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Overlapping Societies

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By Kirsten Sehnbruch and
Harley Shaiken

The fourth annual meeting of the U.S.–Mexico Future’s Forum took place during a transforming historical moment: the late February event was bracketed by a congressional vote on immigration in December 2005 and record-setting demonstrations in March 2006. The U.S. House voted to make an estimated 12 million undocumented residents into felons at the

end of 2005, and this action spurred hundreds of thousands of protestors into the streets of Chicago, Los Angeles, Houston and countless other cities as winter eased into spring. Ironically, while September 11 had pushed Mexico into the wings in Washington, the House action thrust the issue of immigration and the U.S.–Mexico relationship to center stage.

The Forum, meeting in the San Francisco Bay Area, brought together a network of political actors, academics, business people, social movement leaders and public intellectuals

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from both countries. The 25 participants this year ranged from the chief financial officer of one of the largest firms in Mexico to a vice president of the Service Employees International Union (SEIU) in the United States and included members of Congress from both countries, the former mayor of Mexico City and faculty members from both the Instituto Tecnológico Autónomo de México (ITAM) and the University of California, Berkeley. Five themes defined the event: immigration, energy, China, violence and the upcoming Mexican elections in July. The notion was to discuss issues that were at the top of the political agenda today — providing fresh ideas and a binational perspective — and to raise issues that could define the political agenda tomorrow.

As in previous years, the Forum was organized and co-chaired by Professor Rafael Fernández de Castro from ITAM and Professor Harley Shaiken, Chair of the Center for Latin American Studies (CLAS) at Berkeley. The event was preceded by a year-long research agenda and public program on both campuses that set the stage for the discussions. The goal was not to achieve consensus — too many sharply divergent perspectives made that unlikely — but rather to generate innovative insights on those issues that are central to both countries.

The Mexican Elections

Clearly the July 2006 Mexican presidential election will define the U.S.—Mexico relationship. Mentor Tijerina, the Director General of Publicum Estragias, a political consultancy firm based in Mexico, opened the discussion, explaining that the contest represented a referendum on both democracy and economic issues. Electing Roberto Madrazo, the candidate of the Partido Revolucionario Institucional

(PRI) would essentially represent a return to the past, as Madrazo is closely associated with the traditional style of politics in Mexico with all that this implies, including corruption. Madrazo is trying to present himself as the candidate who will get things done, thus implying that the Vicente Fox administration is weak on accomplishment. The left-wing candidate of the Partido Revolucionario Democrático (PRD), former mayor of Mexico City and longtime front-runner Andrés Manuel López Obrador, is focusing on economic issues and vows to put the interests of the poor first. Meanwhile, Felipe Calderón, the candidate of the currently governing right of center Partido de Acción Nacional (PAN), is presenting himself as the “honest” candidate who is not tainted by corruption scandals.

At present the polls are tightening in the three way race although much could happen before election day.

Tijerina maintained that the electorate’s most pressing concerns are economic: unemployment, poverty and the high cost of living among others. He considered that López Obrador, whose campaign is focusing on these issues, therefore has the best chance of success, although he also observed that the outcome will ultimately depend on the level of electoral participation. López Obrador currently enjoys a high level of support among independent voters, who cannot be relied upon to turn out and vote.

In his view, Madrazo has the strongest negative perception among the electorate, which raises the important question of whether former PRI voters would swing to the right or to the left. Since the Forum, Calderón has overcome early name recognition problems with an aggressive ad campaign that links López Obrador with Venezuela’s Hugo Chávez and



Photo by Emily Earhart.

implies that a PRD victory will lead to economic instability. Calderón has jumped into the lead in many polls, including the Reforma poll.

David Ayón, Senior Research Associate at Loyola Marymount University, discussed the potential impact of the vote cast by Mexicans living outside the country. Last year, the Fox government approved the “*voto postal*,” a law that allows Mexicans living abroad to vote. However, the bureaucratic procedures required to register are so complicated that few Mexicans will actually be able to exercise this right. Thus, it can be assumed that the postal vote will have a minimal impact on the outcome of the election. Rafael Fernández de Castro added that Mexican immigrants are acting as members of other diasporas have acted in the past. “Mexicans come here [to the U.S.] to stay and integrate,” he maintained.

Whoever is ultimately elected in Mexico

will likely have to govern without a majority in Congress. This obstructs the political agenda of any government, as President Fox found during his term in office. So while the competitiveness of this election shows that Mexico is deepening its democracy, it is also clear that progress is unlikely to be as smooth as most Mexicans would hope.

Immigration

Immigration remains the most pressing concern for both countries. U.S. citizens share their daily lives with Mexicans across an ever-widening geographic area, while Mexicans benefit from billions of dollars in remittances, which constitute that country’s second most important source of foreign currency. As the late Adolfo Aguilar Zinser, Mexico’s former ambassador to the United Nations, put it so aptly: “Mexico is in the U.S., and this has tremendous implications

Diputado Adriana González Carrillo speaks while Rep. Linda Sánchez, State Senator Gil Cedillo and Dip. José Alberto Aguilar listen intently.

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Photo by Emily Earhart.

Eliseo Medina, Executive Vice President of the SEIU, speaks at the Futures Forum.

for the future of migration. It's not a question of labor markets anymore; it's a question of two societies that are overlapping."

The Forum grappled with immigration in two sessions and the theme ran through many other discussions. The issue of immigration has also continued to generate heated debate among U.S. policy makers. In March, the Senate Judiciary Committee approved a legislative proposal which included earned legalization for most undocumented immigrants, but this compromise imploded on procedural issues prior to the Easter recess. The Senate will likely return to this contentious issue sometime in May. Whatever the outcome, reconciling the Senate and House bills could prove difficult particularly with U.S. midterm elections looming in November.

At the Forum, Tamar Jacoby, a senior fellow at the Manhattan Institute, argued that the U.S. can have both immigration and legality.

However, this requires the recognition of the reality of immigration as a first step toward improving its regulation. She pointed out that in focus groups even hardline Republicans who start off arguing for deportation end up seeing the need for an accommodation of those workers who are already here when confronted by the practical question of how any form of massive deportation would be handled and how the legislation would be enforced.

Jacoby also observed that the issue of immigration was becoming a politically more important concern for the U.S. electorate. Meanwhile, in Mexico, the problems relating to immigration are easily blamed on the U.S. The Mexican government has avoided the issue, partly in order to avoid being perceived as cooperating with the U.S., but largely because it simply has not defined a coherent policy with regard to the matter. That said,

Juan José García Ochoa, a member of Congress in Mexico from the PRD, maintained that the Mexican government has failed to adequately communicate what it does to control illegal immigration.

Eliseo Medina, a vice president of the SEIU, emphasized the importance of a comprehensive approach to immigration and the necessity of a coalition that could pass more progressive legislation. His union has endorsed the notion of a guest worker program as embodied in the McCain–Kennedy proposal in the Senate.

The bottom line is that roughly 1.4 million Mexicans enter the labor market every year. In order to absorb this additional workforce, Mexico would have to maintain 10 percent annual growth. However, even in a good year (e.g. 5 percent growth), Mexico generates only half a million new jobs. It is obvious that the surplus labor force has to do something. So as long as employers north of the border provide this surplus labor

force with jobs, it is unrealistic to expect that the flow of immigration can be stemmed.

An important dimension of the discussion was the dialogue between representatives of the U.S. and Mexico. Issues of sovereignty and perception at times generated a few sparks. However, at the end of the day participants from both countries gained a far more nuanced understanding of the political complexities and varied positions involved in the debate.

The China Effect

In a fascinating yet deeply disconcerting presentation on China’s development process and its impact on the global economy, Clyde



Photo by Getty Images.

Prestowitz, the President of the Economic Strategy Institute and author of *Three Billion New Capitalists*, pointed out the need for the U.S. and Mexico to account for the China factor in their economic development strategies.

In Mexico’s case, he explained, 90 percent of the country’s total exports and 96 percent of its non-oil exports are sent to the U.S., which means that Mexico has not focused on developing relationships with other partners in the global economy. This problem is compounded by increasing competition from China. Currently, the only Mexican exports not losing ground in the U.S. market are large trucks, as it is too expensive to ship them long distances. Prestowitz also warned

Former Chinese President Jiang Zemin greets Vicente Fox at a 2001 APEC meeting convened to discuss terrorism and trade.

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Photo by Meg Stalcup.

Clyde Prestowitz speaks with David Bonior at the 2006 session of the U.S.—Mexico Futures Forum.

that the Mexican government is too dependent on revenues from the state-owned oil company, Pemex, which is not in good economic shape. He thus argued that Mexico's economy was not only wholly dependent on the U.S. but also built on shaky financial foundations.

As for the U.S., the main risk that Prestowitz noted is the country's fiscal situation. Currently, the U.S. deficit is being financed almost entirely by two countries: Japan and China. He predicted that interest rates would have to continue to rise in order to attract the capital inflows necessary to maintain this situation.

Prestowitz argued that not only has China emerged as a manufacturing superpower but that it is evolving into a major presence as a knowledge-producing economy. The Beijing

area alone produces 70,000 university graduates in science and engineering annually, providing a powerful lure for research and development investment both domestically and internationally. Álvaro Rodríguez, Chief Financial Officer of Vitro, a leading producer of glass, argued that a lack of innovation and long-term vision has hobbled Mexican economic growth in contrast to China's trajectory.

Renewable Sources of Fuel

Another important issue that faces both Mexico and the U.S. in equal measure is how to generate energy from renewable and sustainable fuel sources. David Shields, a columnist for *Reforma* and the editor of *Energía a Debate*, argued that there were four compelling reasons for switching to alternative sources of fuel: the

first being global warming (an issue to which the U.S. government gives little credence); the second national security (as terrorists could target key fuel infrastructure); the third the depletion of oil reserves; and the fourth the geographic separation of fossil fuel consumers and producers.

Shields pointed out that Mexico's position with regard to traditional energy sources is particularly precarious as Cantarell, its major oilfield, is likely to collapse within three years. This would not only put a significant dent in the government's budget — roughly 30 percent of which is derived from Pemex — but would also lead to a collapse in export revenues derived from energy trade to the U.S. Shields concluded by saying that international cooperation on energy matters should be more focused on producing sustainable energy

sources and a safer future rather than simply on the mechanics of buying and selling fuels.

Dan Kammen, a professor of energy at UC Berkeley, countered that Mexico was well positioned to become a leading exporter of energy to the U.S., mainly due to its geographic location.

Kammen argued that California acts as a driver for energy policy elsewhere in the U.S., and that this affects Mexico, too. California's new legislation is both increasing the proportion of electricity that has to be produced from renewable fuels and reducing the maximum limits for greenhouse emissions. This opens up important opportunities for alternative fuel sources across the board. Mexico is uniquely positioned as an ideal source of solar, wind, tidal and wave-produced

Offshore oil rigs in the Cantarell area of Campeche Bay.



Photo by Armando Salgado Fernández.

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Photo by AP/Wide World.

A Mexican soldier poses in a field of opium poppies to publicize the government's anti-drug efforts.

energy given its proximity to California's market.

Kammen also emphasized that the economics of traditional fuels are changing rapidly as oil prices head towards the \$100 per barrel mark. He pointed out that there are more oil reserves in Alberta, Canada than in Saudi Arabia. While this oil is more expensive and more polluting to extract, this option is becoming increasingly attractive given oil prices. The same goes for additional untapped sources in Venezuela and the Arctic. In an ironic aside, he remarked that global warming itself facilitates the exploration of arctic oilfields by reducing logistical barriers, a fact that oil companies are already considering in their strategies in

spite of the U.S. government's denial that global warming is taking place.

As for Mexico, its development strategy should further consider the possibilities of the production of ethanol, especially from cellulosic sources, as the demand for this fuel in the U.S. is likely to increase significantly in line with California's progressive energy policy.

Crime, Justice and Security

The Mexican crime rate — and its impact on the U.S.—Mexico relationship — was the final topic of discussion at the Forum. José Canela Cacho, President of the Ergo Group, a public policy consulting firm, argued that



Photo by Meg Stalcup.

Mexico has as much of a crime problem as it has a problem with enforcing laws and justice.

Crime statistics, however, have to be viewed with a degree of caution. While overall crime rates are decreasing, the crimes may be becoming more serious. It is also not clear to what extent crimes are actually reported. Nevertheless, Canela maintained that crime peaked during the 1980s and 90s. Since then, all measures have shown a significant drop in the Mexican crime rate, which he attributed to increased spending on public security and reforms of the judiciary.

However, narcotrafficking continues to be an area of concern and a sticking point in U.S.–Mexico relations. Drug money breeds institutional corruption and violence, hinders effective law enforcement and distorts the priorities of public security policies. Canela

pointed out that a lot more is being spent on federal crimes (which include homicide and drug offenses), than on state crimes (e.g. robberies and assaults), of which there is a much higher incidence. The former constitute only 6 percent of total crimes, but 25 percent of incarcerations. He concluded by arguing that the problems generated by drug trafficking cannot be resolved without significantly reducing the demand for drugs.

Concluding Remarks

The discussions at the Forum ranged over a sometimes intense two days. The binational character of the meetings proved especially valuable for generating new insights and understanding different perspectives. On immigration, a key issue was the proper role of political leaders from each country on a

Rep. Loretta Sánchez speaks at the U.S.–Mexico Futures Forum, as Dip. Juan José García Ochoa looks on.

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contentious issue that impacts both nations. Some U.S. leaders argued that sovereignty dictated that U.S. immigration policy be exclusively a U.S. concern; others countered that while this might be true in a formal sense, close cooperation between Mexico and the U.S. would be necessary to address the issues raised by immigration. On issues related to China, energy and violence, the sense of many participants was that innovative ideas could make a significant difference, particularly a comprehensive strategy for increasing the competitiveness of North America in the global economy, a greater emphasis on the diffusion and use of alternative energy and stronger

binational cooperation on issues related to drugs and violence. The Forum once again demonstrated the value of divergent opinions in a common network.

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

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

Participants in the
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Photo by Meg Stalcup.