4
The Rise and Demise of Mexico’s ‘NAFTA-plus Approach’: the Scope and Limits of a North American Agenda Coming from the South

Introduction

This chapter will review how Mexico attempted to put forward its own agenda under a new post-NAFTA North America. The Mexican case becomes salient for many reasons because it shows the possibilities and the limits that weaker partners have in order to push forward their own interests within trade and political alliances. Since Mexico was reaffirmed as a cheap labor space looking for new opportunities through North–South integration (by enhancing trade specialization, attracting investment, or by exporting labor), from year 2000 migration became the major post-NAFTA issue to be negotiated by Mexico with the US. In spite of the formal integration of commodity and investment markets, and the informal integration of labor markets between the two countries, the migration agenda became subordinated, if not abandoned, once homeland security became the major concern of the US at the end of 2001. This chapter shall explore the rise and fall of Mexico’s major post-NAFTA initiative called ‘NAFTA-plus’.

Mexico’s failure to put forward its own agenda could be partly explained by the very flaws of the Mexican strategy, but it also highlights the political asymmetry under which North American integration is taking place. Any integrative ‘deepening’ in the region must accommodate, not to mention reflect, major priorities of the US. The chapter...
also analyzes how Mexico attempted to articulate a sort of ‘development’ agenda, gearing towards reducing the asymmetries reinforced by NAFTA within the country, and how the present and future of oil wealth became entrenched in the debate.

Mexico’s ‘NAFTA-plus’ according to the Fox administration

The rationale and avatars of the ‘whole enchilada’ approach

From the beginning of the year 2000 to the fall of 2001, a kind of honeymoon between Mexico and the US loomed in the political relations of the two nations. The main reason was the increasing optimism of Washington elites towards democratic change in Mexico, the NAFTA partner that was then still run by an authoritarian political clique that had inherited power through non-competitive elections since the late thirties. Indeed, Mexico’s presidential elections in the year 2000 became a watershed. Vicente Fox suddenly became the strongest and most credible rival to the Partido Revolucionario Institucional (PRI) candidate, Mr. Francisco Labastida, a man with a rather bureaucratic profile associated with political bosses of the now named ‘old regime’. By contrast, Vicente Fox, supported by the Partido Acción Nacional (PAN), a conservative catholic-based party, appeared to be a charismatic and credible leader whose major goal while campaigning was to eject PRI’s political clique from power and to inaugurate political openness and competition in the country. His campaign was so successful at attracting the support of some center-left small parties and groups, creating a major coalition beyond PAN’s traditional constituencies, that it eventually led Mr. Fox to the presidency, in December 2000.

But another trait of Vicente Fox’s campaign was to enlarge his political constituency beyond national borders. He intensively campaigned in New York and California, seeking the support of Mexican and Mexican-American communities whose electoral participation in the US is becoming more and more decisive in key bilateral issues, such as illegal migration and the social conditions of Mexicans in the US. In many ways Fox launched a double-edged diplomacy, the purpose of which was to send a message both to Washington and at home. While campaigning in the US he announced that the legalization of some three million Mexicans already working without documents in that country, and the liberalization of labor markets between the two countries would be major goals of his presidential term. Furthermore, he invoked the creation of a stronger North American community in which free labor