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President-elect Enrique Peña Nieto Tours Six Latin American Countries to Discuss Cooperation, Offers Insights on Domestic Plans in Key Areas

By Carlos Navarro

Mexico's President-elect Enrique Peña Nieto took a tour of six Latin American countries in mid-to late September, in what was generally seen as an effort to touch base with key leaders in the region. While Peña Nieto's tour was an apparent effort to strengthen his foreign-policy credentials, the trip also provided hints of the policies that he would pursue in three domestic areas: the fight against crime and drug traffickers, policies on the state-run oil company PEMEX, and the fight against poverty.

Peña Nieto was very selective in determining the destinations for his trip. From a strategic standpoint, his trip took him to Brazil and Argentina, two of the largest economies in South America. An important goal of the visits to Brasilia and Buenos Aires was to smooth out the ruffled trade relations with the two countries, both of which imposed quotas on imports of Mexican motor vehicles earlier this year.

The visits seemed to have opened the door for Mexico to resolve the problem. The meeting with Brazilian President Dilma Rousseff appeared to have paid some dividends, as Brazil raised the possibility of increasing its quota on imports of Mexican motor vehicles by another US\$350 million over three years. "I truly believe that the bilateral trade relationship between our countries has the potential to grow significantly," the president-elect said in Brasilia.

Discussions with Argentine President Cristina Fernández de Kirchner did not produce any specific numbers, although the Mexican and Argentine leaders agreed to continue their dialogue. "It is clear that trade between our countries has increased in recent years," said Peña Nieto. "I believe that the relationship between Mexico and Argentina has a lot of potential, a great future."

Peña Nieto's itinerary also included visits to its three new partners in the Pacific Alliance: Colombia, Peru, and Chile. "As a country, we have to assume greater responsibility in the

different regional and multilateral organizations, and in particular the Pacific Alliance," Peña Nieto said in an interview with the Colombian daily newspaper El Tiempo.

The only country outside South America where Peña Nieto landed was Guatemala, where he discussed security and immigration issues with that country's recently installed President Otto Pérez Molina. Much of the discussion between the two leaders focused on drug trafficking and immigration. "We cannot solve our common problems in these areas by ourselves," the president-elect said in a press conference in Guatemala City. "We have to define joint objectives that we can address immediately."

But Peña Nieto also spoke of expanding trade relations with Guatemala and all of Central America. "We must seek greater integration that would allow the Mexico-Guatemala relations to improve conditions for the two countries and for the entire [Central American] region," he said.

Some observers noted that the Peña Nieto's itinerary offered another glimpse of his foreign policy priorities. "Even though Peña Nieto's Partido Revolucionario Institucional (PRI) in the past developed strong relations with Cuba and other radical leftist governments in the 1970s and 1980s, neither Cuba nor the member countries of the Venezuelan-led leftist bloc ALBA [Alianza Bolivariana para los Pueblos de Nuestra América] were included in the president-elect's first trip," syndicated columnist Andres Oppenheimer said in a column published in the Mexico City daily newspaper Reforma.

Other analysts pointed out that Peña Nieto's intention was to use the trip to provide a signal about his priorities in key domestic areas. "Colombia, Argentina, Chile, and Brazil provided President-elect Peña Nieto four models that Mexico could borrow, drawing on their experience in public safety, corruption, the fight against poverty, and development of the oil industry," columnist Vladimir Rothschuh wrote in the Mexico City daily newspaper Impacto.

Colombia a model for fight against organized crime

In addition to trade and economic discussions, the conversations between Peña Nieto and Colombian President Juan Manuel Santos involved insecurity and the fight against organized crime. It was here that the Mexican president-elect lifted up the Colombian model, implemented during the administration of ex-President Álvaro Uribe, as one that he would like to examine and perhaps implement in Mexico.

"The path that Colombia has taken is based on an unrelenting fight against the cartels," columnist Jorge Fernández Menéndez wrote in the Mexico City daily newspaper Excélsior. "But there is also a vision where the fundamental goal is to create a sense of safety at the local level, develop a single professional police force, and implement deep and quick reforms to the justice system, where politicians linked to organized crime are prosecuted."

Peña Nieto took advantage of a press conference to repeat a line often used by his soon-to-be predecessor President Felipe Calderón that there would be no truce or negotiations with the

drug cartels. And, during the visit, Santos announced the arrest of notorious Colombian drug trafficker Daniel "El Loco" Barrera, a known associate of Sinaloa cartel leader Joaquín "El Chapo" Guzmán. Barrera, who had tried to conceal his identity through plastic surgery, was one of the most wanted fugitives in the world. His arrest was the result of a multinational effort involving Colombia, Venezuela, the US, and Great Britain. "The last of the great capos has fallen," said Santos in announcing the arrest.

Emulating Petrobras

In Brazil, Peña Nieto's focus was the oil industry, and specifically on Brazil's state-run oil company Petrobras. PEMEX and its Brazilian counterpart have already developed some cooperative efforts under Calderón and former Brazilian President Luiz Inácio Lula da Silva. Mexico is especially seeking Brazilian expertise in deepwater drilling.

But Peña Nieto's proposal goes beyond cooperative efforts and focuses on using Petrobras as an example of how to bring more private investment to the oil sector while ensuring that PEMEX remains an entity owned by Mexicans. He made his position known during the presidential campaign, and he brought up the topic again during his visit to Brazil.

"This is a model that offers an example of what we want to do in Mexico with the oil company that belongs to all Mexicans, just as Petrobras is an enterprise that belongs to all Brazilians," Peña Nieto told a group of business leaders in Sao Paulo. "Through structural changes, this company was allowed to bring in private participation, which promoted its competitiveness and its growth."

Peña Nieto said the formula could be easily applied in Mexico, which would make PEMEX "an engine for greater economic development that would attract increased investments and create more jobs." The president-elect said he asked Rousseff to provide him more detailed information on the changes implemented in Petrobras to modernize the company.

Lessons on Fighting Poverty from Chile, Brazil

Peña Nieto also took the opportunity during the trip to recognize the anti-poverty efforts implemented in Brazil and Chile and said he would like to examine the models used in the two countries to determine what can be adopted in Mexico.

Former President Lula is generally credited for implementing Brazil's effective anti-poverty efforts in 2003, including a number of social programs focused on education and nutrition, which allowed more than 40 million people to emerge from poverty. Lula's efforts have continued under Rousseff.

In Chile, the anti-poverty programs were implemented during the administrations of center-left Presidents Ricardo Lagos and Michelle Bachelet but have continued during the government of conservative President Sebastián Piñera. Peña Nieto said Chile has one of the lowest poverty rates in the Americas because of its existing social programs. "Since the fight against poverty is

a priority for my government, I have asked [the Chilean president] to give me some feedback [on what has worked]," he said.

But critics suggest that Peña Nieto will not be able to reduce poverty in Mexico significantly unless he is able to change the prevailing culture, which continues to promote wealth and privilege and does little to address poverty directly. "Enrique Peña Nieto's government arrives on the scene when Mexico is at a crossroads," said political analyst Denise Dresser, citing a book by Claudio Loser and Harinder Kohli, "Futuro para todos: acciones inmediatas para México (A Future for Everyone: Immediate Actions for Mexico).

"Our country can continue along the same path as the last five administrations, which accepted low growth, economic stagnation, and unfulfilled expectations," Dresser wrote in the weekly news magazine *Proceso*. "Or, as the book says, we can adopt an agenda of bold reforms to liberate the vast potential of our country and transform it."