

U.S.–MEX: OVERVIEW

Bridges or Barriers?

by Catha Worthman

With the United States in the midst of a presidential election and Mexico consumed by its own pressing issues, U.S.–Mexico relations have slipped off the political agenda. That said, the social and economic ties between Mexico and the United States continue to pull us closer, and underlying cross-border issues affect millions in their everyday lives. For the 30 or so participants and presenters at this year's U.S.–Mexico Futures Forum, this proved an unusually important time to address key issues and seek to develop creative perspectives. Three policy areas dominated this year's discussions: Pemex and alternative energy, immigration reform and drugs and violence. Whatever the state of the relationship today, there was a sense that the election of a new U.S. president in November could provide a window of opportunity to address issues critical to both countries.

Pemex and Alternative Energy

The unifying theme — perhaps surprisingly — of the discussions on energy policy at the Futures Forum was the inextricable link between the issues of global alternative energy and Pemex, Mexico's troubled oil monopoly.

For Mexico, the most immediate and pressing energy policy concerns involve the future of Pemex in the face of declining oil production as well as repeated and ongoing charges of corruption. Although matters related to Pemex are primarily domestic issues with tremendous political and economic implications for Mexico, they also have cross-border relevance, not least because Mexico is among the largest suppliers of oil to the United States. More generally, as established by Miriam Grunstein, an attorney and professor of Energy Law at ITAM, and by the eminent Cuauhtémoc Cárdenas, no economic or environmental issues can be considered without addressing Pemex, given that the oil company contributes more than half of its revenues to the Mexican state, accounting for 40 percent of the government's income.

The largest unaddressed environmental and economic issues for both Mexico and the U.S. may be related to the looming threats posed by global climate change. In his presentation, UC Berkeley's Professor Daniel Kammen made a forceful argument that only deliberate, transnational energy policy adopted at multiple levels of government could head off the impending climate crisis. Many

participants supported his view, including Congresswoman Linda Sánchez. Moreover, as Kammen and others noted in discussion, the Mexican economy could benefit from the implementation of a “green policy,” with the creation of high-skilled jobs providing a vehicle for a high-road path to development.

As Forum participants traded ideas for solutions, their proposals ranged from the immediately pragmatic to the longterm and visionary. Grunstein and Cárdenas both offered different suggestions for revitalizing Pemex. Grunstein was of the opinion that the Mexican constitution should be amended to explicitly allow foreign companies to exploit oil resources. Cárdenas, however, countered that such changes were not only highly unlikely but also unnecessary. He proposed that the unexpected surplus generated by Pemex from high oil prices be reinvested in new technology and oil exploration.

Transformative proposals involving alternative energy also emerged in the discussion. Martha Delgado, Mexico City's Minister of the Environment, argued for a move from a short-term to a longterm view. She maintained that conserving and diversifying energy sources is just as essential as preserving oil for future generations. Contributing an important framing point that is also relevant to the other issues discussed at the Forum, former House Democratic whip David Bonior observed that energy had been left out of Nafta, the current legal framework for U.S.–Mexico relations. He suggested that just as the European Union began with cooperation on coal and steel, the U.S. and Mexico should launch a joint energy project. As a symbolic first step, Forum co-convenor Professor Harley Shaiken of UC Berkeley proposed a pilot, cross-border collaboration.

Picking up on Kammen's observation that Mexico has tremendous untapped solar potential in its northern region, Shaiken offered the idea of a joint U.S.–Mexico investment in a solar installation that would provide a concrete example of how alternative energy can mitigate carbon emissions while generating a new source of jobs.

Perhaps most surprising, however, was Kammen's response to a question put by Clyde Prestowitz, president of the Economic Strategy Institute, based on the assumption that Kammen would welcome Pemex's demise. On the contrary, Kammen maintained, the money and expertise to develop alternative energy rests with the large oil companies.

continued on page 45 >>

U.S.–MEX: OVERVIEW

Bridges or Barriers?

continued from page 4



Photo by Sarah L. Voisin.

Mother's Day 2008 at the San Diego–Tijuana border fence.

He explained that for the project to succeed, the conversion to alternative energy has to be attractive to these companies and cited as examples the state-affiliated oil companies in Norway and Denmark. New ground rules will be necessary, he added, to motivate reinvestment, with a price for carbon being the likely initial step. At all levels — from Pemex's defining role in the Mexican economy, to its role as a supplier of oil to the U.S., to its possible role as a leader in the development of alternative energy — the comments at the Futures Forum identified strong relationships between the future of Pemex and alternative energy.

The Immigration Quandary

In the wake of the 2007 immigration reform meltdown in the U.S. Congress, Futures Forum participants analyzed the defeat and debated the best strategies to regain momentum. Evidence of the deepening divides over immigration suffused the presentations. Tamar Jacoby, president of

ImmigrationWorks USA, described increased federal and state enforcement efforts as “tearing at the social fabric and destroying our ability to remain a nation of immigrants.” Maria Echaveste, former Deputy Chief of Staff to President Clinton and current political consultant and lecturer at the UC Berkeley School of Law, observed that U.S. policies have long oscillated between two contradictory tendencies, one exclusionary and the other inclusionary. While acknowledging that the U.S. has a relatively generous immigration policy compared to the rest of the world, Echaveste argued that, at a deeper level, “this country has never, ever welcomed immigrants.”

Although the possibilities for short-term positive change may be slim, the discussion was not without hope or proposals for concrete action. Jacoby shared a “cautious optimism” and proposed that the debate could be moved forward by mobilizing the business community and Latino voters behind pragmatic solutions. Although her vision

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Photo by Antonio del Valle.

U.S. Representative Linda Sánchez and Mexican Senator Adriana González Carrillo at the Forum.

overlapped somewhat with Jacoby's, Echaveste called instead for a center-left coalition that would include Latino voters among its key constituencies, formed around an agenda that would address the deeper emotional issues underlying "who gets to be an American," such as racism and the fear of change. The agenda would have to address the real costs of providing services to immigrants, including education and health care. Echaveste's point was picked up by Karen Nussbaum, executive director of the AFL-CIO's Working America program, who maintained that hostility to immigration among U.S.-born workers stems in part from their declining wages and benefits over the past 40 years. Nussbaum contended that any successful path towards immigration reform would also have to include labor law reform and universal health care.

Much of the conversation about policy initiatives centered on the changing nature of Mexican migration patterns, including the implications of the fact that, due to increased border enforcement, Mexican migrants are more frequently coming to the U.S. to stay, a subject on which participants agreed further research was needed. The diverse comments from the group also included some discussion of the nearly half million Central American transmigrants who pass through Mexico, a topic not often raised in the

U.S. but one that encompasses concerns about human rights and border security.

The themes of division and integration were highlighted during the lively and intense reactions to the description of how Mexico plans to help its citizens in the United States, which was presented by Rafael Fernández de Castro, a co-convenor of the Forum and the chair of ITAM's Department of International Relations. Fernández de Castro had accompanied Mexican President Felipe Calderón in a series of meetings with Mexican migrants in several U.S. cities, where the ideas for these programs were generated. Mexicans are registering more frequently at their consulates in an effort to help keep their families united in case of deportation, he noted, and they have also requested that the consulates begin offering social services such as health-care referrals, education programs and community centers.

It was as though Fernández de Castro's report sounded an alarm bell. Jacoby declared that the need for the provision of social services by a foreign government was the "worst possible development;" Echaveste said it gave her "the chills." While this project clearly reveals the failure of U.S. policies, to these experts it also presented the specter of a situation similar to the "Turks in Germany." California State Senator Gil Cedillo expressed similar distress at the suggestion that

a “separate nation within a nation” is forming and expressed grave concern that U.S. citizens, including children, could be deported without respect for their rights, as happened in the 1930s.

But Mexico’s initiatives also reflect the reality, as Fernández de Castro indicated, that “there really is a Mexico in the United States.” He added, “Domestic policies in the U.S. — fiscal, health and education policies, which are created for domestic purposes — are affecting Mexicans in the U.S., and therefore they are affecting Mexico.”

Addressing Drugs and Violence

Like other topics addressed by the Forum, the issue of drug-related violence is complex and increasingly important in both countries, although the problems are different for each. It is also one of the few areas in which there is a prospect of active bilateral cooperation, through the \$1.4 billion, jointly developed Merida Initiative. President Calderón has made security one of his national priorities and has found allies in the Bush administration.

Whether this binational executive branch proposal will be accepted at other levels of government remains to be seen, but it is clear that the scope of the violence is horrific and persistent: Mexico faces a real danger of becoming a narco-state. In his presentation, Alfredo Corchado of *The Dallas Morning News* reported that more than 4,000 people have died from executions linked to drug trafficking since Calderón took office, over 700 between January and April of 2008 alone. Every state in Mexico is affected, with the possible exception of Colima. Among the victims are ordinary Mexican citizens as well as politicians, judges, police officers and journalists.

This drug-related violence has cross-border dimensions. There is



Photo by Antonio del Valle.

From left: Forum members Lydia Chávez, Carmen Aristegui and Maria Echaveste.

evidence that the Mexican cartels seek to corrupt U.S. officials and that they organize their activities in the United States as well. The northern nation also plays a role in driving the problem: the bulk of the demand for narcotics comes from the United States, as do the weapons that fuel the violence.

Sergio Aguayo, professor of International Studies at El Colegio de México, recently completed a study on drug-related violence in Mexico. He observed that the problem fundamentally reflects the weakness of the Mexican state, including the collapse of the presidency and the failure to build deeply accountable, democratic institutions after the transition to democracy. According to Aguayo, the issue of the drug cartels is not only inseparable from Mexican politics but also from economic issues: the total volume of the drug business may approach \$25 billion, when both international and domestic markets are considered, and drug-related activities provide employment for a significant (if still uncertain) number of Mexicans — perhaps as many as a quarter million.

To confront this crisis, Frank Zimring, professor at the UC Berkeley

School of Law, offered a unified set of clear recommendations. Zimring argued that Mexico should focus on violence and corruption rather than on the volume of the drug trade because research has demonstrated that these are separable issues and that the former can be addressed successfully. This insight, if accepted, indicates that U.S. priorities (drug trafficking) are different than Mexican priorities (violence and corruption), which in turn could lead Mexico to policies that do not necessarily meet U.S. interests. For example, Mexico might consider granting immunity to drug mules in return for their testimony against violent and corrupt police officers. Moreover, Zimring suggested that while all of Mexico may be affected, the program should begin with a pilot project in a single border city, as the problem is too big to tackle all at once. Zimring’s presentation sparked numerous specific questions and observations, including some by experienced political actors, touching on such subjects as the potential unintended consequences of giving prosecutors greater power, past difficulties with attempting similar policies and potential locations for the pilot project.



Photo courtesy of the U.S. Border Patrol.

The California (left) – Mexico border (right).

The most well-rounded reflection on Zimring's recommendations came from Professor Aguayo, who deemed the proposals "challenging" and clearly thought provoking. Aguayo agreed that Mexico lacks an integrated strategy based on an analysis of country-specific realities and needs. He further observed that the assumptions underlying Mexican policies need deep review and expressed dismay that U.S. security interests were likely to prevail at the current moment, while larger questions about development and democracy in Mexico would likely remain unaddressed.

In sum, while a comprehensive strategy and its successful implementation may be far off, the problems are pressing and severe. Progress toward solutions will require an analysis that takes into account diverse Mexican and U.S. points of view, such as those exchanged at the Forum.

The Future of U.S.–Mexico Relations

Over the seven years since the Futures Forum was first convened, prospects for transformative initiatives between the United States and Mexico have followed a roller-coaster trajectory of promise and disappointment. Today, no one expects fundamental transformation in binational relations in the short-term, even with the upcoming U.S. presidential election. As Christopher Edley, dean of the UC

Berkeley School of Law, commented during a discussion of the potential impact of those elections, whoever wins in November will be faced with a "to-do list that is unbelievably scary." Drawing on his experience in the transition periods of two U.S. presidential administrations, Edley observed that the president will have the ability to address personally only a few of the many daunting issues presented before the congressional midterm elections; the other issues will be left to the cabinet and other administration members. Making a list of potential top-five priorities, Edley identified the economy and the budget; Iraq, Iran, Afghanistan and other national security issues; terrorism and homeland security; climate change and energy policy; and health care. Whether or not the new president follows this list, it is clear that Mexico has fierce competition for top priority status, as do immigration, labor rights, trade, education and many other topics of concern.

Nevertheless, the degree of integration between our two nations is such that U.S. domestic issues also affect Mexico, becoming what Fernández de Castro called "inter-mestic issues." In this vein, many participants were struck by a comment made the first night by Héctor Rangel, chairman of the board of directors of BBVA Bancomer, who stated that the most important outcome of the election for Mexico will be what happens to the United States economy.

The “facts on the ground,” therefore, will continue to drive U.S. and Mexican leaders to exchange perspectives and explore the possibilities for a renewed bilateral relationship. These stakeholders recognize that the U.S. and Mexico are increasingly interdependent: the two countries share a 2,000-mile-long physical border across which people, goods and ideas flow constantly. It is thus inevitable that the U.S. and Mexico will interact over common issues; the questions are how and on what terms. In this context, the Futures Forum continues to provide an important vehicle for the open exchange of diverse points of view, contributing to a

redefinition of U.S.–Mexico relations around our shared interests and interdependence.

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Priorities for the Next President

by Christopher Edley Jr.

Leadership is not just about making a calculation of how to adopt the best possible policy within the envelope of the politics of the moment. Leadership is also about trying to influence the way the public understands and empathizes, so that you can change that political envelope and make different solutions possible.

Now the “to-do list,” the inbox awaiting the next president of the United States, is unbelievably scary. It is unlike what we faced when Clinton took over in 1993 and unlike what Carter faced when he took over in 1977. I was involved in both of those transitions, and this is just scary. And it seems to me that if the next president is to address our current problems and repair the damage of the last few years it will require an ability to change the politics of those problems.

However, having worked in the White House under two presidents and having worked on a number of presidential campaigns, I’m painfully aware of how limited a period of time the next president will have to actually prosecute an agenda and how little time there is for the president to focus on key priorities. So I made a list. My top five priorities for the next president are: 1) the economy and the budget; 2) Iran, Afghanistan and security generally; 3) terrorism and homeland security; 4) climate change, energy and the environment; and 5) health care.

That’s a lot to try to get done before congressional midterm elections start to consume all of the available oxygen in Washington. But look what I’ve left off the list: immigration, global development, infrastructure investments, labor and workers’ rights, veterans issues, trade and trade-related matters, education and more. And all of this must happen against the backdrop of a broken Washington, where partisanship is crippling and policy must be communicated through the flawed transmission mechanism that is the media, in which even the best of leaders has difficulty communicating with the public. I think that the next president is going to face mountainous expectations that will be very tough to meet.

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Photo by Antonio del Valle.

Christopher Edley Jr.