

Toward a Partnership of Equals?

By Harley Shaiken

After many fits and starts, the U.S.–Mexico relationship — which soured after the failure of immigration reform in the aftermath of 9/11 — finally appears to be back on the radar on both sides of the border. Against this backdrop, the third annual meeting of the U.S.–Mexico Future’s Forum took place in Morelia, the stunning capital of the central Mexican state of Michoacán, from February 25 to 28.

The Forum was initially conceived in the heady atmosphere following President Fox’s election and the implosion of one party rule in Mexico. The goal was to establish an ongoing dialogue to think through new approaches to the issues facing both countries. In short, the Forum was meant to be a new transnational network reflecting new transnational realities.

What made this effort unique was that it did not convene the “usual suspects.” The Forum

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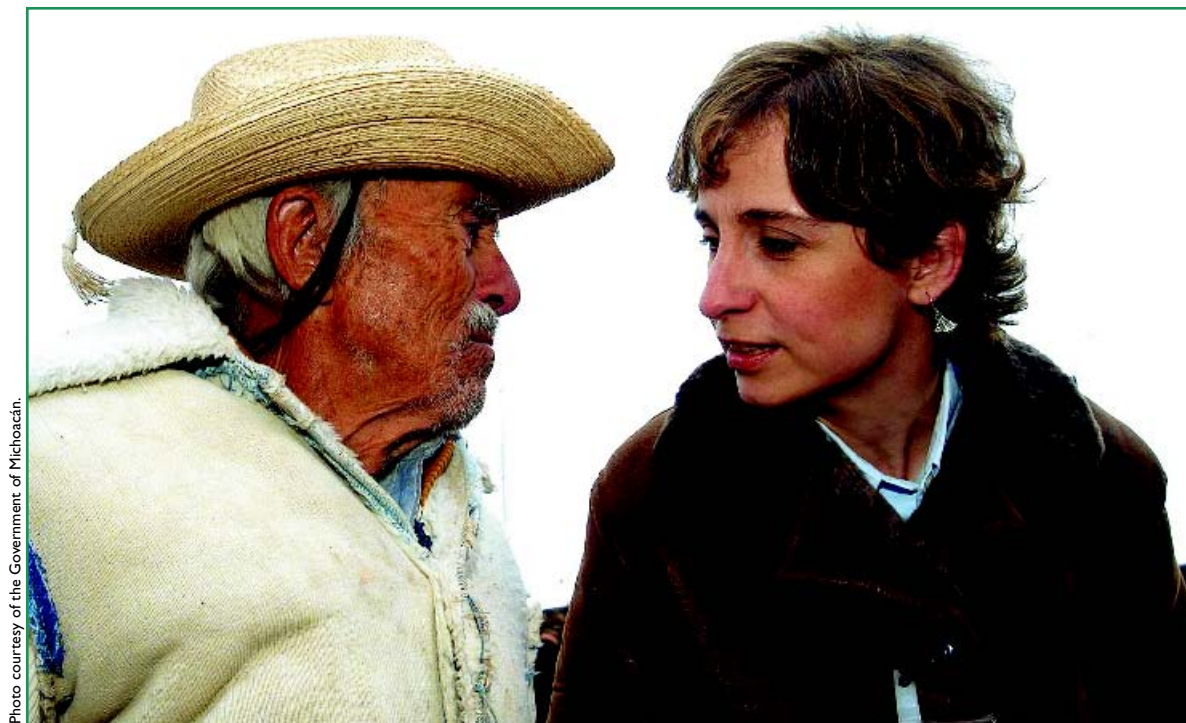


Photo courtesy of the Government of Michoacán.

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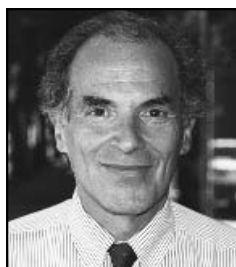
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Cover: Forum participant Carmen Aristegui speaks with a man from Tende para aqua, Michoacán.



Letter from the Chair

This spring was a season of conferences at the Center for Latin American Studies (CLAS). We began with the third annual meeting of the U.S.–Mexico Future’s Forum in Morelia, Mexico in late February organized jointly with ITAM in Mexico City. The Forum, our lead in this issue, took place as immigration re-emerged as a key issue in both countries making the discussions particularly timely.

In early April, CLAS, Boalt Hall School of Law at UC Berkeley and Fundación Azteca sponsored *Pensar México*, a week-long series of events. The four principal programs included Adolfo Aguilar Zinser, Maria Echaveste, Fernando Sariñana, and 14 other scholars and political leaders for intensive discussions. The highlights were broadcast in an hour-long television special as well as featured on other programs nationally in Mexico and the United States.

Finally, in mid-April CLAS co-sponsored a conference on Violence and the Americas keyed by Antanas Mockus, the charismatic former two-term mayor of Bogotá and current presidential candidate in Colombia, and Luiz Eduardo Soares, a highly-regarded former

Secretary of Public Security in Brazil. The conference brought together scholars and scholar-practitioners to think through the alarming upsurge of violence and the ways in which it might be addressed.

Our Brazil in Berkley program featured visits by Walter Salles, noted film director; Luiz Dulci, Minister Secretary General of the Cabinet; and Luiz Furlan, Minister of Development, Industry and Foreign Trade.

CLAS engaged with the discussion of the Central American Free Trade Agreement through seminars with Guatemalan vice-president Eduardo Stein and Bishop Alvaro Ramazzini, head of the Episcopal Secretariat of Central America.

Finally, CLAS featured a talk by Judge Juan Guzmán, the Chilean jurist who indicted General Pinochet and pursued the lengthy case with unusual vigor and courage. On the day of his talk in Berkeley he delivered his retirement notice in Chile.

We look forward to returning to many of these themes in the fall.

— Harley Shaiken

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Violence and the Americas

By J. Thomas Ordóñez



Citizenship, security and social inclusion are at the forefront of policy and social programs in Latin America today. This is especially true in the ever growing “mega-cities,” most of which have increased exponentially in size and population in recent decades. The question is how to imagine a city in which all share in the rights and responsibilities of citizenship and where order is maintained without the use of violence and coercion. These were the main points discussed by Antanas Mockus, former mayor of Bogotá and current presidential candidate, and Luiz Eduardo Soares, former Secretary of Public Security of Brazil, in their presentations for the conference “Violence and the Americas.”

The Culture of Citizenship

During his two terms as mayor of Bogotá, Mockus set out to change the behavior of *bogotanos* by building a “Cultura Ciudadana.” This “Culture of Citizenship,” he argued, would enable the city’s inhabitants to live peacefully

with each other and to learn to follow the rules of *convivencia*, the sense of belonging and living together. Mockus, an academic and former rector of Colombia’s National University, analyzed the various factors that influence whether people respect or break the law and developed a set of somewhat unorthodox programs to teach citizens to follow the rules for positive reasons.

In one program, mimes directed traffic, mocking jaywalkers and careless drivers and modeling good behavior in order to teach people to use and stop for crosswalks. In another initiative, the mayor’s office issued 350,000 red and white cards to drivers. Based on the penalty system in soccer, the red side of the card was marked with a “thumbs down” sign, giving motorists a nonviolent way to express their disapproval with other drivers, while the white side had a “thumbs up” showing approval. Instead of blaming officials for the problem, drivers could interact with one another in order to improve traffic conditions. “The general idea

Photo by AP/Wide World

Antanas Mockus, former mayor of Bogotá, in a flak jacket he designed with a heart-shaped hole to protest the death threats made by the FARC against 100 Colombian mayors.

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Still Distant Neighbors?

By Prof. Alex Saragoza and Ana Ambrosi



Photo courtesy of the Coordinación de Comunicación Social, Gobierno de Zacatecas.

Gov. Amalia García
tours the silver mining
company, Pro Año.

With roughly half of all Zacatecos resident north of the border, the state of Zacatecas is facing the challenges of out-migration head on. As a result Amalia García, the state's governor, has sought to link the issue of out-migration to the need for regional jobs and growth and to the United States' role in Mexico's economic development.

Citing the book *Distant Neighbors*, by former New York Times correspondent, Alan Riding, Governor García stressed how both countries

are gripped in an inextricable embrace, sharing, however reluctantly, a common destiny. If anything, NAFTA may have intensified the ambiguity in this relationship.

Governor García, a longtime member of the PRD, Mexico's left-of-center opposition party, noted the contradictory ways that the public of each nation views the treaty: Mexicans think it has largely benefited the U.S., whereas their northern counterparts assume that Mexico has been the real winner. Insisting on a "social market economy" as the correct economic strategy, Governor García called for the benefits of NAFTA to be spread more equitably. Yawning income and regional disparities persist in Mexico despite the trade agreement and its vaunted outcomes, she noted.

However, much of the governor's talk turned on the issue of migration. About half of the population of Zacatecas resides in the U.S. at any given time. Remittances back to Mexico are now a crucial source of development funding. For Zacatecas, the sum amounted to about \$480 million in 2003.

Migration has also colored the politics of the state. The governor pointed out that several members of the legislature have been migrants, which has created support for electoral reforms allowing migrants to run for state and municipal office. Zacatecas has become a binational state, and Governor García's visits to Zacatecan communities in the U.S. encourage migrants to participate both politically and economically in the state's development.

Citing the economist Jeffrey D. Sachs, Governor García suggested that the only way to stem the flow of migrants to the U.S. would be a large-scale, sustainable investment strategy to promote development, create more job opportunities, extend credit, spend on infrastructure and expand internal and external markets. On this point, the governor chided U.S. President Bush for his sweeping proposal to the World Bank in 2001 that globalization should be exploited to reduce poverty. "We need actions," she observed, "not only declarations."



Photo by Dionica Ramos.

An example of the ties formed between migrants and their communities of origin is the Three for One Program, initiated by Zacatecanos living in the U.S. When the program, which originally started at the state level, grew to include federal funds, the federal government decided that only infrastructure projects would be financed. However, the workers refused, arguing that celebrations, social and church events were investments in identity, and therefore of essential importance. After a lengthy debate, the federal government ceded to the migrant's demands.

Migration continued to dominate the question and answer session. The governor expressed her concern and thinly veiled outrage at organizations like the Minuteman Project, the U.S. group of citizen volunteers patrolling the Arizona–Mexico border to discourage undocumented entrants. The rights of migrants must be protected, urged the governor, as vigilante efforts threaten fundamental human rights. She also criticized the attempts by politicians to manipulate 9/11 terrorist concerns to essentially bash immigrants, using the example of the drivers license controversy.

Mexican President Vicente Fox's handling of the immigrant issue with the White House also came under fire. Immigration should be a bilateral discussion, Governor García stated emphatically. President Fox must retake the initiative in resolving the immigration question. Toward this end, the governor indicated her hope that a different approach to labor, more in line with the European Union's policies, would eventually develop among Mexico, the United States and Canada.

The governor went on to underscore the specific importance of migrant workers to the economy of California, making reference to the low budget Hollywood comedy *A Day Without a Mexican*; in the film Los Angeles wakes up to discover that its Latino population has vanished. Needless to say, the city grinds to a complete stop and xenophobic city politicians are forced to backtrack on their anti-immigrant rhetoric.

Governor García was quick, however, to return to an earlier comment: Mexico needs to generate more and better jobs for its workers. In this vein, she noted the growing threat of China to the employment prospects for her country, as more

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Gov. García at UC Berkeley.

Still Distant Neighbors?

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and more companies move their operations out of Mexico to take advantage of low-cost Chinese labor. Mexico must respond to the challenge by developing better jobs and opportunities for its people.

In Zacatecas, for example, Governor García highlighted her efforts to modernize and expand the silver mining sector, a traditional pillar of the regional economy, as a means of providing jobs and trade for her state. Furthermore, she described her effort to reach out to the most marginalized groups in Zacatecas, including the Huichol Indians, for whom the governor has provided increased state funding for educational and health services.

She also enumerated her efforts and those of other Mexican governors to develop ties with their counterparts in the U.S. to foment mutually beneficial projects for the improvement of health programs and services for migrant workers. She described her efforts to promote bilateral commercial opportunities between her state and

those U.S. states with large numbers of Zacatecan migrants, including the improvement of transportation linkages with Texas, the key entry point for Mexican trade to the U.S.

Clearly, Governor García has taken a forceful, dynamic and broadly conceived approach to the challenges facing Zacatecas. The outcomes of her efforts will undoubtedly have long term effects; Mexico may be witnessing the emergence of a strong leader of national stature.

Amalia García Medina is the governor of Zacatecas, Mexico. She spoke at UC Berkeley on April 4, 2005.

Alex Saragoza is Associate Professor of Ethnic Studies at UC Berkeley. Ana Ambrosi is a graduate student in Latin American Studies.

Zacatecan street scene.



Photo courtesy of the Coordinación de Comunicación Social, Gobierno de Zacatecas.

Education and Demography in Mexico

By Adam Raney



Photo courtesy of the Department of Photography UNAM.

How can Mexico's burgeoning population provide a boost rather than a drag to its stagnating economy? The answer, according to Juan Ramón de la Fuente, Rector of the National Autonomous University of Mexico (UNAM), Latin America's largest institution of higher learning, is simple: education.

As Mexico's demographic pyramid broadens, with working age generations comprising a larger proportion of the national population, better primary, secondary and higher education will allow the country to pull out of its current cycle of inefficiency and unemployment. However, taking advantage of this historic opportunity will require an act of vision and commitment from Mexico's political class, de la Fuente warned during his CLAS talk. "It is impossible to think of competing without thinking of education," he said.

Demographic Shift

De la Fuente, a medical doctor and former minister of health during Ernesto Zedillo's

presidency, presented a compelling picture of the perils and, above all, opportunities of Mexico's changing demographics. For years, the country's growing population has meant that there was a relatively high proportion of children and teenagers compared to the pool of working age adults. In other words, only a relatively small proportion of the population was able to contribute rather than receive value from the national economy.

"In coming years Mexico's demographic pyramid will narrow at younger ages and the working age population will expand," he said. Over the next 30 years, he argued, Mexico's working age population will increase by nearly 50 percent. The country must capitalize on this population shift in order to become more competitive in the global economy. The key to meeting this challenge is to educate more of the young people who will soon be part of the working age population. The number of students in high school will have increased by a magnitude of five in 20 years. Meanwhile, higher

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Juan Ramón de la Fuente speaks at UC Berkeley.

Education in Mexico

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education enrollments will increase by as much 150 percent. “We are not ready to meet that demand,” said de la Fuente.

Competing on the World Stage

According to the United Nations, a country should achieve a 40-50 percent level of enrollment in higher education. However, Mexico has a national average of only 22.5 percent of university-age citizens enrolled in higher education programs, de la Fuente noted. That is higher than the Latin American average of 19 percent. But it does not stand comparison with the U.S, which sends nearly 75 percent of 19- to 24-year-olds to college or university, as do most European countries.

Only in Mexico City does Mexico meet the UN mark, with 47 percent of people between 19 and 24 years of age attending college or university. “The problem with Latin America is that we are moving at such a slow rate that we are never going to be able to catch up,” said de la Fuente.

R & D Deficit

Another crucial piece of the jigsaw will be for Mexico to hang on to the brightest and best-trained minds, effectively reversing the “brain drain,” and replacing it with a “brain gain.” Thus, in addition to building new primary and secondary schools, de La Fuente said, the government also needs to improve the performance of its higher education institutions and foster innovation and technological advances in Mexico.

“To be competitive, we need to conduct research here,” he said. “We have not acknowledged the importance of technology and research in Mexico.” The U.S. and European Union spend more than 3 percent of their GDP on research and development. Mexico, however, spends just one-third of 1 percent on such programs.

Political Climate

However, implementing such major educational reforms will require a change in Mexico’s political climate and new ideas and commitments from all of Mexico’s major political parties. De la Fuente also made it clear that Mexico’s current government, led by President Vicente Fox, is failing to prepare Mexico to capitalize on its forthcoming demographic transition.

As de la Fuente sees it, there are many unpredictable social factors which affect education. Although the government cannot plan for such unknown variables, the changing demographic situation is something that is highly predictable. “We are allowing inertia to guide us rather than being proactive,” said de la Fuente. He expressed doubt that necessary structural reforms could take place in the current political climate adding, “If we do not create a new political climate, I don’t think we are going to get some of these reforms.”

Outlining the critical structural reforms needed to pave the way for the necessary shake-up of the education system, de la Fuente said Mexico needs a “new legal framework” at the interface of the executive and legislative branches of government. The current system, he said, stifles reform and encourages inertia. In the long term, de la Fuente is optimistic but believes it unlikely that any major developments will come before the next political cycle, commencing with the presidential elections of 2006. “I don’t think there is a chance of reform with the current government,” he added. “The following government will have a better opportunity regardless [of] who wins.”

Challenges

Mexico faces many challenges including widespread emigration, public health problems and unemployment, to name but a few. All of these can be traced, at least in part, to the education deficit, de la Fuente said. Reforming the education system is key, both to improving Mexico’s competitiveness and to achieving social justice. “There are thousands and thousands of young people in Mexico who are left out of the education system, and we cannot imagine a way for the country to be more competitive without more capable people,” he concluded.

Juan Ramón de la Fuente is Rector of the National Autonomous University of Mexico. He was also Health Secretary under President Ernesto Zedillo.

Adam Raney is a graduate student in Latin American Studies and Journalism.

Pensar México

By Alejandro Reyes-Arias



Photo by AP/Wide World

The 2000 election of Vicente Fox as Mexico's president signaled the dawn of a new era and the possibility for true consolidation of democracy after 71 years of uninterrupted rule by the Institutional Revolutionary Party. Today the enthusiasm inspired by that triumph has been tempered — some say gutted — by Mexico's continuing social and economic problems and political gridlock.

UC Berkeley's Center for Latin American Studies, the Boalt Hall School of Law and Fundación Azteca collaborated on *Pensar México*, a week-long forum for discussion and analysis of where Mexico is and where it might be headed. The forum, which took place at UC Berkeley from April 4 to 8, 2005, centered on four major topics: Identity, Security, Power, and Future — segments of which have been broadcast nationally in Mexico and the U.S.

Identity

Mexico's complex relations with its northern

neighbor and the changing dynamics of increasingly integrated world markets have made the question of identity a pressing issue. Globalization poses dilemmas involving issues of migration, market penetration into isolated communities, growing tensions between modernization and tradition and the enormous plurality that comprises "Mexico."

The issue of migration was discussed by Zacatecas governor Amalia García. The state provides one of the clearest examples of the complexities and magnitude of the social transformations created by migration; half of its population is currently in the United States. This effectively results in a binational population with complex economic, cultural and social linkages. Fully recognizing this hybrid, bicultural reality is a challenge on both sides of the border.

Among the transformations experienced in Zacatecas due to migration, García cited the changing role of women, who have assumed a

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Andres Manuel López Obrador, Mayor of Mexico City, greets supporters at a rally in Guadalajara.

Pensar México

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new position as heads of households and have developed new leadership roles. Economically, migrant workers contribute to Zacatecas, but they also contribute significantly to the U.S. García criticized the U.S. position, which views the issue of immigration as merely one of policing and security, without recognizing the economic contribution of migrants or their role as a bridge between the two societies. She also pointed to the necessity of thinking of North America as a region that includes Mexico, the United States and Canada and of building a community that is not only integrated at the economic level but also constructed on the basis of true partnership and plurality, along the lines of the European Union.

But do Mexican immigrants in the United States truly develop a binational identity? According to Maria Echaveste, co-founder of the Nueva Vista Group and former Deputy Chief of Staff to President Clinton, making that statement would feed the fears of Harvard professor Samuel P. Huntington, who recently targeted Mexican immigrants as part of his relentless crusade against otherness. According to Prof. Huntington, Mexican immigrants constitute a threat to American culture.

While recognizing that many immigrants have close links to their country of origin, Echaveste argued that many U.S. citizens of Mexican origin, although proud of their heritage, consider themselves culturally American and actively contribute to the growth of a nation that was founded on the premise of diversity. For many Hispanics, however, the American dream is not a reality: their access to university education is limited and the discrimination they suffer hampers their participation in society. Contrary to Amalia García, Maria Echaveste argued that allowing Mexican expatriates to vote in Mexican elections would strengthen the arguments of people like Prof. Huntington.

As one of Mexico's most prolific contemporary cinema directors and producers, Fernando Sariñana Márquez spoke of the importance of film as a fundamental aspect of Mexican identity. Mexican film, according to Sariñana, serves as a mirror that reflects society. "Mexico," he said, "is

the country of intolerance." Given cinema's role as a medium for discussing diversity and constructing a sense of national identity, he stressed the importance of government support for the industry as a part of the nation's cultural policy.

Dr. Jorge Cherbosque, director of the UCLA Staff and Faculty Consultation and Counseling Center, framed the issue of tolerance and diversity in terms of an "emotional intelligence" model which stressed the role of the individual in building a more inclusive society. According to Dr. Cherbosque, having "emotional intelligence" in a diverse world requires recognizing the cultural values underlying one's own behavior, understanding the benefits and limitations of cultural norms and empathizing with others.

Security

"Today's security policies," said Adolfo Aguilar Zinser, former Mexican Ambassador to the United Nations, "have themselves become a serious risk." The UN definition of security is "being able to live without fear." However, Zinser argued that security today has become a commodity; fear is taken away from some and passed on to others. At the local level, security is motivated by the fear of certain social sectors without a vision of society as a whole. In the larger international context, security seems to respond today to the post-9/11 exigencies of the United States.

This concern with U.S. security policies and their imposition on the rest of the world was shared by all panelists and was a recurring theme throughout the event. Mark Danner, a professor of Journalism at UC Berkeley who has written extensively about U.S. national security issues, noted that after 9/11, the multilateral approach to the issue of security inherent in organizations such as the OAS, the UN and NATO was stripped away. The complexities of the issue disappeared, and topics such as traditional border concerns became confused with the fear of terrorism.

José Alberto Aguilar, Undersecretary for International Affairs of the PRI, noted that the issue is not new, but that, with the resurgence of the concept of homeland security, regional security is no longer seen as a bilateral issue. Even Mario Di Constanzo, Economic Advisor to



Photo courtesy of the Government of Michoacán.

the PRD in the Chamber of Deputies, whose thoughts seemed entirely preoccupied with the impending prosecution of Mayor López Obrador, appeared to agree.

Antonio Navalón, Director of *Alfaguara* Editors, argued that insecurity is often related to ignorance. The paradox of the century, according to Navalón, is that never did humanity have access to so much knowledge, and never did it use it so poorly. Security between the U.S. and Mexico, argued Navalón, has to do with a mutual concern with violence and is not a unilateral issue. Migration cannot be understood simply in terms of policing and control without considering the wide range of factors that add complexity to the current context: the end of the military conflicts in Central America, the transition in Mexico and sociological processes along the border among them.

According to Aguilar Zinser, however, the greatest security problem is posed not by terrorism, but by the destruction of the environment. Sixty percent of the world's ecosystems are currently suffering a process of degradation, and 30 percent of Mexican territory is undergoing desertification. Despite this alarming reality, the environment is last on the list of government priorities.

Power

Much of the discussion on power revolved around Mexico's democratic transition. According to Juan Ramón de la Fuente, Rector of Mexico's National Autonomous University (UNAM), there have been advances in the redistribution of power, with a greater division between the federal, state and municipal governments. However, this division has not resulted in greater functionality. And while there have been some positive results in the effort toward decentralization, giving the municipalities and states greater control, federalism is still far from perfect. Although civil society has become better organized, more effective mechanisms are still needed to allow it to participate.

Porfirio Muñoz Ledo, President of the National Association for State Reform, co-founder of the PRD and former ambassador to the European Union, has a bleaker outlook. According to him, power in Mexico has always been pyramidal, and the mechanisms that might allow power to be constructed from the bottom up have not been put in place. While political pluralism was created, it did not become democratic, resulting in what he termed "decentralized authoritarianism." There is a sort of "metastasis of corruption," whereby the system's old vices are now shared by

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According to Adolfo Aguilar Zinser, environmental destruction is the greatest security problem facing Mexico today.

Pensar México

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Photo courtesy of the Department of Photography, UNAM.

Juan Ramón de la Fuente stressed the importance of research and technology for Mexico's development.

three parties rather than one. A “third path” would consist, for Muñoz Ledo, of constitutional reform, new coalitions, long-term policies and a redistribution of power toward the communities.

The ability of rural communities to share power and participate democratically has been seriously compromised, according to Laura Nader, professor of Anthropology at UC Berkeley, by the neoliberal policies of the last two decades. She argued that local level decision-making has been sabotaged by multinational corporations, NAFTA, WTO laws that preclude local laws and the privatization of *ejidos*.

In particular, the influx of cheap, subsidized corn from the U.S. has pushed farmers to migrate north, destabilizing local economies and cultures and breaking seven thousand years of continuity in food production. Developing a more democratic country, according to Nader, is incompatible with the increasing pressure of multinational corporations. Mexican elites must represent the interests of the rural areas that are being destroyed and understand the importance of their contribution to the nation.

Enrique Cabrero, General Director of the

Centro de Investigación y Docencia Económicas (CIDE), agreed that today there is a greater dependency on international forces. The challenge, he argued, is to build new processes of decision-making that are based on a closer relationship between the government and society. It is important, he said, to be more proactive in networks of international public policy in order to preserve national sovereignty.

On the issue of sovereignty, Diego Valadez, Director of the Institute of Juridical Research at UNAM's Law School, argued that the concept of sovereignty should not be viewed as something that isolates. He pointed out the distinction between popular sovereignty and national sovereignty. The first has to do with the faculties that allow the governed to elect and control their governors, and it is unalterable. National sovereignty, on the other hand, allows certain flexibility in negotiating with supranational forces.

There was a general consensus among the speakers regarding the need to strengthen the state without returning to the authoritarian ways of the past. Juan Ramón de la Fuente insisted on more market regulation: “Markets are necessary

to create wealth,” he said, “and the state is necessary to distribute that wealth.”

Future

Pervasive throughout the discussions of the “Future” panel was a sense of a loss of well-being and happiness in Mexican society, combined with a lack of faith and the absence of a vision for the future. Two main areas were identified as targets for action: the economy and education.

Senator Demetrio Sodi (PRD) noted that Mexicans’ lack of faith in the future is not pessimism, rather it is a realistic response: In the last 20 years, Mexico has seen no development and no true generation of employment. Felipe Calderón Hinojosa (PAN), who is running to be his party’s presidential candidate, said that Mexico’s challenge is “to be winners,” and that “every man has as his task to be happy in life.” In order to meet this challenge, he said, a government program is needed that enforces legality, promotes a competitive economy that generates employment; provides equal access to health, education and services; achieves true democracy; and promotes environmental sustainability.

Although economic growth and education were identified as the key areas for Mexico’s future, there was some disagreement regarding their priority. The architect Enrique Norten argued that employment in itself is not the answer. Employment without knowledge, he said, does not generate wealth. Mexico produces no patents; it is behind in science, agriculture and technology. The emphasis, according to Norten, should therefore be on education and the production of knowledge. However, for Jorge Matte, founder and president of Estudios Psico-Industriales, the most urgent issue is economic recovery. Ten to 15 years ago, he argued, people agreed that education was a priority; today, people are much more preoccupied with employment, and the economic situation is such that education does not necessarily guarantee better employment.

Independently of whether education or employment should come first, the panelists offered few solid proposals other than abstract discussions about increasing public and private spending. There seemed to be no disagreement regarding the lack of services and infrastructure experienced by the Mexican population. One out of every 10 Mexicans has no running

drinking water, and 24 percent have no sewerage. Mexico, according to Sodi, is among the countries with the lowest per capita public expenditure.

Private investment in the energy sector was a point of convergence for the representatives from both the PRD and the PAN. The ongoing opposition to such private investment was seen by both panelists as a result of a dated “historical nationalism” and “myths and taboos.” Private investment in the energy sector, the panelists agreed, must be viewed in terms of employment and economic growth.

Calderón argued that the current state of the educational system exacerbates inequalities due to the significant difference in the quality of public and private education. He endorsed a voucher program that he maintained would provide equal access to education.

Sodi, however, strongly disagreed, arguing that the program ignores Mexican reality, with its high levels of poverty and dispersed rural population. Pretending that the private sector would provide adequate solutions for these communities is absurd, he said. The difference in quality between public and private education is not a result of an improvement of private education; rather, public education has drastically declined in the last decades. Enrique Norten agreed: Mexico’s “best” private universities are businesses, providing poor quality education. They are “institutions dedicated to administrating the wealth of a few.” What Mexico needs, he added, is to define a clear educational policy.

Conspicuously absent from the discussions on all panels was the pressing issue of indigenous communities, indigenous rights and self-determination and their role in the construction of a Mexican society in the 21st century. The secular struggle of indigenous populations for recognition of their existence and their participation in society and the debates initiated by the Zapatistas in 1994 and developed during the last 11 years were, surprisingly, ignored by most panelists.

Alejandro Reyes-Arias is a graduate student in Latin American Studies.

Silicon Dreams, Mexican Realities

By Kevin P. Gallagher



Photo by AP Wide World.

Workers in a traditional clothing *maquila* in Guadalajara, Mexico.

After decades of macroeconomic havoc wreaked by volatile capital flows, many Latin American nations have shifted focus and now seek to attract foreign direct investment (FDI) to obtain foreign exchange and jumpstart economic growth. FDI — investment in actual factories and plants — is seen as more stable than portfolio investment and has the promise of forging linkages to the domestic economy that can contribute to rising standards of living.

The jewel of such strategies has been the prospect of attracting FDI in the information technology sector (IT). IT is one of the fastest growing export sectors in the world economy. In addition, IT is coveted for its high knowledge content, employment generation capabilities and possibilities for domestic linkages.

Mexico has been the envy of Latin America in

this respect. Not only has Mexico succeeded in attracting massive amounts of new FDI since 1995, it has also succeeded in attracting a large share of FDI into the IT sector. Indeed, Guadalajara, Mexico's second largest city and capital of the western state of Jalisco, has been dubbed "the Silicon Valley of Mexico." Other nations across the hemisphere (and the entire developing world for that matter) are bending over backwards to attract the amounts of IT investment that Mexico has.

Mexico is learning the hard way that attracting FDI is not an end in itself. For FDI to enhance a country's development goals it has to spur local development through such mechanisms as developing local supplier networks and generating employment. From this perspective, Mexico's IT investment has failed to take root. Now with

mounting competitive pressure from China and elsewhere, Mexico's Silicon Valley is in crisis. What can Mexico do to save this vital sector? What can other countries do to learn from Mexico's mistakes?

FDI-Led Development Strategy

Over the past decade Mexico has worked hard to attract FDI with hopes that economic integration would stimulate large inflows of FDI in manufacturing. By expanding exports, FDI would alleviate Mexico's debt overhang, create high-productivity manufacturing jobs and fuel economic growth.

FDI was also expected to alleviate social problems. New manufacturing jobs would absorb the urban poor and farmers displaced by NAFTA, allowing Mexico, in the words of President Carlos Salinas to "export goods, not people." On the surface, the strategy was, at least until recently, a dazzling success. Between 1994 and 2002, FDI inflows into Mexico ballooned to a yearly average of \$13 billion, nearly three times more than the yearly average of \$4.5 billion between 1988 and 1993. Indeed, Mexico ranks among the top three developing country recipients of global FDI. Moreover, as hoped, about half of the FDI flowed into manufacturing. Exports increased by nearly 50 percent after the passage of NAFTA in 1994 and manufactures accounted for nearly 90 percent of total exports.

Despite nearly 20 years of reform however, the country's economy has grown just over one percent per annum on a per capita basis. What's more, 60 percent of households still live in poverty, out-migration to the United States has doubled (now reaching 500,000 persons per year) and the government estimates that the annual economic costs of environmental degradation amount to 10 percent of GDP.

The Silicon Valley of Mexico

Many development analysts, myself included, thought Guadalajara would be Mexico's exception to the rule. Indeed, our initial research agenda was to conduct a case study of Mexico's Silicon Valley to outline the silver lining of Mexico's disappointing development performance. We were wrong, but the Guadalajara experience does shed light on why Mexico's FDI-led

development strategy is falling short of improving the country's development prospects.

An article titled "High-Tech Jobs Transfer to Mexico with Surprising Speed" ran on April 9, 1998 in the Wall Street Journal. To the WSJ's surprise, Guadalajara had become home to a booming IT assembly industry that had exported \$7.7 billion worth of IT products in that year. Two years later, exports would peak at \$10.5 billion. Two years after that, the cover of MexicoNow, a leading trade magazine on industry in Mexico read "Rescuing Mexico's Electronics Industry." What went wrong?

IT was the centerpiece of Mexico's FDI-led development strategy and a large and growing share of that investment has been in the IT sector centered in Guadalajara. Mexico had emerged as the 11th leading exporter of IT products in the world economy by 2001. In the developing world, only Malaysia and China out-export Mexico in IT. In 1985, Mexico's IT sector supplied only 0.8 percent of the global market, but by 2000 Mexico supplied 3 percent. Like Taiwan, Mexico has entered the IT industry as part of the supplier nexus of large companies in the global economy such as IBM and Hewlett Packard. From the beginning, Mexico, and Guadalajara in particular, has served as a low-wage assembly and sub-assembly platform for the core companies in the industry.

The promise of FDI is that foreign firms come seeking lower labor costs and access to markets. These firms develop subsidiaries and suppliers that learn how to manufacture and process at a higher level of technological sophistication. The hope is that out of a newly vibrant set of domestic firms, new leaders will emerge that can export and invest abroad in their own right.

In our research, we found very few backward linkages to the domestic economy from IT investments. Indeed there has been a "crowding out" of domestic firms by the transnational corporations (TNCs). Ninety-five percent of all IT sector inputs are imported. Moreover, 97 percent of all Guadalajara IT investment since 1994 has been foreign — highlighting that 80 percent of the local suppliers that were once there are now gone.

What's more, little learning goes on in the plants, making the possibility of later "spin-off"

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Silicon Dreams, Mexican Realities

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firms unlikely in the future. Sixty-six percent of all workers in IT plants have a middle school education or below. In a move to increase competitiveness, Guadalajara's IT firms have begun working with contract employment companies. Sixty-five percent of all workers have just a one- to three-month contract. Such conditions make it difficult for employees to acquire the necessary skills to move up the IT value chain.

Forward linkages — the diffusion of final product into the domestic economy to spur future growth — have fared no better. Whereas IT sales in Mexico were 25 percent of total sales, that percentage has dropped to just 5 percent (thus 95 percent of all sales are abroad).

Why have there been so few links between the foreign and domestic aspects of the IT economy? The primary cause of the contraction in domestic investment was lack of access to credit, especially for small and medium companies. Government monetary, fiscal and labor policies prioritized the control of inflation, primarily to attract foreign investors. The result was an overvalued exchange rate (which reinforces the ability to import inputs rather than source them locally) and high interest rates.

Moreover, the domestic Mexican banking system has been in crisis: Financial policies generally have worked to channel public funds toward the rescue of bankrupt, indebted conglomerates, creating absolute shortages of credit for domestic private firms. While domestic firms faced a credit crunch, TNCs and globally integrated Mexican firms have had ample access to cheaper, foreign sources of capital, enabling their expansion.

Overall, the FDI-led integration strategy engendered a process of economic polarization and segmentation between the externally and internally oriented parts of the Mexican economy. A relatively small number of TNCs and globally integrated Mexican firms with access to foreign capital have expanded production, while firms reliant on the domestic banking system and serving domestic markets have been starved of capital and customers.

From Crest to Crisis

The fact that IT investment in Guadalajara has yet to take root in the form of linkages into the domestic economy is nagging, but without the FDI in the first place there is no opportunity to create such linkages. Such is the case at present. Guadalajarans speak of the late 1990s as if it were a golden age. Since that time the sector has seen a 150 percent decline in FDI and has lost approximately 15,000 jobs to China and elsewhere in the global economy.

Plant managers tell us they are leaving because of the slowdown in the United States' economy, and the entry of China into the WTO. In the U.S., the high-tech bubble burst in 2001, and as late as 2004 there was still excess capacity and inventory that had not entered the market. Since 64 percent of Guadalajara's IT exports go to the U.S., this has been one of the biggest reasons for the slowdown.

This is accentuated by China's entry to the WTO. China's economy has been growing at over 8 percent per annum since 1978. Investors have been frothing to get access to this growing market that is home to one out of every six people on the planet. China's entry into the WTO made it easier to sell and manufacture products in China. Gone are high tariffs for infant industries and local content requirements requiring foreign firms to buy from domestic companies or train locals. In each of our interviews with IT plants in Guadalajara, we learned that they had set up operations in China since 2000. China has also proved to be an important export platform to other markets across Asia.

These events were exacerbated by the lack of competitiveness of Mexico's wage structure and its overvalued exchange rate. By 2001 Mexico was not as attractive as it had been six years earlier. Mexico's wages are now the most expensive of those in the global electronics production network. By 2001, Mexico's daily wages and benefits amounted to \$2.96, whereas in China they were a mere 72 cents. Hungary and Malaysia, also sites for many global IT assembly industries, had wages of \$2.58 and \$2.17 respectively.

Lessons Learned

The case of IT FDI in Guadalajara shows that simply attracting foreign firms to a country cannot be an end in itself, but only the first step. Countries like Mexico have to see to it that their domestic firms and local populations are poised to benefit from FDI. Domestic firms need access to credit and research and development in order to scale up their activities in the presence of foreign firms. Moreover, a continuous process of learning needs to take place to help local firms maintain competitiveness and eventually move up the value chain.

Mexico still has opportunities. It remains the closest IT manufacturer to the biggest IT market in the world — the U.S. Although it now takes 18 hours to get shipments from Guadalajara to the U.S., it still takes 18 days from China. Perhaps more importantly, Mexico has a large domestic economy that could serve as a market as well. If Mexico invests in building domestic capacities for production and innovation such as education, R&D, and infrastructure development while reducing the domestic cost of capital, it may not be too late for an IT revival.

Time is running out. Mexico currently spends a paltry 0.36 percent of its GDP on research and development, compared to over 2 percent in countries like South Korea and China. Mexico's credit and banking systems still make it very difficult for domestic firms to compete, and local markets continue to be neglected in favor of export-orientation. With the 2006 Mexican elections around the corner, these issues are bound to be widely discussed. If all three parties can put words into action, there may still be time for Mexico to help make its

IT investments work toward broad-based development.

Kevin P. Gallagher is Assistant Professor of International Relations at Boston University and a member of the U.S.–Mexico Futures Forum. He spoke at CLAS on March 8, 2005.

Plaza Tapatía,
Guadalajara.



Photo by Luis Fernando Moreno/El Nuevo Siglo de Guadalajara.

U.S.—Mexico Futures Forum

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sought to combine those very knowledgeable about the U.S.—Mexico relationship with those who were newcomers; it brought together key political actors as well as social movement leaders and business executives; and it engaged public intellectuals and scholars in addition to journalists and artists. The institutions hosting the event, with support from the William and Flora Hewlett Foundation, insured a binational perspective: the Instituto Tecnológico Autónomo de México (ITAM) and the Center for Latin American Studies (CLAS) at the University of California, Berkeley.

At the end of the day, the goal was not consensus — there were too many diverse perspectives to make that likely — but rather fresh perspectives and a new network that could reshape the agenda in both countries. An annual meeting — alternating between Mexico and the United States — would be combined with a year-long public program in both universities and an ongoing research agenda, guided by the Forum's discussions.

The Morelia meeting, hosted by Lázaro Cárdenas Batel, Governor of Michoacán, was

attended by Amalia García, Governor of Zacatecas, congressional deputies and senators representing Mexico's three major political parties, four members of the U.S. Congress from both sides of the aisle, and key Texas and California legislators. Participants ranged from the executive vice president of Vitro, one of Mexico's largest firms to the executive vice president of the Service Employees International Union (SEIU) one of the largest unions in the U.S. (see participant list on page 21).

The Morelia discussions grappled with issues ranging from the U.S. elections in 2004 to national security in a post 9/11 world. Two themes that garnered considerable attention were migration and China.

Immigration

The issue of migration has become defining for both countries. Every year an estimated half million Mexicans take up residence in the U.S., 400,000 or so without documents. The trend spans decades. The Mexican migrant population in the U.S. has grown steadily from about three quarters of a million in 1970 to more than 11

Stephen Silberstein,
Rep. Linda Sánchez
and Rep. Gene
Green tour a
workshop in
Michoacán.



Photo courtesy of the Government of Michoacán.



Photo courtesy of the Government of Michoacán

Kris Engskov, Federal Deputy Adriana González and Carlos Heredia walk through Tendeparaqua, Michoacán.

million last year, a March 2005 Pew Hispanic Center study found. Slightly over half that number came without documents.

The political power of the Latino population in the U.S. in general and the Mexican American population in particular was underscored by the landslide victory of Antonio Villaraigosa in the May 2005 Los Angeles mayoralty vote.

Mexican migrants to the U.S. have assumed a new political and economic importance in Mexico. Migrant workers in the U.S. sent back around \$17 billion in remittances to relatives and communities in Mexico in 2004, creating the largest remittance channel in the world and one of Mexico’s largest sources of foreign exchange.

“The only foreign policy initiative that enjoys consensus in Mexico is the idea of having a U.S.–Mexico migration agreement,” Rafael Fernández de Castro, a professor at ITAM and the co-convenor of the Forum, pointed out. Acknowledging the difficulty of achieving such an agreement in the U.S., he stated that “we are extremely concerned about the 4 to 5 million Mexicans that are in the U.S. without documents.”

The immigration issue is once again moving to the front burner in Washington. The arrival of bipartisan legislation in mid-May, co-sponsored

by Senators McCain and Kennedy among others, received strong editorial endorsement from the New York Times. “This latest and most comprehensive package has already started earning support from Republicans and Democrats, business groups and unions, and several key Hispanic organizations,” the paper commented. “President Bush, who has been promising action on immigration for years, should quickly join them.”

The Morelia Forum meeting sought to anchor the discussion on immigration in the lived reality of Mexican migrants in their home communities. As a result, Forum participants boarded a bus for the hour long drive from Morelia to Tendeparaqua, a village from which many of the most able and enterprising have headed north. About 4 million people currently reside in the state of Michoacán while 2.5 million *michoacanos* now live in the U.S., according to Governor Cardenas.

Forum members spoke with community leaders and ordinary citizens about their lives and the forces that caused so many to leave. A sewing cooperative formed last year with 25 members now has only 10 people left. Many of the others have headed north, often reluctantly.

The morning visit had a visible impact on the

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U.S.—Mexico Futures Forum

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Photo courtesy of the Government of Michoacán.

Rep. Chris Cannon,
Gov. Amalia García,
and Gov. Lázaro
Cárdenas at the
Forum.

discussions that followed. “I was talking to a boy named Rafael,” Alvaro Rodríguez, executive vice president of Vitro, mentioned later. “He told me that his father lived in the U.S. and was working there and most of his family.”

Rodríguez put the issue in a larger context of the failure both by Mexico and the U.S. to pursue effective development strategies. “We have failed to give Rafael opportunities and a good education [in Mexico],” he stated.

He then went on to emphasize that the discussion needed to go beyond immigration policy itself. “We need for the U.S. to really think about an investment policy in Mexico,” he commented, raising the European Union as a possible model.

Chris Cannon, a Republican member of Congress from Utah, recognized the benefits of immigration to the U.S. economy and remittances to Mexico. “America would not have had nearly the amount of progress we have had if we did not have [immigrant] labor,” he stated.

Cannon argued for a comprehensive immigration reform with two major components:

guest workers and more visas. “The first best step is to create a comprehensive guest workers program dealing with every sector and thereafter dealing with the number of visas,” he stated. The guest worker program would legalize future labor flows and the expanded visas could regularize those already here without rewarding illegal entry.

Linda Sánchez, a Democratic member of Congress from Los Angeles, placed a different emphasis on the same themes. “How do we create a way to bring [undocumented] workers out of the fringes of society and make them fully participate in society?” she queried. “Comprehensive immigration reform is the key,” she added, and in contrast to Cannon, maintained that guest worker programs are being overemphasized.

“Both of my parents are immigrants from Mexico who came to the United States with the idea that they would work there for a certain number of years and eventually move back to Mexico,” she commented. “Well, after they did and married and seven children later they

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Mexico

José Alberto Aguilar

Federal Deputy (PRI)

Adolfo Aguilar Zinser

Ambassador to the UN (2002-03); National Security Advisor (2000-02)

Gustavo Alanís

President of the Mexican Center for Environmental Rights (CEMDA)

Carmen Aristegui

Journalist, Anchorwoman

Lázaro Cárdenas Batel

Governor of Michoacán (PRD)

Rolando García

Director of International Affairs for PAN

Amalia García Medina

Governor of Zacatecas (PRD)

Juan José García Ochoa

Federal Deputy (PRD)

Adriana González

Federal Deputy (PAN)

Carlos Heredia

Senior Advisor to Governor Lázaro Cárdenas

Silvia Hernández

Senator (PRI)

Ricardo Obert

Chief Executive Officer, Productos Químicos Mardupol

Álvaro Rodríguez

Executive Vice President of Vitro

Cecilia Romero

Senator (PAN)

Miguel Székely

Undersecretary of Social Development

Rafael Fernández de Castro

Chair, International Studies Department, Instituto Tecnológico Autónomo de México

United States

David Bonior

Professor, Wayne State University; Member of Congress (1976-2002), Democratic Whip (1991-2002)

Sherrod Brown

Member of Congress, Ohio

Chris Cannon

Member of Congress, Utah

Gilbert Cedillo

State Senator, California

Lydia Chávez

Professor, UC Berkeley

Maria Echaveste

Lecturer, Boalt Hall School of Law; Deputy Chief of Staff to President Clinton

Kris Engskov

Director of Public Policy and Government Affairs, Starbucks Coffee

Kevin Gallagher

Professor, Boston University

Pete Gallego

State Assembly, Texas; Chair of the Mexican-American Legislative Caucus

Gene Green

Member of Congress, Texas

Beatriz Manz

Professor, UC Berkeley

Eliseo Medina

Executive Vice-President of the Service Employees International Union

Linda Sánchez

Member of Congress, California

Alex Saragoza

Professor, UC Berkeley

Stephen M. Silberstein

Co-Founder and First President of Innovative Interfaces Inc.

Harley Shaiken

Chair, Center for Latin American Studies; Professor, UC Berkeley

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realized that you cannot just pick up and move back.”

Representative Gene Green, a Texas Democrat, shared a similar perspective. “I would much rather our country deal with the citizens of Michoacán and Zacatecas or Nuevo Leon who are already [in the U.S.] so we can make sure they can go back home without having to sneak back across,” he stated. “That would be my number one priority and second would be a guest worker program.”

The issue of immigrant rights, particularly on the job, was raised by forum presenter Lucas Guttentag, the ACLU’s Immigrant Rights Project director and a Boalt Hall lecturer. Guttentag pointed out that legislation has undermined judicial oversight of the rights of migrant workers in the work place, particularly since the mid-1990s. Moreover, in other cases the courts themselves have jettisoned the rights of undocumented workers. In the Hoffman Plastics case in 2002, for example, the Supreme Court concluded that undocumented workers did not have the same legal protections as other employees when wrongfully dismissed.

China and Mexico

Undocumented migration from Mexico is fueled by a lack of jobs. Complicating the situation, Mexico’s export industries are facing stiff new challenges. Last year China exported goods worth \$197.6 billion to the U.S. surging past Mexico’s \$155.8 billion and making China this country’s second largest source of imported goods after Canada.

China’s economy continues to plow ahead at breakneck speed while Mexico is coasting at a leisurely pace, according to data offered by Forum presenter Eugenio Anguiano, former Mexican ambassador to China. Chinese GDP rose by 9 percent annually between 1993 and 2002 compared to Mexico’s 3.3 percent growth rate. Moreover, China is more independent of the cycles of the U.S. economy and has more leverage to deal with the U.S. politically; 20 percent of China’s exports are U.S.-bound compared to 90 percent in Mexico.

To what extent are China and Mexico on a collision course in the global economy? Forum members offered differing perspectives.

“If we don’t invest we’re not going to grow,

Ricardo Obert,
Eliseo Medina and
Harley Shaiken
speak with men
from Tendeparaqua,
Michoacán.

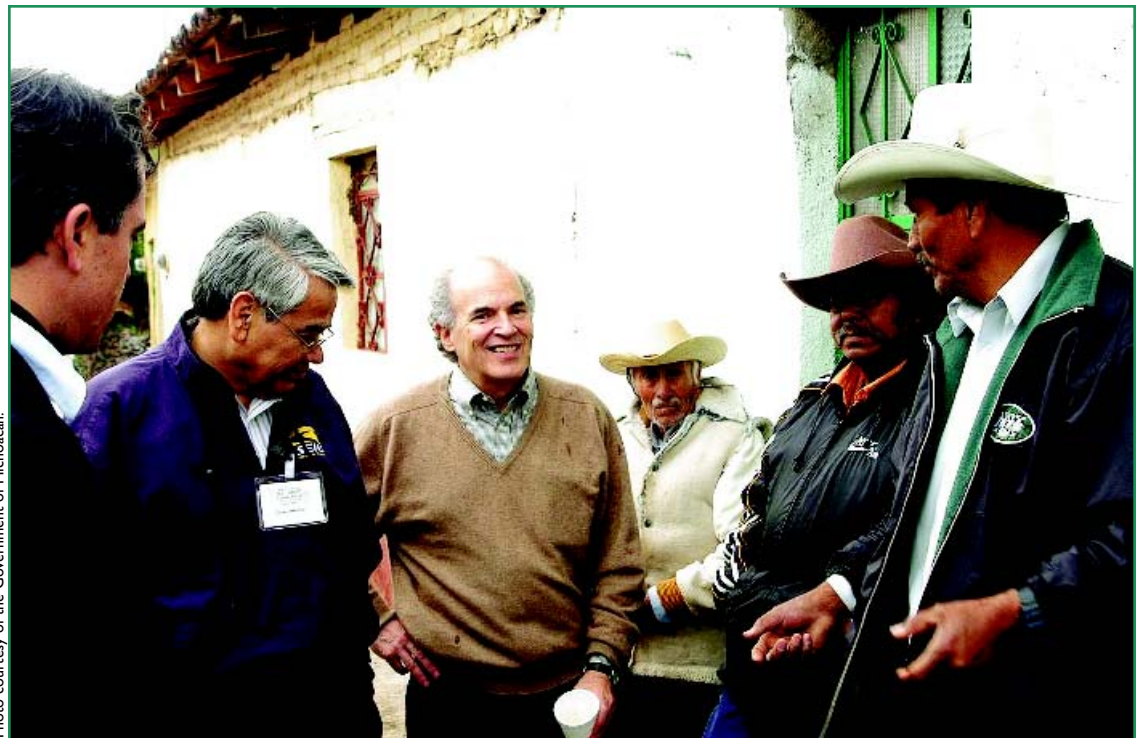


Photo courtesy of the Government of Michoacán.



Photo courtesy of the Government of Michoacán.

and we're always going to be behind them with those figures," Alvaro Rodríguez maintained. Nonetheless, he felt that "the picture is not so gloomy."

"Mexico is the best hedging strategy for global corporations towards China," he observed. "A lot of them are betting on China but they have to hedge their bets, and the best way for them to hedge the bets is Mexico. It fits perfectly, and we're not capitalizing on that opportunity."

Others were more pessimistic. A major cause of concern is that China remains an authoritarian society in which the conditions of work leave a lot to be desired. Given China's economic weight, its wages and working conditions set a global standard. Increasingly, plants in North America are being forced to match "the China price" of production or risk losing business.

Professor David Bonior, a key critic of NAFTA as the Democratic Whip at the time of its passage, pointed out that a redefined and broader trade agreement that dealt with development could be of value. Representative Chris Cannon emphasized the issue of education on both sides of the border as being central in the global economy.

A key issue is the extent to which Mexican policy makers may be underestimating the

threat that China poses long-term to Mexican exports. Partnership with China may not be possible for Mexico, according to one participant, and could even "prove to be the partnership of Colonel Sanders and chickens."

Mexico may need to reconsider the basis on which it competes with China; investment in education, research and development and infrastructure have become far more central, and Mexico lags in these areas. Low labor costs alone will not make Mexico more competitive.

Governor Cárdenas told the forum: "Our common agenda should go beyond trade and investment to address the question of building a North American community. We must place the human component at the axis of the agenda."

Harley Shaiken is Class of 1930 Professor and Chair of the Center for Latin American Studies and Professor of Education and Geography at UC Berkeley.

Women from a remittance-funded workshop in Tendeparaqua, Michoacán display the coverlets that they produce.

Lula: Practical Dreamer?

By Meg Stalcup

The first two years of the Lula presidency reflect the decades of struggle to achieve power. The experience provided invaluable lessons and continues to shape the administration's innovative and progressive approaches to democracy, economic policy and social improvement, believes Brazil's Minister Luiz Dulci, Chief Minister of the General Secretariat of the Presidency of Brazil. A long-time colleague of President Lula and a founding member of both the Partido dos Trabalhadores (PT, the Workers' Party) and the Central Única dos Trabalhadores (CUT, the Unified Trade Union Federation of Brazil), Minister Dulci used his CLAS invitation to give an account of the Lula government's progress that was both personal and analytical.

Lessons Learned

President Lula's victory was neither accidental nor unexpected. It was the fruit of a long process involving the development of a "culture of governing and management," said Minister Dulci. Founded in 1980, the Partido dos Trabalhadores acquired important experience during its decades in opposition. It won local elections throughout the country and gained expertise on the ground in regional and municipal management. During the years before winning the presidency, PT politicians learned to build alliances and develop effective programs. For example, the innovative healthcare policies now being implemented nationally were first developed at the municipal level. The participatory budgeting system which involves communities in resource allocation was also pioneered by PT municipal governments.

"It is impossible," Dulci declared, "to have transformation in society if civil society is not an active player in the process." The Lula administration has therefore developed a new relationship between government and civil society. While traditionally the Presidency's General Secretariat acted as a liaison to business and industry, today under Minister Dulci it

coordinates dialogue with a much wider social spectrum, including numerous civil society actors. He meets regularly with the CUT and other national labor federations as well as the leaders of the Movimento sem Terra (MST, the landless peasant movement), intellectuals, churches and various pastoral groups. This networking with civil society carries into foreign affairs. When abroad, President Lula meets not just with heads of government but also with labor leaders. Minister Dulci added that his visit to UC Berkeley was itself an enactment of this policy.

An Alternative View of Democracy

The electoral act is sufficient to choose a government, Minister Dulci pointed out, but not to build one. The PT has never wanted to replace representative democracy. It has, however, attempted to move beyond the systemic crisis produced by reducing democracy to a single poll taken every four years.

Through participatory democracy, people come to understand how government works. At the same time, it provides a pathway for public oversight of state performance. During the presidential campaign, Lula and Dulci decided to draft a contract with the Brazilian people. The country was experiencing a crisis and would have to undergo an uncomfortable transition phase. In order to build the conditions necessary to return to growth, they proposed several courses of action and presented them to the public. Civil society exercised its appropriate role of questioning and challenging their proposals through a series of intense discussions.

Countering criticisms that the Lula administration has failed to implement its campaign platform of structural reform, Dulci reminded listeners that the executive does not have a monopoly on power. The legislative and judicial branches, along with society, are also players, and the PT attained the presidency by means of "a social alliance and with a coalition of political parties." Given the fact that there are



Photo by AP Wide World.

14 parties in the Brazilian congress, compromise is inevitable. Even Lula's vice-president, former businessman José Alencar belongs to a different party, the Partido Liberal. The point, stressed Dulci, is that the PT does not have a majority; it has to build one for each and every vote.

The New Equation: Growth With Stability

Before and immediately after Lula's electoral triumph, critics contended that there was no economic crisis, simply fear on the part of investors. Emphatically, Minister Dulci described how real the crisis had been. Inflation was projected at 40 percent. Brazilian capitalization bonds were worth 40 percent of their value and the exchange rate was four reais per dollar. International credit lines had been reduced to zero, and with no credit lines, the country's export capacity was critically affected. It was imperative to confront the situation.

For years, Brazil had been trapped between a rock and a hard place. Stability was equated with low inflation, and the common wisdom was that there could be growth without stability or stability without growth but not both.

Lula's administration, Minister Dulci asserted, proposed a new equation: growth with stability. While this meant limited social investment for the first year, the priority was to overcome the economic crisis. According to Minister Dulci, Latin America has a history of electing leaders who confound dreams with reality and ultimately set their countries back. In contrast, President Lula was determined to build the conditions for sustainable growth.

The strategy was to "make the institutional environment more favorable" to investment. Because there was no regulatory framework for investment in place, the Lula administration developed its own version of public-private partnerships for the creation of infrastructure. What Lula's team sought in doing this was to use fiscal reform to stimulate productive rather than speculative investment. They developed a system in which short-term investments are subject to higher taxes, medium-term investments have intermediate level taxes and long-term investors actually receive a credit. Brazil's exports are currently at record levels. With evident gratification, Dulci reported that in

A farmer works his cocoa plantation in the Amazon state of Para.

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Walter Salles: The Journey

“Wandering around our ‘America with a capital A’ has changed me more than I thought,” wrote Ernesto “Che” Guevara in the opening paragraphs of the *The Motorcycle Diaries*. Guevara’s Diaries are more a memoir than a diary, having been rewritten and published several years after his 1952 trek across Latin America “The person who is reorganizing and polishing [these notes], me, is no longer me, at least not the me I was.”

Brazilian film director Walter Salles seems to have embarked on a similar journey with his 2004 film adaptation of the *Diaries*. During a visit to Berkeley in March 2005 to show footage and speak about his work, Salles eloquently described the process by which *The Motorcycle Diaries* was made. And for a moment in time, a standing-room-only audience was transported and, perhaps, transformed. What follows is an excerpt from Walter Salles’ talk.

The first time I read *The Motorcycle Diaries*, I was very taken by the fact that it was a very honest and very direct narrative. You read biographies where people are telling stories about themselves, and it’s always a little bit embellished here and there. This wasn’t. It was extremely honest. And what you have is the impression that you were not only traveling with these two young guys, but you were invited to change with them. And they changed because they went beyond the frontiers of what they knew: the frontiers of their social classes, the frontiers of their country. They were transformed not only by physical geography, but also by what I call the human geography: by the faces they encountered on the road.

In doing the film we tried to go through the exact same process. We decided that the only way to do this film was by going through the same motions that these guys went through. It was about meeting the people who were there,

living in those places. So, whatever was set in the southern part of Argentina, we shot in the southern part of Argentina; whatever was set in Chuquicamata, we shot in Chuquicamata. The miners that you see in the film are miners. They worked in that place, their fathers worked in that place, their grandfathers worked there. And they are not really performing; they are just reenacting their own lives. I did the journey of the *Diaries* throughout Latin America three times: twice to select the places where we were going to shoot and to find the non-actors who would be part of the film.

The second scene that you see in the Chuquicamata mine, that was shot in six hours, which is very fast for cinema. When we arrived, there was a strike in the mine. Of course, considering the film we were doing, the last thing we wanted to do was to cross the picket line, so we just waited. Around noon, we were authorized to come in and shoot in the mine. But they only had given us one day, and by that moment I think that they had an idea of what film it was, so I knew they were not going to give us more time. We called everybody, actors, non-actors, crew and said, “Everything here has to be done like a take one. We won’t have the time to do it many times, so let’s completely concentrate.” And the result was a scene shot with a real sense of urgency. Without all of these non-actors that you see in the film I think that we would never have found the sense of authenticity that the story required. If we had done this with actors coming and going to trailers at the end of the day, it would have been completely impossible. The film really crystallized around the idea of taking the journey, of going to the exact places that these guys did.

When you do a film like this one, which was based on a journey that really changed the lives of these two guys because of the encounters they had, we also had to be completely open to the encounters that we would have. Arriving in Cuzco the first person we bumped into in the

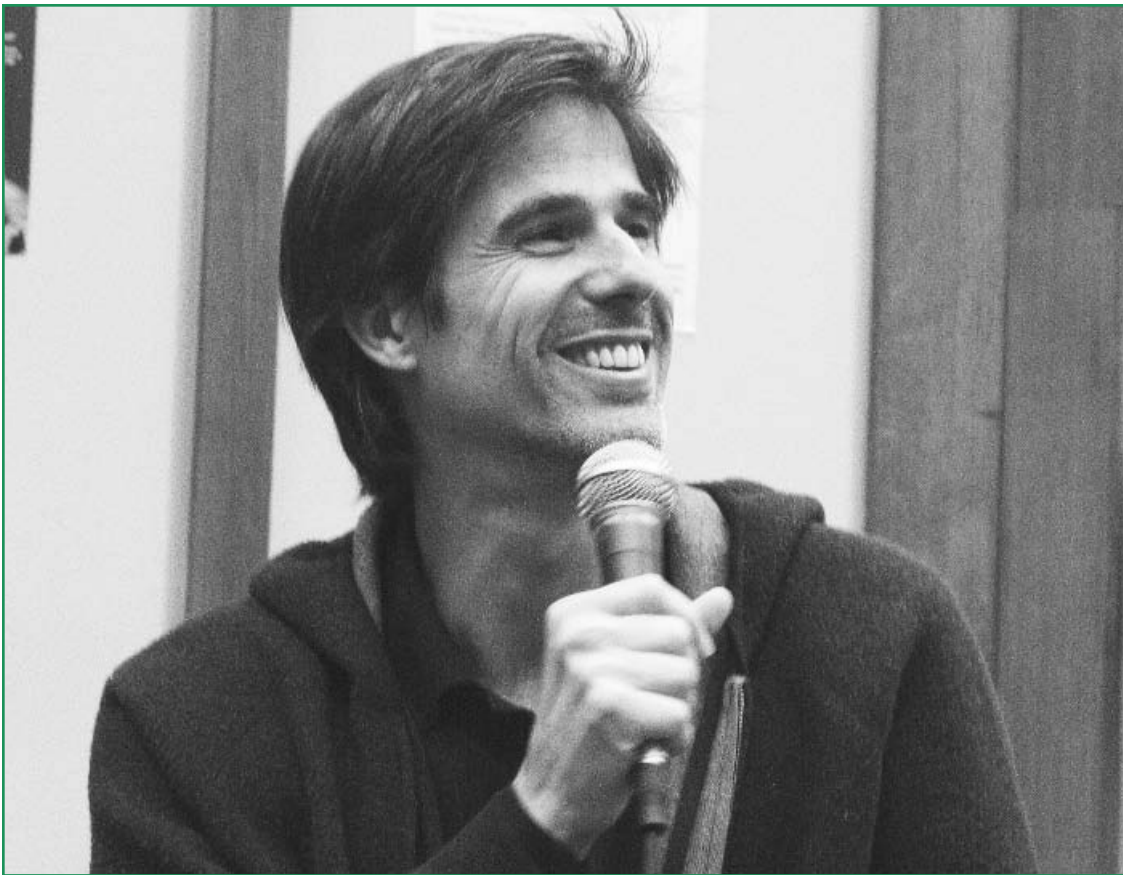


Photo by Meg Stalcup.

Walter Salles speaks at UC Berkeley.

streets was this little kid. We were a very small crew when we arrived in Cuzco. There were twelve of us, including the two actors, no production designer, no art director. You don't need them in Cuzco. The actors were responsible for their own clothes. And the camera was hand held. It was a Super Sixteen camera, hand held, and there was a second Super Sixteen camera which I sometimes operated. So, we had a very small crew. Just one guy with the sound. It was almost like shooting an independent short film. And that granted us a lot of mobility, so the people we met weren't afraid of getting in contact with us. They didn't feel the barrier of a film set.

So as we were going out to the streets for the first time, this little kid came and said: "You want me to show you the city?" And I said, "Yeah, of course, but can we bring the camera along?" And he said, "Yeah, bring your camera." And we had no idea what would come of that. At that point Gael and Rodrigo were so immersed into the characters and the screenplay was so well-structured that it was possible to improvise and not lose the characters, not get lost in the

improvisation. It's a little bit like jazz, the stronger the core, the more you can divert and then find it again. The more solid the structure of a screenplay, the more you can actually bifurcate and then go back. And this was one of these cases where we actually were able to film very rapidly while staying true to the heart of the film, to what had happened 50 years before to these two young guys, and it was just the result of our encounter at that very specific moment.

The second scene, with the four Indian women who, with one exception, spoke Quechua and not Spanish, also reflects that. The stories that they started to tell about their lives could have been the stories of 1952. We realized then that very few things had changed in that continent in 50 years. The structural problems were still the same: problems linked to a bad distribution of wealth, bad distribution of the land. And these people that we were encountering seemed to be coming out of the book we were adapting. And that granted the sense of urgency to what we were doing.

We didn't know what was going to happen. So, when Gael is given the coca leaves to taste, he's

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Photo courtesy of Walter Salles.

The Motorcycle Diaries



Photo courtesy of Walter Salles.

The Motorcycle Diaries

Walter Salles

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Photo courtesy of Walter Salles.

Walter Salles speaks with Alberto Granado on the set of *The Motorcycle Diaries*.

really tasting them for the first time on camera. You have to trust me. It does change the texture of the film, the fact that we were looking for that, to not only to invite people into the film but to get invited by people. When you film with non-actors, that's extremely important. You cannot arrive there and just set up a camera and start to film something. At first you should not bring out the camera. You have to observe; you have to wait. And then at some point somebody invites you in and a dialogue begins. In filming you have to establish that kind of two-way rapport.

Another moment that you may remember from the film has to do with the leper colony, where they had approximately 100 patients. Well, five of those patients had been patients of the original San Pablo leper colony in 1952 when they were kids. We met them during one of the location scoutings, and they were the ones who actually taught us what it was like, what were the hierarchical lines in that culture. And thanks to them we learned many things that we would

never have known if we had just imposed a point of view. It was about sharing a point of view and not imposing one. So, the film was done in this extremely collective manner, not only collective within our group, but collective in what we learned from the people that we were meeting as we were going along. The spirit of the book was about that.

This is about two guys who, different from what you see in today's political world, thought that those who lived beyond their frontiers were not their enemies. And we live in a world where we do believe at first that those who live beyond the world that we know are a menace. And these guys, they started from the opposite direction.

If you think about Argentina in 1952 or Brazil in 1952, these were societies that were trying to mirror Europe or the United States but had very little interest in the continent that they belonged to. The upper classes were trying to be part of cultures that had nothing to do with their own. So what these two guys did in this apparently

innocent journey on a motorcycle throughout Latin America was as if they picked up a mirror and changed its angle. And what first showed maybe France or England or the United States, started to reflect us, our own continent. And this, I think, was the interest of *The Motorcycle Diaries*. It was not only about two young guys looking for their place in the world, defining their identities as they moved into the heart of the continent, it was about the identity of the continent itself.

You might think, based on where they were born, that these guys knew everything about the Incas when they were twenty. Well, they did not. What Alberto Granado told me personally was that they knew a lot about the Romans, the Phoenicians, the Greeks, but they had a very little understanding of their own roots, their own culture, where they came from, who they truly were. So this journey on “La Poderosa” is really a journey inbound, into a geography but also into the roots that were pertinent to that continent and to all of us who come from that very distant part of the world.

Fernanda Montenegro, the actress who made *Central Station* into the film it was, said to me once that there is a before and after going to Machu Picchu. This is really the heart of the South American continent, if a continent has a heart. She said she would never forget her first time there. And this was exactly what we tried to capture in Gael’s eyes; this was also the first time he had seen Machu Picchu. The scene was shot very early in the morning because we couldn’t close the site for a full day; so we shot from 5:00 to 6:30 a.m. and then we shot at the end of the day, very rapidly. And whenever we thought it was ready, we asked Gael to just come towards the camera. And this is the moment that you capture there; it’s the moment when he is actually seeing Machu Picchu for the first time.

There’s something in this procedure that I think can be felt. Many times in cinema what can be felt is much more important than what can be said. And what exists in between the lines of Gael’s look sometimes has more resonance than the dialogue itself. You need both. You need very, very good dialogue, which we had with José Rivera’s beautiful screenplay, but you also need the moments of silence in between. You need

that space in between, in which the spectator is invited to fill the gaps. And this is one of these moments where, without anticipating what we would feel, we just filmed a few scenes where the actors just look and watch because the magnitude of that is so extraordinary.

When the film was launched in the U.S. we had many conversations like this one. The first was in Los Angeles, and it was a very industry kind of crowd. The guys said, “Where did you put the crane, you know, to shoot that?” And Gael said, “No crane.” “What do you mean no crane?” “Stones, man, stones, only stones... You don’t need the cranes.” We just used what was there and incorporated what the geography was bringing to us. The same thing can be said of the climatic conditions that we encountered in the shoot. If you try to control that, you are screwed. There’s no way to control what is way stronger than you are, so you have to try to work in synchronicity with it. And many, many times during the shoot we encountered climatic conditions that had nothing to do with what we expected to find.

One example: When we arrived in the southern part of Argentina, in Patagonia, at the beginning of the summer, on Sunday, it started to snow. It was very, very cold and we were completely unprepared. But suddenly the geography became completely different. And there was one moment in the original journey where Alberto had said that he had never been so cold in his life; he wasn’t prepared for that. So, we decided to film. If you try to say, in a Hollywood film, let’s shoot on a Sunday, without the proper attire, without the blah blah blah, people make a list of maybe 150 reasons why you shouldn’t do it, starting with the insurance. And we really shot that. And you have that scene where the bike tries to progress in the middle of the snow; that’s a completely improvisational situation in which we tried to blend with what nature was offering to us.

Walter Salles is the award-winning director of films such as *Foreign Land*, *Central Station* and *The Motorcycle Diaries*.

Prosecuting Pinochet

By Kirsten Sehnbruch



Photo by AP/Wide World.

Judge Juan Guzmán announces the indictment of Augusto Pinochet on human rights charges in Santiago, Chile.

Unflinchingly honest are the words that perhaps best describe Judge Juan Guzmán's presentation to an audience enthralled by this charming but outspoken and profoundly modest man on the very day that he submitted his letter of retirement to his superiors in Chile.

Judge Guzmán is the man who, contrary to all expectations and against all odds, succeeded in prosecuting General Pinochet, Chile's military dictator from 1973 until 1990. Chile's dictatorship is generally regarded as one of the most brutally repressive regimes in South American history. Over 3,000 people were "disappeared" and murdered by the regime, and thousands more were imprisoned and tortured. Until General Pinochet's arrest in London in 1998, there was almost no hope that the former dictator would ever be brought to justice. Such was his grip on Chile's nascent democracy that nobody dared to challenge his self-declared immunity from prosecution for fear of a military revolt that would destabilize the country, or worse, ignite another military coup.

In his CLAS presentation, Judge Guzmán outlined the development of the Chilean judiciary over recent decades. He divided the era into four sub-periods: the first lasting from the date of the military coup in 1973 until 1978, when an amnesty law was decreed by General Pinochet, absolving all members of the armed forces and the police of crimes committed during this period. He characterized this time as one of complete blindness, in which the Chilean judiciary absolutely denied the repression, disappearances, torture and murders that were going on around it. It was during this phase of the dictatorship that Pinochet sent out the brutal death squads under the command of General Sergio Arellano Stark, who traveled up and down the country rooting out opponents of the regime, and teaching the staff of the armed forces to deal out the most brutal forms of repression in an operation that became infamous under the name of the "Caravan of Death."

During this, the most violent and brutal phase of the dictatorship, impunity reigned supreme. The military refused to honor the right to habeas

corpus, and the few cases of human rights violations that were investigated ended up in military tribunals, which refused to prosecute anyone connected to the military.

The second phase lasted from the decree of the amnesty law until Chile returned to democratic government in 1990. Judge Guzmán described this as a period of absolute silence. Without investigating the cases brought before them, judges simply applied the amnesty decree and then archived the cases. The Chilean judiciary accepted the false information it was being given by the military, thus letting the dictatorship run its course.

Chile's return to democracy marked a change in the functioning of the justice system, as it began to apply the constitution and international treaties. This was the start of the third phase.

Chile's first democratic president, Patricio Aylwin, established a truth and reconciliation commission that investigated the human rights violations under the dictatorship. The courts then determined that it was first necessary to investigate cases before the amnesty law could be applied, thus no longer applying it immediately. Judge Guzmán used a phrase coined by President Aylwin to describe the period: justice was applied to the extent that it was possible.

Some prosecutions of military officials were initiated, however, the most important of which was the indictment in 1995 of the former head of the military's intelligence unit, General Contreras, who was responsible for the murder of prominent Chilean dissident Orlando Letelier and his U.S. assistant in a car bomb in Washington DC. However, Judge Guzmán acknowledged that the case was only successful due to U.S. pressure, and that its investigations were limited to those directly involved in the case. In particular, the case did not touch on the ultimate responsibility of General Pinochet. In general, this period was still characterized by a profound fear of

the military, inspired by the former dictator's threat that if anyone touched him or one of "his boys," he would seize power.

In October 1998, however, General Pinochet was arrested in London following a request to Scotland Yard by Spanish judge Baltazar Garzón who wanted his extradition to Spain for a series of charges of human rights violations. Although the British government eventually decided to let General Pinochet return to Chile for health reasons, it took them 15 months to do so. During this period international pressure mounted, and momentum finally gathered in Chile to begin prosecuting the former dictator. His arrest in London marked the beginning of a new phase of justice in Chile, one that Judge

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Augusto Pinochet returns to Chile in 2000 after the British Home Secretary ruled that he was mentally and physically unfit to be extradited to Spain.



Photo by AP Wide World.

Prosecuting Pinochet

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Guzmán characterized as “the institutions are working ... but with a double standard.”

A few days after General Pinochet’s return to Chile in 2000, Judge Guzmán requested that the former dictator’s immunity be lifted, so that he could indict him for the crimes in the Caravan of Death case. He had been investigating the crimes relating to this case since before General Pinochet’s departure to London and was ready to indict him. The Supreme Court lifted the General’s immunity so that Judge Guzmán could interrogate him, but dismissed the case in the end, for reasons of mental health. Apparently, the General was going senile.

Nevertheless, a significant victory had been won by human rights activists and by Judge Guzmán himself, who had proceeded with the case despite fierce opposition from conservative segments of Chilean society, including the right-wing political parties, the military, the Church and members of one of the democratic government’s ruling coalition parties, the Christian Democrats.

This judicial progress meant that prosecutions against other military officials could now begin, and that the judicial institutions could begin to function. However, they did not function without significant interference from politicians, and this is the double standard that Judge Guzmán referred to. He said that 90 percent of the judges were functioning honorably and did their jobs well. But problems occurred at the highest levels. Now that Judge Guzmán has sought his retirement, he can speak more openly about these issues. Previously, he was continuously reprimanded for any criticism he voiced in public about how the Chilean judiciary was functioning. In his public talk, he stated openly that a very small but influential and powerful minority in the Supreme Court dominates the decisions it makes and this minority responds to political interests.

Despite the continued bias of the judiciary, Judge Guzman succeeded in having General Pinochet’s immunity lifted again in May 2004 so that he could again indict him, this time for a coordinated campaign of murder and repression

by several South American governments, that the military referred to as “Operación Condor.” It was in relation to this case that in December 2004, Judge Guzmán last interviewed General Pinochet, who appeared to him as feisty and arrogantly confident that he would not be prosecuted ... and not at all senile.

Judge Guzmán has not only interrogated General Pinochet himself but also the officers and staff implicated in the cases he was investigating. The judge described the Chilean military’s chain of command as absolutely Prussian in its structure. It was impossible that a superior did not know what his subordinates were doing. And the minute you know, you are responsible, he added. Yet, in his depositions, Pinochet argued that he did not know of the excesses committed by his subordinates. This most cowardly defense argument is unconvincing given the strictly hierarchical nature of the Chilean military, and Judge Guzmán considers the former dictator’s guilt to have been established beyond any doubt.

Two of Pinochet’s former interior ministers, Generals Enrique Montero Marx and César Raúl Benavides, have now been indicted as well for giving false information to the courts on habeas corpus cases relating to disappearances. And in a landmark ruling in September 2004 the Chilean Supreme Court ruled that a disappearance was to be considered as a crime against humanity and would therefore not be covered by the amnesty law.

Thus, Judge Guzmán appeared cautiously optimistic about the future of the prosecutions for the victims of the military dictatorship. He thinks that it would be difficult to stop things now. People know too much, and the lawyers prosecuting on behalf of the victims of the dictatorship are capable and willing to take their cases to the highest judicial levels, including the international courts. He also stated that the current head of the armed forces, General Juan Emilio Cheyre, has fully collaborated with the ongoing investigations. Furthermore, the corruption scandals that have erupted recently with regard to the accounts General Pinochet

held at the Riggs Bank in Washington have damaged his image too much. Even the Chilean right, which might forgive the dictator his human rights violations, is not inclined to forgive the embezzlement of government funds.

Perhaps — hopefully — this changed attitude will make the Supreme Court act differently next time. The judge cautiously expressed hope that justice would be achieved in Chile, sooner or later. He concluded his presentation by saying that justice is something that we all have to fight for, and smilingly commented that: “Even retired

judges are going to continue this fight.” Let us all hope that the genie cannot be put back into the bottle.

Judge Juan Guzmán has spent the last seven years overseeing the Chilean case against former dictator Augusto Pinochet. He spoke at UC Berkeley on April 26, 2005.

Kirsten Sehnbruch, Ph.D., is a visiting scholar at the Center for Latin American Studies.



Photo by Dionicia Ramos.

Judge Juan Guzmán walks with Harley Shaiken on the UC Berkeley campus.

Lula: Practical Dreamer?

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Photo by Dromicia Ramos.

Minister Luiz Dulci on the UC Berkeley campus.

2004, the Brazilian economy grew 5.2 percent and generated two million new jobs.

Imports to Brazil have been growing as well. However, according to the minister, this rise is not led by luxury items but rather by essential manufacturing components. Another positive indicator is that the economy is growing across the country, beyond the traditionally strong southern states. The Amazon, for example, is a new productivity nexus. Minister Dulci also pointed proudly to aeronautics and agriculture, industries in which Brazil is internationally competitive.

The challenges which now must be taken up

are social inclusion and growth with equitable income distribution. Forty percent of Brazil's population still lives below the poverty line as defined by the United Nations even though social spending is already three times what it was in 2003.

Distribution and Inclusion: Advances in the Social Agenda

President Lula has vowed to end hunger in Brazil. Although Lula has also been careful to insist that he cannot rectify four centuries of inequality, ending hunger would be "a revolution." As part of this campaign, 28 million extremely poor Brazilians are receiving a new stipend. Additionally, two million seniors have been guaranteed a minimum income.

Higher education reform is also taking place. Thirteen new public universities have been founded in underserved regions, and affirmative action is being instituted by some states. Lula has above a 60 percent approval rating, Minister Dulci observed, a clear show of popular support.

Agrarian reform, however, traditionally dear to the PT, is one area in which movement has stalled. Minister Dulci highlighted two reasons for the lack of progress. First, Lula's government inherited a legacy of 400,000 families who were inadequately settled on land without electricity, schools or roads, far from markets where they could sell the products of their labor. Lula's government made the decision to help these 400,000 first and then move on agrarian reform. The administration did not, Dulci argued, lie or hide this fact. Additionally, what has impeded reform is a crippling lack of qualified personnel. Although critics have accused the Lula

administration of inflating the bureaucracy, Minister Dulci insisted more agronomists and lawyers were necessary for land appropriation to move forward.

Closing Remarks

Concluding his speech, Minister Dulci affirmed that his government is indeed dedicated to reform, and he addressed the appalling murder of the naturalized Brazilian, Sister Dorothy Stang in the state of Pará on February 12. The Ohio native, a resident of Brazil since the 1970s, had been working with the agrarian reform ministry to help people file land claims. She was the target of ruthless private interests attempting to thwart change through intimidation and violence. In response, however, President Lula opened new federal police stations in the region and renewed efforts aimed at land appropriation.

Minister Dulci characterized the long time leading up to his party taking federal power as an opportunity, one that permitted PT politicians “a deeper reading of Brazilian society.” Looking back to the early 1980s, Dulci

recounted how journalists would ask Lula: “Are you a social democrat, a socialist, a communist, a Marxist?” “No,” Lula would reply: “I am a lathe operator.” He spoke to all Brazil as a member of the working class.

Now that the PT is in power, albeit as part of an alliance, Dulci insisted that the party had not “changed sides of the fence.” It was, and is, a social democratic party. While there must be new responses to new issues, he added, the PT remains “inspired in the same values” that guided its foundation and years of political action.

Luiz Dulci, Chief Minister of the General Secretariat of the Presidency of the Republic of Brazil, gave a talk at UC Berkeley on March 14, 2005.

Meg Stalcup is a doctoral student in UC Berkeley and UC San Francisco’s joint program in Medical Anthropology.

The Embraer factory in São Paulo. The aeronautics industry is one of the strengths of the Brazilian economy.



Photo by AP/Wide World.

Renewable Fuels in Brazil

By Lavinia Barros de Castro



Photo by Monica Pons.

Brazilian Minister of Development, Industry and Foreign Trade, Luiz Fernando Furlan, speaks at UC Berkeley.

During the 1970s and 1980s Brazil began to develop the technology to use ethanol as a fuel substitute for oil. By 2003 the country had developed new technology that allowed for affordable fuel mixtures. Today, Luiz Fernando Furlan, Minister of Development, Industry and Foreign Trade since 2002, believes that “ethanol is our life and business.” Minister Furlan has been a vocal proponent of the idea that ethanol offers Brazil a chance to improve the environment while creating new jobs and saving money for consumers.

Brazil’s ethanol industry has already attracted international attention as countries look for ways to meet their emissions targets under the Kyoto Protocol, including through the promotion of sustainable alternatives to oil. At the same time, Brazil has been promoting joint financial ventures to provide the insurance and price equalization necessary to reduce the risks associated with some alternative energy projects. The Brazilian Development Bank (BNDES) is also looking for new financial instruments to provide funds for investment in renewable energy.

Business opportunities may also exist in the U.S., where the use of ethanol is still a mere 3 percent and energy has become an issue of national security as well as environmental sustainability and supply. Currently, most U.S. ethanol is derived from corn. However, Minister Furlan argued that ethanol produced from sugar cane is more efficient and eliminates the need for subsidies. For example, bagasse, the sugar cane pulp left after pressing, can be burned to generate the energy required in the ethanol production process. Sugar cane is also better environmentally as it returns important nutrients to the soil, reducing the need for expensive inputs such as fertilizer.

In order to promote ethanol conversion and consumption in other areas, the Brazilian government has been sending delegations abroad to discuss the Brazilian experience. In April, Minister Furlan visited Berkeley with a group that included representatives from the Ministries of Agriculture and Technology, the president of Apex, the president of the National Institute of Metrology, Standardization and

Industrial Quality (INMETRO) and engineers from Volkswagen and General Motors of Brazil, among others.

Ethanol Consumption in Brazil

Brazil is the biggest consumer of ethanol in the world. Currently, Brazil has six million hectares devoted to ethanol production from sugar cane. However, according to research by Embrapa (the Brazilian state's Agricultural Research Corporation), there is the potential for up to 90 million hectares of sugar cane to be planted across a much broader geographical area, southern Brazil being the only region unsuitable for ethanol production. Meanwhile, the price of ethanol is currently lower than oil, and it is a cleaner burning fuel.

As a labor-intensive activity, ethanol production can also create jobs and therefore encourage development, particularly in Brazil's poorest areas. Today, one million people are employed as a result of the sugar cane industry's activities in Brazil. But the sector, if expanded, could create an additional one million jobs directly and 1.5 million indirectly.

The average size of a sugar cane plantation is 20 thousand hectares, producing around 1.5 million tons of sugar cane per annum. The organization of the firm can vary, from a single

large plantation to a farmers' cooperative. In Brazil, there are about 100,000 independent producers of sugar cane whose crops are used to produce not only ethanol but also Cachaça, Brazil's national drink, a type of rum. As the Brazilians say: "The best we drink, the rest we burn."

Difficulties in Distribution of Ethanol

If ethanol is such a promising economic opportunity, why is it so underdeveloped? Why are people still buying other fuels if ethanol is so cheap?

Minister Furlan blamed the ongoing problems on difficulties in distribution. Brazil's 30,000 ethanol outlets are already pressed to meet existing demand. Distribution problems aside, the flexible technology that allows the use of oil mixtures is still a recent innovation in the auto industry and most models cannot use ethanol mixes." It is just a question of time," said the Minister.

Luiz Fernando Furlan, the Brazilian Minister of Development, Industry and Foreign Trade, gave his CLAS presentation on April, 20, 2005.

Lavinia Barros de Castro is an economist at the Brazilian Development Bank (BNDES) and a visiting scholar at the Center for Latin American Studies.

A factory where ethanol is produced.



Photo courtesy of the Brazilian Ministry of Development, Industry and Foreign Trade.

Violence and the Americas

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Photo by Bibiana Salamanca.

The streets of Bogotá at dusk.

was [that] one citizen can regulate other citizens,” Mockus said.

Another example was the Ley Zanahoria (Carrot or Healthy Law) which prohibited the sale of alcohol after 1:00 a.m. As a result of the law, the death toll due to homicide and drunk driving decreased to the point that officials agreed to lift the ban; they have recently permitted establishments to stay open until 3:00 in the morning, as long as accidents and crimes related to alcohol remain low. Citizens, private businesses and officials are thus all involved and responsible for the city’s government.

Under the banner of Bogotá Coqueta (Charming Bogotá), Mockus redefined what it means to be a citizen and encouraged self-regulation of behavior on public transportation and in public spaces. Other policies included recovering public space, developing bicycle routes for the use and enjoyment of all citizens and calling for every inhabitant to invest in Bogotá. When the city council impeded Mockus’ tax raise, he made it voluntary and an astonishing 60,000 households agreed to pay.

His programs gave prevalence to the respect for common patrimony and took an epidemiological approach to issues of crime and illegality by targeting risk factors instead of causes.

The mayor’s office also managed to decrease corruption by eliminating the transit police and increasing the number of regular police officers (who, in most cases, were unarmed). Furthermore, individuals who had previously been convicted of minor crimes were instated as civil guards in programs that were intended to foster inclusion and participation rather than rehabilitation.

Another shift in Colombian policy, according to Mockus, was to give local governments control of security regulations. The mayor’s office was thus able to rescind all gun permits in the city and convince 2,000 people to voluntarily give up their weapons. According to Mockus, all these programs require the participation of “unconditional cooperators,” citizens who adhere to the programs even if they do not directly benefit from them. The idea is that as people notice their fellow citizens’ positive

behavior, they are moved to imitate it.

Security and Social Inclusion

In Brazil's mega-cities, high crime rates lead many to call for order at any cost, without considering the outcomes of current security policies. Violence, an incredible death toll, police executions and exclusion have undermined the public's trust in the authorities. In his talk, Luiz Eduardo Soares called for drastic security policy reform, emphasizing that it will require a broad political coalition and long term commitments that go beyond electoral cycles to implement the necessary policies.

Since the beginning of Brazil's democratic process, security policy has been a controversial issue. According to Soares, the right approaches security as it did before the democratic era, by providing police with better equipment and tolerating their brutality. Violence is relegated to the periphery of the cities, "circumscribed by sanitary belts protecting the elites." The left, although critical of such policies, has failed to provide viable and effective alternatives.

The current government seems to be a "hostage of a curious intellectual and political hybridism which combines an extreme economic conservatism with the orthodox Marxist belief that crimes are [part of] the superstructure and will disappear when there are better economic conditions." The end result of these tensions is complicity between organized crime — primarily the illegal drug trade — and city authorities which has resulted in the genocide of thousands of people, predominantly young black males. The numbers are staggering: nationwide 50,000 people become victims of homicide each year.

In Brazil, social control has been shamelessly embraced by conservatives who refuse to see it in the light of human rights. In the state of Rio de Janeiro, for example, the number of deaths caused by police action has increased 298 percent over the last seven years. In 2003, 1,195 people were killed by police officers, most of them "under circumstances that suggest execution."

To break this vicious cycle, security and poverty reduction policies must be based on respect for human life and the need to increase public trust in the authorities. Soares argued that policies must acknowledge the economic, social, cultural and psychological aspects of violence and their relationship to the vast population of poor youth living in peripheral urban areas. Violence

is not simply a means to survive in a poor and violent situation, he claimed. It is also the only way for many young men to gain recognition from their fellow citizens.

Violence prevention policies must thus provide young people with alternatives to crime by offering them social recognition and access to health care, employment, education and participation in civil society. Finally, Soares said that these programs must use the population's cultural language and offer alternatives that are attractive, not simply menial tasks as part of an underprivileged labor force.

Violence and Citizenship in Brazil and Colombia

Both Soares and Mockus discussed violence and citizenship from perspectives which combine academic and humanitarian insights with ample experience in policy formulation and implementation. The reforms they proposed, and in Mockus' case, have implemented, suggest positive strategies for overcoming these very complex problems.

After their presentations, other conference participants questioned the lack of a theoretical or practical approach to the inherent structural violence in Brazilian and Colombian society. Mockus dismissed these concerns, saying that to discuss structural violence is to conflate many different problems which is itself conducive to violence. He believes, as does Soares, that primacy must be given to the value of human life and that it is only through peaceful and rational discussions between citizens that violence and inequality can be reduced. Mockus' arguments seem to have been well received by most bogotanos — he was elected to two terms in spite of having announced his intention to raise taxes — but it remains to be seen if such measures are applicable nationally. For Brazil, the challenge will be to overcome political tensions and achieve a long term commitment to social and security policy reform.

Antanas Mockus, former mayor of Bogotá, and Luiz Eduardo Soares, Brazil's former Secretary of Public Security, spoke at the CLAS conference "Violence and the Americas" on April 15, 2005.

J. Thomas Ordóñez is a graduate student in the Department of Anthropology.

Who Benefits from Free Trade?

By Paul Gordon

As the U.S. Congress begins debating the Dominican Republic–Central American Free Trade Agreement (DR-CAFTA), the stakes are high for all parties. For the six signatories in Central America and the Caribbean the agreement could either be a key to development, as proponents argue, or a vehicle that locks in the worst aspects of the status quo, as critics charge. For the U.S. all sides agree that DR-CAFTA could prove a powerful precedent for the Free Trade Agreement of the Americas and future U.S. trade policy.

Two prominent Guatemalan leaders, Bishop Alvaro Ramazzini and Vice President Eduardo Stein, came to CLAS to present their contrasting viewpoints on the effects that DR-CAFTA would have on Guatemala and the rest of Central America.

Bishop Ramazzini's visit to UC Berkeley came on the heels of his April 13th testimony before the International Relations Subcommittee on the Western Hemisphere in the U.S. House of Representatives. Bishop Ramazzini, who heads

the Episcopal Secretariat of Central America (SEDAC), expressed concern about the consequences of DR-CAFTA for Guatemala's large population of rural poor. He came to Berkeley to outline his opposition to the trade agreement, as well as to discuss the importance of a more humane immigration policy in this time of increased globalization.

A central theme of Bishop Ramazzini's remarks was: free trade for whom? He pointed out that the Guatemalan government already has a "free trade" policy, but this policy has not benefited the country's poor, indigenous and rural populations. "How can we have free trade," he asked, "if there are beer and cement monopolies, among others, in the country?" Ramazzini insisted that what free trade means in practice is the violation of workers' rights, pointing to the fact that 95 percent of agricultural workers in Guatemala earn salaries of \$1-3 per day under poor working conditions.

Furthermore, he argued that it is impossible to compete on an equal footing with the U.S.

A Guatemalan worker gathers sugar cane.



Photo by AP Wide World.

as long as a large part of the Guatemalan population remains illiterate and without access to formal education. “We don’t need CAFTA,” the bishop stated, “What we need is a local rural development plan.”

Bishop Ramazzini also condemned the fact immigration is not mentioned in DR-CAFTA even though it is closely linked to economic conditions. The brutal conditions endured by migrants are brought regularly to his attention; families come to his office in San Marcos to ask for help locating loved ones lost in the United States, many of whom are never found. Others return months later recounting stories of inhumane treatment. President Bush’s support for family values also came under fire when Ramazzini questioned why he doesn’t allow for the reunification of immigrant families, leaving many families divided for years. Finally, he decried what he called the hunting of human beings in Arizona and other vigilante efforts to control immigration.

A few days after Bishop Ramazzini’s talk, the vice president of Guatemala, Eduardo Stein, came to Berkeley to explain the government’s rationale in ratifying DR-CAFTA, while responding to the critiques offered by the bishop and others. On some points, Stein was in agreement with Bishop Ramazzini, particularly on the need for a broad plan of economic reforms to address the pressing issue of poverty in Guatemala. The vice president pointed to a number of troubling trends in Guatemalan society, including deficiencies in the democratic process, social exclusion, corruption, organized crime and racism towards the indigenous population. In response, Stein argued that any new political and economic reforms should have at their core the goals of greater equality and social cohesion.

In particular, Vice President Stein advocated a set of policies that he claimed would, if implemented, help to open up opportunities for the poor under DR-CAFTA. Training and education for the demands of the 21st century would help to redistribute income more equitably and close the gap between the rich and the poor. Additionally, he proposed government assistance in generating markets for the sale of indigenous goods.

Throughout his speech Stein made reference

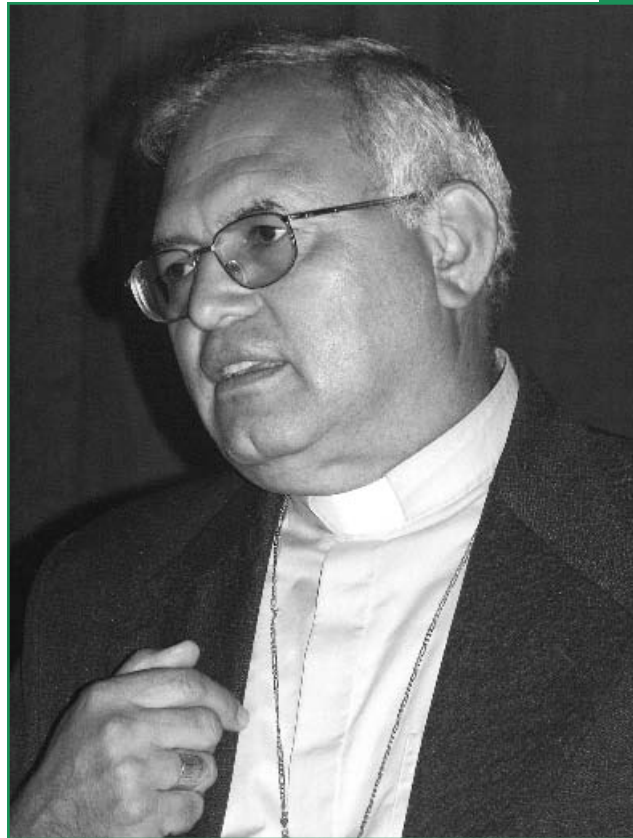


Photo by Diantha Ramos

to the importance of remittances — \$2.5 billion last year — in boosting the Guatemalan economy. With roughly 10 percent of the population living in the United States, the issue has assumed great importance. Stein suggested that these remittances could be “the new social security.” As a form of income that goes directly to families in need, remittances could assist in the progressive redistribution of income to the poor. Thus, he maintained that an important focus of government policy should be strengthening connections with Guatemalans living abroad.

In addition to advocating social and economic reforms for the poor, Stein resolutely defended the macro-level benefits of DR-CAFTA for Guatemala. The vice president argued that the agreement would standardize the rules and regulations for trade between Central America and the United States, replacing the arbitrary annual negotiations that currently take place. It could also assist in the integration of the Central American nations, helping them to form a unified block for future negotiations, perhaps with the European Union. Finally, Stein argued that the world is so interdependent now that Guatemala must do something to get a foot in the door. The damage of abstaining from such

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Bishop Ramazzini speaks at UC Berkeley.

Free Trade?

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Photo by Dionicia Ramos.

Vice-President
Eduardo Stein speaks
at UC Berkeley.

an important trade policy would be too great.

Neither Stein nor Ramazzini referred specifically to the violence that rocked Guatemala during the congressional debates over DR-CAFTA. In March, thousands of protestors took to the streets to oppose the government's attempts to ratify the trade agreement and were met by scores of police officers and soldiers with tear gas, rubber bullets and water hoses. On March 15, the day that Guatemalan President Oscar Berger signed DR-CAFTA, two protestors were shot and killed by government forces in the province of Huehuetenango.

Nonetheless, both had opinions on the reasons for the protests. While Stein chastised the protestors for waiting until the very end of negotiations to raise their concerns, Ramazzini insisted that the popular sectors have always criticized the trade agreement. According to Bishop Ramazzini, the negotiations involved only representatives from the government and business community, excluding the popular sector of campesinos and unions. In response, Stein maintained that the negotiations were private but not secret since they were publicized in many news sources.

The two also offered starkly different arguments

on the contentious question of opening up food markets for direct competition between Central America and the United States. Sugar will be the only commodity in which Guatemala holds the advantage, warned the bishop. Heavily subsidized rice, corn, potatoes and meat from the United States will put local producers in Guatemala out of work, especially since few of their products meet the strict health codes necessary for resale in the U.S. Stein countered that white corn, the primary staple for indigenous cooking and rituals, is excluded from open markets under DR-CAFTA. Only yellow corn — used to feed cattle — will be allowed to compete with Guatemalan produce.

In either case, it is clear that DR-CAFTA, if approved by the U.S. Congress, will present formidable challenges to Guatemala and the rest of Central America.

Alvaro Ramazzini, Bishop of San Marcos, Guatemala, spoke at UC Berkeley on May 2. Vice President of Guatemala, Eduardo Stein, gave his presentation on May 4.

Paul Gordon is an undergraduate student in the Women's Studies and Ethnic Studies Departments.

Leaving Ecuador

By David Kyle and Brad Jokisch

The Ecuadorian provinces of Azuay and Cañar are the site of a large-scale, migration flow to the United States. Beginning as a trickle in the 1960s, this emigration took off so rapidly in the 1980s that Ecuadorians became one of the largest immigrant communities in the New York Metropolitan Area in a single generation. Estimates place more than 600,000 people born in Ecuador in the United States, with perhaps 70 percent residing in the New York metropolitan area (including New Jersey, Connecticut and Long Island).

Among the findings from our original research in the early 1990s, three novel features about Azuay and Cañar stood out. First, although the majority of migrants used part-time and professional smugglers to help them reach the U.S., the business of migration was not dominated by traditional organized crime groups, but rather by trusted local “migration merchants” who ran their businesses on the side. Using the latest technology, they helped send relatives and neighbors abroad at prices below those of professional coyotes, allowing even the rural poor to send a family member abroad.

Second, a type of long-distance commuting, known as “transnational migration,” developed simultaneously in both regions. Communication and transportation technologies allowed migrants to remain active participants in their households and home communities, creating linkages between New York and rural Ecuador. Villagers from Cañar and Azuay sent letters, food and cultural goods to family members in New York, who in turn sent remittances back home.

The remittances and the migrants’ intention to return to home at a more comfortable economic level produced the third novel feature — the construction of large, even ostentatious houses in an area still devoted to subsistence agriculture. A landscape of brick and concrete houses sprung up amid intercropped maize.

In 2003, we returned to three of the communities

we had studied previously — Biblicay, Tomebamba and Quipal — to research how changes in U.S. migration policy and border enforcement combined with conditions in Ecuador had affected the strategies and destinations of transnational migrants.

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This woman currently works at a money transfer store in Ecuador, but is planning to move to New York



Photo by Ricky Flores/The Journal News.

Leaving Ecuador

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Dollarization and Europe

As Ecuador experienced political and economic turmoil during the mid to late 1990s, the migrant flow to the United States was eclipsed by a large and rapid emigration to Spain and other European destinations — Ecuador's second major wave of emigration. After fighting a costly border skirmish with Peru in 1995, Ecuador endured five presidents in five years (1996-2000) and sank into an economic crisis. By 1999, Ecuador's currency was in terrible shape, poverty had risen to over 40 percent and GDP fell to nearly equal the debt load. A banking crisis ridden with scandal crippled the country's financial sector. In a desperate attempt to salvage his job, President Mahuad announced plans to dollarize the economy in 2000. After Mahuad was toppled and replaced by Gustavo Noboa, Ecuadorian dollarization proceeded, and stand-by loans from the International Monetary Fund forced harsh austerity measures.

As the poverty rate, inflation and unemployment increased and people's savings were either frozen or lost altogether, thousands of Ecuadorians, the majority of whom were women, migrated to Spain posing as tourists, often facilitated by the major travel agencies in Ecuador. A radical re-orientation of Ecuadorian migration occurred; in 1998 few Ecuadorians lived in Spain, but by 2002, as many as 200,000 resided there. By 2005 the Ecuadorian population in Spain had doubled again to over 400,000, many of whom will gain legal status as Spain proceeds with a "regularization" program. Fully 12 percent of Ecuador's population now lives overseas, remitting an estimated \$1.74 billion annually.

However, few of the Ecuadorians residing in Spain originated from communities which had a history of U.S.-bound migration in the 1990s. Less than 2 percent of the migrants from the three research communities had gone to Spain. These towns remained oriented toward the U.S. despite the increased cost and dangers that

clandestine migration posed in this era of tightened border security.

The End of Transnational Migration

The transnational migration patterns that we reported in the 1990s have ended with a few exceptions. Migrants may still own a house in Ecuador, but they do not maintain two households for the simple reason that their communities have been transplanted to New York. Most departed intending to return, but that has not happened. Migrants go back for vacation, but they are visitors, not return-migrants.

Our research shows considerable regional variation, however, in the patterns of migration, development and transnational activity among the three communities in the follow-up study. Of the three villages, Biblicay had the longest history of migration. The first migrant left for New York in 1968, and by the late 1970s numerous households had at least one community member living in the U.S. Migration from Tomebamba began a little over a decade later, while Quipal did not see immigration until the 1990s. The difference in the timing of emigration has had a significant impact on the fate of the three towns.

The end of the transnational commute has made "ghost towns" of Tomebamba and Biblicay. These villages have many large, but not well-kept houses built with remittances in the 1980s and 1990s which are now inhabited by the elderly and those return-migrants unable to get U.S. residency or citizenship. Because large scale migration began in the 1970s, dozens of families have had relatives living in the U.S. for 15 years or more. Although nearly all early migrants departed without proper documentation, many have been able to get residency in the U.S. and sponsor the legal emigration of immediate family members. In other words, clandestine migration was followed by legalization in the U.S., permitting chain migration that slowly drained the community of most of its inhabitants.

The situation in Quipal is strikingly different; there, social complexity has increased rather than simplified. A “forced” or “reluctant” transnational migration continues in a way that does not exist in many long-term migration communities. There are at least two reasons for these conditions. First, since emigration began only in the 1990s, clandestine emigration is on-going and few have obtained residency or citizenship. Second, Quipal’s location close to Cuenca has made it attractive to domestic and international immigrants.

By July 2003 approximately 15 percent of Quipal’s population lived in the U.S. — approximately 33 percent of its adult population. The vast majority of the emigrants departed after 1994, and many have built large homes much like migrants from Azuay and Cañar.

These houses are still new and attractive to renters, including relatively poor families from isolated and mixed indigenous/mestizo agricultural communities.

The caretakers of these houses, usually immediate family members of the migrant owners, rent floors or rooms to these domestic migrants for as little as \$50 per month. Some in-migrants work both at seasonal agricultural tasks and in Cuenca, which is a short bus-ride away. These domestic in-migrants have been joined by Peruvian day-laborers and at least one Venezuelan family. As is well-reported, Cuenca has received hundreds of Peruvian immigrants who are taking advantage of the dollarized economy and higher wages prompted by the massive out-migration to the U.S. Cuenca has also received a considerable number of

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These houses, built with remittances in the 1980s and 1990s, have deteriorated since their owners stopped commuting between the U.S. and Ecuador.



Photo by David Kyle.

Leaving Ecuador

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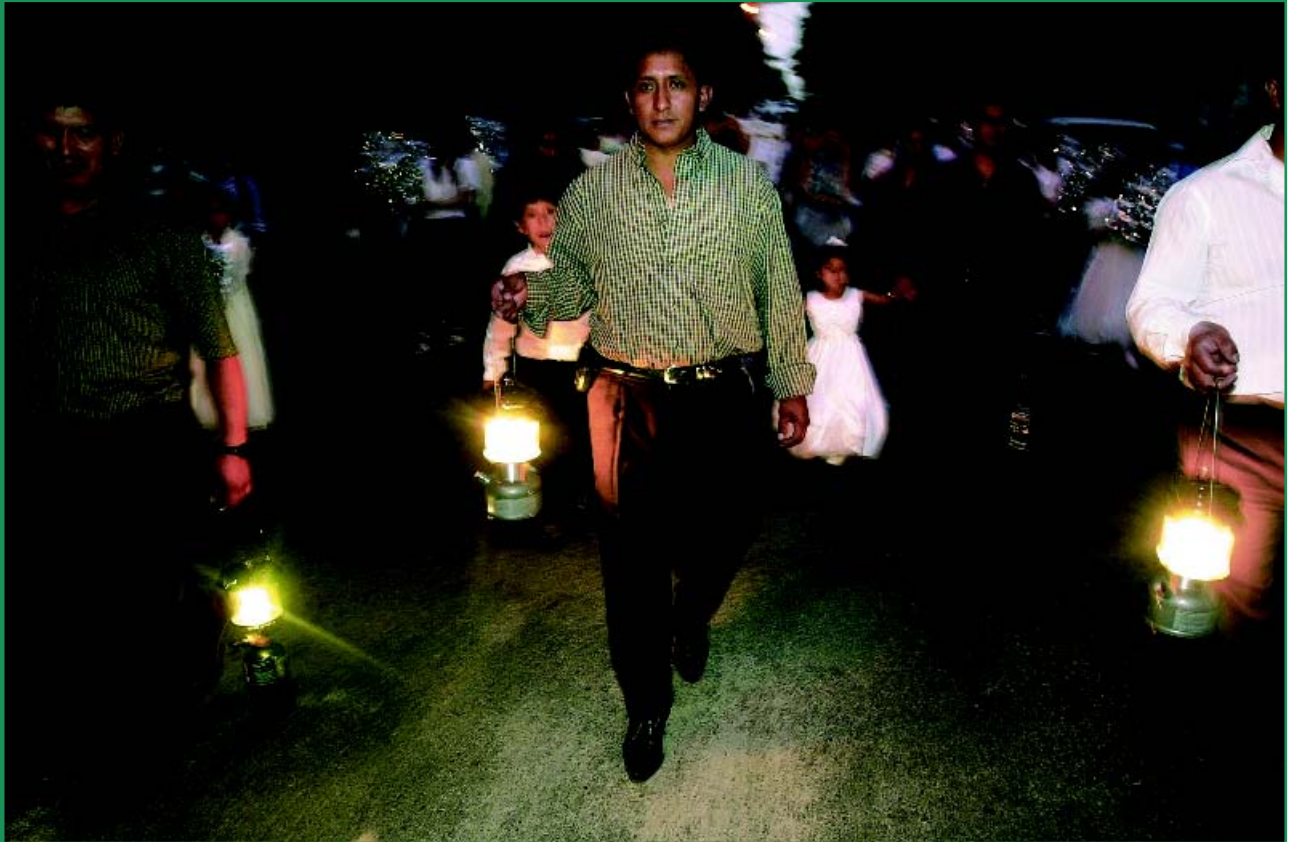


Photo by Ricky Flores/The Journal News.

Ecuadorians bring their traditions with them to the U.S. Here, men carry the Light of El Señor in a procession in Ossining, New York.

Colombian immigrants, many of whom are refugees from the on-going conflicts in southern Colombia. Colombians have not located in Quipal yet, but a few Peruvians have obtained temporary work in the community.

Transnational migration — the topic of vigorous debate in recent years — is dependent on social and political forces far beyond the migrants' control. States have the power to change, whether directly or indirectly, the entire equation that motivates and allows migrants to commute between dual households. Surprisingly, transnational migration from Ecuador to the United States ended in less than one generation. Neither side of the transnational migration debate predicted this outcome: migration was ended neither by a new sustainable project, nor by the acculturation of first and second generation migrants. However, transnational activities still continue. Will this first generation change their minds again and return to Ecuador? Will the regions of Ecuador

whose migrants have gone to Europe develop new patterns of transnational migration? The variability and volatility of transnational migration patterns makes it difficult to generalize or predict.

David Kyle is Associate Professor of Sociology at UC Davis. He discussed his research as part of the Bay Area Latin American Forum at CLAS on March 28, 2005.

Brad Jokisch is Associate Professor of Geography at Ohio University.

Health, Wealth and Trade: CAFTA and Medicine

By Angelina Snodgrass Godoy

“This is just like the 1980s,” my friend said. The fear in her voice crackled through the phone. It was March 14, 2005, the day tens of thousands of Guatemalans took to the streets to protest their government’s ratification of the Central America Free Trade Agreement (CAFTA) and were greeted by a massive display of force.

When Guatemalans compare an experience to that of the 1980s, you have to take it seriously: the 1980s were the era of state-sponsored genocide, the days when army patrols walked into indigenous villages and slaughtered everyone in sight. People like my friend, who lived through those terrifying years, don’t use the words lightly. That afternoon in March, she described a scene of utter chaos in the capital: people scrambling to take cover, bolting down back alleys, ducking behind parked cars; the police grabbing whomever they could; shots fired overhead; rumors flying about a list with the names of human rights leaders for whom arrest warrants had been issued. Some were missing — had they been taken into custody? No one knew. She listed off their names for me, with the acronyms of the organizations each represented, in case they didn’t turn up. It’s possible, she said, her voice quavering, that they had been taken to hospitals — many, especially women and children, had been overpowered by the tear gas and others were injured as they fled. As we spoke, her office was surrounded by police (operating in joint patrols with the Army); “I have to go now,” she said. I heard a siren wailing in the background.

At the end of the protests, one man lay dead and many more were injured. The security forces accused the protestors of having started the violence; the protestors accused the security forces of having responded with lethal force, in violation of their obligations under the country’s Peace Accords. And the Guatemalan

Congress, in extraordinary session, had ratified CAFTA, a trade agreement linking the United States with Guatemala, El Salvador, Nicaragua, Costa Rica, Honduras and the Dominican Republic in what some have described as a southward extension of the North American Free Trade Agreement (NAFTA).

The same agreement is now before the U.S. Congress, with a close vote expected in the upcoming weeks. As the most significant trade pact proposed in ten years, many see CAFTA as a referendum of sorts on the widely-criticized NAFTA model. It is seen as a building block toward the eventual creation of a Free Trade Area of the Americas (FTAA). Proponents say CAFTA’s passage will signal full speed ahead on hemispheric integration. But the protest it has generated across Central America should give us pause: what sort of integration are we seeking?

I went to Guatemala in July 2004 to investigate one specific aspect of CAFTA which was generating a great deal of local controversy, though it had received almost no attention in the mainstream U.S. press. Although concerns about labor rights and environmental protections were often cited by critics of the agreement, few addressed — or even understood — the intellectual property rights provisions tucked away in CAFTA’s Chapter 15.

Indeed, intellectual property (IP) rights are often presumed to be a highly technical domain of law beyond the comprehension, or even the curiosity, of most social scientists. Yet behind the obscure legalese lurks a political and economic firestorm. In the wake of the WTO’s 1994 Trade Related Aspects of Intellectual Property Rights (TRIPS) Agreement, the introduction of IP protections has sparked controversy in many nations of the global south, where concerns have emerged about “bio-piracy” stemming from the northern corporations’ patenting of genetic life forms

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CAFTA and Medicine

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Photo by Rob Mercadante.

Police face anti-CAFTA
protestors in
Guatemala City.

and appropriation of indigenous knowledge; about sustainability, when local peasants must pay patent holders each year for genetically modified, sterile seeds; about sovereignty, when national governments' attempts to contest these rules prompt their exclusion from lucrative trade deals; and about access to medications, when extending the length of patents limits the availability of generic alternatives to brand-name drugs.

In the global north, many corporate actors have argued that IP protections are an element of basic fairness, ensuring that businesses recoup the costs incurred in bringing an innovative product to market. For this reason, the potential to create precedent has attracted corporate interests to exert their influence in policy debates over the IP regime in CAFTA and other trade agreements, even those concerning

areas of the world where markets for their products are small. The stakes are high, as a U.S. consular official in China recently told a reporter for the *New York Times*: "Nothing has a higher priority in our trade policy than the fight to protect American intellectual property. It is every bit as important an effort for us as the war against weapons of mass destruction."

The U.S. government has promoted a uniquely aggressive IP regime often referred to as "TRIPS-plus." Although TRIPS envisions a gradual phase-in of IP protections, mandating full-fledged enforcement only by 2016 in the least-developed countries, for many this prolonged transition to the complete IP regime has been placed on the "fast track" by recent pressures from the United States to implement changes quickly or risk exclusion from lucrative trade pacts.

Not only does the U.S. insist upon rapid implementation, it also advocates more aggressive standards for the protection of intellectual property than those agreed to by the WTO. For example, the office of the United States Trade Representative carries out an annual review process to monitor IP protection policies and practices in foreign countries, naming countries with “inadequate” enforcement to a “watch list.” According to the text of the legislation, “A country may be identified as denying adequate and effective IPR protection even if it is in compliance with the TRIPS Agreement.” Guatemala was placed on this watch list in 2003 and, within weeks, responded by passing the strictest domestic IP legislation in Latin America.

Guatemala’s IP law, known locally as Decreto

9-2003, included the same provisions for “test data exclusivity” that would later be contained in CAFTA. Without test data exclusivity, generic producers are simply required to show their drugs are equivalent to a brand-name drug that has already been determined to be safe; they need not replicate the expensive clinical trials conducted by the large pharmaceutical manufacturers, and are therefore able to sell their product cheaply. Yet, Decreto 9-2003 instituted a mandatory five-year period during which no one would be allowed access to major pharmaceuticals’ test data, effectively barring generic production. It spurred enormous controversy and was eventually repealed by the overwhelming majority of the Guatemalan Congress in late 2004; yet because CAFTA contains the same provisions, the agreement’s

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Demonstrators flee from police fire, Colotenango, Guatemala.

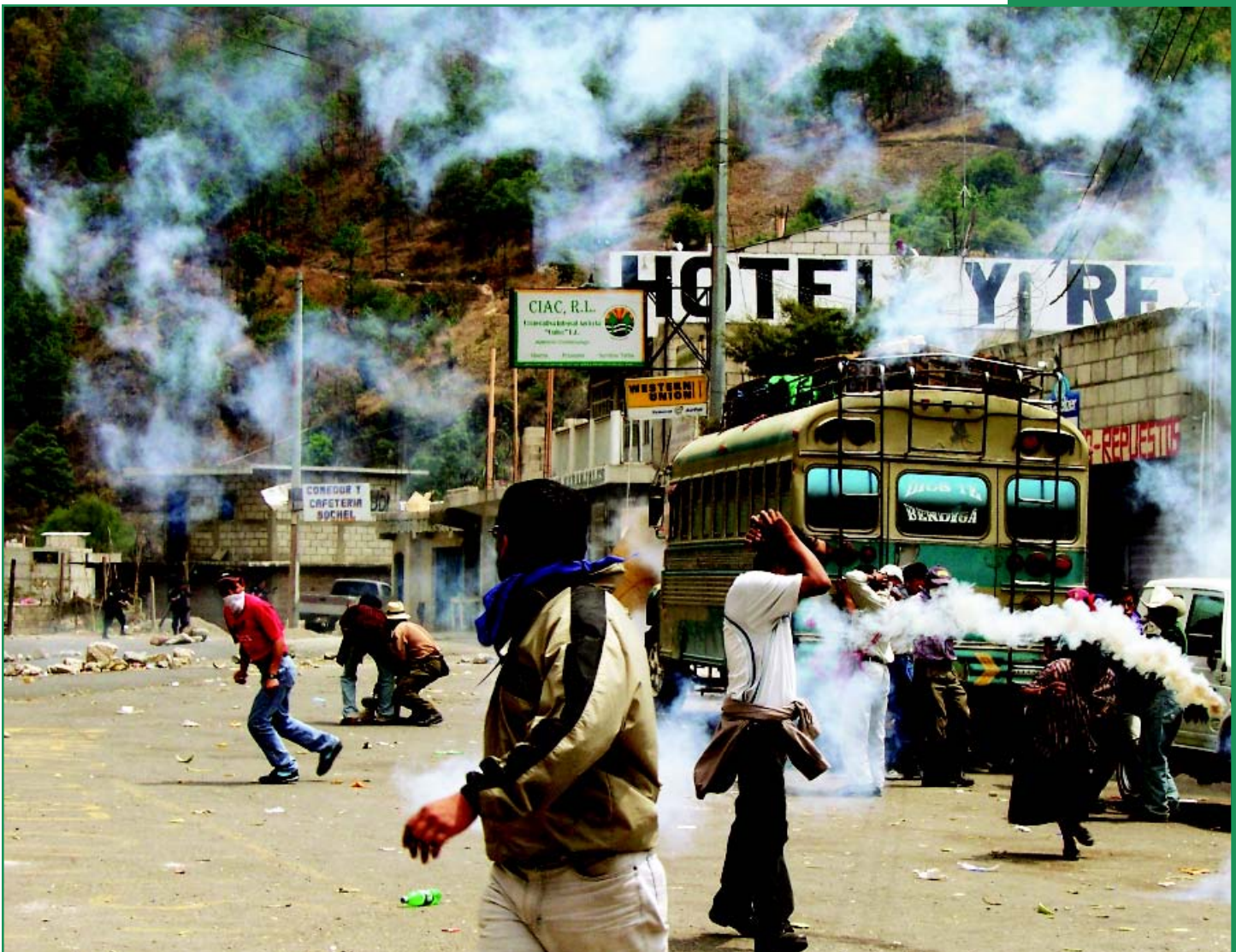


Photo courtesy of Enrique Carpenter.

CAFTA and Medicine

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passage was accompanied by the reintroduction of test data exclusivity. Ironically, this “free” trade agreement actually limits competition by extending brand name drugs’ market monopolies even beyond the length of patents.

Many Guatemalan civil society organizations — especially those groups comprised of HIV/AIDS patients, who rely on generic anti-retrovirals to stay alive — see this as an assault on their most basic right to life. During the March protests, Guatemalans waved signs and wore jerseys with the slogan, “My life is not for sale.”

As the polemic around this issue reveals, trade agreements like CAFTA have increasingly become the site of collision between corporatized globalization and the defense of basic human rights. Struggles over the right to health are emblematic of this broader trend: through increasingly vocal demands for economic and social rights — including such positive demands as access to medicine, water or education — civil society groups are contesting the terms of globalization by appealing to global institutions for the protection of human rights. Today, a group of Guatemalan AIDS patients has brought a case against their government before the Inter-American Commission of Human Rights, alleging that in its failure to provide them access to antiretroviral medications they require to stay alive, it has violated their human rights. This is the first case about access to ARVs, couched in human rights terms, to be brought before one of the world’s regional human rights bodies. While it has yet to be considered by the Court itself, injunctions have been granted forcing the state to provide ARVs to the patients in question while the deliberations continue.

Increasingly, then, we see two trains of transnational law — both of them selectively enforced through pressures applied from the global north — bound on a collision course. On the one hand, the legal infrastructure inscribed in the WTO and in free trade agreements brokered by the U.S. mandates economic liberalization through terms that limit states’

abilities to provide goods and services, seeing the market as the best vehicle for the meeting of social needs. On the other hand, human rights law and political practice around the concept of human rights increasingly mandate that states provide more, not less, goods and services to their populations. Countries on the global periphery, like Guatemala, find themselves caught in these contradictions.

The analysis of what may be a coming “train wreck” in transnational law around IP and health thus reveals a deeper set of contradictions in contemporary (neo)liberal democracies. The struggle over intellectual property rights for pharmaceutical products in nations of the global periphery — nations in which, because of their poverty, only a tiny fraction of the population could conceivably be consumers of brand-name drugs to begin with, and therefore in which even universal access to generic drugs would barely put a dent in the profits of multinational pharmaceutical companies — is not really about market share. If it were, why fight so hard for something so small? Rather, it represents a struggle to set precedent in one specific site in which this global contest for control is being played out. The importance, therefore, of the access to medications issue in Guatemala is on one level a practical, life-or-death matter for the patients in question. However, on another level it allows us to examine much broader theoretical questions with relevance to debates about globalization, justice and the future of politics in late capitalism.

Which brings me back to my friend’s comment about the 1980s. While many tend to view the Central American civil wars as a horrible aberration of history — a dark moment, fueled by the geopolitical tensions of the Cold War and the radical polarization of domestic politics — an emergent strain of scholarship suggests the region’s history of conflict may be one marked by more continuities than we like to admit. Greg Grandin’s recent book *The Last Colonial Massacre* argues, for example, that the counterinsurgency campaigns of the late 20th century were counterrevolutionary efforts to

redefine democracy in individualistic terms, facilitating the penetration of capitalist markets in societies which had previously sought to limit the tyranny of market forces in order to protect some version of the “common good.”

Earlier this spring, the Central American ambassadors stopped off at my university during their nationwide speaking tour in support of CAFTA; each spoke in turn about why the United States should ratify the agreement. In his remarks, the Salvadoran Ambassador said, “Your country needs to ratify this agreement because it needs to finish the work it began in my country 20 years ago.” I looked around the room nervously; surely someone else thought it was odd to promote a trade agreement by emphasizing its connections to a dirty war that decimated a nation? In retrospect, however, I think he was right. What’s at stake in CAFTA is the same as what was at stake in the wars of the 1980s. It’s the basic question of who should government serve: the impoverished masses or the interests of a wealthy few? While increased trade could — and should — provide a way out of this us-

vs.-them juggernaut, creating an avenue for economic development to serve the interests of many, the terms laid out in CAFTA make it clear that this is not the vision of trade around which this agreement has been constructed.

Ultimately, then, it’s not surprising that the passage of CAFTA provoked the largest and most sustained demonstrations seen in Central America since the 1980s. It’s not surprising that the region’s governments responded with symbolic displays of overwhelming strength, evoking images of the darkest days in anyone’s memory. And it’s not surprising that whether the U.S. Congress passes CAFTA or not, the struggle will continue. As one AIDS patients told me in Guatemala last year: “Our lives depend on this.”

Angelina Snodgrass Godoy is Assistant Professor of Law, Societies and Justice and of International Studies at the University of Washington, Seattle. She received her Ph.D. from UC Berkeley’s Sociology Department in 2001.

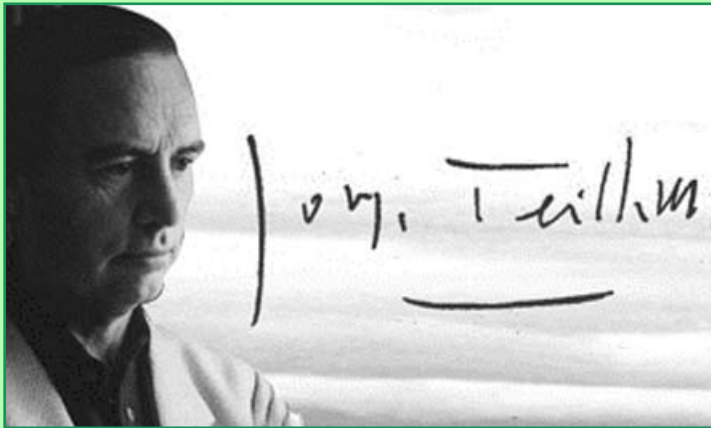
An anti-CAFTA demonstrator wounded by police in Colotenango, Guatemala.



Photo courtesy of Enrique Carpenier.

That Was Happiness . . .

By Teresa Stojkov



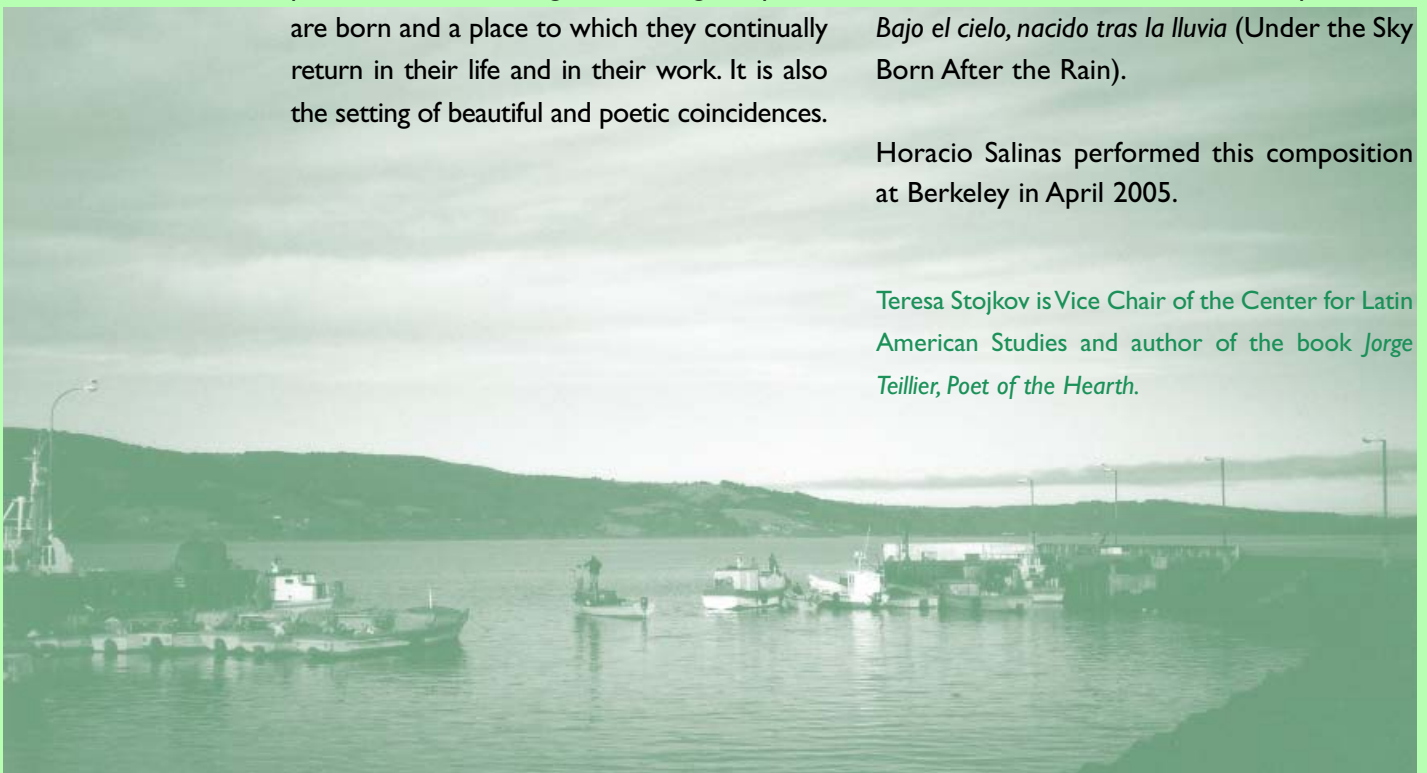
No city is greater than my dreams.
I return to the south.
—Jorge Teillier

I first read these words by Chilean poet Jorge Teillier twenty years ago. Chile was a different place then. Nevertheless, Teillier, who did not leave after the 1973 coup, lived by the adage “describe your village and you will describe the world.” His village was the very distant Lautaro, which is situated in the south, in a region known as “La Frontera.” The Chilean south is indeed a poet’s south; it is a region where great poets are born and a place to which they continually return in their life and in their work. It is also the setting of beautiful and poetic coincidences.

It was in Lautaro that Horacio Salinas, the talented musician, composer and co-founder of the Nueva Canción group, Inti-Illimani, was born. In an odd symmetry, Teillier’s and Salinas’ lives intertwine personally and artistically; the young Teillier was the precocious student of Horacio Salinas’ mother, who was an inspiration. Years later a poem about the nature of happiness written by Teillier inspired one of Salinas’ most sensitive compositions, *Bajo el cielo, nacido tras la lluvia* (Under the Sky Born After the Rain).

Horacio Salinas performed this composition at Berkeley in April 2005.

Teresa Stojkov is Vice Chair of the Center for Latin American Studies and author of the book *Jorge Teillier, Poet of the Hearth*.



*Under the sky born after the rain
I hear the soft gliding of oars in the water
while I think that happiness
is just the soft gliding of oars in the water.
Or perhaps just the light of a small boat,
a light that appears and disappears
in the dark swell of the years,
slow like supper after a burial.*

*Or a light of a house we find on the other side of a hill
when we thought that all was left was walking and walking.*

*Or the silent space
between my voice and the voice of someone
who reveals to me the true name of things
by just naming them: "poplars," "tiled roofs."
The distance between the tinkling of the bell
on the sheep at dawn
and the sound of a door closing after a party.
The space between the cry of a wounded bird in the swamp,
and the folded wings of a butterfly
over the crest of a windswept hill.*

*That was happiness:
to draw meaningless shapes in the frost
knowing that they wouldn't last at all,
to break off a pine branch
and write for an instant our name in the damp earth,
to catch a bit of thistle fluff
and stop the flight of a whole season.*

*Such was happiness:
brief as the felled acacia's dream,
or the dance of the crazy spinster before a broken mirror.
But it doesn't matter that the happy days are brief
like the journey of a star unfastened from the sky,
since we can always gather their memories
like the child, banished to the courtyard,
finds pebbles to form splendid armies.
Since we can always be in a day that is neither yesterday nor tomorrow
looking at the sky born after the rain
and hearing in the distance
the soft gliding of oars.*

John, Terik



Gael García Bernal as Che Guevara in *The Motorcycle Diaries*.
Photo courtesy of Walter Salles.

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