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THE STATE OF MEXICAN DEMOCRACY

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As you probably know, Mexican democracy is not precisely in good shape. The distribution of wealth, for instance, is dramatically unequal. Forty-five million people are below the poverty line. Anyway, allow me to stress one point from the beginning. Even if it is an unhealthy democracy, it is still a democracy. I mean we are not going backwards in order to restore an authoritarian regime. We are moving very slowly towards Western consolidated democracy.

Our main problem, let me put it in this way, is the rhythm, not the direction. Basic freedoms are respected, and pluralism is still a value shared by the three major political forces. Now then, more than the essence of the political regime, what is at stake is the governance of Mexican democracy.

Allow me to establish three points in order to check where the knots of the Mexican democracy are in order to reconstruct the landscape. Mexican democracy, or maybe the Mexican electoral system, was going fairly right until 2006. Since 1994, the electoral system seemed to become more and more acceptable for political parties. The 1996 electoral reform was called at the time the definitive reform because of the constitutional agreement consensus of all political forces. Nevertheless, a political force, PRD, and maybe a fifth of the Mexican population still think that in that year there was a kind of electoral fraud in Mexico.

However, an electoral reform, supported by the main parties and recently passed, seems to be the turning point for the electoral disputes. Some collateral casualties of this reform seem to be affordable in order to reconstruct the basic consensus on the electoral system. The president has broad support from the population—President Calderon, 65 percent—and the articulation of a new electoral law is leaving behind the scenery of political collapse forecast by some analysts last year.

The main problem related to the governance of Mexican democracy, in my opinion, is the functioning of the public administration. In this field, we are facing two structural problems. The first is the fiscal weakness—alas, not solved by the fiscal law recently passed, and the second is the low quality of the civil service.

The taxes raised by the federal government are clearly not enough to deal with the present and future challenges. Twelve or 13 percent of the GDP is still a very poor tax rate collection to build, allow me to use an old expression, a minimum social floor in order to deal with the challenges that the Mexican society is now facing.

We are missing as well an exhaustive reform in order to modernize a wide range of departments and agencies of the three levels of government, maybe to more catastrophic situations, but at the same time, the more eloquent evidence of this problem is the weakness of our law enforcement system. The high level of corruption is undeniable, and, honestly speaking, the control of borders and customs could be labeled as a disaster zone.

Mexican democracy is experiencing now a very interesting transformation in the balance between economic and political powers. After a gray-zone period in which economic groups, mass media, and other interest groups such as unions saw their power grow, in relative terms, the political system is apparently in reorganization process.

On one hand, President Calderon seems very interested in reestablishing a new political equilibrium in which the president remains the main actor—in short, a kind of democratic concentration of power. On the other hand, we have a powerful party system integrated by three major forces with their own agendas. We are not at the end of the dispute as for now, but monopolies have become an issue in the public arena. Transparency in official unions, for example, is a public claim, and all kinds of privileges for certain sectors are being more and more questioned.

The main point remains, however, the review of the constitutional engineering in order to improve cooperation between the legislative branch and the executive branch. Agreements are very complicated, and the political parties are trying nowadays to push state reform in order to improve governance of the system. I have to say that I'm not very optimistic on this particular point. I'm not expecting great changes in this field. As a consequence, I assume that the incremental approach of reforms will survive for several years yet.

Allow me to check a little bit our foreign relations in order to give you the whole landscape or my opinion of the Mexican democracy. Mexico is a lonely country. Our ruling class does not seem very interested in discussing what is going on abroad. In a certain way, we don't have a very clear project in the international arena. We are still a little bit confused about our geopolitical identity because we are culturally part of Latin America, but at the same time, we belong to NAFTA, we have at least ten percent of our population living abroad, mainly in the United States, and, last but not least, we share the security perimeter of North America.

Mexico's international role, it's not yet very clear. The explanation of this is partly due to a national unsolved dilemma with Latin Americans and with North Americans. But allow me to stress one point. This ambiguous situation is also due to the reluctance of our commercial partners to discuss a new frame for the original integration. Since NAFTA with the United States last decade, the U.S.-Mexican agenda seems to be steady even if Mexico is now a full democracy in search of a new framework to bolster the bilateral relations. We are discussing security, trade, and drug trafficking, exactly the same topics of the last decade. Nothing has happened in order to push a deeper and friendlier integration. On the contrary, I think anti-Mexicanism is growing in America. Local approach is growing in America as well, maybe in Mexico as well, and the immigration issue is still an unsolved problem. Speaking about a new step in North American integration is almost, allow me to say, a capital sin on both sides of the border, and the ideological fears are even blocking our prognosis.

We are facing a huge paradox, a monumental paradox. On one hand, we have the construction of commercial and security integration crowned by two trilateral agreements such as NAFTA and the Security and Prosperity Partnership. On the other hand, we have an attempt to ignore a key point such as the labor markets. Migration is, of course, a humanitarian matter. It is also a political discussion and even an ideological fear. I can't understand that, but above all, it is a matter of labor markets.

So in North America, we are facing a sort of morganatic marriage in which we discuss the house and its security, the furniture, and, of course, the financial balance, but at the same time, we have problems in order to, allow me to use this expression, to get intimate with the lady of the house. If we want to bolster prosperity, it is a contradiction to show that level of reluctance to labor markets or labor movement in the whole region.

But first, this will imply the recognition of the existence of social economic system between the two countries with a high level of integration on which, in my opinion, it is impossible to impose a drastic border cut such as the wall. And, second, we must abandon, allow me to say, strategic ignorance in which the immigration debate has installed itself in the last years in both countries. What do I mean by this? Strategic ignorance is a category in opposition to strategic intelligence. Strategic intelligence, as you know, is the sum of information that a government acquires and uses to pursue its national objectives and interests. Therefore, strategic ignorance is the sum of information that a government must minimize so that the national interest keeps on functioning.

The awful truth is that American labor markets depend on foreign workers because of their own labor qualifications. According to the U.S. Bureau of Census, the United States will require about 56 million jobs in the next seven years, all of them low-qualified. Coincidentally, Mexico has what America needs—lots of low-qualified workers unfortunately willing to do the jobs in conditions unthinkable for the American workers. From this economic organization related with immigration, the United States gets at least three advantages: productivity, competitiveness, and timeliness. These factors are not accepted in certain sectors in the United States as a benefit which can be added to the economic, commercial, and financial advantages that NAFTA analysis showed.

Living with 11 million, probably 12 million, illegal immigrants, is indeed a problem, a tremendous problem. I can understand that, but it is a reality as well. American society is used to living with illegal nannies, waitresses, and gardeners, and they are used, as we do, to living in polluted cities. It's not, of course, the best option, but such is life in the tropics. We can say that a need to import is imperative to the U.S. economy, and, in contrast, to export people seems to be a necessity for Mexico.

Allow me to finish with a quote from Tamar Jacoby: "But even if Mexico were to become Switzerland overnight, the fact is that United States would still lack unskilled laborers and would have to find them elsewhere."

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