

MEXICO IN THE GLOBAL VILLAGE

An Interview with José Angel Gurría Treviño

With the end of the Cold War, the world has moved from certainty in a conflictive situation into extreme —although to a certain extent more “peaceful”— uncertainty and volatility. The high risk of confrontation between the two superpowers kept all international players to minimal movements. This has clearly evolved into a world order in which any country can move, but outbreaks of low intensity warfare are the order of the day.

At the heart of the crisis of the international system is the contradiction between globalization and fragmentation: on the one hand, individual countries reinforce their national identities and on the other, ethnic groups emphasize their own particular characteristics. Regional trading blocs are forming and, at the same time, a more dynamic global economy is supposed to make room for new participants.

Voices of Mexico considered it important to find out about Mexico's role with regard to the different international players, as well as to know what its strategy is vis-à-vis some concrete problems. José Angel Gurría, Mexico's Minister of Foreign Affairs,

graciously made time in his busy schedule to answer these and other questions.

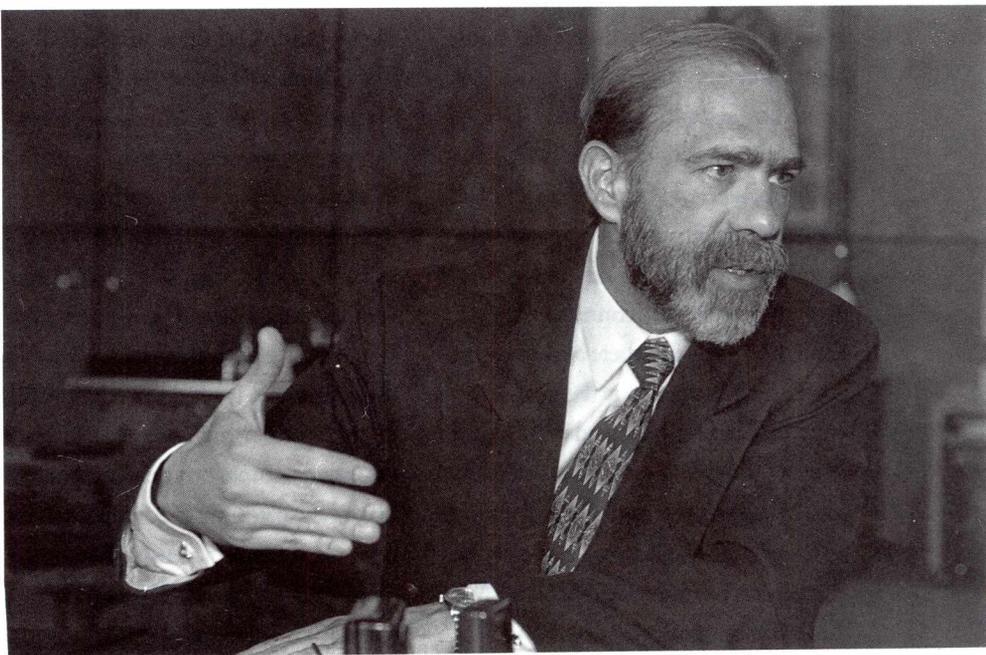
The following are his points of view.

Voices of Mexico: *There has been a lot of debate about abandoning principles of foreign policy due to U.S. pressure. What comments can you make about that?*

José Angel Gurría: The principles that guide our foreign policy are embedded in our Constitution. That means that not only are they principles practiced day-to-day, but that those who both practice and define overall policies regarding government interna-

tional actions —the Ministry of Foreign Affairs and all its staff, including the Secretary of Foreign Affairs on a day-to-day level, and policy-making at the higher level, which obviously is the president's prerogative— are bound by those principles. They were incorporated into the Constitution after many years of guiding our actions, but now they are an obligation, a constitutional obligation. They provide the constitutional framework for every one of our foreign policy actions. It is therefore both a mandate

Photo: Ministry of Foreign Affairs



The minister in his office.



Photo: President's Press Office

The number of Mexico-Canada working groups has increased.

and a guide for foreign policy actions and the relationships that we establish with the rest of the world. Our foreign policy initiatives, our bilateral, our regional, our multilateral actions, all have to be incorporated, all have to be guided by those principles. So, I find completely ill-founded the statement that we may have either neglected or abandoned them. I cannot point to any particular instance of our having neglected the practice of or the respect for those principles. We abide by them every day. Every day that passes, in every one of our contacts with the United States—and there are hundreds, thousands, throughout the year—we have to adopt a balanced attitude in terms of defending the interests of Mexico, of preserving and strengthening our sovereignty, and that can only be enhanced by these principles. We think foreign policy is a set of actions which are complex, which demand

creativity, which demand very serious preparation, and I think that seriousness, that prior preparation and the setting of very clear objectives in terms of what we want to achieve are the tactical tools. But the strategy and the overall aim of foreign policy is always guided by these principles.

VM: People talk about the “good neighbor policy” as well as “distant neighbors.” How would you describe the current state of relations with the United States?

JAG: I think it's very difficult to put a name to such a complex relationship. People must realize that the relationship we have with the United States is unique. There is no other relationship in the world which has that kind of intensity, complexity, density. There is no other place in the world where, because there is a border between a developed and a developing country, you have this asymmetry in the economy. And there is no other border in

the world where you have 300 million legal crossings every year. There is no other country in the world where a developed and a developing country exchange more than 10 billion dollars of goods and services every month. So, it's an extremely unique relationship, and therefore there are no books, there are no blueprints for managing it.

I would say that one of the keys to the success of the relationship has been precisely that we have developed institutional channels of communication where today we can literally address practically every single issue that arises, even if it's very thorny, very difficult, controversial, where we have differences of views, etc. There is practically nothing that cannot be channeled through the institutional mechanisms we have created. I would describe the quality of the relationship as solid, mature and respectful. The quality of the communication—that is, the personal relationships, starting with the presidents and the cabinet level down to the working level—is also excellent. And that is allowing us to make more progress than we have made in a long time on a very broad set of issues on the bilateral agenda, which includes working together in some regional and multilateral fora. So, I think the relationship is going through a very good moment.

There is great awareness on both sides of the need to build on that relationship. And that is why we call it a new understanding. We have started to develop this new understanding based on both qualitative and quantitative appraisals of the relationship. Precisely because we are very aware of our principles and act accordingly, we have developed a capacity for dialogue and negotiation that is producing a better quality in the overall relationship with the United States.

VM: *The free trade agreement has been seen both as the cause of all of Mexico's problems and as its only salvation. What do you think about this?*

JAG: I think it is neither. NAFTA has provided opportunities for the three countries involved. It is helping create jobs, exports, investments. It is making the whole region more competitive vis-à-vis the rest of the world. And the fact that we have increased the trade between Mexico and the other NAFTA countries, the United States and Canada, from about 90 billion to about 125 billion dollars is very dramatic testimony to the success that we have had. I think that trying to pin the blame for the economic problems of 1994-1995 on NAFTA reveals either a lack of understanding of the reasons behind our economic problems—basically the low level of savings that we have had in Mexico and therefore the need to attract foreign capital which became speculative and short-term, leaving the country when we had some internal strife—or it reveals political motivations because NAFTA is associated with the government of President Clinton,

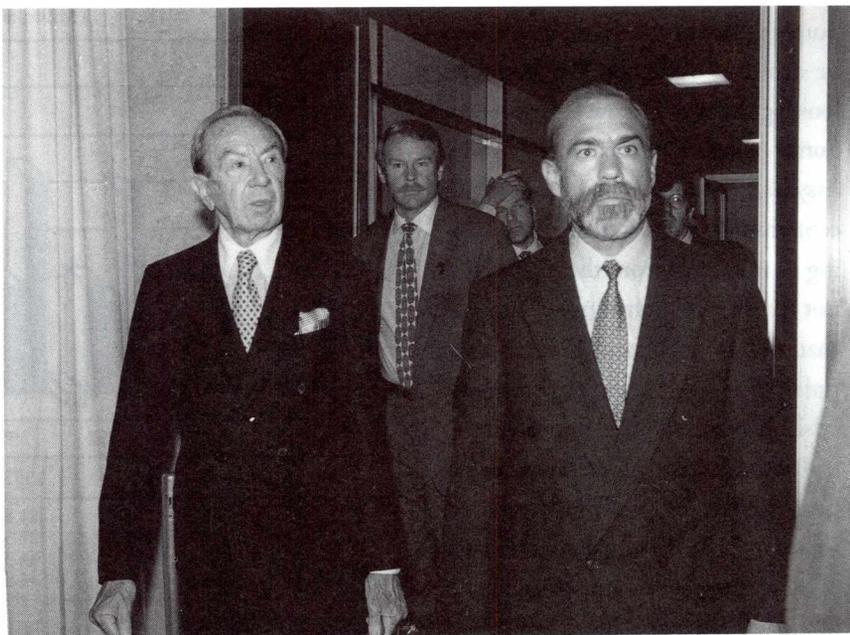
“Immigration is fed by economic, sociological, historical, family and cultural reasons, by decades of habit.”

who was the one who finally promoted its passage in the congress although it began in the government of President Bush. NAFTA is sometimes used during U.S. elections to criticize the president of the United States. In Mexico, it is used sometimes—again—with political motivations. But, it is absolutely wrong to attribute to NAFTA the economic problems of Mexico. NAFTA is contributing to the recovery of Mexico, to the increase in exports, to the opening up of markets in the United States and Canada.

We cannot say, on the other hand, that NAFTA is the cure-all for any problem. NAFTA is doing its job: it's a free-

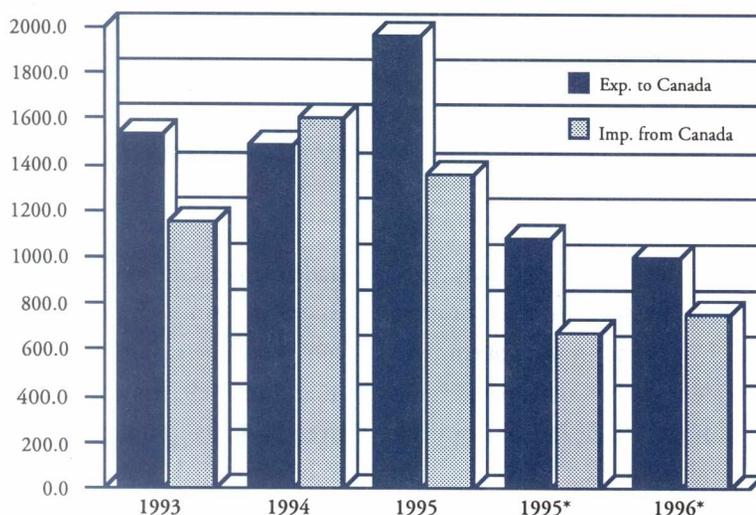
trade agreement. NAFTA poses challenges in terms of productivity and competitiveness, but NAFTA does not, in and of itself, provide the competitiveness or the productivity. That has to be promoted. NAFTA made the productive sector in Mexico aware of the challenges and the opportunities of free trade. I believe that the productive sector has been up to the challenge. But, when you talk about balanced budgets, bringing down inflation, less volatility in the markets, deregulation, structural change and even promoting free trade with other areas of the world, like we're doing now with the rest of Latin America, with Europe,

Photo: Ministry of Foreign Affairs



With U.S. Secretary of State Warren Christopher.

MEXICO-CANADA TRADE
(Millions of U.S. Dollars)



	1993	1994	1995	1995*	1996*
CT	2704.0	3115.0	3353.6	1781.0	1770.0
EXP	1541.0	1495.0	1979.4	1095.0	1007.0
IMP	1163.0	1620.0	1374.2	686.0	763.0
BALANCE	378.0	-125.0	605.2	409.0	244.0

Source: Banco de México.

* January-June.

NOTE: The last two columns compare first-half figures for 1995 and 1996.

with the Asian Pacific countries through APEC, that is independent of NAFTA. It is part of an economic policy that has to be looked at in a comprehensive way. If we limited our view of economic policy to NAFTA, we would also be deluding ourselves. We would be looking at a very narrow aspect of economic policy in general. So, that is why I say it's neither. It is not the root of our economic problems. In fact it is helping us to recover from them. And it is not the only economic policy variable that we are using and have used in order to recover from the economic crisis. It is helpful. It is important.

It has also the other rather unexpected effect of putting Mexico on the map, at least on the mental map of many people in many countries. It has made Mexico a more important player in the world of trade, invest-

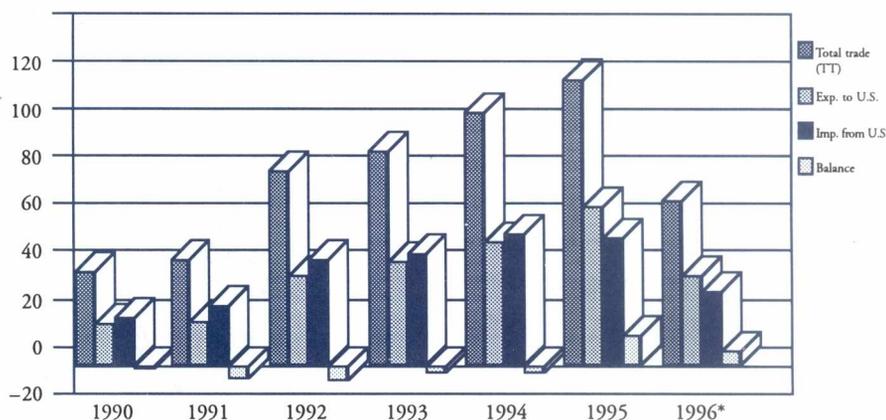
ment and in the business world. And I think it has been a very successful experience simply because even under

very difficult circumstances such as those Mexico went through in 1995, NAFTA continued to provide opportunities for exports, for job creation, investments, etc. So, its effects are cumulative. The whole area is gaining efficiency every day as non-tariff barriers are reduced or eliminated.

VM: *What can Mexico do regarding the violation of the human rights of illegal immigrants to the United States?*

JAG: The question of immigration is what we have called a structural relationship with the United States because it has been there for many, many years and it will continue to be there for many years to come. Some problems are addressed and solved. Some are addressed and managed, because you cannot solve them with a particular date in mind. Immigration is fed by economic, sociological, historical, family and cultural reasons, by decades of habit.

MEXICO-U.S. TRADE
(Millions of U.S. Dollars)



	1990	1991	1992	1993	1994	1995	1996*
TT	39.5	44	81.8	89.6	106.4	120.4	69.3
EXP	19	19	27.5	43.1	51.6	66.6	37.9
IMP	20.5	25	44.3	46.5	54.8	53.8	31.4
BALANCE	-1.5	-6	-6.8	-3.4	-3.2	12.8	6.5

Source: Banco de México.

1990-1991 figures do not include maquiladora industry.

* January-June.

NOTE: The last column shows results only for the first half.

And there is no relationship—or better said—there is no correlation between immigration and the economic situation in Mexico. There have been times when economic activity in Mexico was buoyant and immigration was high. There have also been times when Mexico was going through a recession and immigration was low. There are many variables that come into the equation, including the very changing and sometimes volatile attitude of the United States vis-à-vis immigration.

We accept, and in fact fully support, the right of every country in the world to enforce their laws, including immigration laws. But, we believe that enforcing those laws has to stop at the moment when, by enforcing them, the human and labor rights of immigrants are or may be infringed. So, our leit motif, our demand, is that in enforcing U.S. laws, the immigration authorities of the United States must fully respect the human rights and the labor rights of immigrants, regardless of their migratory status.

There are some very newsworthy cases, like the Riverside case, where Mexican government action has already resulted in investigations being launched. The officials have been fired and there are still civil suits and federal investigations going on regarding the beatings of the Mexicans. But

people lose sight of the fact that the most important task, the most important obligation and the most important job that our consulates and our embassy in the United States do every day is the defense of the rights of the Mexicans against abuses and violations that come from a number of areas... and there are hundreds and thousands per day. Our consuls are unsung heroes. There are several million Mexicans in the United States—and that also makes us very different from any other country in the

the problem, and I think we've made inroads with federal authorities. We continue to have cases where local authorities are involved in the violation of human rights of our migrant workers... and we defend them in every case, doing everything from simply letting them know what their rights are, to the extreme case where we help transfer the bodies of those who—in those very tragic events that we have seen, off and on—died while crossing the border or the desert. We also help those who have acci-

Photo: Ministry of Foreign Affairs



Drug trafficking transcends borders and demands joint solutions.

world vis-à-vis the United States—some are legal residents, some undocumented workers. They all always have recourse to our consulates, to our embassy, to defend their rights. In our bilateral relation with the United States, the question of migration is something which always takes a lot of time and effort. We've made a lot of progress in terms of raising the awareness of the U.S. authorities about

dents, or sometimes are the object of abuse by some of the authorities. So, that is one of the most important jobs that the Ministry of Foreign Affairs of Mexico does every day. What we see in the newspapers is just the tip of the iceberg. Our policy is invariable. Our position is absolutely unchangeable. We demand, and we see to it, that those rights are respected in every case.

The Ministry of Foreign Affairs has also stepped up the activities of the Program for Mexican Communities Abroad. This program consists of several projects addressing education, health, sports, culture, business, community outreach and many other areas that are carried out through our 41 consulates and 21 Mexican Cultural Institutes in the United States. In this way we are strengthening the deep bonds that already link us with the Mexican and Mexican-American communities that live across the border.

VM: *That brings us to the next question, which I think has already been answered. When faced with a problem with no clear solution, like the problem of Mexican immigration to the United States, what is Mexico's strategy?*

“Drugs are a global phenomenon that transcends borders and is financed internationally. International cooperation is critical to the success of this battle.”

JAG: In many cases, the problem is that neither the U.S. nor Mexico know enough about the problem. Migration, paradoxically, although it is such an old phenomenon, is something about which for the first time ever, we have begun a binational study, about the amount of migration, the kind of people who migrate, the cost-benefits of migration to the United States and Mexico, and some proposals to deal with the problem. That is now underway. We are in the second year of the study, and we

expect to have the results toward the end of the year or early next year. But, of course, we're not waiting for the results of the study to address the matter every day: the work is part of our daily routine. But the study will help a lot to dismiss a number of myths and part of the conventional wisdom on the subject, and it should help us educate the public on both sides with the facts. It is particularly important, I think, to be able to document the positive cost-benefit ratio that migrant workers provide to the U.S. economy.

VM: *Drug trafficking is one of today's problems which transcends borders and demands joint solutions. What is Mexico's plan?*

JAG: Drug trafficking has threatened the bilateral relationship more

than any other single subject. And I would say that, even today, if you asked me to name the single greatest threat to the relationship in a word, I would say drugs. It is an emotional subject. It involves criminal activities. It involves the youth of both countries. And it also has to do with a worldwide phenomenon.

I think we have successfully changed—at least at the executive level of both countries—what used to be a very confrontational, very discriminatory relationship, into a coop-

erative one, by raising the level of discussion to the cabinets of both countries. President Zedillo suggested that we form a “high-level contact group on drugs,” which includes the Minister of Foreign Affairs and the Attorney General of Mexico and high officials from the Ministry of Defense, the Navy and the Ministry of Finance (to deal with money laundering). As for our counterparts, they have what they call the drug czar (not a very fortunate term: he is actually the official in charge of leading the fight against drugs), Barry MacCaffrey, who is a member of the cabinet and answers directly to the president of the United States, plus the State Department, the Department of Justice, the Department of Defense and the Treasury. They are all involved in a very high-level policy discussion. We have already had two meetings of the senior members of the group, with literally dozens of working sessions of lower level officials. I think we have transformed this very divisive, potentially explosive issue into a much more cooperative, much more constructive relationship, in which the essence of the cooperation is the recognition that the enemy is a common enemy, that the problem is a common problem, that both our countries are victims, and that drugs themselves are the real enemies.

Drugs are a global phenomenon that transcends borders and is financed internationally. International cooperation—binational, regional and multilateral—is critical to the success of this battle. That is one of the reasons why Mexico has proposed a world conference on drugs, which

would be held in June 1998 on the tenth anniversary of the Vienna Convention on drugs. We will be looking at the subject comprehensively, integrally, giving all the different aspects of the problem the appropriate weight and the appropriate attention, including new phenomena like money laundering and the new threat of chemical precursors for the production of metamphetamine. I think that we need to be very clear that to succeed in this fight, we need to assume shared responsibility for it.

We are now working with the United States on bilateral issues, but we are also working together in the multilateral sphere, and I think we are getting very positive results. I think we have managed so far to change the perception, at least at the executive branch level of the U.S., about our commitment, our determination to fight drugs.

Although there is still a lot of work to do, we are making some inroads in terms of the opinion leaders in Congress in particular, who have been so critical of Mexico on this subject. Sometimes it looked like they were on completely different tracks. We were working very well with the executive branch, and the Congress, for its part, seemed to ignore everything we were doing. I think we're making some progress there, but there's a lot of work to be done on that particular score. There are still some very harsh initiatives that are approved by the U.S. Congress, chastising Mexico because of its lack of commitment in the war against drugs, using completely false or wrong information. And that's a challenge. We have to give the public

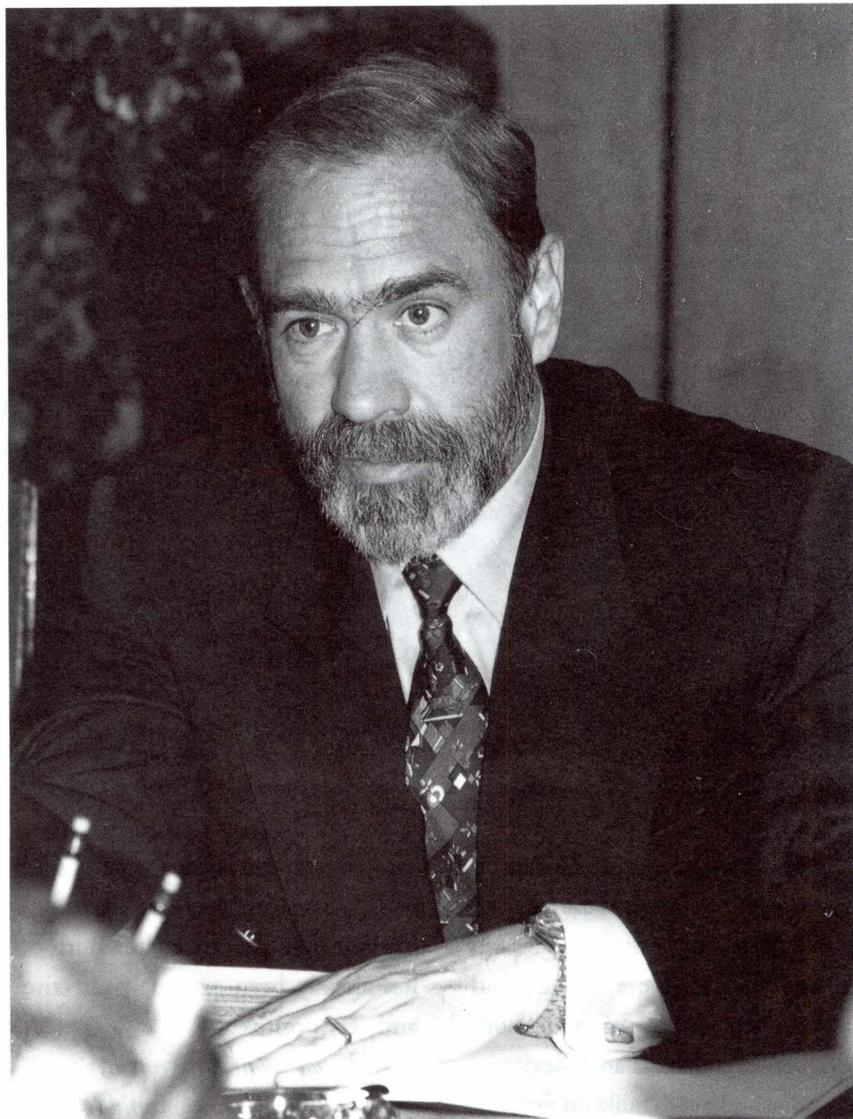


Photo: Ministry of Foreign Affairs

During the interview.

and particularly the U.S. Congress more information on the work that we're doing together. I think it's a very big challenge for both of our countries, but obviously we can only make progress if we work together.

VM: *Canada and Mexico decided to become part of a treaty when they were just getting to know each other. What is the next step?*

JAG: The relationship with Canada is very important for Mexico because Canada is where diversification starts.

It sounds a little paradoxical because Canada is part of NAFTA. However, Canada and Mexico have been further apart than geography would suggest. We knew very little about each other. There was very little trade between the two countries although the potential is great. Just to give you an idea of the potential: Canada and the United States trade about one billion dollars a day, both ways. Mexico and the United States trade about a billion dollars every three days. So, the potential for



Photo: President's Press Office

President Ernesto Zedillo with Germany's Chancellor Helmut Kohl during his visit to Mexico.

developed relationship, just like it is in the case of Canada, but it is a relationship where we can build on existing links, both political and economic, which have been there for many, many years, such as those with Spain, France, Germany, Italy, and the United Kingdom. And I think that the relationship we have had so far with Europe has not had the necessary framework for changing the quality of links we have. That is why the president promoted a new approach: we call it a “wide-ranging agree-

ment with Europe.” The official name is the Agreement for Economic and Political Cooperation Between Mexico and the European Union, for which there is already a mandate from the Council of Ministers and the political leaders of Europe. This should

Mexico and Canada to do business is very, very important. And the fact that we still have single-digit figures, in terms of billions—we’re talking about a few billion dollars of trade both ways, between Canada and Mexico—shows that we have to build on that, but that the opportunities are very clear.

We now have a political relationship which is better than it has ever been, starting with the prime minister of Canada and the president of Mexico, at the cabinet level and, most importantly, the businessmen of both countries, who are starting to find out the infinite possibilities that arise if they draw closer together. Canada is a country with which we are in a mutual process of rediscovery, but I’m convinced that it is a process which will yield enormous benefits for both our countries. So, I am very, very hopeful. I

can tell you, the political relationship with Canada, in very specific things like our fight against Helms-Burton, has already been extremely effective and very positive.

VM: What is our foreign policy vis-à-vis the European Community?

“The political relationship with Canada in very specific things like our fight against Helms-Burton has already been extremely effective and very positive.”

JAG: The European Union is our second largest trading partner as a block, our second largest source of foreign investment and an invaluable ally on political affairs and matters of international cooperation. It is an under-

become a draft agreement to be discussed with the Europeans in the fall. It has three chapters: the political chapter, which would put us on the same wavelength and with the same access as the United States, Russia,

Canada or the larger countries in the world; an agreement on cooperation which would give us access to a number of European institutions which today cannot operate with Mexico because the present framework does not allow for it; and, of course, last but not least, the negotiation of what can eventually become a free trade agreement with Europe, which we believe can be enormously helpful and which has a potential of being very successful in opening up other markets of the world, and promoting investment in Mexico.

That's going to take some time. We're not in a hurry. We want this to be very high quality, an example of the kind of agreements that can be negotiated. We're very enthusiastic about the possibilities. I think this agreement with Europe can be one of the most important foreign policy initiatives of President Zedillo's administration.

VM: *What is the difference between the Bolívar-like rhetoric about integration that was traditionally used and today's policy toward Latin America?*

JAG: At no other time has the process of integration of Latin America been so real, so alive, and has the potential been so obvious. Why today, and not 30 years ago or even five years ago? Because today, every country in Latin America is practicing, at least philosophically, the same basic approach to economic management; because today democracy is a common denominator of our systems; because no country has 50 percent monthly inflation or a burden of debt that's so heavy that it can't be dealt with. So, conditions today are ripe for the process of integration, and

as a result, integration is happening. Remember that the first free trade agreement Mexico signed was with Chile, which is as far away from Mexico as Hamburg or London. Then, agreements followed with Venezuela and Colombia, Bolivia, Central America. We're now negotiating with Peru and Ecuador. At the same time Mercosur consolidated. Mercosur has negotiated with Chile; Mercosur is negotiating with the Andean countries. The Central Americans are integrating among themselves. This is happening every day. And it is not happening by bureaucratic mandate. It is happening organically, naturally. It is helping our countries to better allocate resources and to develop their full potential, by dismantling trade and non-trade barriers. Mexico and Chile are a very good example of the benefits that accrue to both countries. Trade with Chile has multiplied three or four times in the four or five years that the agreement

has been in effect. And that has been the experience of practically every free trade agreement in the Latin American region.

There's also a hemispheric process, coming out of the commitments made at the 1994 Miami summit, for integration of the whole continent, which we never would have suspected or imagined only a few years ago. So, I think Bolívar's dream is materializing. It's happening. But conditions had to be created, objective conditions, before that mission was launched. And now, I think we're on the right track.

VM: *The importance of the Pacific Basin has been emphasized a great deal. But, what are the figures that show that it has really become important for Mexico?*

JAG: The Asian-Pacific Basin is the single most dynamic economic region in the world. It is growing at between 8 and 10 percent per year. They have a savings rate, savings level, which is between 30 and 35 percent of their GNPs, which explains why they're growing



The presidents of Spain and Mexico, José María Aznar and Ernesto Zedillo.

Photo: President's Press Office

so fast without borrowing a lot of money. They have always been convinced of the benefits of free trade. They started liberalizing their trade regimes at different speeds many, many years ago, and they can be a formidable force in our effort to diversify our economic relations and at the same time offer very active, very dynamic, very important markets.

We are closer to some of the individual countries than we are to the region as a whole. We have, for example, a very old, although not as important relationship as we would want with Japan, in terms of trade. But, when you talk about Malaysia, Indonesia, Singapore, Thailand, China itself, you're talking about hundreds of millions—and if you include China, you're talking about billions—of consumers and very rapidly growing economies which can be highly complementary to ours and where we can both benefit. Distance is becoming

less and less of a problem these days and the globalization of not only trade flows, but also production facilities, is allowing for a greater and greater importance of these countries' trade with Mexico. APEC [Asian Pacific Economic Conference] is a privileged forum which we should use to the greatest possible extent. I see only benefits in deepening that relationship.

VM: *International organizations sometimes seem to be weakening, although now is precisely the time when we need them the most. How can they be revitalized?*

JAG: You have a number of international organizations which today behave very differently and also enjoy a very different degree of support from the most important industrial countries. The U.N. is clearly under pressure, both for financial reasons and for political reasons and because it does not enjoy widespread support among some public opinion leaders in the U.S., which systematically criticize the U.N. and are

now even suggesting leaving international organizations. For example, the United States is going to leave UNIDO, the United Nations Industrial Development Organization, next year. The case of UNESCO is well known.

The U.N., of course, is an institution that we would have to invent immediately if it didn't exist, because it is the only forum which houses all the countries in the world where the different issues can be addressed. But you can see clearly that it is under political and financial pressure and therefore its effectiveness in some areas is showing that pressure.

On the other hand, international financial organizations such as the World Bank or the IMF are being strengthened, given more resources. The difference, among other reasons, is that in the U.N. it's one country, one vote. In the World Bank and the IMF, the voting power is allocated according to the relative size of the economies, because

they're shareholders that have bought voting powers through their purchase of shares in those institutions or their contributions to the capital. So, I think the larger countries feel more comfortable with institutions where their relative weight and importance can be more readily acknowledged than in a forum like the U.N., where each country counts, theoretically, as one.



Photo: President's Press Office

Cooperation with other Latin American countries is a central objective of Mexico's foreign policy.

The problem that we face today is, of course, that there are many things that only the U.N. can do, that the U.N. is doing. The erosion of the U.N. is extremely worrying for the world at large, and we should struggle to increase awareness of the need to strengthen it. I think that the modern agenda—the fight against poverty, the fight against drugs, the fight, or sometimes the battle, to preserve, improve and sometimes rescue the environment, the problems of the cities—those are things that have to be addressed by all countries in the world in order to be more effective. Furthermore, the ever-present aim of promoting peace in the world is one of the things that only the U.N. is mandated to do, although today you have a proliferation of *ad hoc* solutions and *ad hoc* coalitions and alliances which stem from the weakening of the U.N. itself.

“The erosion of the U.N. is extremely worrying for the world at large, and we should struggle to increase awareness of the need to strengthen it.”

So, I think here we have an enormous challenge. I think strengthening multilateralism as a way to approach international phenomena is something we should not give up on. Disarmament, nuclear testing, all those things, demand a strong U.N.

VM: *Finally, I would like to say that the euphoria that we all shared with the end of the Cold War has been frustrated*

it smaller, to globalize it. Typically, trade and finance are areas where you can see a much more integrated, globalized society, and where boundaries disappear with the advent of free trade, and obstacles disappear, and for trade purposes, borders tend to be less important. The European Union is a very clear example, where you are really thinking about economic

by the outbreak of regional conflicts. What is your perception of the international situation?

JAG: The world is subjected today to two contrary types of pressures: on one hand, those that tend to make

regions. But at the same time, the political, the military, the ethnic, the religious issues are starting to acquire a strength, size and number that go against the globalization process, against the integration process, against the world as a better place to live.

A country like Mexico, of course, has to be very, very careful to interact with the world in a way which strengthens its own interests and at the same time avoid the pitfalls of these international forces that favor fragmentation. This constant struggle between the tendency toward integration and the tendency toward fragmentation, pulverization, are part of our daily lives. And there's nothing we can do to change that. But I think we can, among other things, by strengthening international organizations, have a greater capacity to react against these centrifugal tendencies that work against integration, against peace, against stability in the world. VM

Photo: Ministry of Foreign Affairs



NAFTA is contributing to Mexico's economic recovery.