

Repositioning Mexico

INTERVIEW WITH AMBASSADOR ANDRÉS ROZENTAL

PRESIDENT, ROZENTAL & ASOCIADOS



ANDRÉS ROZENTAL holds a Bachelor's Degree in international relations from the Universidad de las Américas in Mexico and a Master's in International Economics from the University of Pennsylvania. A career diplomat for more than 35 years, he served as Deputy Foreign Secretary (1988-94), Ambassador to the UK (1996-97), Ambassador to Sweden (1982-83) and Permanent Representative of Mexico to the United Nations in Geneva (1982-83). He holds the lifetime rank of Eminent Ambassador of Mexico and was Founding President of the Mexican Council on Foreign Relations (COMEXI).

How significant is it for Mexico to be the first Latin American nation to host a G20 Leaders' Summit?

It is an opportunity to project Mexico internationally, to raise the country's profile, something that has been done through other events such as the Cancún Environmental Summit in 2010. Obviously, the Presidency gives Mexico a certain cachet at the global and regional levels, but I don't think it's about scoring points over Brazil. Mexico and Brazil are quite different countries, we are not competitors: theirs is a bigger economy and a much larger country. It is a testimony to Mexico's position as a leading emerging economy that the G20 Leaders' Summit is being held here.

The government has done an extraordinary job in terms of the agenda and outreach, coordinating with young people, with civil society, and including a wide range of issues on the agenda. On the days before the Summit begins there will be events involving countries and personalities that aren't part of the G20 itself, as well as the B20 group of business leaders. Mexico has also invited several non-G20 countries as guests: Spain (a permanent guest), Benin, Cambodia, Chile, Colombia and Ethiopia.

Mexico is firmly committed to the success of the Summit with regards to the agreements reached and the positive impact they will have on the world economy. The Mexican Presidency will seek to follow up on previous agreements and will also work to make important contributions to these and other issues on the G20 agenda. Moreover, Mexico will encourage the active and vigorous participation of non-members, international organisations, think tanks and the private sector in order to make the G20 dialogue as inclusive, open and transparent as possible.

With this goal in mind, Mexico has established the following priorities:

1. Economic stabilisation and structural reforms as foundations for growth and employment.
2. Strengthening the financial system and fostering financial inclusion to promote economic growth.
3. Improving the international financial architecture in an interconnected world.
4. Enhancing food security and addressing commodity price volatility.
5. Promoting sustainable development, green growth and the fight against climate change.

Do you have any reservations about the agenda?

I would have liked to see some issues included that in my view would make the Summit more relevant to domestic public opinion. There are two issues that spring to mind: drugs and organised crime; these are issues that people in Mexico are concerned about. At the same time, we have to accept that these are highly divisive issues, and there was a risk that addressing them would overshadow other questions. Everyone agrees there must be a debate, but there is little consensus. Although it is difficult to put it on the agenda of heads of state who are preoccupied with the ongoing economic crisis, there has been some progress recently. The issue was debated at the Summit of the Americas in Cartagena and there was agreement about the need to extend the debate from the media and civil society to governments. It is time to re-look at the way that we have dealt with the drugs issue over the last 100 years. Drug consumption is unfortunately part of today's society in many countries and like other substances that can harm you, it requires government intervention, but not on the punitive scale that we have today. I participate in a project at Chatham House to look at the empirical evidence. We have talked to law enforcement, the judiciary, and the medical professions; we have also looked at other countries' approaches, as well as the experience of those US states that have legalised marijuana for medical purposes. I believe that the drugs issue should be on the G20 agenda next time round; it is the ideal context to explore the issue.

Are you concerned that the summit looks set to be hijacked by the eurozone crisis again?

That is a risk, given the current situation. It would be a shame if the same thing happened as in Cannes, where many leaders felt sidelined by France and Germany's discussions on the European crisis. I think that President Calderón will try to avoid this happening, and I think that the presence of other groups will help: for example, the B20 has come up with a very interesting agenda; the role of Think20 will also provide a forum for a more wide-ranging discussion.

Where do you see the G20 going?

I have to say that I am worried that it is in danger of becoming a somewhat dysfunctional forum. It is no longer really 20 countries, but over 35, and the

problem is that two days doesn't give leaders enough time together to create empathy in the same way that the G8 has been able to do because it is a smaller group and its members have more in common. It's a shame that very little time has been allowed to simply leave the leaders alone to talk among themselves. The G20 has become like other large summits, with so many people involved that they get in the way of what the leaders should be doing, which is looking at intractable issues that could be unblocked by decisions at the highest political level. There are issues such as climate change, nuclear proliferation or trade, that aren't being discussed. I think that the G20 should work towards becoming a global steering committee after its role as a crisis management group ends. We need to ask ourselves if the G20 can really do much more than the Europeans themselves in resolving the crisis in the eurozone.

How do you see Mexico's relationship with the United States developing?

It's hugely important for us. There are over 20 million Mexicans and persons of Mexican origin living in the United States. Mexico's main economic partner is obviously the United States and always will be. But the security agenda with the United States has dominated all other issues in recent years: immigration is off the radar screen; although it is highly sensitive to them, it is vital for us and we need to put it back on the bilateral agenda with Washington. Now is a good time to raise the issue of comprehensive immigration reform, because illegal immigration to the United States has subsided, indeed there is some evidence that the same numbers of Mexicans enter the US as leave each year. I think that we also need to re-visit NAFTA; it's been 20 years now, and very little has been done since then. We should work bilaterally to facilitate business and to remove obstacles to trade. We have to be more proactive, like the Canadians, who have progressed with talks on setting up a security perimeter. This was originally a Mexican idea.

And where does Europe figure in all this?

President Vicente Fox said 12 years ago that Mexico's trade with Europe would be as big as America's within a decade. As we see, that is not the case. We have tried to diversify our trading relationships in the same way that Brazil has, but we remain wedded to the United States, because of our geographical vicinity and NAFTA. In large part this is because Mexican entrepreneurs are still reluctant to move outside the Americas. It is still easier to do business next door, because we know the language, the time zones are the same; why complicate life? The US economy has been sufficiently robust to absorb our exports, which are still increasing.

And of course there is an enormous flow of FDI into Mexico from the US. The perception that Mexico is wedded to the US is widespread in Europe: when I was ambassador there, I tried to fight that impression. Europe thinks that Mexico is a tough market to crack because of the overwhelming preponderance of our ties to the US.

What could help change that perception?

Changing that perception will depend in large part on the next government. If whoever wins has a sufficient majority in both houses of Congress, then I think that we will start to see the Mexican hydrocarbons market opening up, which would be a major opportunity for the likes of BP and Shell. I hope that all the parties will be able to overcome their partisan interests and work together to make this happen, because we have important resources that we cannot get at due to a lack of investment and technology.

What other policy shifts would you like to see from the next government?

We need to take a different approach to dealing with organised crime; we could learn a great deal from the way that the UK approaches the issue, or Japan, or Spain...I think we have seen that taking on the cartels as we have is not a winnable war, and all it does is provoke them to show their strength. We need to adopt a lower profile, and to work on the basis of the unwritten understandings about what can be done, and what can't be done.

I think that the new government will find that it will be expected by the middle classes to push ahead with big changes in Mexican society. And one area where that will be clear will be the drugs war. There is a perception in Mexico that we are doing Washington's dirty work. We have too few resources to stop drugs going into America.

Looking beyond the Summit and the elections in July, how do you see Mexico's international profile developing?

Mexico has, to a large extent, lost its leading role in the world. There was a time, up to a decade ago, when its leadership on certain issues was internationally respected: it was a bridge between the developing and developed world in many ways on questions like the law of the sea or disarmament. In contrast, Brazil has become ever more visible and has shown the leadership that Mexico once exercised. I think that the Mexican presidency of the G20 is an attempt to put us back on the map, and I am hopeful that the next government will try to recover the country's former international role, particularly on some of the more important issues facing our world today. E

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