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Environmentalists Give NAFTA Mixed Reviews

by Lindajoy Fenley
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A leading Mexican environmentalist, who acknowledges that the North American Free Trade Agreement (NAFTA) did not produce the environmental disaster opponents had warned it would, nevertheless feels it is time to review and update the environmental agreements associated with the three-nation pact.

"After 20 years, it is necessary to revise the parallel agreements," Gustavo Alanís, general director of the Centro Mexicano de Derecho Ambiental (CEMDA), told LADB last month. However, while many parts of the trade agreement need adjusting, he said, there is no political will to do so.

One area Alanís says should be revised is Article 14, which allows a government to be taken to task for not applying the law effectively but also gives the same government the authority to block the investigation of such charges. Many nongovernmental organizations (NGOs) have also questioned Chapter 11, which allows corporations to sue a NAFTA government if company directors say a national regulation or decision negatively affects their investment and/or profits. NAFTA critics claim such suits can potentially harm the environment because they validate investor rights while limiting a country’s ability to implement domestic health and environmental regulations.

Mexico has lost US$15 million in Chapter 11 suits, according to Alanís.

CEMDA provides environmental consultation to many citizen organizations, the government, and industry. Its Web site notes that the environmental work of its founder-director was recognized recently when Alanís was nominated NAFTA environmental commissioner.

Negotiations spawn environmental agency

Since the groundbreaking trade agreement between the US, Canada, and Mexico went into effect Jan. 1, 1994, NAFTA has become a model for many other trade pacts, all of which have received both approval and criticism in Mexico (SourceMex, Jan. 8, 2014).

Alanís, for example, applauds NAFTA for getting his country to focus on environmental issues. Thanks to the trade negotiations of the early 1990s, he said, Mexico set up a Procuraduría Federal de Protección del Ambiente (PROFEPA) and established a contamination registry that allows it to know—and thus begin to control—how much contamination is produced, imported, and exported.

PROFEPA’s official home page features a green button anyone wanting to denounce environmental problems can click. The news section of the Web site, however, has not been updated since the end of 2010. Recent media reports say the agency is currently investigating problems at landfills, construction, and businesses in several states. It is also taking action to protect animal species throughout the country.

Greenpeace focuses on alternative energy

Femke Bartels, who stepped into the leadership of Greenpeace Mexico half a year ago, said she has nothing against free-trade agreements as long as they allow for fair trade. In an interview in her
Mexico City office, the Netherlands native told LADB that she hopes Mexico will take advantage of its extraordinary wind and solar resources to wean the country from its traditional dependence on fossil fuels.

Expressing similar sentiments, Alanís said that President Enrique Peña Nieto’s administration, which last year pushed through a sweeping energy-sector overhaul, still focuses on fossil fuels (SourceMex, Dec. 18, 2013). "I hope the trend will be different," the CEMDA director said.

Mexico’s energy reform sparked protests in domestic media and on the streets before and after passage last December. Energy and environment experts have voiced concern that it paves the way for contaminating methods such as fracking. In December, the Web site SDP Noticias published an editorial against the reform saying it poses problems "not only because it opens up a strategic sector such as petroleum to the private sector but because it puts at risk the water, health, and well-being of all Mexicans."

Meanwhile, Greenpeace brought its flagship to both of Mexico’s coasts at the beginning of the year to call attention to environmental issues. The Rainbow Warrior made calls in the port towns of Mazatlan, Puerto Vallarta, and Acapulco on the Pacific in January and Cozumel and Veracruz on the eastern shore the following month. Via a Twitter campaign, plus videos and articles on its Web site, Greenpeace continues to urge Mexicans to tell Peña Nieto to end the country’s oil addiction and support development of renewable energy.

"We face a historic opportunity to make this change," said Sergio Leyva, Greenpeace Mexico’s point person on energy and climate change who also met with LADB in February.

Leyva explained that Mexico’s 2007 Ley de Aprovechamiento de Energía Renovable y Financiamiento a la Transición Energética calls for renewable sources to provide 35% of the country’s energy needs by 2024. However, he said, renewable energy currently accounts for just 6.8%. Much work must be done if Mexico is going to be anywhere close to its 10-year goal, he added.

The law also calls for 30% and 50% emission reductions by 2020 and 2050, respectively—lofty goals for a government that monopolizes petroleum and electrical production. State-owned oil company PEMEX and the Comisión Federal de Electricidad (CFE) are the major sources of contamination and greenhouse gasses (SourceMex, April 25, 2012).

"I understand that ... [in Mexico] it’s a duty to produce energy at the lowest cost," Bartels said. "So Mexico is shooting itself in the foot, if you look at energy. For instance, oil might be cheap for Mexico, but if you see the amount of health costs that the pollution creates—if you look at all the external costs that are not incorporated into the energy price—you’re not making a fair comparison."

By removing the requirement to make the least costly choice, Mexico could allow for cleaner energy considered more expensive in the short term but more competitive and healthier in the long term, Bartels said. "Cheapest is not always the smartest," she concluded.

The Greenpeace executive also noted that Mexico has the third-biggest solar potential in the world and should invest in solar energy for export as well as for domestic use. SDP Noticias’ Web site pointed out that northern Mexico alone receives more solar energy than Germany, which it said is the world’s largest solar-energy producer. It also said that wind farms could cover 140% of Mexico’s electrical demand.
Bartels blamed NAFTA for contributing to Mexico’s environmental problems in two additional areas—toxic rivers and maize production.

In the first case, she said, the trade pact facilitated manufacturing investment by some investors that pollute because they can skirt environmental regulations that are poorly enforced. In the second case, agrobusiness entered Mexico’s traditional corn production and wrecked havoc culturally as well as economically (SourceMex, Sept. 22, 2004).

More citizen involvement is needed in all three countries, according to Alanís. Although he puts a positive spin on NAFTA accomplishments, he also bemoans that "we’re still far from what the Americans call effective enforcement" when it comes to the environment.

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