

*The California-Mexico  
Relationship: Challenges and  
Opportunities*

Dr. Gonzalo Santos, CSU-Bakersfield  
4th California-Mexico Policy Issues Forum  
California State University, Long Beach  
March 12, 2008

# Broad topics to cover

- Recent developments in Mexico & Latin America
- Recent developments in the U.S.
- Issues facing U.S.-Mexico relations
- Challenges & opportunities for us here in California

# I. The economic record of the Fox Administration, 2000-2006

- Failed to spark growth and effect structural reforms due to blind insistence & sole reliance on failed neoliberal prescriptions
  - From a promise of 7% annual growth to a sexennial record of stagnation, with 1-to-2% annual growth rates; very few jobs created.
  - Windfall revenue from non-renewable & dwindling oil production squandered & mismanaged
  - Income inequality accelerated: Carlos Slim, 2nd wealthiest man; Gini coefficient grew to 0.460 (2004); the top 10% earns 45 times what the lowest 10% earns
  - Real salaries shrank by half since '94 and have stayed down despite sharp growth in labor productivity: “trickle up economics”

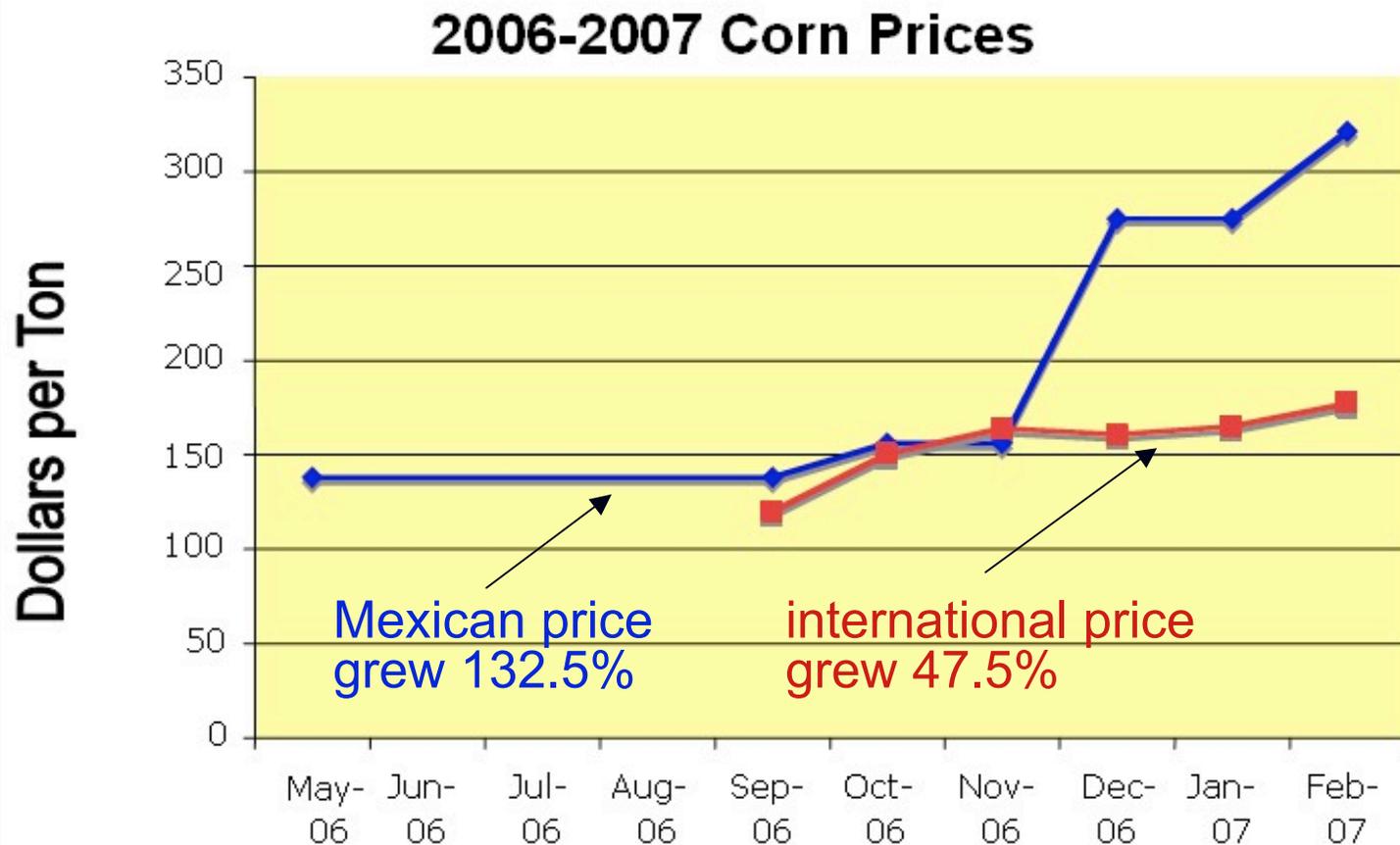
# Other failures of the Fox Administration

- Rampant corruption, narcotrafficking, unemployment & informality led to heightened social & economic insecurity
- Educational attainment inequality between income deciles grew (from 3 to 3.8 times between the top & bottom 10% of the population).
- Only NAFTA-driven, mostly megacorporate, international trade continued to grow, but at the expense of thousands of bankrupted Mexican small & medium businesses and the virtual collapse of the rural campesino economy.

# Case: The loss of food sovereignty in Mexico & the Tortilla Crisis of 2007

- While Mexico is 4th producer of corn (22MT), the U.S. is 1st (280MT), and controls 70% of world trade.
- Corn is grown in Mexico mostly for human consumption; its production, distribution, & pricing used to be regulated by the government to protect Mexican farmers, grinding mills, and consumers.
- This ended with NAFTA: by 1998, three agro-conglomerates began to control everything: ADM-MASECA, MINSA-CPIA, and Cargill-Continental
- In 2005 US, Brazil, Group of Eight, decided to mass produce ethanol from corn, rising its world price
- Jan. 1, 2008, all corn import controls & tariffs ended.
- Since 1994, the price of tortilla has increased 738%.

# Latest effect of deregulation & trade liberalization on corn prices in Mexico, 2007



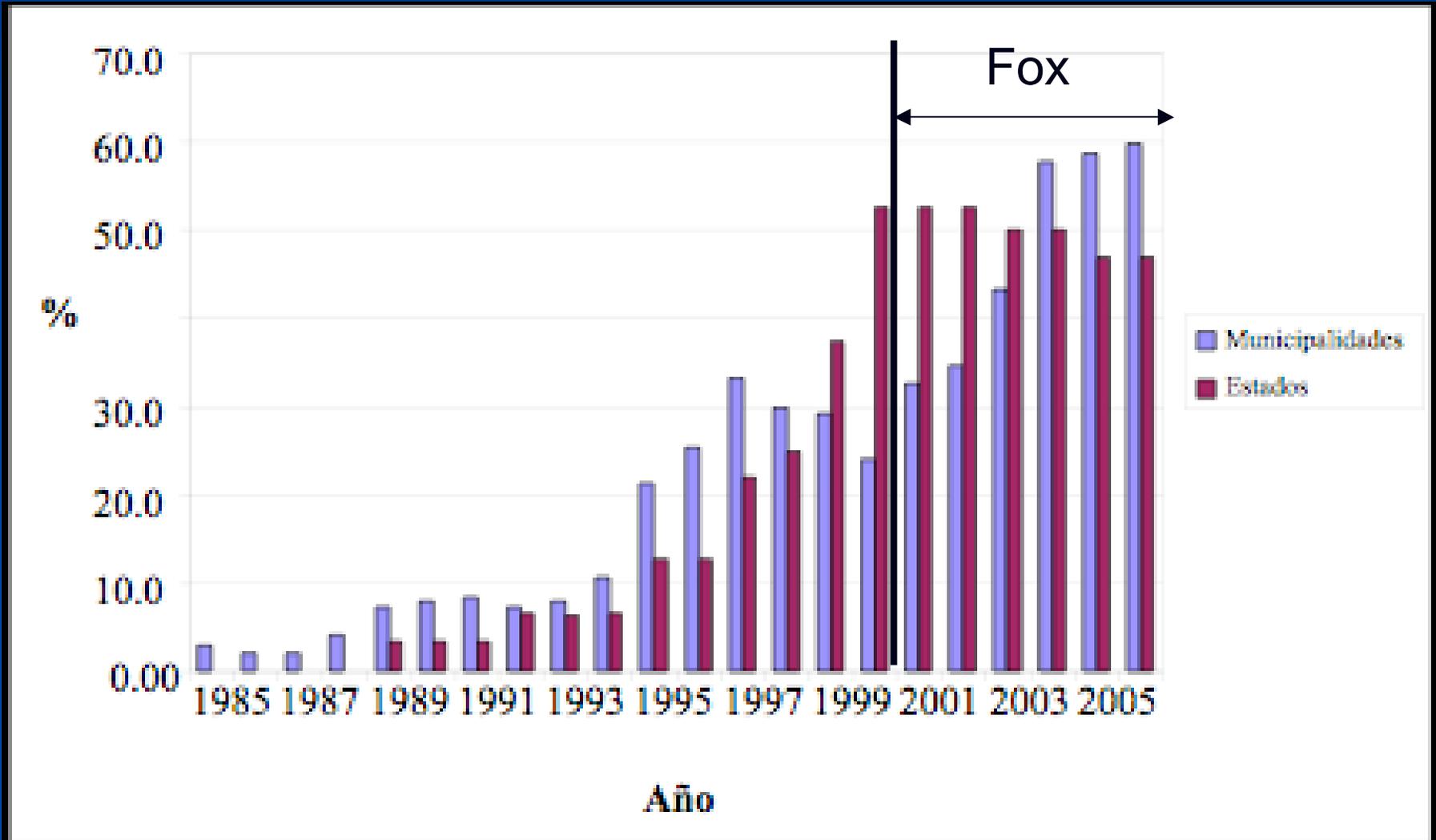
	May-06	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07
National	138.1	138.1	156.1	156.1	275.23	275.23	321.1
International		120.08	150.39	164.17	160.63	164.96	177.16

Source: Ana de Ita, data from producer organizations SNIM and USDA

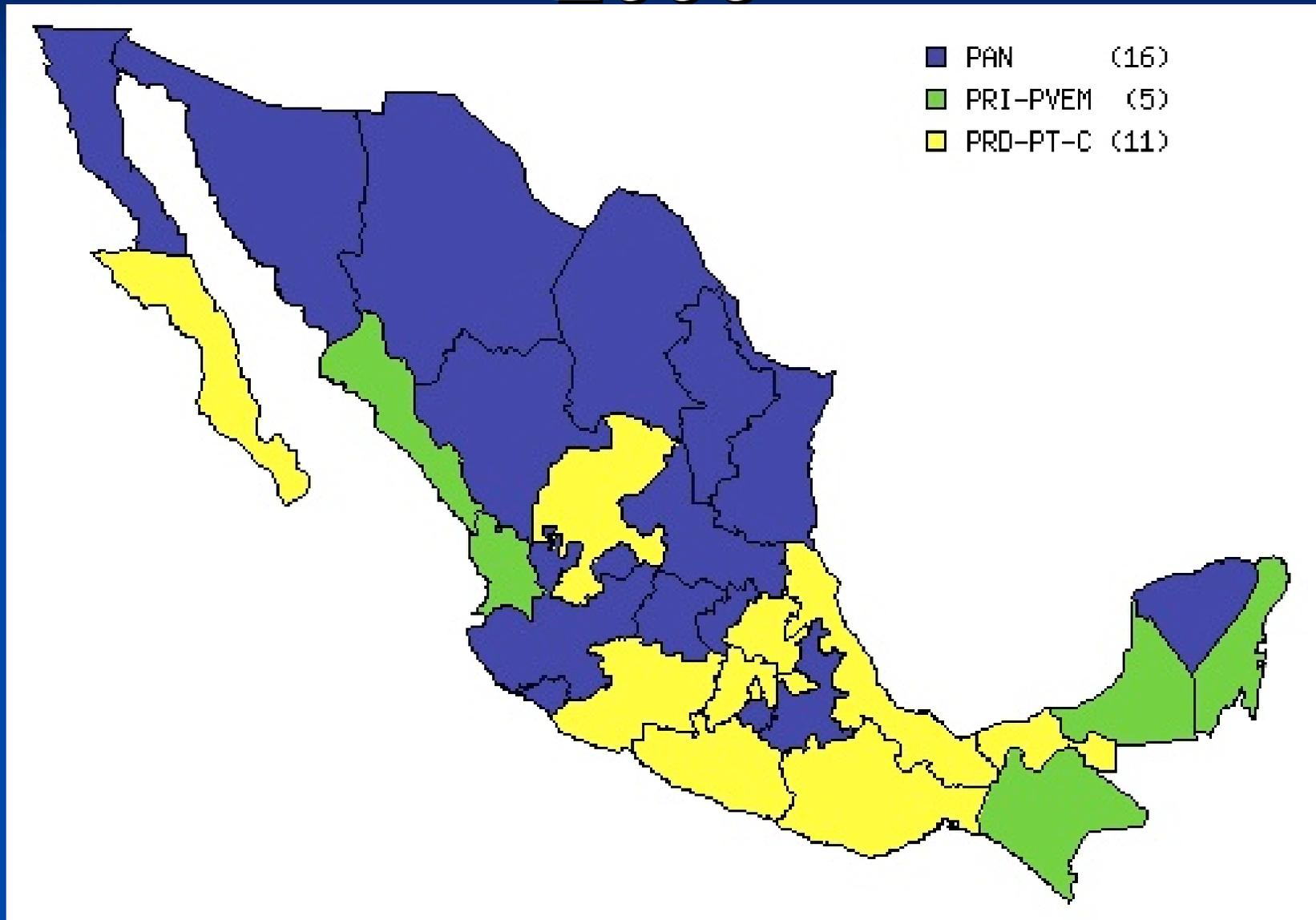
## II. The disappointing diplomatic record of the Fox Administration, 2000-2006

- From seeking a robust bilateral engagement with the U.S. on the immigration issue to becoming a mere *cheerleader* of Bush initiatives & *spectator* to the failed U.S. congressional reform debates and the increasing war on immigrants.
  - Meanwhile, net Mexican emigration rate increased from ~400K to ~560K a year: by 2006, 11.4 million Mexican-born lived in the U.S., ~6 million of which were undocumented.
  - Border crossing deaths rose to over 500 per year (562 in '07)
  - Remittances reached \$24 billion in 2007, second only to oil revenues; this dramatic increase kept over 40% of the population from starving.
- Mexican pro-FTAA & anti-Cuba/anti-ALBA policies alienated South America, while its tepid U.N opposition to going to war in Iraq alienated the Bush Administration.
  - Fox ended his term in almost complete international isolation

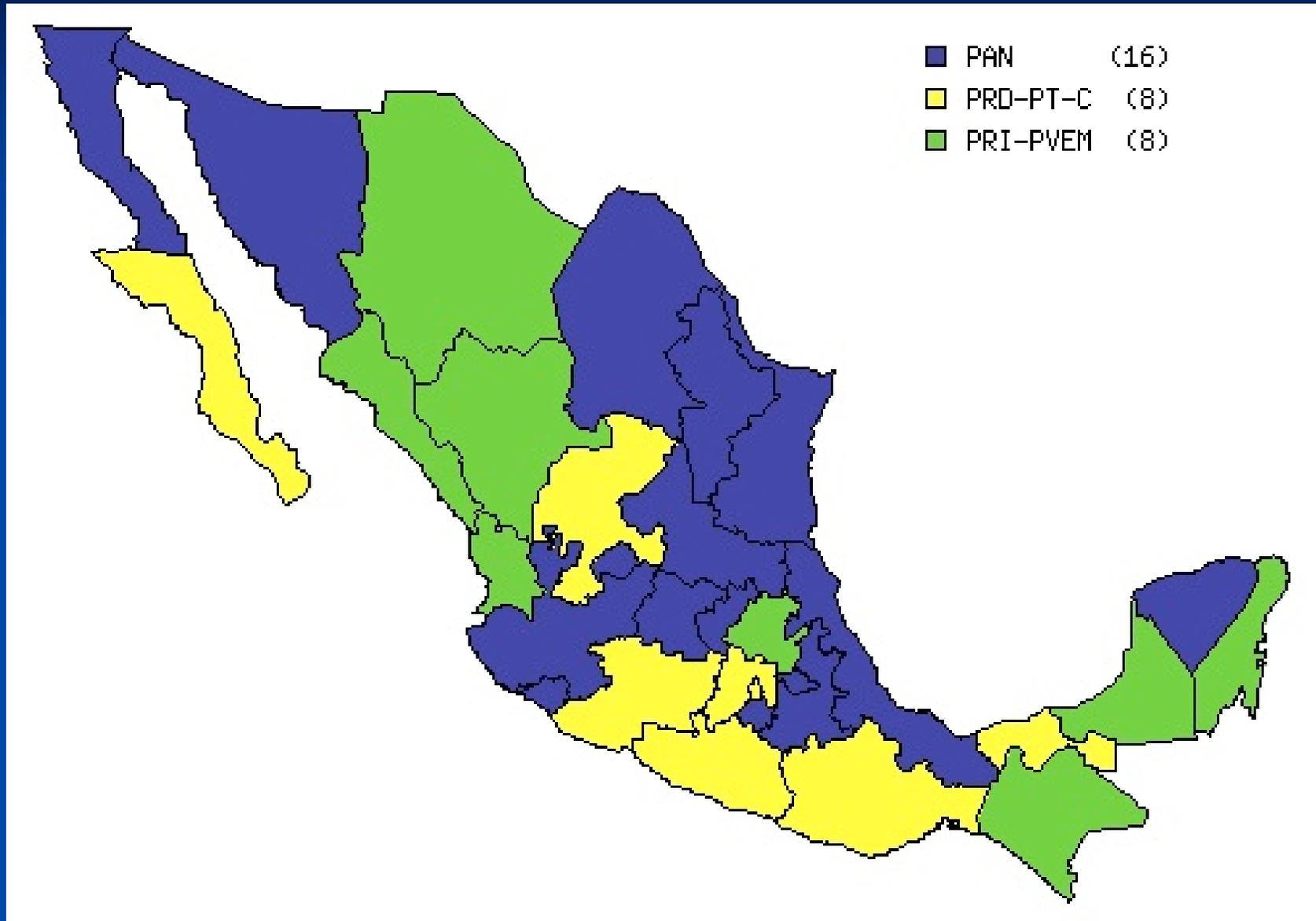
### III. Democratic advances in Mexico under Fox Percentage of states and municipalities governed by parties other than PRI, 1985\_2005



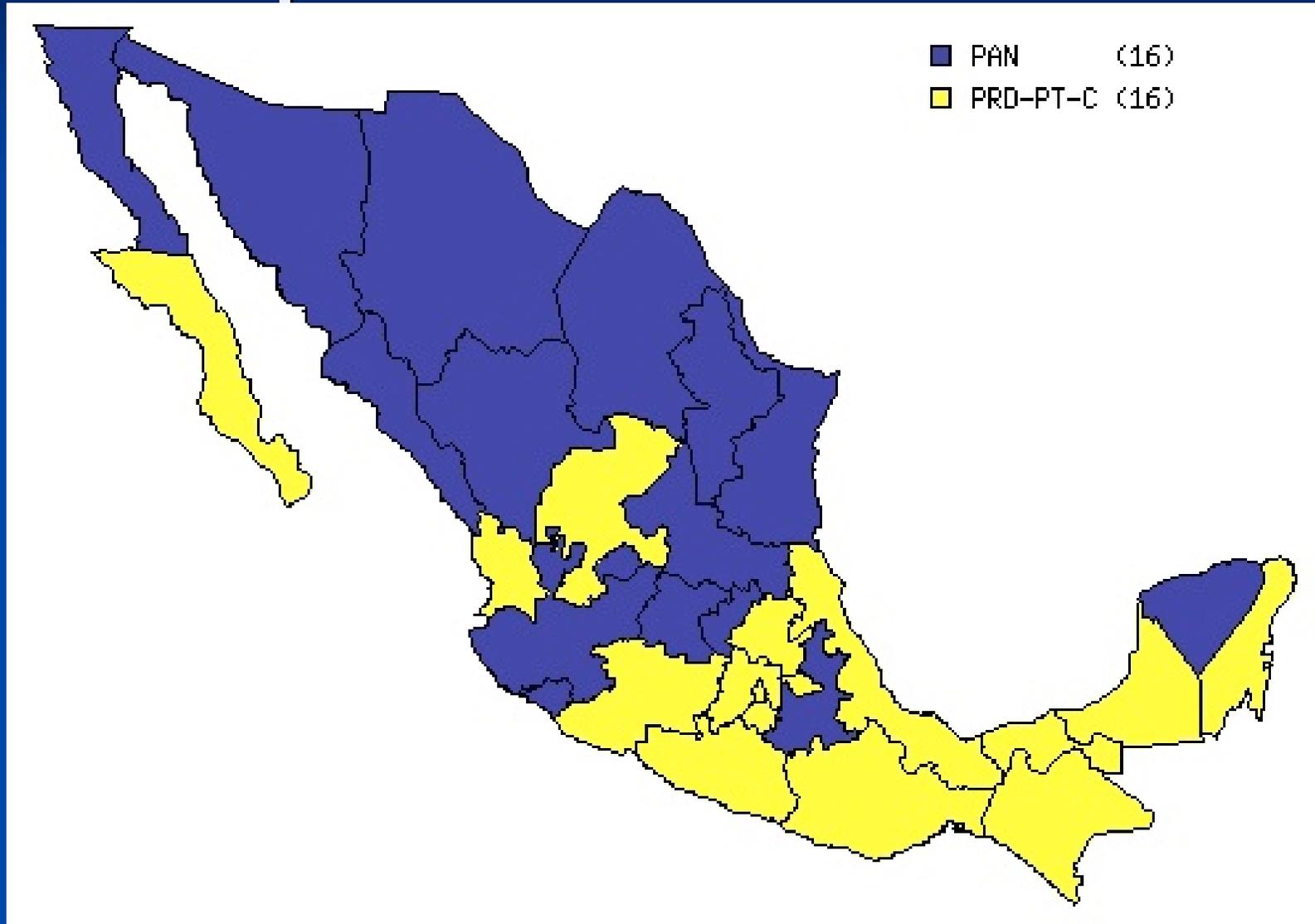
# Senate electoral results, 2006



# Congressional deputies electoral results, 2006



# Regional polarization in the 2006 presidential elections



# The Mexican electoral fiasco of 2006

- April 2005: The Fox-PRI-PAN pre-emptive congressional impeachment (*desafuero*) of AMLO: back-pedaled after a million marched in Mex. City
- Jan-July '06: Massive illegal federal & corporate funding of media campaign vs. AMLO (*un peligro para México*) and pro Calderon.
- July-Aug '06: IFE-Fox-TRIFE fraudulent handling of vote count & recount to secure & declare 0.58% “victory margin” to Calderon without a full recount
- July '06-Jan '07: Massive civil disobedience in D.F.
- Jan '07 to now: AMLO's *presidencia legítima*; Calderon weak and illegitimate, trying to shore up things militarily and via a PRI alliance, while political tensions with PRD continue (e.g. Calderon's first *informe*).

## Conclusion: Increased chances of large-scale social unrest & state repression during Calderon's term

- Unless Calderon delivers, APPO-like, CND, campesino, unions & Zapatista mobilizations will continue to challenge the prevailing economic model with increased militancy
  - 19 million more Mexicans are living in poverty than 20 years ago, and today, a quarter of Mexico's population cannot afford basic foods.
- Mexico faces a possible large wave of repatriated immigrants from the U.S.
- Heightened militarization in the name of fighting narcos, Ley Gestapo just passed
- Calderon preparing new gambit to privatize PEMEX/CFE; it may spark massive popular unrest & rebellion, as in Bolivia from 2000-2006

# Recent developments in Latin America

- Growth of regional economic integration in South America, based on the rejection of neoliberalism & forging political unity (ALBA)
- China & EU are now major players in Latin A.
- Bolivian revolution 2000 to now has yielded:
  - First Indigenous president & MAS-led congress
  - Nationalization of natural gas
  - New constitution will be voted on May 4, 2008
- Orderly & peaceful transfer of power in Cuba after 49 years of Fidel Castro in power.
- The short-lived Colombia-Ecuador-Venezuela crisis of March '08, and the unhelpful U.S. response, portend grave danger but also greater political opportunity by OAS & parties.

# Prospects for Latin America in 21 Century

- The continent is definitely *on the move* to address & resolve its long history of regional imbalances, profound social deficits, environmental destruction, lack of participatory democracy and festering political divisions.
- It seeks to follow a separate path of sustainable development without U.S. or IMF, or WTO impositions or direction.
- It faces many challenges, intra-continental and vis-a-vis all world players.
- If it endures, it will play a bigger role in world affairs, contributing to the construction of a new, more equitable & sustainable world order

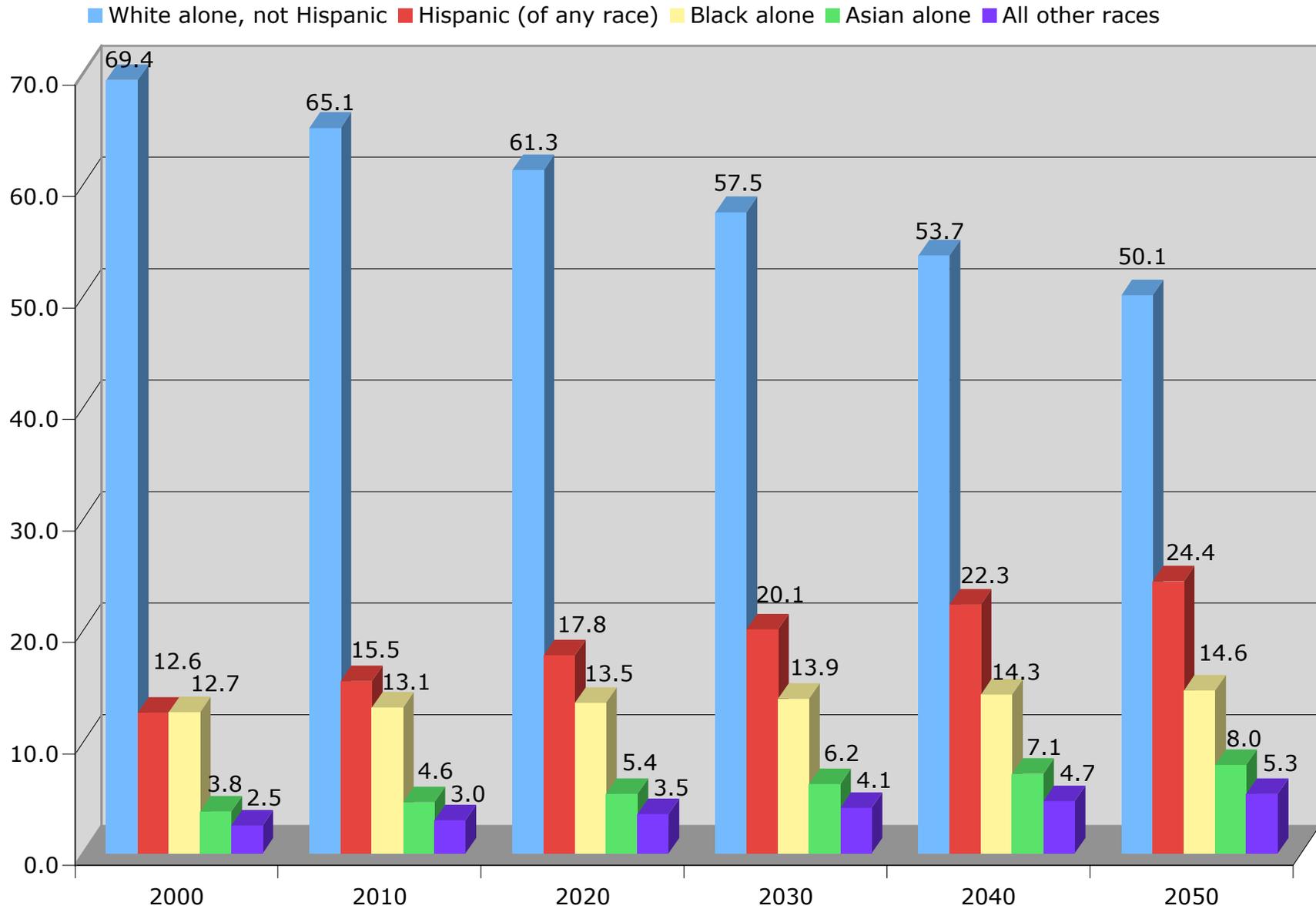
# Recent developments in the U.S.

- The disastrous war in Iraq, since 2003
  - The dramatic erosion of civil liberties at home and U.S. leadership abroad: twilight of the neocon imperial plans
- The deepening economic crisis:
  - Plunge of the dollar, skyrocketing debt & trade deficits, mortgage speculation crisis, recession
- The presidential elections of 2008 & the new visible role Latinos & African Americans are playing, demographically and as candidates.

# The new immigration rights movement in the United States

- The appearance of a mighty new immigrant rights movement in 2006 dramatically altered the political & social landscape for the long term
- In the short term, it has failed so far to change the immigration laws & hostile status quo:
  - Two immigration reform efforts failed in 2006 & 2007
  - Didn't stop the fast proliferation of hate groups (888 groups in 2007) and the avalanche of local & state anti-immigrant laws.
- But it holds great promise for change and Latinos are destined to play a great role in this “Human Rights Movement for the 21st Century”

# Latinos will become a quarter of the U.S. population by 2050

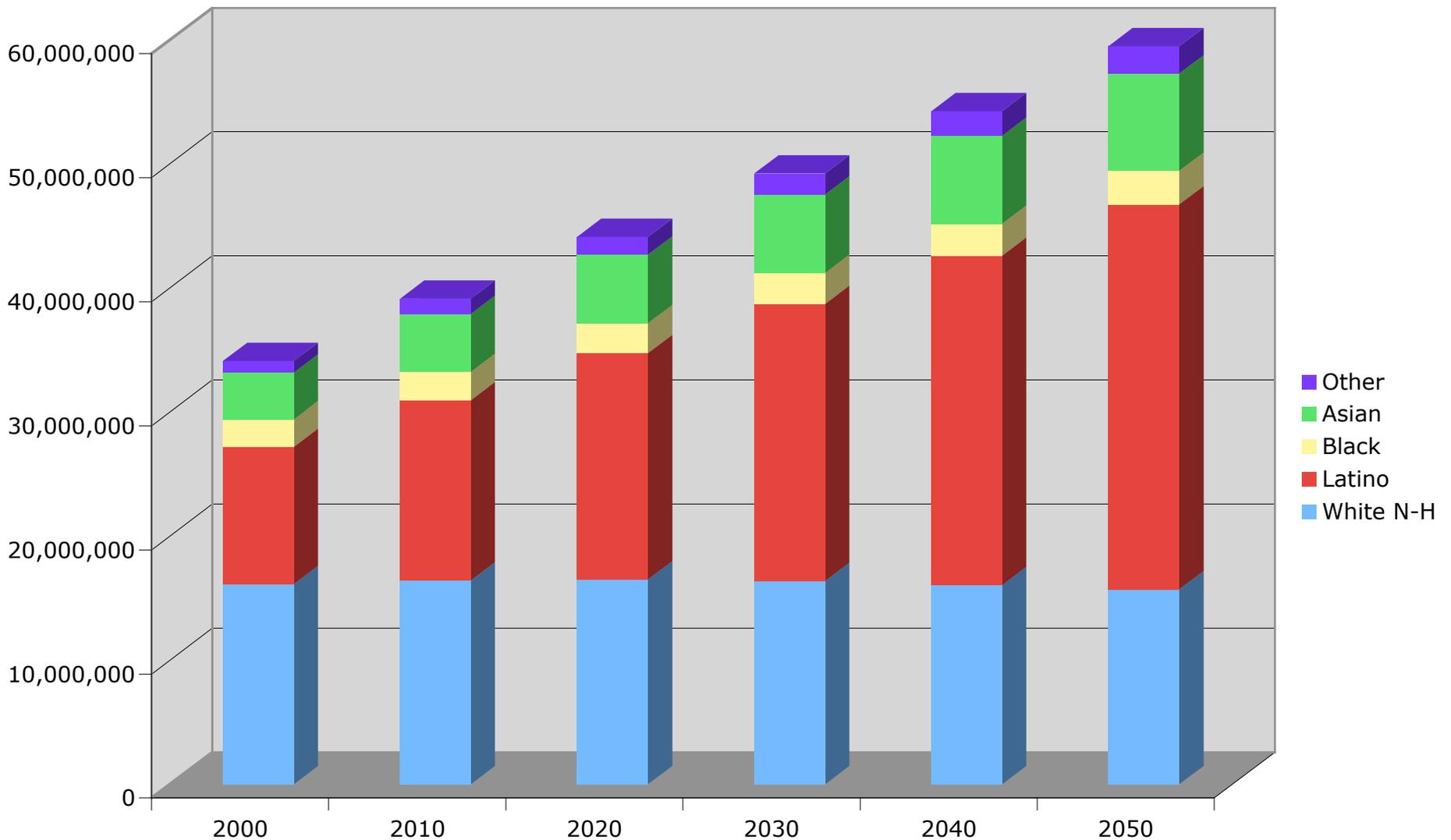


**Fig. 1B U.S. Population Projection 2000-2050, by Panethnicity, Percents**

Source: U.S. Bureau of Census

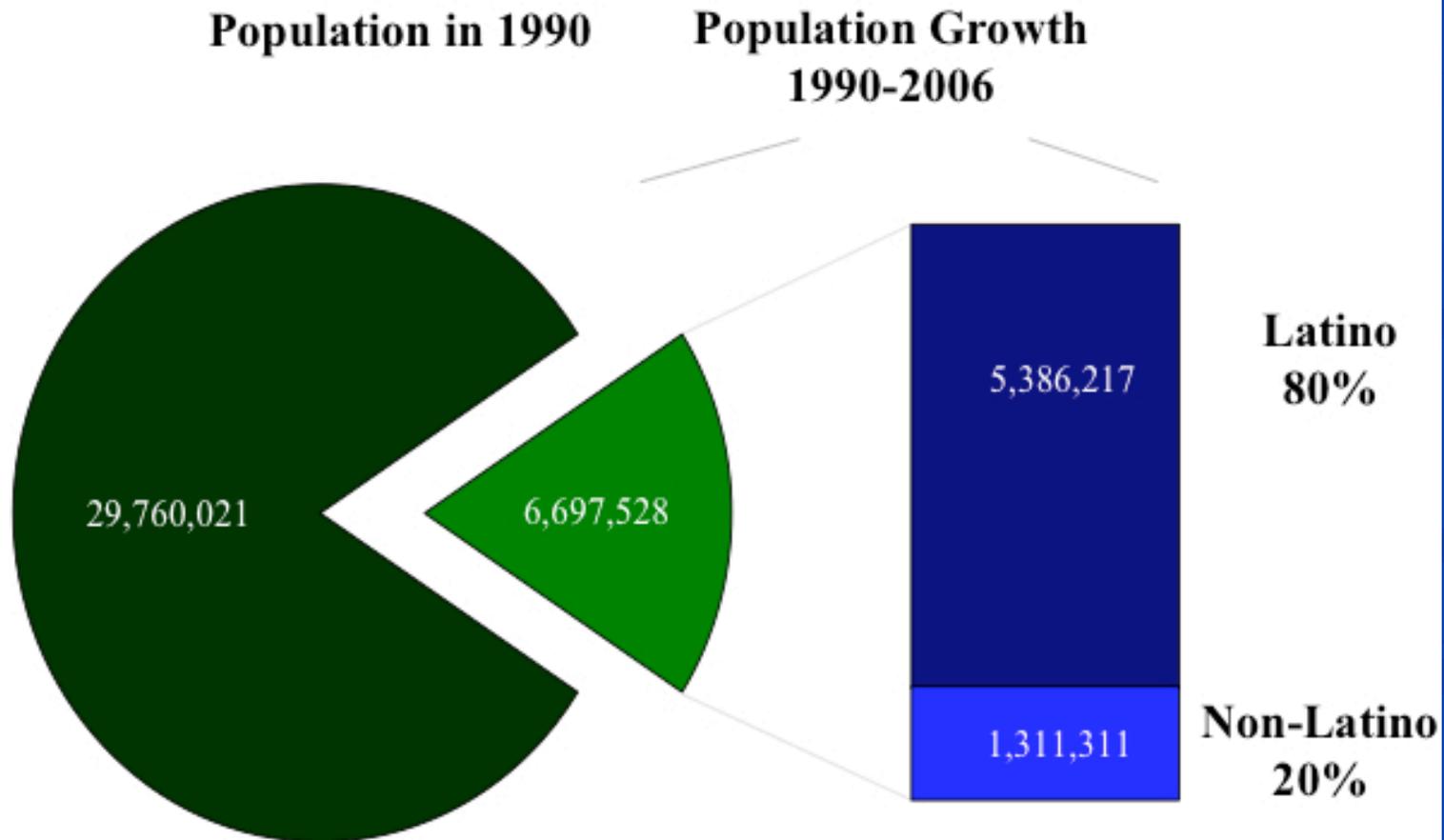
# Latinos already are over a third of California and will become its majority before 2040

**Fig. 2A California Population Projection, 2000-2050, by Panethnicity**  
Source: State of California, Department of Finance, *Population Projections for California and Its Counties 2000-2050*, Sacramento, California, July 2007.



# California population growth has been entirely Latino driven

## California Population Growth: 1990-2006



# Importance of Latinos in the United States & California:

- 44.3 million in 2006 (13 million in CA); 60% native-born (the average age of native born is 17 years old);
- There were 2 million Latino-owned businesses in 2004
- The Latino consumer market is now about \$1 trillion.
- In California 1,167 Latinos held elected office in 2007 (5,056 nationwide), & held 25% of the State Senate, 23% of the State Assembly seats.
- The anti-Latino/anti-immigrant stereotypes are wrong:
  - Latinos as a whole are on average younger, healthier, and work more than the other ethnic groups.
  - Latino immigrant males 18 to 39 have incarceration rates 5 times lower than native-born males.
  - If only 23% of Latino immigrants speak English fluently, 88% of their children do, and so do 98% of their grandchildren.

## Immediate issues facing U.S.-Mexico relations

- Stopping the war against immigrants and renew negotiations for a new immigration regime in the region.
- Renegotiate NAFTA & come up with a serious plan to converge the region's economies and rekindle growth
- Cooperate to deal with growing narco-trafficking and other crime but not at the expense of civil liberties & participatory democracy.

# Future goals of U.S.-Mexico relations

- Need to reconceptualize North America
  - Its ***statehood***: build an equitable, balanced, prosperous *Community of North American Nations* capable of relating as equals to EU, China, ALBA, AU, etc.
  - Its ***social contract***: expand the notion of *citizenship* beyond current national boundaries & replace corporate globalization and neoliberalism with a new, more equitable, more sustainable, development model
  - Its ***world role***: embrace the deeper democratization of both societies and world governance; abandon U.S. exceptionalism & all forms of aggressive militarism
- Some say this is the exclusive concern of the U.S. superpower, but the record shows otherwise.
  - U.S. alone will not be able to continue much longer, nor can Mexico afford it.

# Do we have the political leadership to address these immediate issues & future goals?

- Only partially in both countries
  - Calderon's vacuous recent visit to the US
  - Current presidential vacuous debates in the U.S. leave much to be desired
- The only thing that will change this situation will be for the grassroots social movements in both countries to coordinate to:
  - help elect the best candidate to the White House in 2008 (and in Mexico in 2012)
  - and after the elections, organize & mobilize to apply relentlessly pressure on both governments to move in a bold new direction

# Challenges & opportunities for us here in California

- How do we transform our enormous & growing Latino presence into effective national political leadership & clout?
  - e.g. Latinos are already a majority in 161 California municipalities, but very few Mayors
- How do we launch our own set of diplomatic, economic, business & labor, educational & cultural, & environmental initiatives with our Mexican counterparts?

# Challenges & opportunities for us here in California

- Our greatest “*comparative advantage*” is at the **people-to-people** level of interaction, since we enjoy the largest Mexican immigrant population in the U.S. Their enormous *social capital* is readily available for all sorts of joint projects in both CA and Mexico. This is also true of Central Americans
- Therefore, we should conceive all our initiatives as “immigrant-friendly”, if not “immigrant-centered”.

# Challenges & opportunities for us here in California

- Example: the easiest, best way to begin to move to a “fair trade” regime in North America would be to massively support, encourage, and rely on immigrant entrepreneurs, associations, collectives, and other social networks with producers in Mexico & Central America. We can do that here already!

# Challenges & opportunities for us here in California

- Another example: Latino U.S.-born children of immigrants are fast becoming the largest segment of California's student body & work force for the 21 century.
- California has the most extensive systems of K-12 education and higher education.
- Mexico's population, including emigrants, has the largest educational deficit of all immigrant sending countries, though it has many fine public and private university systems, such as UNAM.
- Why not connect governments, institutions, faculties and students in many win-win projects?

# Challenges & opportunities for us here in California

- The same can be said of California's high tech, agricultural, media, financial, manufacturing, environmental, and tourist industries: collaborations with Mexico via California Latino partnerships have great potential for benefiting all parties.

# Challenges & opportunities for us here in California

- The Spanish colonial system of California Missions was completed just as the colonial concept itself was being successfully challenged by “Americans” on the other, east side of the continent.
- The U.S. national system of borders and asymmetrical economic, political, & social relations is now being challenged by “Latinos” and “undocumented immigrants” from the other, southern side of the continent.

# Challenges & opportunities for us here in California

- The issue is *not* which model of society will prevail, for that is as “self-evident” as the rights to “life, liberty, and the pursuit of happiness” - why else do people migrate?
- The questions *is* how much blood, sweat, and tears will it take to enlarge the “We, the People”
- And the answer to that, besides involving the great powerful forces molding the world today, is ultimately up to each and everyone of us.
- California is as good a place to be for this new century’s *rendezvous with history*.