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Meeting of Mexican, U.S., Canadian Leaders Described as Lackluster

by Carlos Navarro
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On Wednesday, Feb. 19, President Enrique Peña Nieto hosted his counterparts from the US and Canada for a summit in Toluca, the capital of his native México state. And, as expected, Peña Nieto’s meeting with US President Barack Obama and Canadian Prime Minister Stephen Harper was an uneventful gathering that resulted in no new agreements, at least none that were made public. This has been the case each year since the annual summit was begun under ex-President George W. Bush in 2005 to promote greater economic partnerships and cross-border initiatives (SourceMex, March 30, 2005).

The three North American leaders reportedly did not spend much time on issues that have been a source of friction, including the lack of immigration reform in the US and alleged US spying on Peña Nieto (SourceMex, Sep. 11, 2013, and Oct. 23, 2013), and Canada’s insistence that visas be required for Mexicans visiting that country.

Among the positive results of the summit, said some observers, was the renewal of a new bond between Canada and Mexico on economic and energy-related issues and the commitment by the three countries to protect the monarch butterfly. Discussions by the three leaders centered on security, and energy invariably took center stage because of the passage of Mexico’s energy reforms and the US-Canadian discussions over the Keystone XL pipeline.

Obama distracted

Obama was criticized for not putting his full attention on the summit and for spending so little time in Mexico, which some suggested was indicative of the lack of priority that his administration has given to Mexico and Latin American in general. During the short nine-hour visit, the US president took care of business and addressed topics that were not related the summit. For example, Obama found time to call Turkish Prime Minister Recep Tayyip Erdo#an to discuss the "growing terrorist presence in Syria." He also issued a statement praising Gap Inc. for raising its minimum wage to US$10 an hour. And when he addressed Latin American issues, it was in reaction to recent events rather than to issues that affect the region in the long term. At a news conference, he addressed the ongoing violence in Venezuela, calling on the government to release political prisoners.

"How was this summit beneficial for us?" Gustavo Vega, a researcher at Colegio de México (Colmex), said during a radio interview with journalist Carmen Aristegui on the day following the Toluca encounter. "Unfortunately, there is no long-term vision in North America by any of the three countries, and this was evident in yesterday’s summit."

Vega drew contrasts to negotiations on the North American Free Trade Agreement (NAFTA), which, he said, involved taking risks and discussing disagreements in public. This openness, he said, has given way to more secretive discussions among the three countries. "Today, we notice that agreements are being negotiated very quietly."
One of Obama’s most quoted statements following the conference was that he did not have the opportunity to try the host city’s famous spicy sausage. "I’m not here for as long as I would like," he said in comments to business leaders. "Not even long enough to sample Toluca’s famous chorizo."

**Peña Nieto criticized for failing to press counterparts on key issues**

Many agreed that the meeting in Toluca left much to be desired, particularly from Mexico’s viewpoint. "This summit will be remembered more for the omissions than for any agreements that were reached and for the rapid beautification of the city of Toluca ahead of the summit," Sen. Ricardo Monreal of the center-left Partido del Trabajo (PT) said in a guest column in the daily newspaper NTR Zacatecas.

Monreal said the Peña Nieto administration missed opportunities to press issues that were important to Mexico. "In Toluca, some of the issues important to Mexico were not raised, including immigration policy, a revision of NAFTA, protecting the rights of immigrants in the US, due process for Mexicans on death row, indiscriminate espionage [by the US] on political leaders and Mexican citizens alike, and changes in US policies regarding drug trafficking." said Monreal.

Other critics pointed out that the 20th anniversary of NAFTA was a good time to review whether the agreement had benefited Mexico. The consensus is that most Mexicans did not benefit from the accord but are actually worse off because of the trilateral agreement (SourceMex, Jan. 8, 2014).

"Anyone can agree that the business elite in our country won with this accord. After all, there are Mexicans who live just as well as wealthy individuals in the First World," columnist Matías Pascal wrote in the Mexico City daily newspaper Unomásuno. "But the vast majority of the population has not seen any benefit from this agreement."

Pascal cited data from the government statistics agency (Instituto Nacional de Estadística y Geografía, INEGI), which, he said, backed his argument. For example, he pointed to a decline in the performance of Mexico’s economy since NAFTA went into effect in 1994. The average annual GDP growth for 1982 to 2012 was only 2.28%, compared with 6.28% between 1970 and 1982. The comparisons of the two periods in the INEGI report also reflected declines in per capita income and productivity and a widening trade deficit, said Pascal.

"What we have seen is that NAFTA fell short in relation to the expectations that the agreement created," said Colmex researcher Gerardo Esquivel, who joined Vega in the radio interview with Carmen Aristegui on MVS Noticias.

Esquivel acknowledged that a US and global economic downturn in 2008 (SourceMex, Oct. 1, 2008, and May 20, 2009) might have limited Mexico’s growth rates, but the sluggish economic performance was also rooted in the country’s own economic policies. "There were countries that experienced an economic crisis during this period, but they also recorded higher growth rates [than Mexico]," he said.

Others suggested that the summit served its purpose, which was to create a photo opportunity for the leaders of the three countries. A bilateral meeting between Obama and Peña Nieto in May 2013 also was deemed uneventful (SourceMex, May 8, 2013).

"The truth is that the substantive work of these bilateral or trilateral meetings occurs before and after the conference," said political commentator Ricardo Alemán, whose column is published in
the Mexico City daily newspaper El Universal and on his own new site La Otra Opinión. "In other words, teams from the three countries met before the summit and surely will hold other meetings afterward to review the promises that were made and discuss any possible agreements."

Based on the declarations that came from the summit, said Vega, the three countries reached agreements related to security and crime. "We’d have to see exactly what agreements were reached. The Mérida initiative remains in place," he said, referring to a program implemented under the George W. Bush administration to provide Mexico with funds and technical assistance to fight drug trafficking (SourceMex, Oct. 17, 2007, and Nov. 28, 2007).

Vega said a central theme of the summit was the fight against organized crime, and specifically an effort to address money laundering.

**A trilateral energy agreement?**

Another topic that likely came up in conversations was energy cooperation, particularly in the aftermath of the vote in the Mexican Congress to approve comprehensive reforms to its energy sector late last year (SourceMex, Dec. 18, 2013). The overhaul of the energy industry allows increased private participation in energy exploration and extraction in Mexico.

Some analysts said the energy sector could become a defining factor in the relationship among the three countries. "North America could become a region not only self-sufficient in hydrocarbons but also become a net exporter," said syndicated columnist Sergio Sarmiento. "The benefits could be huge. For example, the great availability of natural gas in the US has allowed prices of this fuel to drop to one-fourth or one-fifth of the current levels in Asia and Europe, also allowing a reduction the cost of production of electricity."

Sarmiento suggested, however, that the positive impact of energy integration could be minimal unless the three countries eliminate artificial restrictions and regulations on energy-related investments. "In Mexico, the priority should be to abandon the monopolistic scheme that has caused a lot of damage to our country and reduced production of oil and gas," said the columnist.

The US, said Sarmiento, should remove restrictions on domestic production and ease export constraints, including a requirement that shipments be made on US vessels.

While the opening of PEMEX was probably a new topic of discussion in the meeting with the three countries, Esquivel said the US enthusiasm might have been muted because of its goal to produce more oil from domestic sources. "The US is on track to becoming self-sufficient in energy," he said. "This was not a dynamic that existed 20 years ago."

Vega noted, however, that Mexico might benefit from increased energy cooperation with Canada, which has the technology and investment capacity to assist in deep-water exploration and production.

Obama and Harper no doubt addressed tensions between the US and Canada regarding energy. Canada has expressed frustration with the US at the lengthy approval process for the Keystone XL pipeline, which would carry oil from Canada’s tar sands to the Texas Gulf Coast. Environmental advocates have opposed the pipeline, and Obama has said his administration would not support the project if it results in increased greenhouse emissions.
There was one area of wide agreement among the three leaders: the need for their countries to cooperate in protecting the monarch butterfly, which is threatened by agricultural practices in the US and Canada (SourceMex, Feb. 5, 2014). "We have agreed to conserve the monarch butterfly as an emblematic species of North America that unites our three countries," Peña Nieto told reporters.

"It is not just appropriate but necessary, scientists say, that a campaign to preserve the monarchs’ 2,500-mile-long migration from the American Midwest and parts of Canada to wintering sites in Mexico be a trilateral effort," said The Christian Science Monitor. "Any successful plan for conserving the monarch migration will have to include habitat-retention plans and a change in agricultural practices in all three countries, they say."

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