers	37.4	\$389	443,938
Pressers, textile, garment and related materials	35.7	n.d.	24,990
Dishwashers	35.4	\$296	93,456
Maids and housekeeping cleaners	35.2	\$335	486,464
Painters, construction and maintenance	35.0	\$466	241,150
Brickmasons, blockmasons and stonemasons	33.7	\$598	82,565
Sewing machine operators	33.6	\$360	90,384
Cleaners of vehicles and equipment	33.5	\$385	116,245
Dining room and cafeteria attendants and bartender helpers	30.4	\$347	113,392
Laundry and dry-cleaning workers	29.4	\$372	52,332
Cooks	29.3	\$336	538,534
Cutting workers	28.6	\$496	28,600
Pest control workers	27.8	\$508	19,182
Janitors and building cleaners	27.3	\$408	566,202

**Source:** Author's calculations based on data in *Employment and Earnings* (January 2006).

to be low. For all occupations with high concentrations—or in other words the highest percentages—of Latinos (see table 3), median weekly earnings were below the overall median of US\$651 in 2005.<sup>32</sup> Latino workers are affected by the disappearance of internal job ladders in many industries, on one hand, and, on the other, by social networks for recruiting that channel them into certain types of jobs.<sup>33</sup>

<sup>32</sup> USDOL, *Employment and Earnings*, January, 2006, 218-223 and 258-262.

<sup>33</sup> See Saskia Sassen, *Globalization and Its Discontents* (New York: The New Press, 1998); and Roger Waldinger and Michael I. Lichter, *How the Other Half Works* (Berkeley: University of California Press, 2003).



Undocumented immigrants are all the more vulnerable because of their irregular status. Furthermore, their numbers have grown markedly over the past few years. According to Jeffrey Passel's estimations approximately half of all Mexicans living in the United States today are undocumented, as are 85 percent of those who have entered since 2000.<sup>34</sup> In general, however, employment is precarious for the lowest-skilled Latinos because of changes implemented in response to increased international competition, which have made the labor market increasingly more segmented and stratified.

Many new "labor market niches for immigrants" have grown along with the seemingly endless supply of newcomers. Most of them can earn up to 10 or even 15 times more than in their countries of origin. Nevertheless they are relegated to the lowest socioeconomic strata in the United States. Even though Latino workers make up a growing proportion of the work force, they continue to experience high poverty rates, high unemployment rates and low incomes.<sup>35</sup> Relative wages have noticeably declined in almost all the occupations that now have high concentrations of Latino workers (see table 4). The drop is particularly noticeable in some of the specialized construction trades, where median weekly earnings were higher than the general median in 1990, and by 2005 they were considerably lower.<sup>36</sup> Thus over the past 20 years, Latino workers have generally experienced wage decline with respect to other population groups in the United States.

Since the beginning of the 1980s, in the case of women, and the early 1990s, for men, Latinos have had lower median incomes than the rest of the population. Latino men's median income is slightly lower than Afro-Americans', and there is a substantial gap between these two groups and non-Hispanic whites. For men who work full time year round, Latinos' median income has been lower than Afro-Americans' since the mid-1980s, and the gap is growing, as is the much larger gap between Latinos and non-Hispanic whites (see graph 1).

Latina women's median income is considerably lower than that of African American women, who actually have incomes somewhat closer to non-Hispanic white women's. In the case of women who work year-round full time (see graph 2), Latina's median income has consistently been the lowest of all, since it began being registered, and the difference is growing.<sup>37</sup> Among all Latino workers, Mexican males and females have the lowest median incomes.<sup>38</sup>

Even though Latino families and households' median incomes are slightly higher than African Americans', the gap between both of these groups and non-Hispanic

<sup>34</sup> Passel, "How many Mexicans?"

<sup>35</sup> Thomas-Breitfeld, "The Latino Workforce," Statistical Brief no. 3. Washington, D.C.: National Council of La Raza, 2003.

<sup>36</sup> U.S. Department of Labor, January 1991, 196-199, 223-227; and January, 2006, 218-223, 258-262.

<sup>37</sup> U.S. Census Bureau, *Current Population Survey, Annual Social and Economic Supplement, 2004*, [www.census.gov/population/socdemo/hispanic/ASEC2004/2004CPS](http://www.census.gov/population/socdemo/hispanic/ASEC2004/2004CPS); accessed February 2, 2006.

<sup>38</sup> For a more detailed analysis of Latinos' occupations and earnings in the United States, see Elaine Levine, *Los nuevos pobres de Estados Unidos: los hispanos* (Mexico City: UNAM and Miguel Ángel Porrúa, 2001), Chapter 3.

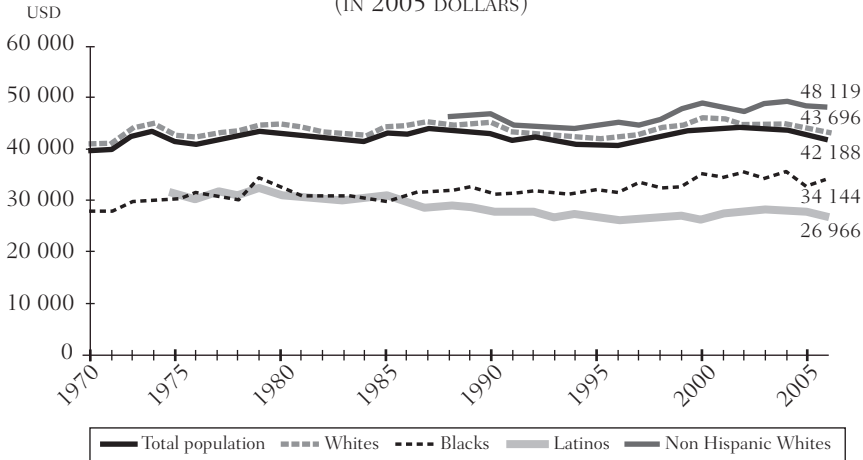
TABLE 4

## COMPARISON OF MEDIAN WEEKLY EARNINGS IN OCCUPATIONS WITH HIGH PERCENTAGE OF LATINOS (1990 AND 2005)

<i>Occupations</i>	<i>Median Weekly Earnings 1990</i>	<i>%</i>	<i>Median Weekly Earnings 2005</i>	<i>%</i>	<i>% Latinos 2005</i>	<i># Latinos 2005</i>
<b>Total 16 Years and Older</b>	<b>\$415</b>	<b>100.0</b>	<b>\$651</b>	<b>100.0</b>	<b>13.1</b>	<b>18,566,630</b>
Cement masons, concrete finishers and terrazzo workers	\$414	99.8	\$519	79.7	54.4	64,736
Drywall installers, ceiling tile installers and tapers	\$440	106.0	\$511	78.5	46.8	117,936
Roofers	\$341	82.2	\$500	76.8	42.0	115,080
Butchers and other meat, poultry and fish processing workers	\$314	75.7	\$444	68.2	42.0	122,640
Packers and packagers, hand	\$258	62.2	\$372	57.1	41.6	188,032
Construction laborers	\$347	83.6	\$502	77.1	40.8	608,328
Farming, fishing and forestry occupations	\$257	61.9	\$372	57.1	40.3	393,328
Carpet, floor and tile installers and finishers	\$376	90.6	\$482	74.0	40.0	118,800
Helpers, construction trades	\$272	65.5	\$437	67.1	38.6	43,618
Packaging and filling machine operators and tenders	\$313	75.4	\$410	63.0	37.6	113,928
Grounds maintenance workers	\$267	64.3	\$389	59.8	37.4	443,938
Maids and housekeeping cleaners	\$220	53.0	\$335	51.5	35.2	486,464
Painters, construction and maintenance	\$382	92.0	\$466	71.6	35.0	241,150
Brickmasons, blockmasons and stonemasons	\$506	121.9	\$598	91.9	33.7	82,565
Sewing machine operators	\$292	70.4	\$360	55.3	33.6	90,384
Cleaners of vehicles and equipment	\$249	60.0	\$385	59.1	33.5	116,245
Laundry and dry-cleaning workers	\$220	53.0	\$372	57.1	29.4	52,332
Cooks	\$226	54.5	\$336	51.6	29.3	538,534
Cutting workers	\$319	76.9	\$496	76.2	28.6	28,600
Janitors and building cleaners	\$280	67.5	\$408	62.7	27.3	566,202
Painting workers	\$385	92.8	\$562	86.3	25.7	50,886
Bakers	\$304	73.3	\$411	63.1	24.6	45,018
Food preparation worker	\$215	51.8	\$321	49.3	24.4	162,016
Carpenters	\$412	99.3	\$556	85.4	24.4	438,468
Crushing, grinding, polishing, mixing and blending workers	\$391	94.2	\$498	76.5	24.1	22,413

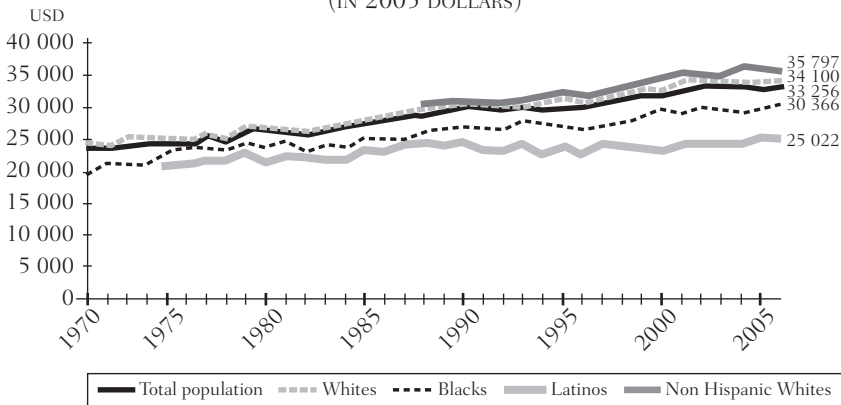
**Source:** Author's calculations based on data in *Employment and Earnings* (January 1991 and January 2006).

GRAPH 1  
 MEDIAN INCOME FOR ALL MALES WORKING FULL TIME, 1970-2005  
 (IN 2005 DOLLARS)



**Source:** Constructed by the author with data from the Current Population Survey, Historical Income Tables.

GRAPH 2  
 MEDIAN INCOME FOR ALL WOMEN WORKING FULL TIME, 1970-2005  
 (IN 2005 DOLLARS)



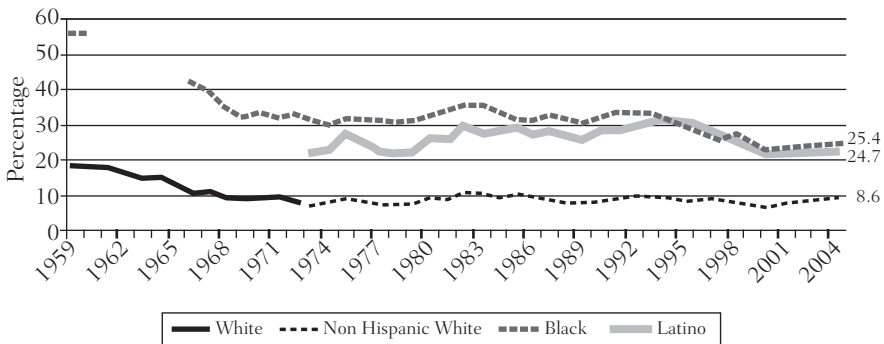
**Source:** Constructed by the author with data from the Current Population Survey, Historical Income Tables.

white families and households tends to grow. Furthermore, Latino families and households appear to do better than African American ones not because of individual earnings—which as we have just seen tend to be lower than those of African American men and women, respectively— but because there are more persons employed per family or household. At the same time, however, there are usually

also more dependents. Latino households often include members of the extended family (uncles, aunts, cousins, etc.), and even individuals who are not family members but perhaps come from the same hometown. The net effect is that the higher incomes have to meet the needs of a larger number of persons; thus, from 1985 on, Latinos' per capita income has been lower than African Americans'. In 2003, the difference was just over US\$2,000 per year (US\$13,492 and US\$15,583, respectively), and non-Hispanic whites' per capita income was almost double (US\$26,774).<sup>39</sup>

While the poverty rate for African Americans has been cut in half since 1959, the rate for Latinos has not improved overall, beyond that observed in the early 1970s, when such data was first registered. In general, Latino poverty rose between 1972 and 1994 (from 22.8 percent in 1972 to 30.7 percent in 1994), and then returned to prior levels as a result of the economic expansion thereafter (see graph 3). African Americans, who comprised 31.1 percent of those living below the poverty threshold in 1966, were only 25.4 percent in 2004, whereas Latinos, who were 10.3 percent of those living in poverty in 1972, comprised 24.7 percent by 2004 (see graph 4).<sup>40</sup> In other words, a little more than one-eighth of the total population is Latino but Latinos now constitute almost one fourth of all those with incomes below the poverty line. If these tendencies continue, Latinos will not only be the largest ethnic or racial minority—as the 2000 census classifies them—they may also soon become the most impoverished. Moreover, the proportion of recently arrived Mexicans and Latinos living in poverty definitely exceeds the overall rates.

GRAPH 3  
POVERTY RATE BY GROUPS, 1959-2004

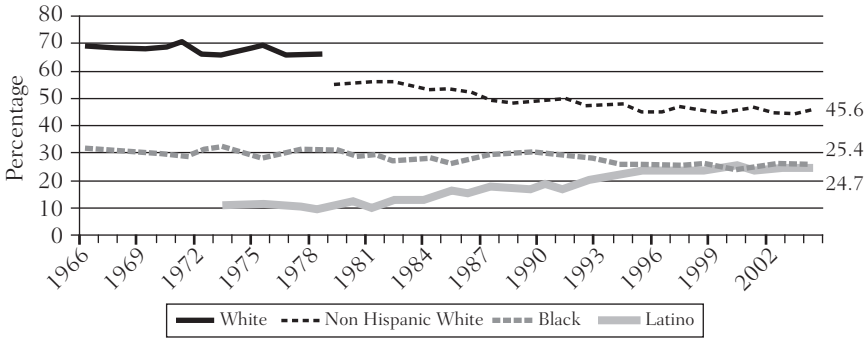


**Source:** Constructed by the author with data from the Current Population Survey, Historical Poverty Tables.

<sup>39</sup> Ibid.

<sup>40</sup> Ibid.

GRAPH 4  
DISTRIBUTION OF PERSONS IN POVERTY BY GROUP; 1959-2004



Source: Constructed by the author with data from the Current Population Survey, Historical Poverty Tables.

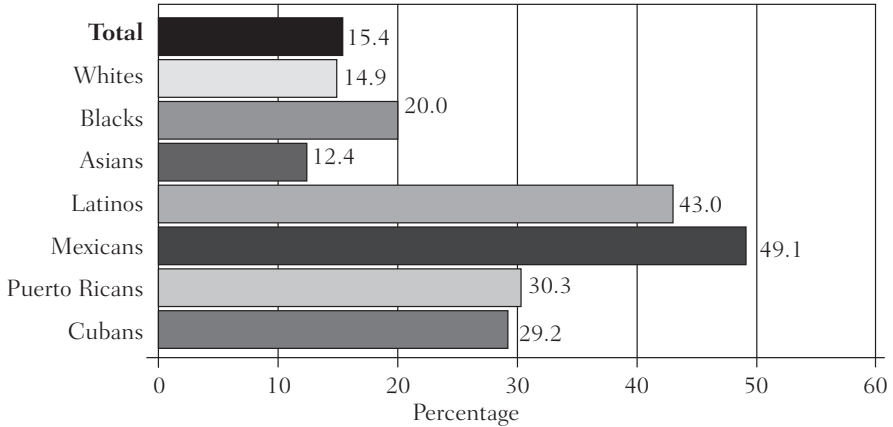
### What Opportunities and Obstacles Do the Children of Mexican Immigrants Face?

The differences observed in incomes and socioeconomic status can be partially explained by differences in years of schooling, particularly in recent decades, given the high correlation between earnings and educational attainment observable in the United States. Despite this connection, however, dropping out of high school is still fairly prevalent among Latinos. Access to higher education is still quite limited for most Latino youth, consequently limiting their employment options and also the perspectives for intergenerational socioeconomic mobility. As shown in graphs 5 and 6, Mexicans lag furthest behind in terms of educational attainment in the United States.

The high percentage of Mexicans who have not finished high school, or its equivalent in Mexico, is largely due to the fact that compulsory education there only includes nine years of schooling. In fact, many small villages only have elementary schools. Upon finishing the ninth grade, or *secundaria* in Mexico, many families consider that their children’s formal education has concluded, and they are ready to go to work. At that time, young people from regions with high migratory rates may choose to set out on their first journey north. This helps explain, to some extent, why educational attainment for Mexicans in the U.S. is so low.

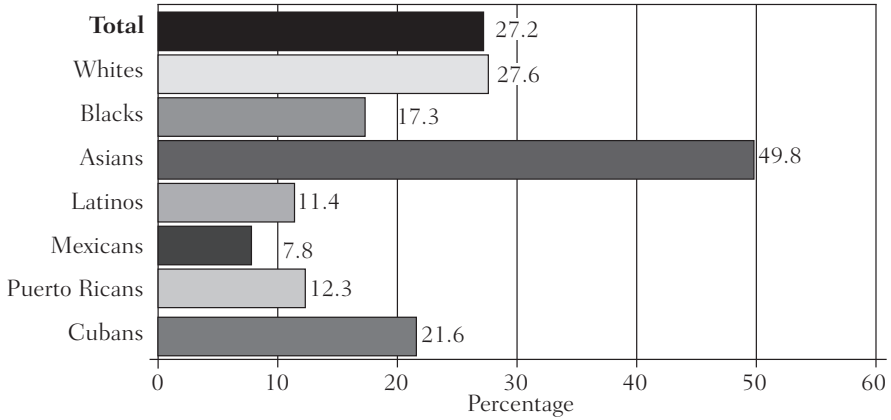
Something not so easily explainable, however, is the great disparity in income levels for persons with similar levels of educational attainment. At all levels, the average incomes of white males are considerably higher than those of African American males or females, Latino males or females and white females. The differences grow as educational attainment rises, and can only be attributed to persistent, racial, ethnic and gender discrimination in the U.S. labor market (see graph 7).

GRAPH 5  
 PERCENTAGE OF PEOPLE WITHOUT HIGH SCHOOL DIPLOMA, 2003



Source: Constructed by the author with data from the Statistical Abstract of the U.S. 2004-2005.

GRAPH 6  
 PERCENTAGE OF PEOPLE WITH COLLEGE DEGREE OR MORE, 2003

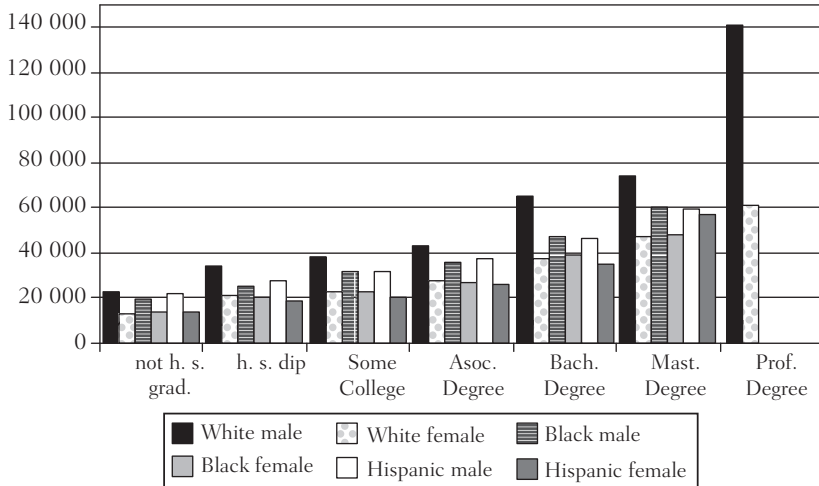


Source: Constructed by the author with data from the Statistical Abstract of the U.S. 2004-2005.

Despite these clear income differentials, Roberto Suro maintains that “In the United States today the most impenetrable barriers to economic mobility are not to be found in the labor markets, but in the nation’s public school systems.”<sup>41</sup> A

<sup>41</sup> Roberto Suro, *Strangers Among Us, Latino Lives in a Changing America* (New York: Vintage Books, 1999), 314.

GRAPH 7  
AVERAGE YEARLY INCOME BY EDUCATIONAL ATTAINMENT, 2002



**Source:** Constructed by the author with data from the Statistical Abstract of the U.S. 2004-2005.

little further on, he adds, “The segregation of winners and losers in American society still bears a high correlation to race and ethnicity but most of the segregating takes place before people look for their first job,”<sup>42</sup> in other words, while they are still in school, or when they drop out of school. As we have already mentioned, educational attainment is one of the most important determinants of income. A large portion of the Mexican population in the U.S. has not completed high school (or its equivalent in Mexico). Referring to the vicious circle metaphor seems unavoidable. Low family incomes and parents with little schooling are among the factors most often associated with poor performance in school and high probabilities of dropping out.

In general, in the United States today, rich children and poor children do not usually attend the same schools. Most African American and Latino children attend schools where racial and ethnic minorities predominate and the preparation they receive may be quite different from that offered to their non-Hispanic white and Asian peers, who attend other schools in other neighborhoods. Commemoration (in 2004) of the fiftieth anniversary of the Supreme Court decision banning racial segregation in public schools was dampened by persistent *de facto* segregation. Since school assignment is determined by place of residence, schools in many cities throughout the country are, in fact, even more segregated than they were 50 years ago. Furthermore, the inequality in funding between rich school districts and poor ones is growing. “By relying on local property taxes as a crucial source of

<sup>42</sup> Ibid.

funds, the U.S. has created a caste system of public education that is increasingly separate and unequal.”<sup>43</sup>

Moreover, segregation occurs not only between schools but also within schools. In any given school students may be grouped in ways that in effect result in separating Afro-Americans and Latinos from non-Hispanic whites and others. New means are constantly being devised that differentiate the educational experiences and outcomes for poor minority children from those of their middle- and upper-class counterparts.<sup>44</sup> Funding, infrastructure, and even teaching practices, goals and content differ to such an extent that the aims and objectives of the teaching-learning process end up being not at all similar. Thus, the dreams and aspirations, the opportunities and options for poor Latino immigrant children are limited almost as soon as they enter school in the United States. The public school system is, by and large, preparing them for the same kinds of low-skilled, low-paying jobs their parents have.

## Final Considerations

Latino participation in the U.S. work force is expected to grow significantly over the next few years and reach 17 percent by 2014.<sup>45</sup> Labor Department projections indicate that the number of low-skilled, low-wage, service sector jobs will also rise considerably. Given the country’s changing demographic profile—an aging population with low birth rates—and the low cost of unskilled Mexican labor, new immigrants will still be finding employment opportunities in the U.S. for years to come. Even though birth rates have recently declined somewhat in Mexico, prevailing economic policies will probably assure a ready supply of emigrants for some time yet. Thus, the demand for, and supply of, Mexican immigrant labor in the U.S. will surely continue well into the next decade.

For more than 10 years now the U.S. has been unsuccessfully grappling with the need for immigration reform. Nevertheless, and in spite of Mexican former President (2000-2006) Vicente Fox’s repeated references to the possibilities for an “immigration agreement” between the two countries, there is no indication that the U.S. is willing to consider anything other than unilateral action on this issue. However, thus far, any action whatsoever has been elusive. Many proposals for immigration reform have been introduced into Congress over the past several years, but few of them have gotten as far as to have actually been voted on. Senators Edward Kennedy (Democrat) and John McCain (Republican) have been the most persistent proponents of such legislation, but even these bipartisan attempts, of which there have been several successive versions, have all failed.

<sup>43</sup> Emily Mitchell, “Do the Poor Deserve Bad Schools?” *Time*, vol.138, no. 25, October 14, 1992, 42.

<sup>44</sup> See Jonathan Kozol, *The Shame of the Nation: The Restoration of Apartheid Schooling in America* (New York: Crown Publishers, 2005).

<sup>45</sup> U.S. Department of Labor, “Tomorrow’s Jobs,” *Occupational Outlook Handbook, 2006*, 7th ed. (Washington, D. C., Bureau of Labor Statistics), Bulletin 2600, [http://www.bls.gov/oco/print/oco\\_2003.htm](http://www.bls.gov/oco/print/oco_2003.htm), 2005; last modified December 20, 2005.



In January 2004, President Bush launched his own proposal for a new and enhanced Temporary Worker Program. In December 2005, the House of Representatives passed the highly controversial and highly punitive proposal sponsored by Representative James Sensenbrenner, which after 239 votes for and only 182 against, became known as H.R. 4437. This sparked massive protests by Latinos and many others throughout the country in the spring of 2006. Different and considerably more flexible legislation was subsequently approved by the Senate at the end of May, but it was obviously not possible to reconcile the sharp differences between the two. Toward the end of 2007, it became clear that any action on immigration reform will have to wait until after the 2008 presidential elections.

Since there has been no federal action in this area, many states have passed their own laws, most of which are restrictive measures with an anti-immigrant bias. Federal officials have staged selective raids at some worksites, and many undocumented workers have been deported. The climate of fear that prevails in many localities nationwide now contrasts sharply with the exuberance of the 2006 marches and demonstrations.

Oddly enough, the Republican front runner at this time, and presidential candidate, John McCain, and the two Democratic contenders, Barack Obama and Hillary Clinton, have voiced similar views on the need to regularize the status of the approximately 12 million currently undocumented immigrants in the U.S., over half of whom are presumably Mexican. All three voted “yes” on the Comprehensive Immigration Reform Act approved by the Senate in 2006, but also voted “yes” to the Secure Fence Act creating 700 miles of new fence along the U.S.-Mexico border. They all favor granting in-state college tuition and even some sort of path to residency or citizenship, for undocumented youth brought into the country by their parents when they were younger. Obama and Clinton voted “no” on explicitly declaring English as the national language, whereas McCain voted “yes.”

However, their apparent agreement on wanting to provide undocumented workers with an opportunity to earn legal status is by no means a guarantee that legislation to that effect will be approved by the new Congress after the elections. Many legislators are virulently opposed to granting what they consider to be “amnesty” to those who, they argue, “have not played by the rules.” Most of these same law-makers—and many people in general—are not nearly as interested in punishing and sanctioning employers who hire undocumented workers as they are in taking action against the workers themselves.

The entire question of immigration reform with all of its ramifications and related issues is a highly controversial subject throughout the U.S. Despite the fact that almost everyone agrees that the existing system has broken down and needs to be fixed, it is not at all clear that there will be enough consensus on any of the questions involved to be able to pass new laws in the near future. What is clear is that, in the minds of most, immigration is now strongly linked to national security and hence not an issue open to bilateral discussion. In fact, immigration has always been dealt with in the U.S. as a unilateral rather than a bilateral or multilateral issue.

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# THE “MAQUILADORIZATION” OF THE MEXICAN MANUFACTURING INDUSTRY UNDER NAFTA

Monica Gambrill\*

## Introduction<sup>1</sup>

The North American Free Trade Agreement (NAFTA) was expected to raise industrial wages in Mexico, perhaps not to the U.S. level but at least higher than before; and the Mexican *maquiladora* industry was the prime candidate for this type of improvement because it is the most closely integrated with the United States and because its wages used to be just half of those paid in the manufacturing sector. The objective of this chapter is to test this hypothesis of an upwards convergence between *maquiladora* and manufacturing wages, which, together, comprise all of Mexico's industry.

The principal finding is that convergence has been downwards instead of upwards; that is, with manufacturing wages coming down toward the *maquiladora* level and with *maquiladora* wages remaining constant. This is what is meant by the term “maquiladorization” of the manufacturing industry: a historical shift in the level of industrial wages in which the lower-paying industry has become the standard for what had traditionally been the higher-paying one. The downward turn in the structure of industrial remunerations is explained in this chapter within the context of NAFTA and free trade in general.

To put this change into perspective and demonstrate the degree to which it is related to free trade, data series spanning several decades are used, making it possible to draw links between the most dramatic movements in wage levels and significant changes in trade liberalization (the different measures taken to open Mexico's market to international commerce). These data series start back in the mid-1970s, when commercial policy was still protectionist, and move through the liberalization process that began in the mid-1980s, culminating in the NAFTA agreement in 1994, which, by 2008, had completed the process of tariff elimination in North America.

Data on average industrial wages are used to make nationwide generalizations about how well workers of the *maquiladora* and manufacturing industries have fared under this liberalization process.<sup>2</sup> This aggregate data is then disaggregated into different branches of industry, matching those of the *maquiladora* with corresponding sectors of manufacturing to provide a more detailed analysis that reveals

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<sup>1</sup> The author thanks Marcela Osnaya Ortega for her help with the graphs and tables in this article.

<sup>2</sup> Wages include fringe benefits and are measured for all direct workers, that is, production workers, supervisors and technicians, but not clerical employees or management.

important differences hidden within the average industrial data. A few branches of manufacturing were able to avoid sacrificing their wage levels when faced with the international competition brought by liberalization; but others responded by lowering their wages to the same level as those paid in the *maquiladoras*; and a third group of manufacturing branches fell still further below this mark.

The correlation between the relative wage levels of these three types of manufacturing branches and their structural characteristics, along with the specific liberalization schedules to which they were subjected and the steps they took to make their production competitive, are all factors that will help understand the relationship between wages and free trade. The structural characteristics of the different manufacturing branches include variables such as whether the establishments are large or small, capital- or labor-intensive, have received foreign investment or not, as well as whether their production is internationalized or concentrated in the country of origin. Also of importance are the differences in the way liberalization measures were applied to specific manufacturing branches and the way the latter responded, ranging from those that had already modernized their productive methods to those that converted to *maquiladora*-style production, to those that did nothing to prevent the impending onslaught except reduce wages.

It would be too detailed to analyze each branch of manufacturing since the objective of this chapter is to give a general overview of the different types of strategies used for managing the liberalization process and their impact on wage levels. Therefore, just one example of each of the three different types of manufacturing strategies will be analyzed in detail here, making only summary references to the rest. The full study, including all branches of industry, is available for consultation.<sup>3</sup> The comparison with the *maquiladora* industry is used as a control, since there was no reason to expect them to be negatively affected by free trade, having always operated in a competitive international environment; on the contrary, they were expected to raise their wages.

The first section of the chapter analyzes average wages in both industries and nationwide liberalization measures; the second section does the same but on the branch level, with the three different examples of manufacturing strategies dealing with liberalization; and the conclusions discuss some of the larger issues related to free trade and its impact on wages.

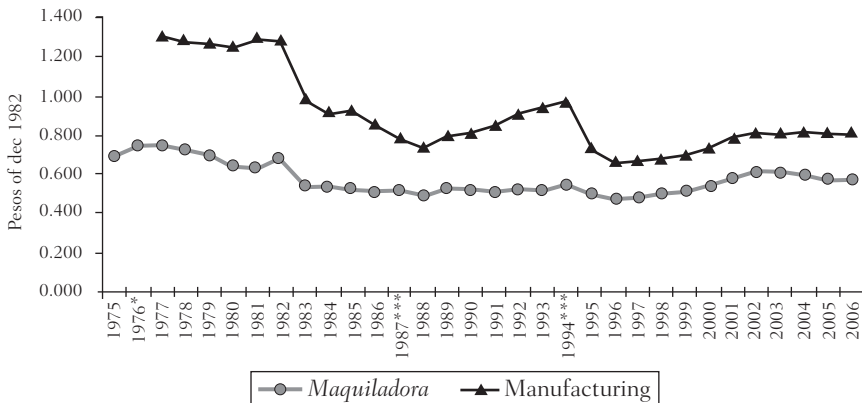
### **Average Manufacturing versus *Maquiladora* Wages and General Liberalization Measures**

In graph 1: “Wages in the Maquiladora and Manufacturing Industries (1975-2006)” we see changes in real wages in both industries over the course of three deca-

<sup>3</sup> Monica Gambrill, “El impacto del TLCAN en las remuneraciones de la industria de la transformación en México”, in Monica Gambrill, ed., *Diez años del TLCAN en México* (Mexico City: Universidad Nacional Autónoma de México-CISAN/IE/FE), 57-100.

des.<sup>4</sup> It is clear at first glance that the most pronounced drops in the wages of both industries occurred in 1983 and 1995, corresponding, on the one hand, to the debt crisis that began at the end of 1982 and, on the other, to the financial crisis that began in late 1994. What is not clear is how to distinguish the effect of these two crises from that of the liberalization measures that also began in the mid-1980s and then culminated in January 1994 with NAFTA. This is the crux of most disputes about the relationship between free trade and wages in Mexico, and it is necessary to take a position on it from the beginning.

GRAPH 1  
WAGES IN THE MAQUILADORA AND MANUFACTURING  
INDUSTRIES (1975-2006)



**Source:** Table 1, “Wages of Direct Workers in the Maquiladora and Manufacturing Industries, 1975-2006” (see the Statistical Appendix of this chapter).

If all drops in manufacturing wages, from their high point in 1982 onward, were attributed to free trade, then it would be a closed case: free trade would have to be considered extremely harmful to Mexican workers. However, if the 1993 crisis is attributed to debt accumulated during the previous protectionist period—incurring to cover the deficit in the balance of payments but leading to catastrophic inflation, devaluation and national insolvency—then the question is how much of the subsequent decline in real wages should be attributed to the failure of protectionism instead of blaming it on free trade? The stance taken here is that the 1993 crisis was the product of the old system, not the new. This is not to say that free trade is benevolent for industries and workers; rather that, in order to measure it correctly, those junctures in which liberalization accelerated have to be focused on, separating them carefully from the effects of the debt crisis.

<sup>4</sup> Real wages are adjusted to take inflation into account, in order to measure their buying power instead of their nominal monetary value, which can be deceptive or even meaningless.

The cumulative loss in manufacturing wages during the crises of 1983 and 1984 was 28.2 percent, but by 1985 this tendency had ended.<sup>5</sup> This drop in wages cannot be attributed to trade liberalization because it was not until 1985 that quantitative restrictions on imports (quotas) began to be eliminated. However, the second sharp reduction in wages does seem to be related to trade, since it coincided with Mexico's entry into the General Agreement on Tariffs and Trade (GATT) in 1986, causing a cumulative loss of 19.5 percent during the ensuing three-year period, from 1986 to 1988. During the following six years, from 1989 through 1994, the downward trend came to an end and wages recovered 28.3 percent, ending even higher than they had been before the beginning of the GATT sub-period. So, this positive reaction could be interpreted as the result of the industrial restructuring that was put into effect to counter the impact of GATT liberalization, as well as an initial positive response to NAFTA during its first year in force, 1994.

With respect to the 1995 financial crisis, the greatest impact on wage levels, which brought them down 30.5 percent, was concentrated in the first two years of the crisis. Even though this period overlapped with NAFTA, during its second and third years in effect, the case for attributing the financial crisis to free trade is circumstantial: same time, same place, same leaders, but not directly related to the free trade agreement itself. Therefore, the extent to which losses in real wages incurred during this crisis should be attributed to free trade is, at best, questionable. That said, what can clearly be demonstrated is the unsatisfactory growth rate after the financial crisis, from 1997 to 2006, which is the best measure of NAFTA's performance.

From 1997 through 2006, growth in wages has been very slow, albeit constant, yielding a cumulative increase of 22.7 percent in 10 years. This might seem like a good record but manufacturing wages did not recoup nearly as rapidly in this period as they did in the previous six-year GATT sub-period. The end result was that in 2006, real wages were still 15 percent below their 1994 level when NAFTA came into effect and 37 percent below their starting point in 1977. This is far from what was expected to result from the NAFTA agreement, and, therefore, it cannot be considered to have been successful in raising manufacturing wages.

*Maquiladora* wages serve as a point of comparison for measuring what has happened in the manufacturing industry because they are not negatively impacted by free trade. Having always had to adjust their costs to world market prices, their labor policy was designed to be extremely competitive, which is why they were able to pay only a bit more than half the manufacturing wage. This can be seen in graph 1: they were 42 percent lower in 1977 and still 43 percent below in 1985. From 1985 on, the gap between the two industries lessened, not because *maquiladora* wages went up but rather because manufacturing wages went down. Twenty-one years later, in 2006, real *maquiladora* wages were only 8.5 percent higher than in 1985.

This is not to say that *maquiladora* wages did not react to the crisis in Mexico. On the contrary, they had negative growth rates of -22.8 percent in 1983-1984

<sup>5</sup> See table 1 in the Statistical Appendix from which these numbers can be derived, as well as for all the information used to create graph 1.



and of -12.6 in 1995-1996. They also responded to free trade in the same direction as manufacturing but on a very different scale. In the GATT sub-period, they lost 6.4 percent of their buying power during the first three years (1986-1988), but then regained 11.5 percent of it (1989-1994). In the NAFTA sub-period, their buying power increased 18.6 percent overall (1997-2006), however with two distinct trends, having gone up through 2002 but consistently down thereafter. This change from 2003 onward is related to the transfer of assembly production to China, sending *maquiladora* wages on a slightly different path from manufacturing, where wages were slowly but continually rising.

As we have seen, the overall trend from 1974 through 2006 has been for manufacturing wages to fall closer and closer to the *maquiladora* level, which is what is meant by the term "maquiladorization". More specifically, in the NAFTA sub-period, wage levels in these two industries began to move in perfect synchrony with each other. From 1996 to 2002, manufacturing wages had completed their downward adjustment to the competitive level paid in the *maquiladora* industry. However, after China came on board in 2003, this synchronization ended and, although the wage levels of the two industries have remained much closer together than in any previous sub-period, they did begin to separate slightly.

Where this competition with China will lead industrial wages after 2006 is, of course, unknown; but hints of what is to come after the NAFTA sub-period will become clearer after disaggregating the industrial data onto the branch level to see which specific manufacturing branches synchronized their wages with the *maquiladoras*, which remained above this level and which fell below. This is what will be done in the following section.

### **Manufacturing and *Maquiladora* Wages in Select Industrial Branches And Branch-specific Liberalization Measures**

To examine more closely the double impact liberalization and restructuring have had on wages, data from both the manufacturing and the *maquiladora* industries will be disaggregated into industrial branches. Of the nine branches that comprise the *maquiladora* industry, only three will be compared to their equivalents in the manufacturing industry, due to space limitations in this chapter. However, these three are representative of the rest in that they are examples of the three different patterns of interaction that have been detected between *maquiladoras* and manufacturing in a larger study. Similarities and differences are based on the degree to which specific manufacturing branches have converted to the fragmented productive process used in the *maquiladoras*, as well as on the degree to which they have reduced their wages to the *maquiladora* level.

The first comparison is between the "electric and electronic" branches of the two industries studied. Liberalization was embraced early in this branch of manufacturing and was reinforced by sector-wide agreements that further speeded its commercial opening. Above and beyond the nationwide elimination of import per-

mits in 1985 and Mexico's entry into the GATT in 1986, the rest of the sectoral protectionist policy that had previously prevailed in this industrial branch was also dismantled. In 1987, two Trade Ministry (SECOFI) decrees changed this sector's specific protectionist program; and a 1990 presidential decree eliminated practically all tariff and non-tariff barriers in the area of computers.<sup>6</sup> This radical liberalization continued deepening not only under NAFTA but also later, in 1998, under the first Sectoral Program (Prosec),<sup>7</sup> with any country at all, even those without a reciprocal trade agreement with Mexico. Hence, commercial policies applicable to this manufacturing branch were harmonized with those that used to be restricted to the *maquiladoras* and other export industries.

Liberalization in this manufacturing branch led to the adoption of the same production style used in the *maquiladoras*: i.e. fragmentation of production chains and outsourcing of foreign intermediary goods. As a result, industrial activity in the manufacturing branch has centered on the assembly of these imported parts and pieces.<sup>8</sup> Up until the 1990s, both the manufacturing and *maquiladora* branches were still far removed from the production of competitive intermediary goods and challenged to deepen their productive processes. However, in the 1990s, a new image of the "electric-electronic" branches began to emerge. They were adding more national content to their products by incorporating complex manufacturing and design operations into their operations.<sup>9</sup> All of these commercial and structural adjustments impacted the industrial branches' remunerations in one way or the other.

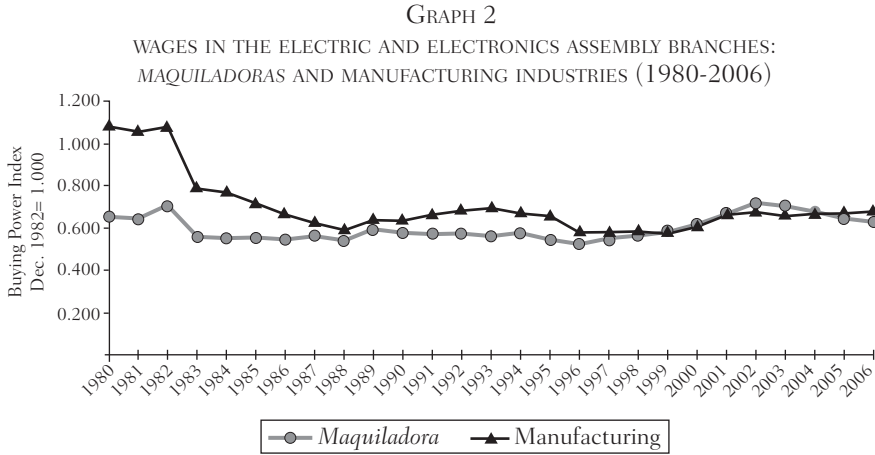
As can be seen in graph 2: "Wages in the Electric and Electronics Assembly Branches: *Maquiladoras* and Manufacturing Industries (1980-2006)," manufacturing wages fell not only in the 1983-1984 crisis but also continually through 1988, almost to the point of convergence with *maquiladoras*. This happened from as far back as the GATT sub-period and is due not only to the nationwide liberalization that this multilateral trade agreement implied but also to the sector-specific measures described above. Even though manufacturing wages improved a bit between 1991 and 1995, resisting the financial crisis of that year with no significant impact, from 1996 on they converged with the *maquiladoras*. This is not to deny that there was an improvement in *maquiladora* wages in the NAFTA sub-period and that manufacturing kept up with them, probably due to the upgrading of production that took place in this branch in the 1990s; however, this trend reversed in *maquiladoras* starting in 2003 due to competition with China, and it is yet to be seen whether manufacturing will follow or not.

<sup>6</sup> Arturo Borja, *El Estado y el desarrollo industrial. La política mexicana de cómputo en una perspectiva comparada* (Mexico City: CIDE/Miguel Ángel Porrúa, 1995), 175-177.

<sup>7</sup> These programs eliminated tariffs on imported parts, machinery and equipment from any country for use in the electric and electronics industry.

<sup>8</sup> As can be seen in the statistical index for graph 2, the industrial classes that comprise the "electric and electronic" manufacturing branch all refer to their "assembly" function in the production of different products.

<sup>9</sup> Sergio Ordóñez, "La nueva industria electrónica en México en el contexto del Tratado de Libre Comercio de Norteamérica" (paper, International Colloquium on "El Impacto del TLCAN en México a los 10 Años," National Autonomous University of Mexico, Mexico City, June 29-30, 2004).

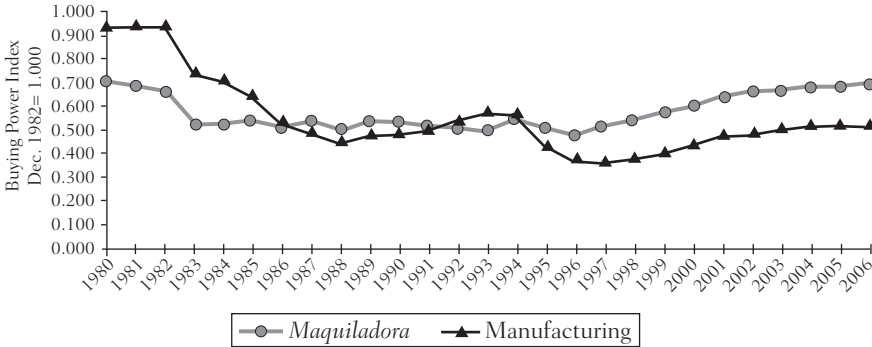


**Source:** Table 2, “Wages of Direct Workers in the Machinery, Equipment and Electronics Apparatuses and Articles Assembly Branch, and in the Electric and Electronic Accessories Branch: *Maquiladoras* and Manufacturing Industries, 1980-2006” (see the Statistical Appendix of this chapter).

On the basis of this branch-specific information, it can be concluded that its wages behaved in a very different way from the national average seen in the first graph. This manufacturing branch is characterized by its early and deep liberalization, especially in the area of electronics, which determined not only its conversion to fragmented production but also its early convergence with wage levels in the corresponding *maquiladora* branch. This example of convergence is not restricted to the “electric-electronic” branch; it happened in other branches as well, such as “tools” and “clothing”. Hence, “convergence” with *maquiladora* wages characterizes a specific type of manufacturing branches, as they restructure in order to deal with liberalization. It is not, however, the only typology hidden within the national average; two more are yet to be seen.

The second comparison can be seen in graph 3: “Wages in the Furniture Branch: *Maquiladora* and Manufacturing Industries (1980-2006).” The manufacturing branch reduced its wages from quite a high level before the 1983 debt crisis to below the level of the *maquiladora* branch, as far back as 1987 in the middle of the GATT sub-period. Even though it rallied a bit before NAFTA went into effect, it fell again with the 1995 financial crisis. Although it contained its fall in 1998 and then began to rise again afterwards, it has never caught up with *maquiladora* wages. This is because *maquiladora* wages have been growing steadily from 1996 on, despite competition with China, due in part to Mexico’s proximity to the United States which gives heavy, bulky products like furniture a competitive advantage. However this advantage would work in favor of the manufacturing branch as well; so, the decisive variables have more to do with the efficiency of their production: the economies of scale that their larger size affords, as well as the efficiency that their peculiar style of fragmented production brings to their ability to compete in the world market.

GRAPH 3  
WAGES IN THE FURNITURE BRANCH: *MAQUILADORAS*  
AND MANUFACTURING INDUSTRIES (1980-2006)



**Source:** Table 3, “Wages of Direct Workers in the Construction, Reconstruction and Assembly of Transport Equipment and Accessories Branch: *Maquiladoras* and Manufacturing Industries, 1980-2006”) (see the Statistical Appendix of this chapter).

Manufacturing’s inability to pay wages comparable to the *maquiladora*’s has to do both with its structural characteristics and the way liberalization was carried out in this branch. It was not until late 1986 that government permits to import wooden products and metallic furniture were no longer required; even afterwards, average tariffs fell slowly, and were still 18 percent to 19 percent in 1988.<sup>10</sup> Despite having resisted the trade opening, this manufacturing branch still had to face competition later with imported final goods, more in the NAFTA than in the GATT sub-period. What is more, no sector-specific agreements were adopted allowing free access to imported intermediate goods required to modernize production until a very recent Prosec. Neither private enterprise nor government led a concerted effort to prepare this manufacturing branch for the trade opening by implementing a restructuring plan. This is due to the fact that it is composed predominantly of small businesses, working with traditional designs and low productivity levels.

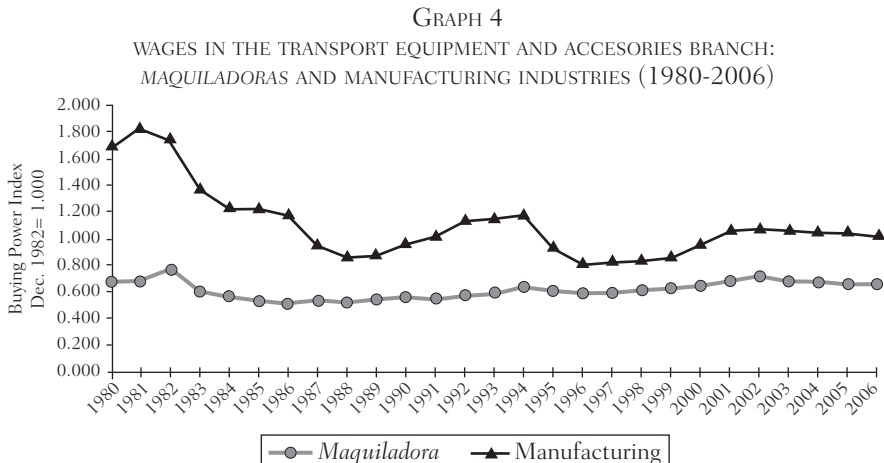
“Furniture” is representative of other branches such as “shoes,” “toys and sport-ing goods,” where the traditional relationship between manufacturing and *maqui-ladora* wages is also inverted. The fact that some manufacturing branches fall below the *maquiladora* parameter represents a historical change in Mexico, demon-strating just how grave the situation of these traditional manufacturing branches is. The only strategy they had was delaying liberalization as long as possible, open-ing up to international commerce late and half-way, without discriminating clearly between the benefits of protection for final goods and the disadvantages of pro-protecting the intermediate goods they use. By charging the same tariffs on both kinds

<sup>10</sup> Adrian Ten Kate and Fernando de Mateo Venturini, “Apertura comercial y estructura de la protec-ción en México. Estimaciones cuantitativas de los ochenta,” *Comercio Exterior*, vol. 39, no. 4 (April 1989): 323, 326.

of goods, the companies deprived themselves of free access to intermediate goods that would have been indispensable for industrial restructuring and successful competition with imported final goods later on. It is important to recognize that this alternative is worse than “maquiladorization.”

The third comparison can be seen in graph 4: “Wages in the Transport Equipment and Accessories Branch: *Maquiladora* and Manufacturing Industries (1980-2006).” The wage curve for manufacturing is higher than the national average and very different from the other two cases above that either converged with the *maquiladoras* or fell significantly below them. In “transport,” manufacturing wages started off more than double *maquiladora* wages and ended up about a third above it, far from recovering their initial level but also with a significant distance from convergence with *maquiladoras*. They also suffered during the periods of liberalization: in the GATT sub-period, from 1986 to 1988 when import permits protecting the automobile industry were done away with and tariffs were reduced to 17 percent;<sup>11</sup> and again at the beginning of the NAFTA sub-period, from 1997 to 1999, when they remained flat. However, after each of these downturns, the wage level went back up again to the same purchasing capacity as before the corresponding period of commercial opening. Thus, this branch of manufacturing avoided the permanent traumas that the other two branches experienced during the course of their liberalization, outperforming the national average. The question is, why was it relatively sheltered from the onslaught of foreign competition?

This independence from the *maquiladora* norm is due to a unique combination of two factors: the initial protection that the sector-specific auto agreement pro-



**Source:** Table 4, “Wages of Direct Workers in the Construction, Reconstruction and Assembly of Transport Equipment and Accesories Branch: *Maquiladoras* and Manufacturing Industries, 1980-2006)” (see the Statistical Appendix of this chapter).

<sup>11</sup> Ibid.

vided it from imports of assembled vehicles for 22 years, encouraging them to manufacture auto parts that the government obliged foreign companies to incorporate into their final products; and, simultaneously, the fact that this same agreement began opening this manufacturing branch up to the importation of auto parts from 1982 onward. Another decree in the GATT sub-period, in 1989, completely freed up importation of intermediary goods, at the same time as maintaining tariff and non-tariff barriers on the importation of finished vehicles, thus reinforcing this early strategic decision to specialize in intermediary goods. And with NAFTA, motor vehicles were one of the last sectors to open to foreign competition.<sup>12</sup> Despite this protection, it had to conform to international standards because it sold its parts to *maquiladoras* and other foreign assembly plants.<sup>13</sup> However, at the same time, this influence was attenuated by the greater profit margin that protection from imports of final goods afforded the assembly companies, all of which helped keep wages higher.

Thus, this manufacturing branch was shaped by a virtuous combination of protection and liberalization. It is an example of what can be accomplished within the logic of fragmented production, having enjoyed a longstanding, consistent industrial policy that encouraged local production of intermediate goods. To a large extent, this is due to the fact that the companies in this branch are large enough to influence the government in designing an industrial policy appropriate to them. "Transport" forms part of a third category of industrial branches that consistently maintained their wages higher than those of the *maquiladoras*, primarily oriented toward assembly. Other examples of manufacturing branches with wage levels significantly above *maquiladoras* are "food" and "chemicals," where the gap between the two industries has even increased over time. This is due to the fact that they use production technology that is completely different from the fragmented *maquiladora* model, employing highly specialized labor with wages that compare very favorably with those of less skilled assembly workers. Even though they were not sheltered from foreign competition, they are competitive enough to hold their own.

## Conclusions

The general conclusion is that free trade eliminates the differences between the manufacturing and *maquiladora* industries, not only by bringing the former's wages down to the latter's but also by creating conditions that make it advantageous to adopt the fragmented production style that characterizes globalization. This is perceived in Mexico as a historic loss, both for the workers of the manufacturing industry who see the possibility of earning a decent living slip away from them

<sup>12</sup> Humberto Juárez Núñez, "La industria automotriz en México. Diagnóstico y desarrollo en una política económica alternativa," in José Luis Calva, Mario Capdevielle Allevato and Cuauhtémoc Pérez Llanas, comps., *Industria manufacturera: Situación actual y desarrollo bajo un modelo alternativo* (Mexico City: UAM-Xochimilco, 1996), 392-393.

<sup>13</sup> Jordy Micheli, "Industria, calidad y poder (A propósito de la industria de autopartes en México)" in Calva, Allevato and Pérez, *Industria Manufacturera*, 407.

and for the owners of these industries who often end up in bankruptcy or having to sell their businesses. An overly simplified response to this is the desire to return to old-style protectionism, as it existed before the 1982 crisis, without recognizing that that system's inefficiencies were what caused the debt crisis to begin with. A more realistic response is attempted here, identifying those elements within the new system of fragmented production that allow the standard of living to improve.

Fragmented production is not limited to assembly operations only; it also requires the production of intermediate goods, not to mention the participation of the multinational corporations that subcontract these different processes and commercialize the final products worldwide. What we have seen in this chapter, once the national average of manufacturing wages was broken down into a variety of industrial branches, is that these branches have reacted in three different ways to liberalization, only one of which can be considered successful. The formula for this successful adaptation seems to have been getting the right combination of early protection from imported intermediate goods, at the same time as gradually opening to imported final goods, before the liberalization process came into full swing. This was achieved with the help of government intervention that fine-tuned the trade opening to protect high-value local manufacturing while at the same time allowing sufficient foreign competition to force conversion to international best-practice standards. In lieu of an industrial policy of this type, what the international market propitiates is specialization in the assembly of imported intermediate goods.

Branches like transport are the basis for this formula because they incorporate both the manufacture and the final assembly of intermediate parts, with the end result of keeping wage levels significantly higher than those in the other two categories of industrial branches. It seems that the most important variable for branches like transport is having had the proper combination of early exposure to international competition, plus elements of prolonged protection from imported goods, determined by their branch-specific industrial policy. Despite suffering temporarily from the negative impact of liberalization, both in the GATT and in the NAFTA sub-periods, they were able on each occasion to return to the same wage level they had had before. This indicates successful restructuring in tune with the new conditions of the globalized economy, adapting successfully to competition from abroad, even though wages in these branches were never able to return to their 1980 highs.

Manufacturing branches like electric-electronics have been shaped more by international market forces than by national industrial policy; hence, their orientation has been toward adopting the assembly model, although recently they began to manufacture some of their own intermediate goods in Mexico. It is important to recognize this possibility for the production of intermediate goods to evolve out of assembly operations, even though it had not existed previously to liberalization, as well as the possibility of reinforcing this evolution through industrial policy. Remunerations in these manufacturing branches were negatively impacted at first when obliged to adopt the assembly model, with downward convergence to the level of

the *maquiladoras*; but, with the beginning of production of intermediate goods, both *maquiladora* and manufacturing wages began to increase. However, the multinational corporations that subcontract both assembly and production of intermediate goods in the *maquiladoras* put a cap on these wage increases by sending some of their operations to China. Whether manufacturing will follow *maquiladoras* downward or not might depend on whether an industrial policy is put in place to raise productivity in Mexico.

Manufacturing branches like furniture, in the absence of an industrial policy to prod them toward a restructuring plan, have resisted liberalization through political pressure for continued protection. However, this does not constitute an acceptable alternative for the small and medium-sized producers of traditional goods in these manufacturing branches; rather, it drags their agony out until they finally close down or sell out to larger ones able to convert to the assembly model and keeps their wages stagnating below the *maquiladora* level. Protectionism in an open market is unlike protectionism decades ago, when it allowed excess profits to be accumulated at the expense of the consumer. Now, its consequences are worse than those of the assembly model because it has no possibility of competing with imports and, hence, cannot guarantee a decent living wage to workers. There should have been a plan to help these industries restructure their production before the liberalization process began but it is still possible for them to find a place in the new system of fragmented production, either as assemblers or as producers of intermediate goods.

Despite the rigors of fragmented production, it is possible to work within its logic to find ways to upgrade production from assembly to manufacture of intermediate goods, and then possibly to brand-name products whose production is scattered among different subcontracting companies around the world. Moving up this ladder requires support from the state in the form of a congruent industrial policy, which would benefit not only the companies involved but also their workers and the population in general since more sophisticated manufacturing affords higher wages and adds more value locally, thus expanding the tax base and allowing the government to provide better services. Creating a virtuous circle of this kind is one way to move forward toward industrial development, although it is not the only one because, as we have seen, there are other manufacturing branches with different production models, capable of adding more value and paying higher wages than in the branches characterized by fragmented production. Therefore, we recognize that there are limits to what industrial policy can or should do to promote upgrading in fragmented production—since it has to take into account the needs of other manufacturing branches, as well as other sectors, such as agriculture and services—but in it lies the key to avoiding the “maquiladorization” that an unabridged free market economy tends to extend throughout manufacturing branches.



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### Statistical Appendix

TABLE 1. WAGE OF DIRECT WORKERS IN THE MAQUILADORA AND MANUFACTURING INDUSTRIES (1975-2006)

Year	Average Daily Wage Workers and Technicians Maquiladora Industry <sup>1</sup>	Inflation Index December 1982=100	Real Wage Maquiladora Industry (Dec. 1982 pesos)	Growth Rate Maquiladora	Average Daily Wage Workers Manufacturing	Real Wage Manufacturing (Dec. 1982 pesos)	Growth Rate Manufacturing
1975	0.094	13.4	0.697				
1976 <sup>1</sup>	0.117	15.6	0.754	8.2			
1977	0.151	20.1	0.753	-0.1	0.261	1.298	
1978	0.173	23.6	0.732	-2.9	0.302	1.278	-1.5
1979	0.197	27.9	0.705	-3.7	0.353	1.264	-1.1
1980	0.227	35.2	0.645	-8.5	0.439	1.245	-1.5
1981	0.290	45.1	0.643	-0.3	0.584	1.296	4.0
1982	0.495	71.6	0.691	7.5	0.926	1.293	-0.2
1983	0.794	144.6	0.549	-20.6	1.435	0.992	-23.3
1984	1.285	239.3	0.537	-2.2	2.219	0.927	-6.5
1985	1.998	377.5	0.529	-1.5	3.497	0.927	-0.1
1986	3.603	703.0	0.513	-3.2	5.989	0.852	-8.1
1987 <sup>2</sup>	8.459	1,629.6	0.519	1.3	12.746	0.782	-8.2
1988	17.262	3,490.1	0.495	-4.7	26.041	0.746	-4.6
1989	22.104	4,188.4	0.528	6.7	33.365	0.797	6.8
1990	28.024	5,304.7	0.528	0.1	42.965	0.810	1.7
1991	33.677	6,506.8	0.518	-2.0	55.122	0.847	4.6
1992	39.627	7,515.9	0.527	1.9	67.712	0.901	6.3
1993	43.211	8,248.8	0.524	-0.6	76.260	0.924	2.6
1994 <sup>3</sup>	48.692	8,823.4	0.552	5.3	84.416	0.957	3.5
1995	60.844	11,911.5	0.511	-7.4	88.051	0.739	-22.7
1996	77.482	16,006.5	0.484	-5.2	106.500	0.665	-10.0
1997	95.407	19,308.0	0.494	2.1	128.585	0.666	0.1
1998	113.925	22,383.4	0.509	3.0	152.888	0.683	2.6
1999	135.586	26,095.8	0.520	2.1	180.885	0.693	1.5
2000	156.772	28,572.7	0.549	5.6	210.566	0.737	6.3
2001	177.172	30,392.2	0.583	6.2	238.822	0.786	6.6
2002	198.340	31,921.1	0.621	6.6	254.406	0.797	1.4
2003	204.721	33,372.5	0.613	-1.3	268.985	0.806	1.1
2004	209.471	34,937.2	0.600	-2.3	283.324	0.811	0.6
2005	211.169	36,330.5	0.581	-3.1	295.136	0.812	0.2
2006	216.034	37,649.1	0.574	-1.3	307.226	0.816	0.5

<sup>1</sup> 57 categories of activity, 1,157 establishments. <sup>2</sup> 129 categories of activity, 3,172 establishments.

<sup>3</sup> 205 categories of activity, 6,726 establishments.

**Source:** INEGI. *Estadística de la industria maquiladora de exportación 1974-1982, 1979-1989, 1989-1993, 1991-1996, 1992-1997, 1994-1999, 1995-2000; 2000, 2001, 2002, 2003, 2004, 2005 and 2006* at <http://www.inegi.gob.mx>; *ibid.*, *Estadística industrial anual 1975-1982; ibid.*, *Encuesta industrial anual 1983-1986; ibid.*, *Encuesta industrial mensual 1987, 1988, 1989, 1990, 1991, 1992, 1993, 1994, 1995, 1996, 1997, 1998, 1999, 2000, 2001 and 2002; índice de precios de la Comisión Nacional de Salarios Mínimos until 1982 and Índice de precios al consumidor* by the Banco de México from 1983 on.

### Statistical Appendix

TABLE 2. WAGE OF DIRECT WORKERS IN THE MACHINERY, EQUIPMENT, ELECTRICAL AND ELECTRONIC APPARATUSES AND ARTICLES ASSEMBLY BRANCH, AND IN THE ELECTRIC AND ELECTRONIC ACCESSORIES BRANCH: MAQUILADORA AND MANUFACTURING INDUSTRIES (1980-2006)

Year	Wage Maquiladoras	Wage Manufacturing <sup>1</sup>	Inflation Index December 1982=100	Real Wage Maquiladora Industry	Real Wage Manufacturing <sup>1</sup>	Real Maquiladora Wage / Real Manufacturing Wage
1980	0.231	0.384	35.2	0.654	1.089	0.60
1981	0.292	0.480	45.1	0.649	1.064	0.61
1982	0.504	0.777	71.6	0.704	1.084	0.65
1983	0.811	1.149	144.6	0.561	0.795	0.71
1984	1.319	1.854	239.3	0.551	0.775	0.71
1985	2.107	2.717	377.5	0.558	0.720	0.78
1986	3.898	4.716	703.0	0.555	0.671	0.83
1987	9.216	10.271	1,629.6	0.566	0.630	0.90
1988	19.005	20.929	3,490.1	0.545	0.600	0.91
1989	24.868	26.988	4,188.4	0.594	0.644	0.92
1990	30.576	33.956	5,304.7	0.576	0.640	0.90
1991	37.236	43.417	6,506.8	0.572	0.667	0.86
1992	43.509	51.892	7,515.9	0.579	0.690	0.84
1993	46.434	57.678	8,248.8	0.563	0.699	0.81
1994	51.077	59.495	8,823.4	0.579	0.674	0.86
1995	65.023	79.004	11,911.5	0.546	0.663	0.82
1996	84.226	93.956	16,006.5	0.526	0.587	0.90
1997	105.594	113.413	19,308.0	0.547	0.587	0.93
1998	127.152	131.640	22,383.4	0.568	0.588	0.97
1999	151.200	153.275	26,095.8	0.579	0.587	0.99
2000	176.458	175.036	28,572.7	0.618	0.613	1.01
2001	203.105	202.481	30,392.2	0.668	0.666	1.00
2002	228.717	217.535	31,921.1	0.717	0.681	1.05
2003	235.805	221.510	33,372.5	0.707	0.664	1.06
2004	236.608	234.613	34,937.2	0.677	0.672	1.01
2005	235.835	247.176	36,330.5	0.649	0.680	0.95
2006	237.979	257.162	37,649.1	0.632	0.683	0.93

<sup>1</sup> From 1995 to 2006, classes 3831, manufacture and/or assembly of machinery, equipment and electrical accessories (including the generation of electricity); 3832, manufacture and/or assembly of electronic equipment for radio, television, communications and medical use; and 3833, manufacture and/or assembly of apparatuses and accessories for domestic use, excluding electronics. From 1987-1994, class 3700 manufacture and assembly of machinery, equipment, apparatuses, accessories, electrical and electronic articles and their parts. From 1980-1986, classes 3721, 3723, 3731 and 3741.

**Source:** INEGI. *Estadística de la industria maquiladora de exportación* 1974-1982, 1979-1989, 1989-1993, 1991-1996, 1992-1997, 1994-1999, 1995-2000; 2001, 2002, 2003, 2004, 2005 and 2006 at <http://www.inegi.gob.mx>; *ibid.*, *Estadística industrial anual* 1975-1982; *ibid.*, *Encuesta industrial anual* 1983-1986; *ibid.*, *Encuesta industrial mensual* 1987, 1988, 1989, 1990, 1991, 1992, 1993, 1994, 1995, 1996, 1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005 and 2006; *Índice de precios de la Comisión Nacional de Salarios Mínimos* until 1982 and *Índice de precios al consumidor* by the Banco de México from 1983 on.

### Statistical Appendix

TABLE 3. WAGE OF DIRECT WORKERS IN THE FURNITURE, FURNITURE ACCESORIES AND OTHER WOOD AND METAL PRODUCTS BRANCH: MAQUILADORAS AND MANUFACTURING INDUSTRIES (1980-2006)

Year	Wage Maquiladoras	Wage Manufacturing <sup>1</sup>	Inflation Index December 1982=100	Real Wage Maquiladoras	Real Wage Manufacturing <sup>1</sup>	Real Maquiladora Wage / Real Manufacturing Wage
1980	0.250	0.330	35.2	0.708	0.938	0.755
1981	0.309	0.425	45.1	0.686	0.942	0.728
1982	0.471	0.674	71.6	0.658	0.941	0.699
1983	0.754	1.070	144.6	0.521	0.740	0.705
1984	1.249	1.714	239.3	0.522	0.716	0.728
1985	2.032	2.440	377.5	0.538	0.646	0.832
1986	3.626	3.764	703.0	0.516	0.535	0.963
1987	8.654	8.026	1,629.6	0.531	0.493	1.078
1988	17.334	15.829	3,490.1	0.497	0.454	1.095
1989	22.433	20.173	4,188.4	0.536	0.482	1.112
1990	27.884	25.767	5,304.7	0.526	0.486	1.082
1991	33.135	32.612	6,506.8	0.509	0.501	1.016
1992	38.293	40.465	7,515.9	0.509	0.538	0.946
1993	41.085	47.312	8,248.8	0.498	0.574	0.868
1994	48.935	50.306	8,823.4	0.555	0.570	0.973
1995	60.159	51.615	11,911.5	0.505	0.433	1.166
1996	76.254	60.392	16,006.5	0.476	0.377	1.263
1997	99.499	70.624	19,308.0	0.515	0.366	1.409
1998	121.308	85.749	22,383.4	0.542	0.383	1.415
1999	150.407	105.741	26,095.8	0.576	0.405	1.422
2000	171.688	125.819	28,572.7	0.601	0.440	1.365
2001	193.541	144.988	30,392.2	0.637	0.477	1.335
2002	210.896	154.944	31,921.1	0.661	0.485	1.361
2003	221.410	169.378	33,372.5	0.663	0.508	1.307
2004	237.742	180.655	34,937.2	0.680	0.517	1.316
2005	247.019	190.318	36,330.5	0.680	0.524	1.298
2006	260.480	197.725	37,649.1	0.692	0.525	1.317

<sup>1</sup> From 1995 to 2006, branches 332001, manufacture and repair of furniture, principally wooden, and branch 381300, manufacture and repair of metallic furniture and furniture accessories. From 1987 to 1994, class 2711, manufacture of wooden furniture, and class 3520, manufacture of principally metallic furniture and furniture accessories. From 1987 to 1994, class 2711, manufacture of wooden furniture, and class 3520, manufacture of principally metallic furniture and furniture accessories. From 1980-1986, class 3521, manufacture of furniture and furniture accessories, principally metallic.

**Source:** INEGI. *Estadística de la industria maquiladora de exportación 1974-1982, 1979-1989, 1989-1993, 1991-1996, 1992-1997, 1994-1999, 1995-2000*; *ibid.*, *Encuesta industrial mensual 1987, 1988, 1989, 1990, 1991, 1992, 1993, 1994, 1995, 1996, 1997, 1998, 1999, 2000, 2001 and 2002*; *Índice de precios de la Comisión Nacional de Salarios Mínimos* until 1982 and *Índice de precios al consumidor* by the Banco de México from 1983 on.

### Statistical Appendix

TABLE 4. WAGES OF DIRECT WORKERS IN THE CONSTRUCTION, RECONSTRUCTION AND ASSEMBLY OF TRANSPORT EQUIPMENT AND ACCESORIES BRANCH: MAQUILADORA AND MANUFACTURING INDUSTRIES (1980-2006)

Year	Wage Maquiladoras	Wage Manufacturing <sup>1</sup>	Inflation Index December 1982=100	Real Wage Maquiladoras	Real Wage Manufacturing <sup>1</sup>	Real Maquiladora Wage / Real Manufacturing Wage
1980	0.237	0.600	35.2	0.673	1.702	0.396
1981	0.308	0.829	45.1	0.684	1.839	0.372
1982	0.551	1.260	71.6	0.769	1.759	0.437
1983	0.870	1.989	144.6	0.602	1.375	0.438
1984	1.358	2.964	239.3	0.568	1.239	0.458
1985	2.024	4.645	377.5	0.536	1.231	0.436
1986	3.631	8.359	703.0	0.517	1.189	0.434
1987	8.696	15.720	1,629.6	0.534	0.965	0.553
1988	18.259	30.513	3,490.1	0.523	0.874	0.598
1989	22.857	37.524	4,188.4	0.546	0.896	0.609
1990	29.483	51.692	5,304.7	0.556	0.974	0.570
1991	35.628	67.253	6,506.8	0.548	1.034	0.530
1992	42.944	86.214	7,515.9	0.571	1.147	0.498
1993	49.227	94.915	8,248.8	0.597	1.151	0.519
1994	56.425	104.373	8,823.4	0.639	1.183	0.541
1995	72.154	111.962	11,911.5	0.606	0.940	0.644
1996	94.866	129.992	16,006.5	0.593	0.812	0.730
1997	115.666	161.502	19,308.0	0.599	0.836	0.716
1998	138.228	189.310	22,383.4	0.618	0.846	0.730
1999	164.066	227.387	26,095.8	0.629	0.871	0.722
2000	184.855	275.608	28,572.7	0.647	0.965	0.671
2001	205.312	327.711	30,392.2	0.676	1.078	0.627
2002	227.779	343.050	31,921.1	0.714	1.075	0.664
2003	225.195	356.418	33,372.5	0.675	1.068	0.632
2004	231.811	372.763	34,937.2	0.664	1.067	0.622
2005	240.589	382.870	36,330.5	0.662	1.054	0.628
2006	247.199	389.225	37,649.1	0.657	1.034	0.635

<sup>1</sup> From 1995 to 2006, branches 3841, automobile industry, and 3842, manufacture, repair and/or assembly of transport equipment (excluding automobiles and trucks). From 1987 to 1994, class 3800, construction, reconstruction and assembly of transport equipment and its parts. From 1980 to 1987, classes 3821, 3831 and 3832.

**Source:** INEGI. *Estadística de la industria maquiladora de exportación 1974-1982, 1979-1989, 1989-1993, 1991-1996, 1992-1997, 1994-1999, 1995-2000; 2001, 2002, 2003, 2004, 2005 and 2006* at <http://www.inegi.gob.mx>; *ibid.*, *Estadística industrial anual 1975-1982; ibid.*, *Encuesta industrial anual 1983-1986; ibid.*, *Encuesta industrial mensual 1987, 1988, 1989, 1990, 1991, 1992, 1993, 1994, 1995, 1996, 1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005 and 2006; Índice de precios de la Comisión Nacional de Salarios Mínimos until 1982 and Índice de precios al consumidor* by the Banco de México from 1983 on.



# THE UNITED STATES AND MEXICO IN THE FACE OF SCIENTIFIC UNCERTAINTY: REGULATING GENETICALLY MODIFIED ORGANISMS<sup>1</sup>

*Edit Antal\**

This chapter addresses the topic of biosecurity and the regulation of genetically modified organisms (GMOs) in the United States and Mexico. What we find are two different conceptions, basically involving each society's degree of access to new technologies. In the United States the conditions needed for this access clearly exist, while in Mexico experience has been mixed and, thus, there is a tendency toward the defensive. This article analyzes the two different conceptions of risk assessment in the specific case of the use of transgenic seeds, focusing particularly on the case of corn. We can suppose that the deeper the roots of the differences between the two countries —absolute, unconditional acceptance in the United States, and selective, conditional acceptance in Mexico— the more likelihood that conflicts will arise in the future. In theory, the possibility also exists that the two positions are complementary, and therefore the conclusions of this analysis propose potential mechanisms, channels and concrete areas for cooperation between the two countries.

The differences in the conception of risk assessment between the United States and Mexico occur in the context of the North American Free Trade Agreement (NAFTA), which, while it does not directly regulate GMOs, does promote the harmonization of regulatory policies in many ways. Furthermore, and ultimately, national regulations exist in a globalized world in which the primary tendencies are defined by forces like the powerful influence of biotechnology companies and international institutions, for example, the World Trade Organization (WTO) and the Convention on Biological Diversity (CBD).

To establish the origins of the two positions, we will closely examine the comprehensive decision-making process, the regulatory system and the institutions and actors involved in the process in both countries. The primary aim is to establish how independent these processes are in terms of corresponding to each country's particular social interests. A basic premise is that regulations express the interests of organized social groups and clearly reflect the prevailing dominant discourses in each society, not only with regard to science and technology, but also to the issues that have been linked to the topic of GMOs. In the United States these issues are primarily eco-

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conomic growth, international competitiveness and the right to be informed, while in Mexico, the issues are the defense of biological diversity and of economic and food security.

From a global perspective, the acceptance of transgenic foods is a highly complex matter throughout the world. The main trade controversy is a formal U.S. complaint to the WTO made in May 2003 against the European Union for its foot dragging in authorizing commerce of genetically modified products. This trade controversy was finally resolved in favor of the United States in 2006. The U.S. viewpoint is that the rejection of transgenic food is a simple protectionist trade barrier, while Europe maintains it is freely exercising its right to choose, in this case expressing mistrust for science and using precaution as its primary guide for action.

The GMO issue is also multi-dimensional, as it involves the dynamics of scientific and industrial development, the structure of agriculture, protection of the environment and the nature of the predominant political system, culture and values in each country. Comparative studies on GMO regulations abound in the specialized literature in this area; however, most of these studies are comparisons of industrialized nations like the United States and European countries, or of various European countries.<sup>2</sup> Studies comparing the United States with Mexico are practically non-existent, possibly because comparing entities that are too significantly different is not viewed as methodologically useful or correct, since the reasons explaining the differences in positions and the potential variables would be so numerous that it would be impossible to indicate the ones directly responsible for the differences. Consequently, this article does not intend to be a comparative study, but rather proposes to simply present both cases, analyze and explain the origins of the positions and attempt to establish possible areas for cooperation, or as the case may be, detect the especially vulnerable points for conflict.

## Theoretical Framework

Several theories and methodological resources are used in this article, in particular for explaining the differences in the two countries' positions, some combined with others. Some analytical elements from international political economy are nearly always present and are combined with comparative public policy and a new analytical tendency in this type of study: discourse analysis.

A *political economics* perspective poses the question of who benefits from the new technology, and points to a detailed study of the changing relationships between market actors, biotechnology companies (usually multinationals), government reg-

<sup>2</sup> To mention only some of the most recent comparative studies: Aseem Prakash, "Biopolitics in the EU and the U.S.: A Race to the Bottom or Convergence to the Top?" *International Studies Quarterly*, no. 47: 617-641; Dave Toke, *The Politics of GM Food. A Comparative Study of the UK, USA and EU*. (London: Routledge, 2004); Thomas Bernauer and Erika Meins, "Technological Revolution Meets Policy and the Market: Explaining Cross-national Differences in Agricultural Biotechnology Regulation," *European Journal of Political Research*, no. 42 (2003).



ulators and in some cases, international bodies.<sup>3</sup> This view considers biotechnology an industrial sector that has radically modified the conventional regulatory relationship between the state and private enterprise, specifically increasing the influence of private over public. A political economics approach also helps identify and discuss the roles played by producers and consumers in agricultural biotechnology based on the principle that the interests of producers, not consumers, take the lead in establishing the rules of the game.

*Comparative public policy studies* include varying explanatory factors such as: environmental groups' capability for collective action, for example; the characteristics of the regulatory institutions involved in public policies; and productive sectors' organizational form.<sup>4</sup> In this context, reference is made to a greater capacity of nongovernmental organizations (NGOs) and the decentralization of institutions in Europe as opposed to those in the United States, and in contrast, greater integration and cohesion in the organizing of and lobbying by productive sectors in the United States, in comparison to their European counterparts.

Supporters of deliberative democracy frequently use resources from discourse analysis, understood in terms of Foucault's *dominant discourse* or Kuhn's *paradigm*.<sup>5</sup> The basic assumption in this case is that none of the parties in conflict have an automatic right to know and possess the truth. It is maintained that in the presence of genuine uncertainty—as is the case in the debate on transgenics—a discourse analysis is the appropriate choice for discussing issues characterized by major polarization and radical opposition. This approach is based on a critique of the positivist conception of interaction between science and politics, which assumes that the truth can only be established in relation to a particular set of values. The incorporation of categories such as values, confidence and the interpretation of information tends to transform the analysis into a socially constructivist analysis, since it is taken for granted that the interests of the actors involved are not given but, rather, constructed. The primary proposals from this approach are collective reflection on preferences and the public presentation of views involved in the conflict as tools to manage it better.

## The Case of the United States

The U.S. positive vision and stance—generally considered to be positivist—regarding the use of biotechnology in agriculture has been a determining factor in international forums related to the topic of biotechnology in the WTO and Organization for

<sup>3</sup> See Peter Newell and Dominic Glover, "Business and Biotechnology: Regulation and the Politics of Influence," IDS Working Paper 192 (2003), published by the Institute of Development Studies, England; and Peter Newell, "Globalization and the Governance of Biotechnology," *Global Environmental Politics*, 3, 2 (May 2003), published by MIT.

<sup>4</sup> See Bernauer and Meins, "Technological Revolution": 642-683.

<sup>5</sup> See Dave Toke, *The Politics of GM Food. A Comparative Study of the UK, USA and EU* (London: Routledge, 2004).

Economic Cooperation and Development (OECD), and in the various UN forums, and it has been a pattern reproduced in other countries of the world. Other countries' decision to adopt the U.S. position on GMOs without reflecting on their own local conditions has been highly criticized, with the argument that the U.S. stance is very specific to the particular conditions in that country. Despite this sharp criticism, the immense influence exerted by biotechnology companies in the international market is undeniably an obligatory point of reference in the study of the regulation of biotechnology.

In order to establish the importance of agricultural biotechnology in the United States, it is important to clarify the dimension represented by the agricultural sector overall, which corresponds to only 2 percent of gross domestic product (GDP) and 2.4 percent of the work force. This reduced importance of agriculture in relation to the rest of the economy contrasts with the great political influence exerted by the U.S. agricultural sector, considered to be over-represented in relation to its actual weight. The area in which biotechnological seeds are planted in the United States is 42.8 million hectares, 63 percent of the world's total. Four crops are planted: corn, cotton, soybeans and canola. These crops have an estimated market value of US\$27.5 billion, compared to the world total of US\$44 billion in 2003-2004.<sup>6</sup>

Regarding agricultural biotechnology results, it is important to make a distinction between facts and intentions, the latter expressed in the commercial propaganda of the biotechnology industry. The production of biotechnological varieties in the world is very highly concentrated geographically. The United States, Argentina and Canada produce 90 percent of the total, and together with three other countries (Brazil, China and South Africa), they produce 99 percent of all the world's GMOs.<sup>7</sup> Despite the long list of countries mentioned in promotional documents as those using this technology, the reality is that the current agricultural biotechnology industry is concentrated in only six countries, and there are only four major products involved.<sup>8</sup> Despite the industry's big promises to create more nutritious products that are more resistant to various soil conditions and extreme climates, to date, only two traits have been commercialized on a large scale around the world: tolerance to herbicides and resistance to insects, which turns the plant into an insecticide (the two traits are used individually or in combination).<sup>9</sup>

In the United States, the product we are the most interested in here, corn, is grown on 28.8 million hectares, with a production of 256.9 million tons, 40 per-

<sup>6</sup> C. Ford Runge and Barry Ryan, *The Global Diffusion of Plant Biotechnology. International Adoption and Research in 2004*, University of Minnesota, 6, at <http://www.apec.umn.edu/faculty/frunge/globalbiotech04.pdf>, accessed June 28, 2007.

<sup>7</sup> Pew Initiative on Food and Biotechnology, "Genetically Modified Crops in the United States" (2004), at <http://pewagbiotech.org>.

<sup>8</sup> Soybeans, corn, canola and cotton.

<sup>9</sup> Ann Clark, "Has Ag Biotech Lived Up to Its Promise?" (2004), at <http://www.plant.uoguelph.ca/research/homepages/eclark>.

cent of which corresponds to biotechnological varieties with a total estimated market value of US\$10.3 billion.<sup>10</sup>

## Regulation

Initially, in the 1980s, there was disagreement in both the United States and Europe as to whether the use of GMOs should be regulated on the basis of the product or the process through which the product is obtained. The U.S. quickly opted for product-oriented regulation, while Europe chose to use the process as the basis for assessment. These decisions had profound implications, since they established the foundations for two completely opposing philosophies for risk assessment that are currently dividing the world.

The option of product-based risk assessment meant nothing less than assuming that in the use of techniques for genetic modification, there is nothing new to regulate since the resulting agricultural product is essentially the same as that obtained through the traditional method. The alternative, chosen by Europe, with regulation based on the process whereby the product is obtained, implies the acknowledgement of a new type of risk potential generated precisely by the use of a new technology, and consequently, the establishment of a single, specific procedure for regulating GMOs, involving its own legislation in the area of biosecurity.

In the United States, government agencies involved in making the decision were initially divided: on the one hand, the Environmental Protection Agency (EPA) was in favor of the process-based method, while the Department of Agriculture (USDA), the Food and Drug Administration (FDA) and the White House Office on Science and Technology Policy (OSTP) were in favor of the product-based method.<sup>11</sup> The division between government agencies was due to the fact that the process-based orientation, defended by the EPA, involved a commitment to greater environmental sensitivity in evaluating the risks of GMOs, in addition to health-related risks.

It is important to note that in 1986, when the decision was made by the Reagan administration—which incidentally was in favor of deregulation—the EPA was virtually deprived of its authority, basically due to its being unanimously, insistently rejected by the biotechnology industry. Finally, a working group created by the president's office, including participation by 15 agencies, plus active intervention by Congress and public scrutiny, issued a document called the "Coordinated Framework for Regulation of Biotechnology," which clearly established the option in favor of the product-based method. From that time on, it was clear that according to the United States, GMOs should not be viewed as something that in and of themselves could represent a risk for health and the environment. Responsibility for GMOs, consequently, rested with the same agencies that had performed the

<sup>10</sup> Ibid.

<sup>11</sup> S. Jasanoff, "Product, Process or Programme: Three Cultures of Regulation of Biotechnology," in M. Bauer, ed., *Resistance to New Technology* (Cambridge: Cambridge University Press, 1995).

function of inspecting products in the past, specifically the EPA, USDA and FDA, originally created for conventional agriculture.

Throughout the 1990s, this procedure was simplified even more, to the extent that the FDA principle known as GRAS or “generally recognized as safe” has been assumed and institutionalized. This principle opened the way for biotechnology companies to self-regulate their own products, since the approval, or rather, the acknowledgement of the FDA, was based on consultations with the manufacturers, which provided a summary of tests carried out with the product.<sup>12</sup> The objective of the regulation was to diminish and simplify any potential burden and avoid anything that could complicate the process and impede progress in the new technology.

The concept of *familiarity* was created as the environmental counterpart to the concept of *substantial equivalence* for health. This concept has been widely debated, and it is not yet very clear exactly what it means. Its most controversial aspect involves defining what is comparable in ecological terms, and what is meant exactly by the notion of an element being sufficiently comparable with another within an ecosystem.<sup>13</sup> The most important practical implication of the concept of familiarity is that in the United States the environmental impact of GMOs is reduced to a simple notification that can be made in a period of up to 30 days.

During the years after the adoption of the document establishing the general rules, the EPA still tried to resist and introduce evidence in the defense of environmental protection. In 1994, it requested that pest-resistant transgenic varieties be treated as pesticides; however, although it was backed by the National Academy of Science, the proposal was rejected, since it was considered to represent an inclination toward process-based regulation.<sup>14</sup> In 1999, after a research report on the effect of Bt corn on Monarch butterflies, there were public debates once again about the need to exercise greater environmental control over GM seeds. The result was that the EPA asked corn producers to alternate buffer zones of conventional corn with transgenic corn fields.

In line with the logic that a transgenic product is substantially equivalent to a conventional product, labeling represents no significant problems, since there is no need for any additional information about a food product in terms of its composition and nutritional and safety factors. In order for a GM product to be accepted, it is not necessary to introduce a new label or present any scientific evidence, except in cases in which some commonly allergenic substance is added to the product through biotechnology.

However, labeling came under public scrutiny in 1998-1999. At that time, surveys indicated that approximately 80 to 90 percent of the population was in favor of mandatory labeling; however, the same reports also revealed that U.S. citizens’

<sup>12</sup> Bernauer and Meins, “Technological Revolution.”

<sup>13</sup> Jan-Peter Nap et al., “The Release of Genetically Modified Crops into the Environment,” *The Plant Journal* 33 (2003): 1-18.

<sup>14</sup> *Ibid.*: 9.

interest and concern about transgenic foods were not particularly strong.<sup>15</sup> In any case, NGOs launched various political initiatives for introducing mandatory labeling, which they presented to the Senate and the House of Representatives. Two bills promoting the labeling of transgenics were presented, plus two others for safety testing; in addition, NGOs filed court cases. The FDA has held public hearings on the need for labeling and stricter testing; however, only moderate results have been obtained: for example, making consultations mandatory and introducing voluntary labeling, a mechanism similar to that implemented for organic products. However, these results in no way questioned the approach of product-oriented assessment. Since then, discussion on the labeling issue has been passed to the state level.

The controversy over GM StarLink corn (which had a serious impact on trade, since it produced a temporary collapse in U.S. corn exports, due to the drop in the market in Japan, Korea and Europe) also failed to provoke radical changes in regulations. Even though Japan cut U.S. corn imports in half, and Korea totally banned them, U.S. producers did not rush to substantially modify their perception of the risks involved in transgenics; instead, their priorities focused on the high costs of segregation and of preserving the identity of the origin of corn.

In summary, GMO regulation in the United States is exclusively product-oriented and is based on a lack of distinction between conventional and transgenic products. Consequently, there are no specific regulations for GMOs, and the laws and procedures for already-existing institutions, primarily the FDA and the USDA, are the ones implemented.<sup>16</sup> The EPA has attempted several times to expand the spectrum of risks evaluated; however, modifications to the process have been minimal. The great majority of U.S. society pays little attention to transgenic foods, and at the federal level, the concern only materializes into support for voluntary labeling. The GMO issue is not very politicized, and thus does not capture the attention of NGOs, members of Congress or political parties.

## Actors

To explain the reasons for this permissive policy toward GMOs in the United States, we will apply two approaches mentioned in our introduction: the political economics approach to the nature of the actors involved, and the discourse approach. Both analyses complement and strengthen each other and lead to a single explanation.

The organized actors most interested in the GMO issue are the companies dedicated to agricultural biotechnology, plus producers, environmental NGOs and

<sup>15</sup> Center for Science in the Public Interest, *Food Labeling for the 21st Century: A Global Agenda for Action* (Washington, D.C.: Center for the Public Interest, 1998).

<sup>16</sup> The laws used for addressing transgenics are primarily: the Federal Plant Pest Act, the Federal Plant Quarantine Act and the Federal Insecticide, Fungicide and Rodenticide Act.

consumer groups. In the United States a strong, broad-based coalition has been formed to promote biotechnology, including the generators of technology, the seed-producing industry and agricultural export producers. Meanwhile, environmental NGOs and consumer groups, which are relatively weak, lobby against certain applications of biotechnology.

The coalition of actors in favor of biotechnology is very well organized and led by large agro-biotechnology companies that participate very actively in regulation. The generators of biotechnology have been on the receiving end of major governmental funds and large amounts of risk capital and have also benefited from close cooperation with universities.<sup>17</sup> For the purpose of recuperating enormous investments in scientific research and product development, this coalition intervenes in all matters relative to regulation, in order to achieve the formula most favorable to its interests. These companies are organized into a single association, the Biotechnology Industry Organization (BIO), while plant biotechnology companies are organized in the American Seed Trade Association (ASTA). In an attempt to strengthen even further the role played by these associations, the primary large companies like Monsanto, DuPont and Aventis tend to be even individually involved in the regulatory process.

BIO's immense capacity for collective action can be explained by the similarity of interests among its members, plus its scientific experience and the financial support it receives from large biotechnology companies. The BIO has sufficient resources and plans focusing on improving public acceptance of transgenic foods. It has an annual budget of US\$50 million, and approximately US\$250 million for the next three to five years.<sup>18</sup>

The scholars who study these companies frequently criticize the close ties — even personal ones — between BIO officials and regulating institutions, primarily the FDA. Many BIO officers are former government officials and the revolving door policy has been broadly documented, indicating the essence of the influence peddling between companies and government agencies, the FDA and the EPA.<sup>19</sup> Former officials have publicly declared that regulating agencies tend to do exactly what agro-biotechnology companies ask them to do.<sup>20</sup>

<sup>17</sup> Public financing of agricultural biotechnology in the United States remains very unclear. It is known that most financing is from private capital; however, the amount is confidential. Estimates suggest that developing a product requires approximately 10 years and costs about US\$300 million. Since USDA spending for researching biotechnological plants does not appear in its budget under a separate category, the amount in this regard is unknown. Source: CRS Report for Congress, *Food Biotechnology in the United States: Science, Regulation, and Issues* (Washington, D.C.: Congressional Research Service/The Library of Congress, 2001), 25.

<sup>18</sup> Bernauer and Meins, "Technological Revolution": 668.

<sup>19</sup> Many published works reveal and criticize this close relationship, including: E. Moore, *Science, Internationalization and Policy Networks Regulating Genetically Engineered Food Crops in Canada and the United States, 1973-1998*, dissertation, University of Toronto, Political Sciences Department; W.T. Gormley, "Regulatory Issue Networks in a Federal System," *Polity*, vol. 18, no. 4 (Summer, 1986): 595-620; Helena Paul, Ricarda Steinbrecher, Luchy Michaels and Devlin Kuyek, *Hungry Corporations. Transnational Biotech Companies Colonize the Food Chain* (London: Zed Books, 2003).

<sup>20</sup> *The New York Times*, January 25, 2001.

Another criticism of regulations is the lack of independent investigation. The U.S. government has allowed biotechnology companies to be the ones to provide the required scientific information and even to implement security measures, precisely because it has failed in conducting its own studies and in financing independent investigation on the safety of GMO products.<sup>21</sup>

From the beginning, U.S. farmers have been very open to planting transgenic seeds, and this type of production has increased rapidly. A third of corn and more than 70 percent of soybeans produced are transgenic. The original promise from the agro-biotechnology industry was that one of the greatest benefits of transgenic crops would be higher yields that would lead to increased benefits for producers. Nevertheless, after 10 years of experience in commercial planting of transgenic crops since 1995-1996, the panorama in terms of benefits for farmers is currently mixed, if not negative.

In fact, the benefits for producers have not been those expected, and three factors (yields, the use of chemicals and low market prices) have played a part. Studies have proven that in the case of GM soybeans, yields have been between 5 and 10 percent lower on average than when conventional seeds are used.<sup>22</sup> Another promise from the industry was that less use of pesticides would be required; however, field studies demonstrate that even though during the first years of planting GMO crops fewer chemicals were actually used, the tendency toward decreasing use was not maintained during the following years.<sup>23</sup> Even USDA studies confirm that yields are not consistently higher than in the case of conventional seeds, except in the case of cotton.<sup>24</sup> There is another intervening factor in the calculation of benefits derived from products from GM seeds, specifically subsidies, the effects of which are under discussion. An analysis of agricultural subsidies is not the topic of this article, and it is therefore sufficient to mention here that the effects from technology and from subsidies are not considered separately, and this impedes arriving at precise calculations. For example, large producers believe they benefit from the new technology, although by a small margin; however, this benefit necessarily includes a large amount of subsidies they receive from public coffers.

Producers' attitudes and perceptions of benefits also depend on the amount of land they farm: specifically, large and medium-sized producers adopt the new technology more easily. Therefore, large producers tend to favor flexible rules, while small farmers tend to support stricter rules and mandatory labeling, in order to benefit

<sup>21</sup> Takahashi, Kelso, Dennis Doyle and Rachel A. Schurman, *Engineering Trouble: Biotechnology and Its Discontent* (Berkeley, CA: University of California Press, 2003), 243-245.

<sup>22</sup> C.M. Benbrook, *Troubled Times Amid Commercial Success for Roundup Ready Soybeans*, technical paper no. 4. Sandpoint, Idaho: Northwest Science and Environmental Policy Center (2001), at <http://www.biotech-info.net/troubledtimesfinal-exsum.pdf>; and M.A. Martinez-Ghersa et al., "Concerns a Weed Scientist Might Have about Herbicide-tolerant Crops: a Revisitation," *Weed Technology* no. 17 (2003): 202-210.

<sup>23</sup> J. Fernandez-Cornejo and W.D. McBride, *Adoption of Bioengineered Crops*, ERS Agricultural Economic Report No. AER810 (2002), cited in Ann Clark (2004): 12.

<sup>24</sup> J. Foster, *The Causes, Costs, and Benefits of Regulatory Diversity*, MIT, cited in Bernauer and Meins: 669.

from the separation of GM and conventional foods. The largest federation of farmers, the American Farm Bureau Federation (AFBF), which basically represents large producers, supports the FDA position on labeling, while the network of small producers, the National Family Farm Coalition (NFFC), is highly critical of the regulating agencies' permissive policies and advocates mandatory labeling.

Two other organizations, the American Soybean Association (ASA), and the National Corn Growers Association (NCGA), which represent export farmers, tend to demand regulations that are even more relaxed than those promoted by the AFBF. In contrast, the American Corn Growers Association (ACGA), which represents small producers, recommends mandatory labeling and strict approval policies in accordance with consumer rights, in other words, with the right for consumers to know what they are eating. Producer groups oriented toward the domestic market are generally not opposed to GMOs; however, they tend to advocate stricter regulations.

To summarize the behavior of farmers regarding GMOs, it is important to state that they are not homogeneous. Farmers' interests and positions vary according to the size of their production, and whether it is for export or domestic consumption. The fragmentation of this sector, of course, limits its capacity for collective action: large export-oriented producers build alliances with the biotechnology industry, while small producers, highly fragmented among themselves, are focused on specific issues, and have only recently started to become more involved in the matter of GMO crops and to build alliances with environmental NGOs and consumer groups.

The huge processed food industry, represented by the Grocery Manufacturers of America (GMA) and the National Food Processors Association (NFPA), constitutes another important U.S. interest group. It has basically been in favor of GMOs; however, recently, its initial enthusiasm for the new technology has been fading, since to date it has not received any clear, direct benefits. The biotechnology industry has announced major improvements in its products for the direct benefit of consumers, in terms of nutrition and human health, however these promises have not been fulfilled. In contrast, processors and retailers, especially those dedicated to organic food, support mandatory labeling and more rigorous regulations and are lobbying in conjunction with consumer groups.<sup>25</sup>

Environmental groups have carried out campaigns against GMOs and have explicitly asked some food processing companies to eliminate the use of GMOs in the products they offer. In response, a number of major companies have reduced or eliminated the use of genetically modified agricultural products. These companies include Gerber, Heinz, McDonalds, McCain Foods, Frito-Lay, IAMS, Whole Food Market, Wild Oats Markets and Seagram. As a result of the StarLink corn controversy, the Archer Daniels Midland company, which commercializes a third of the grains (corn, soybeans and wheat) in the United States, requested the major grain elevators to separate GMOs from other products; and other processing companies like ConAgra and Cargill have already initiated this separation. The

<sup>25</sup> With groups such as the Consumers Union, Center for Food Safety and Alliance for Bio-Integrity.



measures taken by companies are promising; however, so far they have not been sufficient to provoke significant changes in the regulation of biotechnology.

The social actors (environmental and consumer groups) have been lobbying around GMO-related issues since the end of the 1990s. In comparison to European countries, for example, the approval process within the U.S. decision-making system is much more open to public consultation and NGO intervention.

In the United States, the proportion of NGOs opposed to GMOs is very low, and the radical groups tend to be very small. One of the outstanding radical groups is Jeremy Rifkin's Foundation on Economic Trends, due to the great influence it has exerted in campaigns against biotechnology around the world. Nevertheless, the immense majority of the relatively few NGOs active in the area of biotechnology hold moderate positions, and even though they advocate mandatory labeling, they absolutely do not question the usefulness and safety of genetically modified organisms. The Environmental Defense Fund (EDF) and the Union of Concerned Scientists (UCS) are good examples for illustrating critical but positive attitudes toward biotechnology. The groups that organized to defend public interests, such as the Center for Science in the Public Interest (CSPI), also tend to support GMOs.

NGO activities are basically lobbying politicians regarding points of debate that generally revolve around scientific arguments, and they also bring legal suits against regulatory agencies and biotechnology companies. Any direct action is insignificant. It may sound a bit inconsistent, but both the moderate criticism as well as lobbying in favor of mandatory labeling carried out by the large NGOs clearly express the somewhat contradictory trend in U.S. public opinion: on the one hand, in favor of GMOs, and on the other, defending the right to choose.<sup>26</sup>

The case of StarLink corn, which contains a protein that may cause allergies, illustrates very well interest groups and regulators' limited capacity to address the denunciation of imminent risks from transgenic foods. Although this corn variety had not been approved for human consumption, it was detected in food products in 2000. The discovery revealed two facts: producers' inability to segregate conventional corn from GM corn and the ineffectiveness of the so-called buffer zones in avoiding cross-pollination. On that occasion, farmers and those commercializing the corn had to pay a high price: withdrawing the product from the market and carrying out the necessary scientific tests. In addition, divisions emerged in the coalition with regard to the payment of compensations. A number of NGOs have used this issue to their advantage, launching new campaigns against current regulations.<sup>27</sup> However, since U.S. regulation of agricultural biotechnology is highly centralized and the industry holds the key to accessing the system, NGOs have been unable to modify the regulatory process.

<sup>26</sup> In 1998, 70 percent of U.S. citizens expressed a positive opinion. Source: G. Gaskell and M.W. Bauer, eds., *Biotechnology: The Making of a Global Controversy* (Cambridge: Cambridge University Press, 2002).

<sup>27</sup> Greenpeace, Friends of the Earth, Organic Consumer Association, Genetically Modified Food Alert, etc.

Nevertheless, the increasing commercial rejection of GMOs in international markets and the resulting introduction of voluntary standards are factors that tend to spark attitude changes in large corporations, which are reorienting their investments from food to the production of medications and materials with fewer risks.<sup>28</sup> As mentioned here, some large and many small food-distributing companies have already changed their activity profile in favor of GMO-free products.

## Dominant Discourses

### 1. *Science and technology as promoters of development and economic growth*

The tendency to believe that science and technology are necessarily good and are the primary sources of economic growth—which ultimately leads to the well-being of the population and the world—has played a vital role in the assessment of GMOs in the United States. The socialization and institutionalization of this discourse there have significantly contributed to a situation wherein ignorance, scientific uncertainty and the lack of knowledge are translated into something considered natural and not very important. Long-term risks (those not yet evident or immediately subject to being quantitatively expressed) are extremely difficult to understand and to consider in the process of making decisions regarding GMOs.

The phenomena that present the greatest risks for ecosystems in the long term have not yet been sufficiently studied, such as, for example, the consequences of cross-pollination, genetic flows and an interruption in the cellular ecology of plants. Due to the adoption of the *substantial equivalence* principle applied to human health, and *familiarity* applied to ecology, this type of risk, even when the object of intense, scientific controversy, is simply not considered in GMO regulation in the United States.

Because of the one-dimensional, unquestionable discourse of science, a series of factors in the U.S.-type regulatory system that negatively influence the economy and ecology are ignored. The costs—both economic and ecological costs, which frequently go together—of this excessive regulatory flexibility can be very high. To illustrate this point, a good example is the price of what are known as super-weeds. The generation of herbicide-tolerant super-weeds which arose, for example, in the case of GM canola, resulted in the need to use increasing amounts of chemicals in agriculture. This not only affects the ecosystem and biodiversity, but also completely eliminates the economic utility of GMO.<sup>29</sup>

### 2. *Public interest is substantially equivalent to private interests*

For a long time, policies on biotechnology were not the object of public debate in the United States. The issue was limited to the scientific community, companies

<sup>28</sup> Lisa N. Mills, "Terminating Agricultural Biotechnology? Hard Law, Voluntary Measures, and the Life Sciences Industry," in J. Kirton and M. Trebilcock, eds., *Hard Choices, Soft Law* (Burlington: Ashgate, 2004), 329-346.

<sup>29</sup> CRS Report, *Food Biotechnology*, 22.

and regulatory institutions. The common good as a concept was not conceived as something counter to the sum of public interests, as is the case, for example, in Europe.

Only later was the issue publicly discussed, and only when it became an issue relevant to human health, a religious matter,<sup>30</sup> something with economic impact, or relevant to international trade competition. Environmental risks, especially long-term ones, were generally not taken into consideration, and at any rate, they were subordinated to economic interests. The issue of risks inherent in science and technology did not, on its own, constitute an object of public debate, but rather a topic reserved for a limited circle of experts who typically work for private interests.

Labeling has been the object of public debate. However, consumer rights and the government's responsibility to inform society were blurred, and private interests won over such factors. It is interesting to observe that the food industry's argument was that the eventual introduction of a label stating that a product "contains GMOs" could be misunderstood, and interpreted as a warning and even a suggestion that the product was less healthy or less nutritious than a conventional food product. Those opposing labeling defended their position by arguing that FDA guidelines establish that labels should be free from values.

### 3. *Free market and self-regulation*

In the name of the free market principle, it is perfectly accepted in the United States that the government is not responsible for regulating the market, and instead, its responsibility is limited to assuring that the products circulating are safe. In other words, no type of permission is required for a product to be sold. The key concept in regulation is "safety," as a strictly technical term, and not "security," a term that involves a broader, social consideration.<sup>31</sup>

The main question posed by companies' quasi-self-regulation is whether it is possible to reconcile, to the benefit of society, corporations' primary objective, which is to make money, and governments' primary objective, which is to serve the people.

One of the most discussed issues in this regard is establishing liability for damages caused by GMOs. Since these potential damages are not incorporated into the U.S. regulatory system, it is difficult to establish who will be held responsible, and ultimately, who will pay when, for example, a harvest is ruined due to cross-pollination with new weeds. So far, companies have not been able to find a legal solution to this problem and have even attempted to offer technological answers to this legal problem. This is the case in justifying the acceptance of terminator seeds, which do not reproduce themselves, as a solution to put an end, once and for all, to the matter of responsibility. This suggestion is equivalent to offering a technological solution—which furthermore, is very costly, and ultimately will be

<sup>30</sup> The case of whether food is kosher or *halal* when a gene from an animal prohibited by a certain religion is transplanted in a plant that is the basis for a food product. *Ibid.*, 19.

<sup>31</sup> In English the term "safety" is used, while the term used in Spanish is "seguridad," which has a different conceptual connotation.

paid for by the taxpayers— for a problem that is legal in nature, since companies are attempting to avoid being sued for compensation.<sup>32</sup>

## The Case of Mexico

In Mexico, political controversy around transgenic corn has been especially sharp since 2001, when the discovery of transgenic sequences in traditional corn varieties—a phenomenon known in Mexico as the contamination of corn— became public. The most likely source of this contamination was corn imported from the United States. The fact that the Mexican public identifies regulating GMOs with what has happened for a single crop, corn, to a large extent determines its perception of the issue.

Corn is a basic food in Mexico, where it is consumed in unquestionably greater amounts than in the United States. Corn is intimately linked to the ancient culture of Meso-America, and throughout history has become one of the symbols of Mexican nationalism and is particularly significant for the indigenous population. Mexico is the place where cultivated corn was developed from its wild relative, *teozinte*. Corn has been grown in Mexico for at least 5,000 or up to 8,000 years, and dozens of local corn varieties, known as *criollo* varieties, proliferate in the countryside.

To understand the significance of this issue for Mexican society, it is important to point out that while in 1995 agriculture only generated 5 percent of GDP, it employed 22.4 percent of wage earners, a very significant part. This fact alone has the potential to turn the topic of agriculture into a highly sensitive issue susceptible to politization. With NAFTA, this picture has become even more distorted: in 2004, agriculture only generated 3.5 percent of GDP, but still employed 20.3 percent of wage earners.<sup>33</sup> Furthermore, even nowadays, between 3.1 and 3.3 million *campesinos* grow corn, and the very livelihood of 12.5 million people in the countryside depends on this activity, which corresponds to 55.2 percent of the nation's agricultural production.<sup>34</sup> An estimated 2.1 million *campesinos* are still subsistence farmers, representing between 44 and 55 percent of total production.<sup>35</sup>

In terms of productivity, the asymmetries among the three NAFTA countries were—and still are— very marked: between 1997 and 2001, 2.4 tons of corn were har-

<sup>32</sup> Jeremy de Beer, "The Rights and Responsibilities of GMO Patent Owners" (paper, "The Right to Food at the Nexus of Trade and Technology" conference, University of Ottawa, Ontario, October 15, 2005).

<sup>33</sup> Data on employment and participation in GDP were obtained by Marcela Osnaya. Other information, Instituto Nacional de Estadística, Geografía e Informática (INEGI), Sistema de Cuentas Nacionales de México, Cuenta de Bienes y Servicios, <http://www.inegi.gob.mx/est/contenidos/espanol/rutinas/apt.asp?t=cuna12&c=6614> (April 2008).

<sup>34</sup> Sergio R. Márquez Berber, Alma Velia Ayala Garay, Rita Schwentesius Rindermann and Gustavo Almaguer Vargas, "El maíz en México ante la apertura comercial," *Extensión al campo*, no. 3, Universidad Autónoma de Chapingo (March 2007): 5-7.

<sup>35</sup> *Ibid.*

vested per hectare in Mexico, as opposed to 8.4 in the U.S. and 7.3 in Canada. Per worker employed, the gap is even larger: in 2001 the net value of agricultural production was US\$3,758.90, while in the U.S. it was US\$67,871.30 and in Canada it was US\$54,081.60.<sup>36</sup>

In Mexico discussion around GMOs has taken place in a context that is completely different from that of the United States. It has been linked to the effects of NAFTA and the opening of the agricultural sector in general. Both are considered intrinsically linked to the loss of food sovereignty and the fate of the *campesino* sector.

Effects of NAFTA have varied according to sector. Since agricultural production multiplied by 1.5 at the same time that workers' pay dropped by 50 percent, sector-based data reveals large-scale impoverishment of the rural population, and the concentration of income in the hands of a few.<sup>37</sup> Producers of grains like rice, beans, corn, sorghum and wheat were the primary victims of the market opening, which endangered the survival of 2.3 million corn producers with parcels of land smaller than five hectares.<sup>38</sup> Since the commercial opening of the sector, initiated before NAFTA, the price of corn has dropped by a total of 48 percent.<sup>39</sup> Despite these adverse market conditions, surprisingly, corn production has been maintained, and according to some studies, has even increased, since many small producers of other displaced products have taken refuge in corn production to guarantee their survival.

In terms of experience with agricultural biotechnology, it is important to know that Mexico is currently not a large-scale generator, and thus not a commercial producer, of transgenic seeds. It is true that small areas are planted with genetically modified soybeans and Bt cotton,<sup>40</sup> since between 1995 and 1998 a number of genetically modified tomato, cotton and soybean varieties were authorized.<sup>41</sup> At least 33 field tests have been conducted with a series of GM seeds, generally under contract from multinational corporations. The country has an estimated medium-level scientific capacity for a developing country, meaning that it has approximately 100 scientists specialized in GMOs distributed throughout a number of private and public institutions, with a total community of 800 biotechnologists.

An important factor that makes Mexico's situation different from that of the United States is its great biodiversity. Mexico is a mega-diverse country, and the original birthplace not only of corn but also of 80 other species. The protection

<sup>36</sup> José Luis Calva, "Ajuste estructural y el TLCAN: efectos en la agricultura mexicana y reflexiones sobre el ALCA," *El Cotidiano*, vol. 19, no. 124 (2004): 17.

<sup>37</sup> Víctor M. Quintana, "La insoportable falta de equidad en la agricultura," *La Jornada* (May 14, 2005). The author quotes the Ministry of Agriculture (SAGARPA) report *El ingreso rural y la producción agropecuaria en México (1989-2002)* based on INEGI data.

<sup>38</sup> Ramón Vera Herrera, *En defensa del maíz (y el futuro)*. Una autogestión invisible, Interhemispheric Resource Center (2004), at [www.americaspolicy.org](http://www.americaspolicy.org).

<sup>39</sup> Edit Antal, "Who Should Tell Me What to Eat?" *Voices of Mexico*, no. 68 (July-September 2004): 113-117.

<sup>40</sup> GM soybeans have been planted since 1996, the same year as in the United States. A third of cotton planted is GM cotton.

<sup>41</sup> Runge and Ryan, *Global Diffusion*.

of its biodiversity is not only an aim of national policies, but also international policies developed in the Convention on Biological Diversity (CBD). Mexico is the only country in North America that has ratified the Cartagena Protocol, which establishes the international rules of the game for the conservation of the world's biological diversity.<sup>42</sup>

## Regulation

The National Committee for Agricultural Biosecurity (CNBA), the first body dedicated to the evaluation of transgenics in Mexico, in collaboration with an international public research center, the International Center for the Improvement of Maize and Wheat (CIMMYT), already expressed concern in 1995 over the potential negative effects that Bt corn imported from the U.S. could have on Mexico's rural areas and environment. Consequently, in 1998, planting transgenic corn was prohibited in Mexico, and the expectation was that imported corn would be used exclusively for consumption. From this initial radical position, the Mexican government's attitude has changed, going through a period of lack of definition, to the current active promotion of the introduction of GMOs under the conditions set out in the Biosecurity Law. Without a doubt, these changes, added to the government's lack of transparency and consistency, sparked mistrust and encouraged doubts regarding genetically modified organisms.

The crossing of biotechnological corn varieties and native corn varieties was totally predictable, since non-segregated corn arrived in Mexico from the United States in increasing amounts. Even in these conditions, despite constant insistence by scientists and rural communities, the Mexican government has never made the decision to request segregation or the introduction of labeling for corn from the United States.

In 2001, *Nature* magazine published an article about the discovery of transgenic DNA sequences in *criollo* corn varieties in the Mexican states of Puebla and Oaxaca.<sup>43</sup> This seriously compromised the Mexican government, clearly revealing its inability to implement its own policy of prohibiting the planting of transgenic corn. The case of the contamination of Mexico's corn immediately became a global issue, and even the popular *Newsweek* magazine placed the issue on its cover. It is interesting to observe that while the article in *Nature*, a recognized scientific magazine, referred to the phenomenon discovered as an "introgression," the communications media immediately interpreted it as a matter of contamination with an obviously negative connotation.

<sup>42</sup> Miguel Altieri, "The Myth of Coexistence: Why Transgenic Crops Are Not Compatible with Agroecologically Based Systems of Production," *Bulletin of Science, Technology & Society*, vol. 25, no. 4 (2005): 361-371. The case of canola in Canada seems to be a good example for demonstrating that, in the long run, it is not possible to cultivate both varieties in the same place.

<sup>43</sup> David Quist and Ignacio Chapela, "Transgenic DNA Introgressed into Traditional Maize Landraces in Oaxaca and Puebla," *Nature*, vol. 414, no. 29 (November 2001).

It is important to point out that for now, scientists have not reached any consensus, and there is insufficient empirical data for evaluating the effects of crossed pollination or the concrete meaning of genetic flow. What is specifically unknown is the degree of spreading and permanence of transgenes in the environment, precisely what was denounced in the *Nature* magazine. Under these conditions, it is believed the most appropriate action is to assume there is a lack of information and that decisions should be postponed until research provides the necessary data for making them.

Since 2002, a national campaign has been underway in the defense of native, locally selected corn, with the participation of 120 organizations, rural communities, NGOs, scientists and distinguished individuals. From this campaign, called "Without corn, there's no country," a political slogan emerged, with the demand for putting an end to corn imports, plus the payment of compensation to *campesinos* who plant traditional corn, in acknowledgement of their efforts to conserve biodiversity.

By that time, after having dismantled production capacity based on a complex system of subsidies, satisfying the first demand was no longer easy, as Mexico depended on an average of 7 million tons of imported corn, mostly for fodder. The second demand was inspired by a suggestion from the Convention on Biological Diversity, but Mexico had not, and has yet to translate this into concrete rules and established policies.

The Mexican incident, interpreted as the contamination of Mexican corn, was also added to the agenda of global networks organized against free trade.<sup>44</sup> In 2002, the issue was denounced at international protest forums: the World Social Forum in Porto Alegre against globalization, and the Food Summit in Rome, where it was presented by the *Vía Campesina* international movement, a radical NGO that demands food sovereignty and the rights of farmers to collect, save, select and improve their corn.

Later, the Mexican government hesitated to state its opinion on the phenomenon and was ambiguous, going from denying the contamination to considering it an irreversible fact of life. Meanwhile, international bodies such as the Food and Agriculture Organization (FAO), CIMMYT<sup>45</sup> and the Consulting Group on International Agricultural Research (CGIAR) initially attempted to avoid making a statement on the issue, and later expressed support for the use of GMOs. Some government agencies such as the Ministry of Agriculture, Livestock, Rural Development, Fishing and Food (Sagarpa), as well as multinational corporations, the Inter-sector Commission on Biodiversity and Genetically Modified Organisms (CIBIOGEM), plus distinguished individuals from Mexico's scientific community argued that one cannot speak of contamination, but rather of a natural genetic flow. Even *Nature* magazine published another article denying the discovery, and at the same time, refused

<sup>44</sup> Represented by groups such as Greenpeace, ETC, GRAIN, *Vía Campesina*, etc.

<sup>45</sup> The public position taken by the CIMMYT was very important, since it had the world's largest public bank of corn genes.

to publish an article from the Mexican government agency, the National Institute of Ecology (INE), criticizing the ideological content of the second article published.

By the year 2003, *campesino* communities, the radical environmental NGOs and Mexican government agencies were clearly distanced from each other. The rural communities, with support from scientists in opposition, began to speak of self-management. This implied taking steps in their own communities, such as introducing a *de facto* moratorium on GMOs, which would mean the prohibition of introducing, planting or purchasing GMOs from government DICONSA stores.<sup>46</sup> Disinformation and confusion around the nature of GMOs have led *campesino* and indigenous groups, such as UNOSJO of the Sierra de Juárez and many others, to decide to conduct their own diagnostic assessment of the contamination of their corn.<sup>47</sup>

At another level, the government had to continue with its international commitments. In the midst of the conflict, it was necessary to reach an agreement with the United States and Canada regarding shipments of GM corn. Mexico agreed to not request compensation when the corn received contained less than 5 percent GMOs, or when the contamination was unintentional—which in practice would probably mean it would never make such a request. In the opinion of GMO opponents, this agreement failed to comply with the Cartagena Protocol, which demanded including compensation for damages caused, and sparked a protest by 300 NGOs at the international level.

Parallel to these societal actions, the legislature passed the Law on the Biosecurity of Genetically Modified Organisms (LBOGM) in December 2004, despite the opposition of one major political party, the Party of the Democratic Revolution (PRD), and one small one, the Green Party of Mexico (PVEM).<sup>48</sup> Beforehand, different political parties made eight different proposals for the Law on Biosecurity, specifically the National Action Party (PAN), the Institutional Revolutionary Party (PRI), the PVEM and the PRD. The bill that ultimately passed was designed by the Mexican Academy of Sciences (ACM) and discussed over a three-year period. This law defines the faculties of the Ministries of the Environment and Natural Resources (Semarnat), Agriculture (Sagarpa) and Health (SS), on the basis of scientific evidence and case-by-case risk assessment studies. The text of the law suggests using the precautionary principle and establishing reasonable doubt in the absence of studies, and when there is any doubt about risks to human health or to the environment. However, it does not include mechanisms for implementation.

The law creates a system of permits for experimenting and doing business with GMOs. It has met with mixed reactions by specialists both inside and outside of Mexico. Many critics of the law agree that it promotes the biotechnology industry more

<sup>46</sup> Vera Herrera, *En defensa del maíz*.

<sup>47</sup> In a study of 138 communities in nine states, contamination was found in 33 of them, and even a third type of GMO was found. Not only were herbicide-tolerant corn and Bt insecticide corn found, but StarLink corn, which has not been authorized for human consumption in the United States, was also detected.

<sup>48</sup> *Ley sobre Bioseguridad de Organismos Genéticamente Modificados* (2005), <http://www.senado.gob.mx/sgsp/gaceta?sesion=2005/02/15/1&documento=25>.



than it protects biodiversity. In fact, this led to a formal protest by a group of 100 scientists, and prompted Greenpeace to refer to it as “the Monsanto Law”. There has also been criticism of the origin of and even the process whereby the proposal was discussed. As for the Mexican Academy of Sciences (ACM), its president has denied his organization has a consensus and has accused proponents of the law of manipulation.<sup>49</sup>

On the positive side, the law contains a series of new and important general affirmations. For example, it recognizes that Mexico is the place of origin for 80 plants including corn, and this means that if they are lost in this country, they are lost for the entire world. And, the fact that the law establishes mandatory labeling for non-processed agricultural foods and prohibits GMOs in protected zones is an enormous step forward.

The law’s two most interesting points that clearly represent great progress are the establishment of a specific system for corn and the possibility of opting to become a transgenic-free zone. At the same time, these two points are not left in a definitive form; they will be the subject of great battles in the future, because the law does not establish procedures or clear conditions under which procedures can be created. The law itself does not define special protection systems for corn and other crops originating in Mexico and their concrete implementation is left to secondary level regulations.

At least five Mexican states have proposed becoming GMO-free, specifically Oaxaca, Puebla, Chiapas, Tlaxcala and Michoacan. The interpretation of the law and the design of secondary regulations regarding special protection systems and free zones may in the future provide a tough test of the effectiveness of the recently-passed law on biosecurity.<sup>50</sup>

Among the primary criticisms are the following:

- A single law cannot simultaneously promote a technology and establish mechanisms for biosecurity;
- The law provides for very little public participation;
- It does not establish mechanisms for implementing the precautionary principle;
- There are serious doubts as to the possibility of coexistence between GMOs and traditional organisms, especially in the case of corn, given open pollination;
- The burden of proof rests with the industry, which can be both judge and jury;
- The law does not include mechanisms for avoiding conflicts of interest, for example in the forming of CIBIOGEM, which is responsible for risk assessment;
- It does not respect the Cartagena Protocol because it fails to include compensation for damages caused and the establishment of funds for incidental expenses.

It is still early to gauge the implications of this law, which in the highly polarized Mexican context was well received by government regulators, corporations and

<sup>49</sup> Alejandro Nadal, “El senado de los pollos,” *La Jornada*, February 16, 2005.

<sup>50</sup> *Ibid.*

leading biotechnology scientists, and on the other hand, highly criticized by environmental groups and opposing scientists. The Semarnat published regulations in 2008, more than three years after the law was passed, establishing the type of information, risk assessments and monitoring mechanisms industries must submit.<sup>51</sup> However, these regulations have still not resolved one of the most delicate points: the special regime for the protection of maize. They were immediately criticized by GMO opponents who believe it leaves risk control up to the industries, which they believe is a government responsibility.<sup>52</sup>

## Actors

The main Mexican rural and indigenous organizations who demonstrated against GMOs were not directly involved in drafting or passing the Law on Biosecurity. The various *campesino* and indigenous organizations have incorporated a new element, the rejection of GMOs through the defense of local corn, into their existing discourse based on their historic concerns. The National Indigenista Council declared that corn is a fundamental part of Mexican culture. Organizations of producers, poor *campesinos* and large *campesino* federations formed an alliance known as *El Campo No Aguanta Más* (“The Countryside Can’t Take Any More”), and they have demanded the renegotiation of NAFTA’s chapter on agriculture and the exclusion of corn and beans from the trade agreement, as well as food sovereignty, and the revision of Article 27 of the Mexican Constitution. In forums related to the congressional debates, three rural organizations were the most active: the National Association of Agricultural Product Commercialization Companies (*Asociación Nacional de Empresas Comercializadoras de Productos del Campo*, or ANEC), the National Union of Autonomous *Campesino* Regional Organizations (*Unión Nacional de Organizaciones Regionales Campesinas Autónomas*, or UNORCA) and the Study Center for Change in the Mexican Countryside (*Centro de Estudios para el Cambio del Campo Mexicano*, or CECCAM). They pointed out the negative economic, ecological, social and cultural effects of GMOs in the Mexican countryside.

In 2004 *campesino* and indigenous communities and environmental groups requested an independent study by the Commission for Environmental Cooperation (CEC), which would be the first international body to become directly involved in the issue of transgenic corn in Mexico. Its intervention was especially significant since it is an institution created by the NAFTA parallel agreements, and because it is financed by public funds from the three countries. Great anticipation was generated around the CEC recommendations for various reasons, including the following: it was the first international study that was presumed independent and at the same time linked to

<sup>51</sup> *Reglamento de la Ley de Bioseguridad de Organismos Genéticamente Modificados*, April 10, 2008, [http://www.dof.gob.mx/nota\\_detalle.php?codigo=5019199](http://www.dof.gob.mx/nota_detalle.php?codigo=5019199).

<sup>52</sup> Nadal, “El senado de los pollos” and Greenpeace, *Insuficiente reglamento de la ley de bioseguridad* (March 11, 2008), at [http://imagenagropecuaria.com/articulos.php?id\\_sec=27&id\\_art=371](http://imagenagropecuaria.com/articulos.php?id_sec=27&id_art=371).

the three governments, and it represented a way to make the case of Mexico corn known to the international public not necessarily opposed to GMOs.

In addition, the CEC investigation was the first formal study with a methodological frame of reference that included not only scientific aspects but also economic, social and cultural elements among GMO risk factors. This change in research methodology was not merely a formal change, but went much farther, since it implied a break with the philosophy adopted by U.S. regulators, as explained earlier, exclusively based on scientifically-founded arguments.<sup>53</sup> Consequently, the CEC conclusions included a series of topics that had not yet been legitimized as part of the problems around GMO regulation. The following excerpts from the CEC recommendations to the North American governments clearly illustrate the types of risks that were considered for the first time in relation to GMOs:

Because of its cultural, spiritual status in Mexico, campesinos in Mexico consider the presence of any transgene in maize as unacceptable risk... and... a "contamination"....Risk assessment of transgenic maize in Mexico is inextricably linked to the central role of maize.

Finally, the CEC investigation recognizes that:

So far there is no evidence that introgression of today's GM maize traits poses a significant harm to health or the environment in Canada, Mexico and the U.S. However, this has not been studied in the context of Mexican ecosystems.<sup>54</sup>

In summary, the CEC recommended the three governments maintain a moratorium on GM corn or postpone the decision until the necessary environmental studies are conducted, establish educational programs and introduce labeling. The fact that representatives from indigenous organizations were formally included in discussions of the research documents was also an important step forward in the democratization of the regulatory process.

In reality, few NGOs are involved in this issue —primarily Greenpeace-Mexico, GEA and ETC, which carried out campaigns on GMOs— but the ones that do are very active, radical, well-connected and well-informed. They have carried out considerable work in publicizing the issue in the print media and radio,<sup>55</sup> contrasting with the inefficiency and lack of timely information on the part of government agencies. The role played by environmental groups operating in Mexico and closely linked with global networks opposing globalization and free trade has been a

<sup>53</sup> This is also the primary reason that governments, mainly of the United States and Canada, have not viewed the study positively and have publicly criticized it.

<sup>54</sup> CEC, *Maize and Biodiversity: The Effects of Transgenic Maize in Mexico* (2004), at [http://www.cec.org/pubs\\_docs/documents/index.cfm?varlan=english&ID=1647](http://www.cec.org/pubs_docs/documents/index.cfm?varlan=english&ID=1647).

<sup>55</sup> Especially noteworthy is the coverage provided by the left-leaning *La Jornada* newspaper as well as *Radio Educación* programs and the CD produced by the Environmental Studies Group (GEA) entitled *Los transgénicos ¡hoy, hoy, hoy!*

determining factor in publicizing the issue of the contamination of Mexican corn, not only in Mexico but around the world. The following quote illustrates the tone of the protest by networks leading the movement against globalization and involved in international negotiations on the topic of GMOs:

The Mexican Government takes on the tragic historical role of having permitted the destruction of a critical reason for food safety and having jeopardized the most precious heritage of Mexico's indigenous peoples and peasants.<sup>56</sup>

The part of the scientific-intellectual community in Mexico that opposes GMOs, as expressed by one of its members, Víctor Toledo, maintains that GMOs are not attractive to *campesinos* for a number of reasons: either they are unable to buy them, or they do not need them since they were developed to attack specific problems in large monocultures in other parts of the world, or they already have a series of proven solutions to the problems (such as resistance to insects and tolerance to herbicides) that are less expensive, more accessible and involve less or no risk at all.<sup>57</sup> This type of intellectual criticizes scientists who favor biotechnology above all for ethical reasons, accusing them of being personally and institutionally interested in obtaining financing from corporations.

In their view, moving a gene from one organism to another, from one species to another, is not a natural process and lacks the most basic elements of biosecurity. Scientists who oppose GMOs propose following agro-ecology, an approach based on a conception of science radically opposed to biotechnology, and interdisciplinary research for rural modernization.

## Dominant Discourses

### 1. *The right to survival*

In Mexico the transgenic corn debate does not revolve around the right demanded by consumers to choose the food they eat or know what it is, nor around the benefits promised by the production and planting of GMO seeds. Rather, it revolves basically around the right of poor *campesinos* to continue to produce corn free from transgenics, despite totally adverse conditions. This adversity is manifested in their lack of access to expensive, sophisticated technology and their lack of competitiveness in a market filled with cheap, imported corn. The attack on transgenic corn is an attempt to resist, to take a defensive position, by a considerable social sector on which one-fifth of Mexican society depends economically. Given the controversy over whether the coexistence of GM and conventional seeds is possible in the long term —since

<sup>56</sup> This quote is from the protest letter published with signatures from 300 organizations after the agreement was reached accepting a 5-percent transgenic seed ceiling on corn exported from the United States to Mexico.

<sup>57</sup> Víctor M. Toledo, "Los biotecnólogos y el mito del científico objetivo," *La Jornada*, April 6 and 7, 2005.

experience appears to demonstrate that if not impossible, it will at least be extremely difficult to achieve—the struggle by the still-considerable *campesino* sector for its survival has radical aspects.

The significance of corn in Mexico has deep historical roots. The book entitled *¡Vivan los tamales! La comida y la construcción de la identidad mexicana* (Long Live Tamales! Food and the Construction of Mexican Identity), by Jeffrey M. Pilcher illustrates in great detail the enormous significance of corn—as opposed to wheat, the food of the conquerors—throughout the country's history in forming Mexico's identity.<sup>58</sup> Consequently, in the popular imagination, the transgenic contamination of corn—even worse since it came from the powerful neighbor to the North—represents a threat to survival, and to the very existence of Mexico's *campesinos* and indigenous people.

The problem of hunger, poverty and economic marginalization in Mexico, as in any other part of the world, does not appear to be a matter that can be simply resolved by technological means, but rather through income distribution depending on a set of highly complex social and political factors. At any rate, “to think that a gene... or a molecule of nucleic acid will be able to resolve a problem as complex as hunger in the world... is amazingly naive.”<sup>59</sup>

## 2. *Defending diversity: the connection between biodiversity and cultural diversity*

In Mexico, the concepts of biological diversity and cultural or ethnic diversity are closely linked. The conservation of biological diversity as a part of modern environmental discourse is reflected in the preservation of the rural way of life led by ethnic groups. One of the most important bridges between these two ideas is the anthropological concept of traditional knowledge about nature, agriculture and the environment which has been conceived of, legitimized and discussed in various international forums such as the CBD.

Based on this connection between biological and cultural diversity, *campesinos* use the implementation of recommendations from the Convention on Biological Diversity for national policies in their opposition to GMOs. *Campesinos* demand moral and material recognition of their role (through their use of local, traditional knowledge accumulated over many generations) in the conservation of biodiversity. This is a specific interpretation by farmers who lack access to high technology, with the aim of defending themselves from the expansion of GMOs that offer them nothing. This interpretation is made not only by Mexican *campesinos* but also by many other poor sectors around the world who make their voices heard through networks against globalization. The logic of their interpretation can be explained as follows: while the effects of transgenic corn on biodiversity are unknown, the traditional methods used by local *campesinos* and indigenous people have proven to be effective over thousands of years. Therefore, these *campesino* and indige-

<sup>58</sup> Jeffrey M. Pilcher, *¡Vivan los tamales! La comida y la construcción de la identidad mexicana* (Mexico City: Ediciones de la Reina Roja/CIESAS/Conaculta, 2001).

<sup>59</sup> *Ibid.*

nous communities demand compensation in exchange for the work they carry out in environmental conservation.

The defense of diversity is also very attractive for intellectuals (rural sociologists, biologists, agronomists, ecologists) including numerous scientists critical of GMOs. They maintain that the right to choose which risk will be assumed corresponds to local communities, which are the users of technologies, in the same way they recognize their right to choose their own lifestyle.

### 3. *Sovereignty and control over food*

In Mexico, food production and consumption represents a much greater part of the economy than in industrialized countries, and topics like nutrition and food security continue to be great challenges. Therefore, control over the production, distribution and consumption of food continues to be an enormously sensitive political issue. Those opposing GMOs should not be viewed as innate Luddites, but rather, as rational people who fear that, in a context of already highly unequal income levels, new technologies could aggravate the disparity even further.

In Mexico the rejection of any mechanism leading to a loss of control over food can be a very popular argument, and even more so when control passes into the hands of only a few foreign corporations, in this case five mega-companies.<sup>60</sup> In the opinion of GMO opponents, the acceptance of the Law on Biosecurity is the legitimization of contamination and the introduction of corporations into the agricultural sector market in Mexico.<sup>61</sup>

## **Conclusions**

The case of GMO regulation provides various lessons for future cooperation among NAFTA members. In addition to environmental cooperation through the CEC, commercial cooperation through the North American Biotechnology Initiative and the Security and Prosperity Partnership of North America (SPP), the case study demonstrates the need for further cooperation in science and technology and even offers certain specific fields in which to do so.

Generally speaking, one can say that there has been some sort of trade-off in terms of GMO experiences. Mexico could teach the U.S. that, if science is exclusively at the service of economic interests, it is highly probable that it will not serve the interests of humanity in the long run, and, for its part, the U.S. could show Mexico how to acquire greater confidence in science and new technologies, opening up channels for diverse interests to gain access to the decision-making process, without trampling society's fundamental rights.

<sup>60</sup> The same companies that previously promoted the use of pesticides and currently control 70 percent of agrochemicals.

<sup>61</sup> Nadal, "El senado de los pollos."

The arguments made by various actors in both countries should be understood as interpretations in line with their vision, discourses and concrete interests. We have seen that the dominant and traditional discourses exerting influence in the United States and in Mexico are different, and sometimes even contradictory. This is the case of the concept of the free market and economic growth in the United States, in contrast to food sovereignty and recognition of the value of both biological and cultural diversity in Mexico. The degree of confidence in science, and even more importantly, in the authorities who administer science, as well as access to new technologies, constitute other issues that notably differentiate the two countries.

Of course, making advances in Mexico in the field of access to technology on the one hand, and in the trust in regulators, on the other, requires a major effort at national level. This does not mean, however, that there is no room for cooperation and exchange between the two countries. The case of the CEC report, despite being criticized by the three governments, has demonstrated the virtue of dialogue and deliberation: to bring together all the parties, explain and listen to the each other's arguments.

With regard to specific issues of scientific cooperation, we know that no studies on gene flow from GMOs to wild varieties have been conducted in the context of Mexico's biosystems. Furthermore, the toxicological tests relative to human health (presented in the United States by transgenic seed generators to get authorization) are not valid in local Mexican conditions, since they do not correspond to Mexicans' essentially different diet.<sup>62</sup> In the field of both health and environmental risk assessment, U.S. public agencies have much more experience and technology than their Mexican counterparts. Cooperation in science and technology between the two countries could clear up the doubts as to what is definitively known and not known regarding GMOs, since currently in Mexico there is a lot of fear, partly due to uncertainty over the real risks and partly to the lack of specific studies conducted in Mexico's ecological and social context.

Another specific topic of desirable cooperation is the genetic identification and possible segregation of GM seeds from conventional seeds. This could be a positive measure that would not radically affect the interests of either country, but would, nevertheless, require a great deal more cooperation. This does not remove the possibility of U.S. producers using sophisticated technology, or of offering an option (organic, transgenic-free production) to poor *campesinos* in Mexico without access to technology.

Scientific and technological cooperation in the aforementioned fields requires the building of new channels, in addition to the SPP, which aims at defining the issues of cooperation among the three NAFTA countries and which, in fact, includes a series of biosecurity issues. It could be expanded to include Mexican society's specific concerns on biosecurity.

<sup>62</sup> Sheldon Krinsky and Peter Shorett, eds., *Rights and Liberties in the Biotech Age. Why We Need a Genetic Bill of Rights* (London: Rowman & Littlefield, 2005), 73.

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