

Cárdenas at Cal



Photo by Dionicia Ramos.

Cuauhtémoc Cárdenas
on the UC Berkeley
campus.

The following are excerpts from a talk given by Cuauhtémoc Cárdenas at UC Berkeley on March 2, 2006.

Mexico and the United States share a 2,000-mile border, relations of great diversity and, above all, a lasting friendship, even if it hasn't always been easy and comfortable to be the neighbor of the nation with the world's most powerful military and economy. During this long and complex relationship, the sentiments and goals of the majority of our people have generally coincided, although this has not necessarily been true with regard to our respective governments.

The most valuable relationship and the most valuable exchange between our countries, is direct and human: a million Americans and Mexicans daily cross our borders. They include people who travel for business, work or pleasure; families living across the border; and, most

relevantly, laborers who make up the migratory flow to this country, one of the most important migratory flows in the world.

Labor migration has been the most serious and complex human problem shared by our nations, which can be clearly seen by considering the important decisions and discussions that have taken place during the last months on both sides of the border, by people and institutions fundamental in the lives of our nations.

The United States needs migrant workers. They arrive from all over the world, but as everyone knows, most of them, around half a million every year, come from Mexico. Without them, the U.S. economy and its social life would be paralyzed, a fact which the government and vast sectors of society refuse to recognize. Consequently, the labor and civil rights of immigrants and their families are not protected, and they are often abused by authorities and employers.

To ease the conflicts surrounding illegal immigration, the Mexican government and Mexican society must take vigorous action so that the U.S. recognizes the indispensable contribution that immigrants — the vast proportion of whom are undocumented — make to this country through their work, taxes and culture.

My personal view is that no real solution to the problems we share will be found in building longer or higher fences, increasing the number of Border Patrol agents or loosening the Minutemen and enabling them to act with impunity.

If we really want to find effective solutions, it should be very clear that illegal immigration, border security and the fight against terrorism are not one problem, but different, separate problems. Each needs to be tackled in a different manner, through specific measures, some applied in this country, others in Mexico. Still other measures will require sharing the responsibility for decision-making and enforcement. Collaboration is indispensable if real and fair solutions to these problems are to be reached.

We have to begin by facing reality, and I

would like to focus on two problems: the illegal entry of half a million Mexicans every year to this country and the presence of 8–11 million undocumented immigrants in the United States.

Mexicans who leave their country and come here as illegal immigrants, would undoubtedly prefer to make their living in Mexico. Jobs have to be created for them in Mexico if we don't want them to migrate; and we don't want them to migrate.

Twelve years ago NAFTA came into force. Since the time of the NAFTA negotiations, I have proposed an agreement that not only focuses on free trade between the three North American nations but also tackles development and involves all the nations in our continent. This agreement would have a much broader focus and would consider the creation and utilization of mechanisms like investment funds to reduce economic and social asymmetries and promote growth. I still believe this could be one way to a much fairer relationship among the nations of our continent as well as a way to reduce and finally stop illegal migration by offering opportunities in every country, for every country's nationals.

In the meantime, there are an estimated 8–11 million illegal immigrants working and residing in this country. Does anyone sincerely believe it is possible to expel or deport millions of people? What would be necessary in terms of manpower and legislation to find and identify these immigrants, to gather them, to organize their deportation? How many buses, trains and planes would be needed to send them away? How long would it take? Who would replace them?

Energy policies are another key issue in our relations. As time passes, oil is becoming scarcer and more expensive, and too little is being done, even in the most developed countries, to replace oil as the energy basis of the world economy. The United States is the most important oil consumer in the world and would like, as would any other country, to be assured of its long term supply. The U.S. has adopted highly aggressive policies — commercially, technologically and politically — to achieve this goal. Time and time again these policies have been imposed by force, as we saw during the Gulf War in 1991, not long ago in Afghanistan and at present in Iraq.

Mexico's proven oil reserves, exploited as they are now, will last for 11 years, a terribly short

time. Besides increasing exploration to find new deposits, Mexico should implement an oil policy with the priority of reducing crude oil exports to zero in the shortest possible time and switching to the export of refined products and petrochemicals.

These contradictory positions and the needs of our countries must be conciliated so that a fair and beneficial solution for both parties may be found. This is, today, one of the most important challenges in our bilateral relations.

North America's Free Trade Agreement (NAFTA) came into force 12 years ago.

Cold figures could make us think that all parties have benefited from it and that all three partners are fully satisfied. Reality is quite different.

Eleven years after NAFTA, results have been good for Mexico in certain areas and bad or very bad in others. Trilateral trade has increased 117 percent, and Mexican exports have more than tripled during this period, going from \$51.8 billion in 1993 to \$165.4 billion in 2003. Although these figures seem to show that NAFTA has had a positive impact, the reality is that most of those exports correspond to foreign-owned maquiladoras and to the internal transactions of transnational corporations.

Maquiladoras established in Mexico during this period, mainly in the border regions, represent a temporary relief to unemployment, but wages remain well below those received by American workers with equivalent jobs. Additionally, these industries have not integrated into the Mexican economy. So, in general, they haven't been a factor in creating stable and fairly paid jobs, improving living standards or rationally integrating our productive chains.

It is easier to correctly appreciate Mexico's situation if we consider that in 1983, of every export dollar, 88 cents corresponded to national inputs: labor, services, raw materials, parts and components. In 1994 this figure fell to 42 cents, and today it may not reach 25.

NAFTA, which erased nearly every limitation to investment, provoked a productive denationalization. This was probably the gravest effect of the indiscriminate opening of our borders, which started a little before NAFTA and accelerated after the agreement came into force.

In 2000, Mexican exports reached their maximum: \$166.5 billion. In 2003, total exports

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decreased by a deceptively small 0.7 percent. However, excluding oil, the decrease totaled 2.2 percent. And if maquiladora exports are not considered, given that they are mostly internal corporate transactions, we find that Mexican exports went down 17 percent between 2000 and 2003.

In agriculture, NAFTA produced both winners and losers. Cereal, bean, vegetable oil, sugar, milk and cattle producers were negatively affected while producers of vegetables, beer, tequila and fruits like mango, avocado, guava, lemon and blackberry, among others, have gained new markets. Undoubtedly, growers of basic grains — corn, beans and wheat — have been the most affected. Imports of these grains during the 1985–93 period reached 28.9 million metric tons; after NAFTA, these imports went up to 63.3 million tons, an increase of 123 percent in the period 1994–2002. During this same period, imports of oil seeds increased 155 percent while those of sorghum and other animal foods went up 67 percent.

Significantly, NAFTA is the only free trade agreement in the world that liberalized the trade of agricultural products. Mexico has subscribed to more than 10 agreements since 1994, and none of them considers the liberalization of agricultural products.

The most serious social effects of the trade opening are growing poverty and the enormous increase in migration towards the United States: at least 3 million migrants have crossed the border in the past decade. The U.S. population of Mexican origin is already estimated at 25 to 27 million, and these migrants send over \$20 billion annually back to Mexico as remittances. This fact is received with joy by the government which refuses to recognize it as one of the most indicative, shameful and worrisome facts of Mexico's social situation, as it shows the government's incapacity and lack of will to solve the problems of millions of Mexicans.

We now face the need to revise NAFTA, according to the terms established in the agreement itself and in line with Mexican legislation (Chapter IV, Article 29 of the Foreign Trade Law), in those areas or with regard to those products in which there exists damage or risk of damage to national

production, which can be clearly demonstrated considering the decline in agricultural production, the thousands of bankruptcies of industrial and service businesses, the decrease in the population's income, the abandoned fields and the increasing migration to the North.

Considering that NAFTA is exhausted and has already given what it could, the Mexican government should propose a trilateral cooperation addendum to its two NAFTA partners which would commit the three parties to cooperating not only in trade but also in social areas, production and infrastructure. The main goal of the addendum would be the elimination of social differences and economic asymmetries as well as the creation of mechanisms like special funds for development — following the European example — to make these new policies into reality.

Unfortunately, the Mexican government, for over a decade, hasn't done its homework. Modernization of the most important productive sectors should have started while NAFTA was being negotiated. This didn't happen and still hasn't happened. If we want to be competitive on a global scale and improve living standards, Mexico has to radically change its economic and social policies. Instead of restricting investment, conditions to attract investment have to be created. Instead of creating economic policies that favor foreign producers, the government should help Mexican producers become competitive. Instead of focusing only on exports, attention has to be given at the same time, and with the same priority, to internal markets and to increasing the spending power of Mexican consumers. Creating jobs and combating the causes of poverty — not poverty but the causes of poverty — should become the main goals of Mexico's development policies.

In the early 90s, President Bush senior presented the Initiative of the Enterprise of the Americas as a continental project. NAFTA derives from this initiative. President Bush junior made a new proposal for our continent: the creation of the Free Trade Area of the Americas (FTAA). Progressive sectors in Mexico

consider that both of these projects intend, as their real and never overtly stated aim, to subordinate Latin American economies to the U.S. economy and to consolidate U.S. political hegemony over the continent. We cannot accept unfair conditions of life to be the fate of our peoples.

We have a far better, more equitable and beneficial proposal: since the time of the NAFTA negotiations, as I said before, I have proposed a continental agreement for development and trade, with a wider scope than NAFTA, with a broader scope and fairer conditions than the FTAA, not limited to trade, but rather with its principal objectives being the improvement of the population's living standards and sustained and sustainable economic growth for each and every country in our continent.

This is the agreement our countries need. Our governments have to be convinced that this is the agreement we need for an equitable future. Negotiation of such an ambitious agreement will take time. The focus will need to be not only on trade, but on development, and especially on human development. Investment funds will need to be created, as in the European Union, to reduce asymmetries and erase marginalities.

Environmental challenges must be faced and a social charter dealing with wages, working conditions, education, health, social security and the free transit of people and labor throughout the continent must be included.

Thinking of a better future for both Mexico and the United States is necessarily thinking of the future of humanity, thinking of a future where problems are met humanely, with social responsibility and a spirit of justice. It means thinking of a new and fair world order, with confidence in our capacity to develop equitable relationships and collaborate with the different peoples of our world, our continent and, particularly, with our neighbors. Let's start to dialogue, to reason, to act, so the ties of our friendship strengthen and a future of fruitful and fair collaboration is assured for our peoples. I am confident we can do it, and we will succeed.

Cuauhtémoc Cardenas, one of the founders of the Partido de la Revolución Democrática (PRD), was the mayor of Mexico City from 1997–99 and a presidential candidate.

Cuauhtémoc Cárdenas greets audience members after his talk.



Photo by Dioncia Ramos.