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## **Calderon Ambivalent on Future Relations with Latin American Left**

*by LADB Staff*

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President Felipe Calderon is giving mixed signals regarding his intentions to improve relations with leftist governments in Latin America, which deteriorated significantly under ex-President Vicente Fox. Calderon is off to an especially rocky start with Venezuelan President Hugo Chavez and to a lesser extent with Bolivian President Evo Morales. The Mexican president has developed a strong relationship, however, with Nicaragua's newly elected President Daniel Ortega and has taken steps to repair Mexico's severely damaged relationship with Cuba.

Calderon pledged to place a greater emphasis on improving relations with Latin America, particularly with Cuba and Venezuela, when he took office in December 2006. Relations with those countries, particularly Venezuela, had deteriorated significantly under Fox. Fox became entangled in a public controversy with Chavez and Argentina's President Nestor Kirchner after he criticized the two leaders for opposing the US-sponsored Free Trade Area of the Americas (FTAA) at a meeting in Mar del Plata, Argentina, in late 2005.

Even though some tensions remained, Fox and Kirchner were able to mend fences. The spat with Chavez, however, escalated into a war of words, with the Venezuelan president calling his Mexican counterpart a "lapdog of imperialism" and the two countries withdrawing their respective ambassadors (see SourceMex, 2005-11-16). Relations continued to deteriorate in the ensuing months, with Venezuela withdrawing from the Group of Three (G-3) trade agreement with Mexico and Colombia (see SourceMex, 2006-05-17).

Also hurting bilateral relations were the campaign advertisements used by the governing center-right Partido Accion Nacional (PAN) calling center-left presidential candidate Andres Manuel Lopez Obrador a "danger to Mexico" and comparing him to Chavez (see SourceMex, 2006-05-03).

Mexico's tensions with Cuba began in the early days of the Fox administration with the president's decision to abandon a neutral stance toward Cuba for a more adversarial policy. Fox not only criticized alleged human rights violations in Cuba but also met with dissidents during a visit to Havana and mishandled a visit by Castro to a UN meeting in Monterrey in 2003 (see SourceMex, 2002-04-24 and 2003-01-15).

Tensions increased to such an extent that the two countries withdrew their respective ambassadors (see SourceMex, 2004-05-12). Diplomatic relations were eventually restored (see SourceMex, 2004-07-21), but other disputes caused relations to remain tense, including accusations by the Fox government that the Castro government had interfered in the Mexican presidential election (see SourceMex, 2004-03-10) and a dispute regarding the expulsion of Cuban visitors from a US-owned hotel in Mexico City (see SourceMex, 2006-02-05).

## *Relations with Venezuela deteriorate*

Calderon started off on the right foot with Venezuela, following a brief but cordial exchange with Chavez at Ortega's inauguration in Managua in January. "Congratulations, president," Chavez said during the exchange. At that time, some observers saw this as a sign that the Venezuelan president was taking a new approach toward the Mexican president after initially declining to recognize the results of the 2006 election, which Calderon won by a very narrow margin over Lopez Obrador (see SourceMex, 2006-07-12 and 2006-09-06).

The feelings of goodwill did not last very long, however. Comments by Calderon at the World Economic Forum (WEF) in Davos, Switzerland, at the end of January reignited the tensions. At a plenary session, Calderon criticized "undemocratic" regimes that were seizing private investments and warned against "a return to old policies of the past of expropriation and nationalization."

At the inauguration of his second term in January, Chavez announced plans to gain control of "strategic sectors" like telecommunications, electricity, oil, and natural gas (see NotiSur, 2007-01-26). In Bolivia, Morales nationalized the hydrocarbons industry in 2006 (see NotiSur, 2006-11-17) and is moving in a similar direction with the country's mining sector. Even though the Mexican president did not mention any countries, his comments were seen as a subtle swipe at Chavez and to a lesser extent at Morales.

Calderon later made similar comments to group of international executives in Mexico City. "While other governments in the world and Latin America are thinking about expropriating or seizing your investments, in Mexico we are thinking about how to give guarantees to increase investment in our country," Calderon told the Consejo Ejecutivo de Empresas Globales (CEEG), which comprises 36 international companies that have invested in Mexico, including Wal-Mart, Nestle, Siemens, DaimlerChrysler, and IBM. "For many countries, the rise of new types of lifetime or undemocratic regimes is a cause of concern, which necessarily opens up space [for Mexico] to play a balancing role in the region," Calderon later told the Mexico City daily newspaper El Universal.

There is also some concern among the Mexican business sector that Chavez's move to nationalize key industries could affect its investments in Venezuela. Companies like HYLSA, CEMEX, TAMSA, Bimbo, Grupo Femsas, Grupo Zapata, and Farmacias El Fenix could be affected, said the Consejo Empresarial Mexicano de Comercio Exterior, Inversion y Tecnologia (COMCE). The nationalization of the telecommunications industry has already affected one Mexican company, telephone giant TELMEX, which cancelled its plans to acquire the share of US-based Verizon Communications in Compania Anonima Nacional Telefonos de Venezuela (CANTV). Verizon ended up selling its share in CANTV to the Venezuelan government.

Chavez, who is not shy about speaking his mind, immediately lashed out at the Mexican president. "He left a bad taste in my mouth, running around the world and talking badly about other countries while trying to present his country as a model," Chavez said, adding, "I think that this little gentleman [caballerito] is a big ignoramus." In particular, the Venezuelan president criticized Calderon for supporting the neoliberal economic model, which has contributed to the expansion of

poverty in Mexico. "Instead of taking shots at Venezuela's economy, he ought to realize that poverty in Mexico is increasing," Chavez said.

A recent study by the World Bank showed that 19% of Mexico's population remained in extreme poverty, only a small improvement from 21% in 1994. In contrast to Mexico, said Chavez, the number of poor has declined in Venezuela since he took office because his country is no longer subordinate to the global capitalist system. "We have to remind the little gentleman that, in the 1980-1990 period, when Venezuela was following the recipes of the International Monetary Fund (IMF)...this is when poverty surged in our country," said Chavez.

Some political commentators in Mexico agreed. "The minimum wage in Venezuela is now US \$220 [per month]...when just a few years ago it was only US\$100," said Luis Hernandez Navarro, a columnist for the Mexico City daily newspaper La Jornada. "This is one of the highest rates in Latin America and is far above the US\$137 received by workers in Mexico." The Chavez administration has benefited from high global oil prices, which have not only supported strong economic growth in Venezuela but have given the president more funds to channel into social programs (see NotiSur, 2006-12-15).

### *Critics say Calderon incited Venezuelan president*

Calderon's comments elicited a wave of criticism in Mexico. "Calderon...went to Davos to pick a fight," said journalist Laura Carlsen, who writes for the Americas Program at the International Relations Center (IRC). "As a strategy to appeal to foreign investors, he painted a divided Latin America with Mexico standing as a regional leader of those countries adhering to the rules set forth by the United States and the international finance organizations, and standing up to other countries that seek alternatives and modifications to the neoliberal model," Carlsen said in a piece published on Feb. 6.

Legislators from the center-left Partido de la Revolucion Democratica (PRD) echoed these comments. "There is the danger that he is following the foreign policies of Vicente Fox, which is to do the dirty work for Washington," said PRD Deputy Luis Sanchez. The opposition Partido Revolucionario Institucional (PRI) also rebuked Calderon for comments it deemed insensitive. "What Calderon needs is an intensive course in diplomacy," said PRI Deputy Cesar Camacho. "He has begun to create enemies in Latin America."

In the Senate, opposition parties called for Mexico to intensify dialogue with Venezuela to repair damaged relations. "The two governments and their foreign ministers have to come together so that we can end this war of words and initiate true dialogue," said Senate president Manlio Fabio Beltrones, a member of the PRI. Sen. Rosario Green, chair of the foreign relations committee (Comision de Relaciones Exteriores), put the onus on Calderon. "It is time for him to get down from the boxing ring," she said.

The Calderon administration insists that it wants to repair relations with both Venezuela and Cuba. "We have made some contacts," Victor Aviles, a spokesperson for the Secretaria de Relaciones Exteriores (SRE), said in early February. "We have an unwavering commitment to strengthen and normalize relations at all levels." There was little comment from Bolivia regarding Calderon's

comments. Mexico needs to maintain a strong relationship with the Bolivian government to retain access to much-needed supplies of natural gas from the South American country. The two countries signed an energy-cooperation agreement in March 2003 (see SourceMex, 2006-03-08).

### *Mexico working on repairing relations with Cuba*

Regarding the relationship with Cuba, the Calderon administration acknowledged that the conditions exist for "reconciliation" with the government of President Fidel Castro. "Mexico has a border with the Caribbean, and it is a top priority to resume dialogue and political understanding," Foreign Relations Secretary Patricia Espinosa Cantellano said in testimony before the Senate in mid-February. "With Cuba, we have had diplomatic contacts with the aim of promoting a rapprochement."

Calderon has gained an unlikely ally in the effort to reach out to the Castro government, ex-President Carlos Salinas de Gortari. Salinas, who is pushing hard for normalized relations with Cuba, criticized his successors Ernesto Zedillo and Fox for allowing the historic ties that Mexico had with Cuba to deteriorate. "Mexico's sovereign future is linked to Cuba," said Salinas, who maintained good relations with the island nation near the end of his administration and after he left office.

After he left office, Salinas spent time in self-imposed exile in Cuba (see SourceMex, 2003-07-23). Except for Zedillo, PRI-led governments have enjoyed extremely good relations with Cuba. And, even though relations cooled somewhat during the Zedillo years, there was no climate of confrontation as was the case with the Fox administration.

In a program commenting on recent developments in Mexico, commentators on Cuba's state-run television network praised the selection of ex-Tlaxcala governor and recent Mexico City mayoral candidate Beatriz Paredes as the new PRI president. Commentators said Paredes, who served as Mexican ambassador to Havana, would try to rescue the party's "progressive values of the past."

In the same program, commentators also gave some signals that the Cuban government viewed Calderon and Fox differently. Commentator Orlando Oramas accused Fox and PAN party president Manuel Espino of attempting to undermine Calderon with comments that damaged the Mexican president. Oramas was referring to Fox's controversial statements in Washington where he acknowledged "doing everything possible" to prevent Lopez Obrador from winning the 2006 presidential election.

Some Mexican legislators said the true test of Calderon's commitment to improving relations with Havana would be the next UN vote on human rights in Cuba. The Cuban government has rejected a US-led initiative to send observers into the island nation. "We want to know if Mexico will abstain on matters related to Cuba, as it did for many years, or whether it will support those who want to force the Cuban government to accept international observers," said Sen. Green.

### *Calderon strengthens ties with Nicaragua's Ortega*

Calderon got off to a good start in his relationship with the administration of Nicaraguan President Ortega, who began his five-year term in January. Calderon took the opportunity during the visit to

Nicaragua to reiterate his commitment to fostering relations with Latin America. "This is the region to which we belong," he said. "This is where Mexico's heart is, our culture, our people, and our history are all derived from this region."

"We want to have a frank and collaborative relationship with Nicaragua and Latin America as a whole," he said. "I think we are making this perfectly clear in that that this is my first trip abroad as president." At a ceremony following a meeting between the two presidents, Ortega lauded Calderon's commitment to Latin America. Like he did with all the visiting heads of state, Ortega presented the Mexican president with the commemorative Nicaragua Libre medal. The cordial relations between Calderon and Ortega are not surprising, since the Nicaraguan president has reached out to a wide range of economic and political sectors (see NotiCen, 2007-01-11). Nicaragua's strong ties to Mexico have a pragmatic side, as the country plans to seek support from the Calderon government for construction of major infrastructure projects. "President Ortega especially asked President Calderon for assistance in developing the hydroelectric industry," Foreign Relations Secretary Espinosa told reporters. (Sources: The Houston Chronicle, 01/15/07; Reuters, 01/12/07, 01/19/07; The Herald-Mexico City, 01/09/07, 01/11/07, 01/31/07, 02/02/07; La Cronica de Hoy, 01/11/07, 01/30/07, 02/02/07; Associated Press, 01/17/07, 01/18/07, 02/03/07; El Universal, 01/09/07, 01/11/07, 01/22/07, 01/30/07, 02/02/07, 02/05/07; Reforma, 01/09/07, 01/10/07, 01/30/07, 02/02/07, 02/05/07; El Economista, 01/10/07, 02/01/07, 02/05/07; Agencia de noticias Proceso, 01/18/07, 01/29/07, 02/01/07, 02/05/07; International Relations Council-Americas Program Column, 02/06/07; Excelsior, 01/11/07, 01/19/07, 02/05/07, 02/12/07; Notimex, 02/02/07, 02/09/07, 02/20/07; La Jornada, 01/09-11/07, 01/30/07, 02/02/07, 02/05/07, 02/09/07, 02/16/07, 02/20/07, 02/21/07; Milenio Diario, 01/09/07, 01/11/07, 01/19/07, 01/30/07, 02/02/07, 02/05/07, 02/06/07, 02/15/07, 02/21/07)

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