

ened by generalized violence, foreign aggression, internal conflicts, massive violation of human rights or other circumstances which have gravely affected public order" (Cartagena Declaration, November 1984).

Dr. Aguayo criticizes both Mexico and the U.S. for their "dance of indifference" with respect to the human drama of Central American migration. However, he says that Mexico has the best policy in the region and a more humane approach to the problem. In a way, he says, Mexico has tried to ignore the problem, while at the same time seeking a regional solution. In fact, many of those deported from the U.S. as undocumented Mexicans are Central Americans. Officers don't bother to ask where the "wetback" is from, for the simple reason that it is

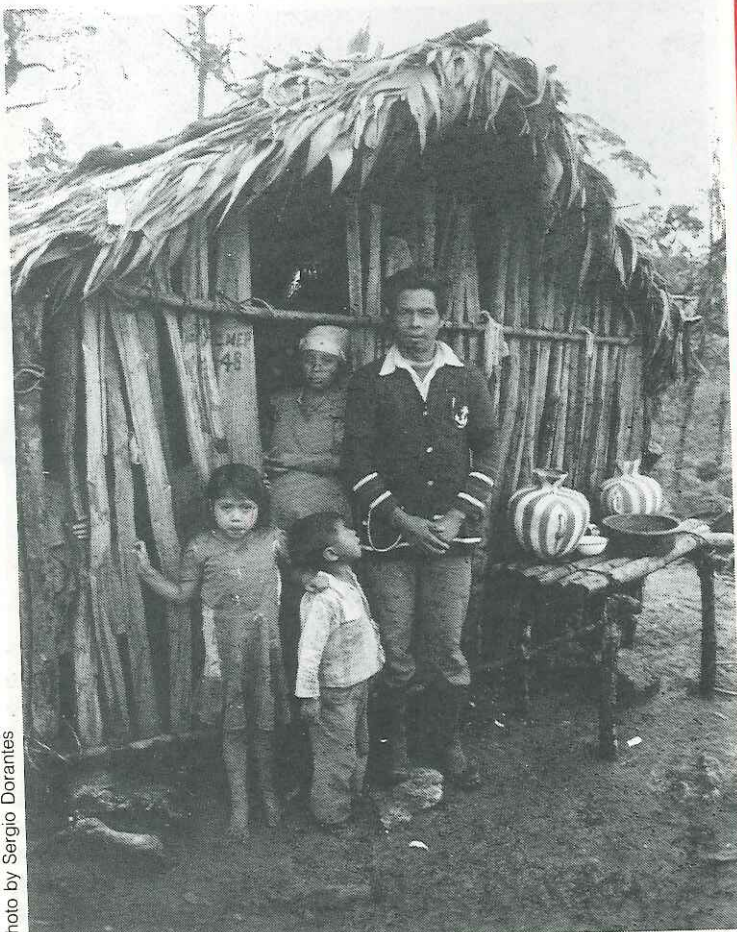


Photo by Sergio Dorantes

Hoping someday to return to their land and country

more costly to deport someone to Honduras or El Salvador than to Mexico. Dr. Aguayo says the United States does not recognize any Central Americans as refugees or asylum-seekers, yet accepts that two of its allies, Canada and Australia, interview Central American refugees in Mexico.

Mexico, in its current economic crisis, cannot afford to be too generous or too humanitarian with the floods of migrants, says Aguayo. Thus, one can explain the Mexican government's apparently ambivalent attitude: a certain leniency and tolerance towards the illegal immigrants in its territory, coupled with arrests and deportations.

Mexican Foreign Minister, Bernardo Sepúlveda, has repeatedly stated that Mexico needs peace in Central America, since an "increase in the region's armed conflicts would bring very grave consequences for Mexico". ★

Jackie Buswell

Shifting Gears in Mexican Industry

A bold plan to modernize Mexico's aging industrial plant has been proposed.

Numerous countries around the world have found themselves confronted with the need to transform their productive plants in order to survive and compete in the international marketplace. Since the 1960s, the rules of industrial production have been gradually changing to the point that today countries like Mexico are faced with the problem of how to deal with increasingly outdated installations and technology.

This situation has given rise to a new concept: industrial reconversion, also called modernization, readjustment or simply the restructuring of the industrial plant. When people speak of industrial reconversion, they imply that the previous model of industrial development is now obsolete. In Mexico, that model has led to irrational internal growth and difficulties in staying competitive on the rapidly changing international market. The situation is clearly compounded by the severity of the country's crisis.

In official Mexican circles, reconversion is understood as a strategic policy proposal. It is an ambitious plan intended to deal with the urgent need to transform the country's productive apparatus. In addition, it recognizes that transformation is not a passive process of reinsertion in the international market, but rather demands the correction of past vices and insufficiencies to create a new dynamic style of growth



Workers few losing their jobs through reconversion

and beneficial participation in the marketplace.

In November 1986, Alfredo del Mazo, Minister of Energy, Mining and Para-State Industries, outlined the major elements of reconversion during a session with the country's House of Representatives. The goal is to turn Mexico into an industrial power by the year 1990. With this reorientation, the government hopes to balance the trade ledgers and reduce vulnerability to external factors, as well as to guarantee the production of goods and strategic inputs, strengthen and redirect development of the internal market.

THE NEED FOR RECONVERSION

national productive plant must also be added to the panorama, since they both motivate and challenge the reconversion process. Among these is the fact that the current administration has sought to remove some 438 companies from the public sector. 269 are being liquidated, 101 have been put up for sale (by October 1986, however, only 34 had been sold), 58 merged with other

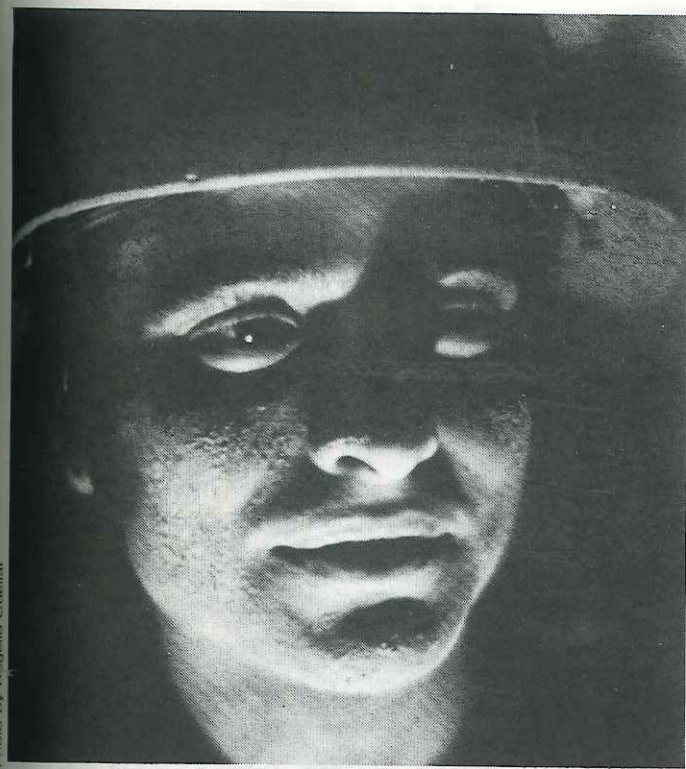
productive plant. This means that new technologies can only be absorbed slowly and unevenly. It also will produce predictably traumatic effects on the country's capacity to generate new jobs. And finally, if the catalyst for this whole process is supposed to be new investment, it's not at all unreasonable to ask, just where is the investment supposed to come from.

al production. Given this situation, then, foreign investment is the only possible source for the large amounts of capital required by the reconversion program.

But there are also problems attached to that possible solution, and a whole series of factors make it unlikely that Mexico will soon be flooded with foreign capital. In the first place, the country's political traditions have jealously guarded against all kinds of foreign involvement in national affairs; a rather natural protectionism characterizes some sectors and legal procedures are complicated and confusing. In the second place, the internal market is highly depressed by the severity of the crisis and offers neither guarantee nor incentive for the investor.

In addition, while Mexico-U.S. relations are always quite complex, including geostrategic concerns, there are some very important things

The state, with its overwhelming foreign debt, an economic policy designed to control inflation and plans to make important cut-backs in its investment programs, can hardly be expected to provide the resources needed to make reconversion work. The private sector, on the other hand, also faces serious problems given the extremely high, prevailing interest rates. In addition, temptations are strong to go after the faster gains of financial speculation or to keep profits in foreign dollar accounts, instead of investing in nation-



Workers worry about losing their jobs or being transferred to far-off provincial sites

cause of Mexico's current socio-economic reality, reconversion will nonetheless imply a series of political and social costs.

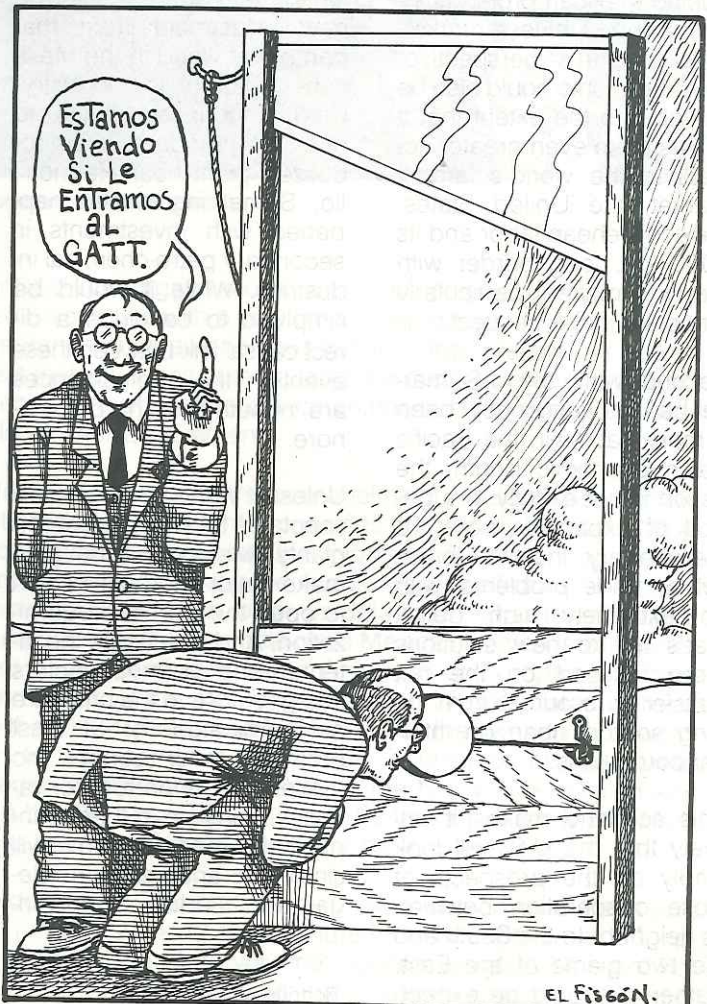
The most outstanding features of Mexico's overall development situation include the following: more than \$100 billion in foreign debt, an unprecedented increase in underemployment, an increase in the federal deficit, three-digit annual inflation (more than 100% last year), a drop in investment and an important reduction in the availability of foreign exchange due to greatly lowered export earnings.

Other characteristics of the

companies and 30 transferred to state governments.

An August 1986 survey carried out by the Private Sector Center for Economic Studies further adds to these clear signs of instability. Reduced demand, scarce credit, uncertainty about the economic future and extreme dependence on foreign sources for new technology are all factors, according to the survey, that make necessary the transformation of the country's productive plant.

As if all that were not enough to make the task a difficult one, the situation is further complicated by problems of unequal development in the



"We are wondering if we should get involved in GATT"

El Fisgón

the nation

happening right now in that regard with potential implications for reconversion.

First, it is clear from President De la Madrid's recent trip to Japan and China that Mexico is turning to the Pacific Basin as an invaluable ally in its efforts to work its way out of the crisis. It could be an important new source of credit and investment to modernize the nation's product-

erations will continue to color U.S.-Mexico bilateral relations and that they may actually heighten sensitivity to such issues as foreign investment. In fact, the U.S. has already begun to set limits around its "priority areas." For example, when Japan showed open interest in making important investments in Mexico in information technology, the U.S. responded by opening an IBM assembly

Feminism in Mexico, an Underground Stream

Women from different classes have contributed to Mexico's feminist movement.

Mexican women share with their Latin American sisters a common history of poverty, political repression, economic crisis and the constant put-down of their attempts to develop and assert their cultural identities. This heritage has clearly had specific implications for Mexican women, whose oppression also comes from a combination of religious influences, cultural traditions, social values and stereotypes, and machismo.

Today Mexico has an egalitarian legislation which establishes legal equality between men and women, with some protective laws covering mothers and minors. Nonetheless, this is a mere formality which has had little effect upon the daily lives of most people. For example, formal education is beyond the reach for much of the general population, but even more so for women whose illiteracy rate tends to be much higher than for men.

Statistics relating education and fertility are revealing. At the

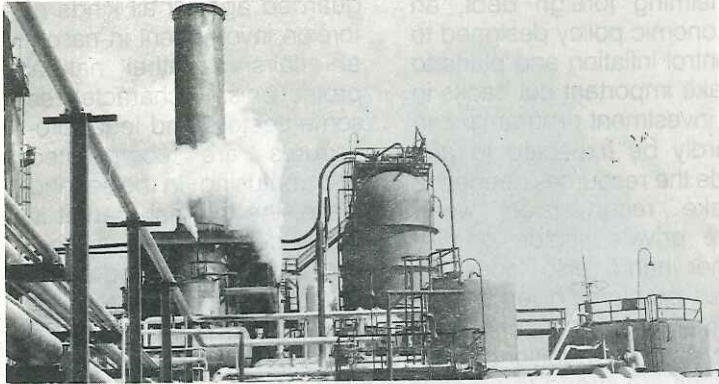


Photo by Archivo Novedades

Industry must leave the city

ive plant. And there could be important benefits from introducing Mexican products into the huge Chinese market. From Japan's perspective, the relationship could also be valuable to the extent that it allows them even greater access to the world's largest market, the United States. Mexico's cheap labor and its 3000 km. long border with the U.S. make it particularly attractive in this respect.

Second, while the U.S. market has unquestionably been a major factor in the Pacific Basin economic boom, the nation is not exactly in a period of expansion now. To the contrary, the U.S. is beset by trade problems, with an extremely high deficit that's led to new solutions more focused on the net transfer of resources from foreign sources than on internal corrections.

This scenario makes it unlikely that the U.S. will look kindly on the prospects of close cooperation between its neighbor to the South and the two giants of the East. Rather, it should be expected that geostrategic consid-

plant in Guadalajara; when there were rumors in the Orient that there could be new investment from that part of the world in the Mexican automobile industry, Ford announced plans to open a modern, semirobotized plant near Hermosillo. Something similar happened with investments in secondary petro-chemical industries. While it would be simplistic to conclude a direct causal link between these events, the coincidences are nonetheless hard to ignore.

Unless it wants to be a mere spectator to a duel between giants, Mexico will have to make major efforts of its own to open the way to modernization. And so long as the internal and external factors that gave rise to the crisis are not eliminated, or at least brought under control, no matter how opportune or rational it may be in theory, industrial reconversion will simply be another term relegated to the list of good intentions. ★

Rodrigo Morales M. and
Ernesto Rojas



Feminism is well-received on campus