Bridging civil society in Europe and Mexico: a new step in EU/Mexican relations

First Forum
EU — Mexico Civil Society Dialogue
Bridging civil society in Europe and Mexico: a new step in EU–Mexican relations

First EU–Mexico civil society dialogue forum
Brussels, 26 November 2002
A great deal of additional information on the European Union is available on the Internet.
It can be accessed through the Europa server (http://europa.eu.int).

Cataloguing data can be found at the end of this publication.

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Bridging civil society in Europe and Mexico
Abstract

As the European Union and Mexico signed an ambitious agreement (global agreement) in 2000, a growing concern in both the EU and Mexico was the importance of involving civil society in the ongoing dialogue to support ‘participative’ democracy. Taking into account the concerns of many civil society groups on both sides of the Atlantic, the EU and Mexico agreed to a forum in 2002 that would bring together representatives from the Mexican government, the European Commission and European and Mexican civil society.

As civil society dialogue is not explicitly foreseen in the global agreement, the event signified a unique opportunity for civil society to outline conclusions and constructive proposals that allow for the strengthening of relations between the EU and Mexico with the full participation of societies at large. It was also an opportunity for the EU and Mexico to underline their mutual support for engagement in dialogue with civil society.

This publication is intended to:
• provide the background to the event;
• set out a summary of the different opinions expressed at the forum itself in order to act as a point of reference for the future development of bilateral relations and civil society’s participation within them.
Introduction: the context of the first EU–Mexico civil society dialogue forum

On the 26 November 2002, the first ‘European Union–Mexico civil society forum’ took place in Brussels within the framework of the EU–Mexico economic partnership, political coordination and cooperation agreement (global agreement) signed by both parties on 8 December 1997 and which came into force on 1 October 2000. The global agreement defines the framework for the bilateral relationship and consists of three essential pillars: political, cooperation, and economics and trade. While the trade element of the agreement sets out the objective of establishing a free trade area in goods and services, the political element established a process of institutionalised political dialogue in which Mexico and the EU are given the opportunity to discuss issues on the multilateral and bilateral agenda, such as human rights, democracy and civil society. The cooperation pillar set out the different sectors where cooperation could be envisaged.

Although civil society dialogue, as such, is not explicitly foreseen in the agreement, supporting civil society, in Europe as well as abroad, is a high priority for the Commission. However, the driving force in the promotion of civil society in Mexico and the EU is the determination of civil society itself to make use of the agreement as a means to widen its participation in the democratic decision-making process.

The forum was proposed on 2 October 2001, at the first meeting of the Joint Committee (1) responsible for the implementation of the agreement and a date set before the end of 2002. This decision was further strengthened following the second Joint Council on the 13 May 2002 (2) as well as the EU–Mexico summit of 18 May 2002 (3) which underlined the importance of maintaining an open dialogue with Mexican and European civil society to exchange information and views on how best to avail themselves of the opportunities offered by the global agreement.

From the Commission’s perspective, the determination articulated by both the EU and Mexico to further the participation of civil society coincided with the Commission’s broader goals to strengthen the role of civil society and ‘participative’ democracy on a global level. As the Commission stated in a White Paper in 2001, ‘the Commission will improve the dialogue with governmental and non-governmental actors in third countries when developing policy proposals with an international dimension.’ (4)

The Commission’s commitment to civil society has been more recently strengthened in a ‘communication’ of November 2002 which stated: ‘the most wide-ranging participation of all segments of society must be encouraged. Partnership, ownership of development processes by the population, participation of economic and social stakeholders and the representation of civil society, are all principles shared by donors.’ (5) It is therefore the Commission’s current position to give greater weight to civil society in the framework of EC decision-making procedures, in particular with reference to the elaboration of cooperation strategies and building ‘social capital’, as a driving force as a means to strengthen democracy and development policy.

In terms of the agreement itself, whereas many civil society groups were fearful of the impact on the Mexican economy of signing a free trade agreement as part of the global agreement, such concerns were offset by many who saw the potential of the agreement to promote closer relations on the basis of respect for fundamental rights and democracy.

However, a degree of frustration with the agreement over the lack of social and political progress and their inclusion in the decision-making process itself was highlighted in November 2001 following the ‘Meeting of social and civil organisations from Mexico and the European Union under the framework of the EU–Mexico global agreement.’ (6) Conclusions from that meeting were that the demands of civil society, for greater consultation and participation in the implementation of the agreement and within the decision-making process were not being acknowledged. Civil society groups therefore outlined their desire for the EU and Mexico to focus on reform of the agreement to establish mechanisms to allow for greater participation and consultation with civil society in the decision-making process.

The EU–Mexico civil society forum therefore brought together different representatives from both sides of the Atlantic at an opportune time for the development of a future role of civil society in both the EU and Mexico under the framework of bilateral relations and beyond. Significantly, what the forum symbolised was that all sides were bonded by the common goal of wanting to deepen the dialogue between Mexico and the EU and explore the opportunities that the global agreement gives for the promotion of civil society.
The preparation of the forum

The unique nature of the event stemmed from the fact that it was the first forum within the framework of the EU–Mexican agreement and provided an unprecedented opportunity to raise everybody’s concerns and present constructive contributions concerning the agreement. With this perspective, equally important to the day itself, was the process of preparing for the forum, which would allow the EU and Mexican authorities and civil society groups to collaborate on the day’s agenda, and in so doing, develop a process of political dialogue, which was to be one of the overarching goals of the event.

It was decided that the Commission would assume the organisation of the forum. It was also made clear to all parties that the exercise was experimental in nature and that no one institution, individual or group would influence or direct the outcome which would be established by consensus. The Commission’s role, therefore, was to manage the logistics behind the forum, such as structuring the day itself rather than the dialogue, which — as a fundamental principle — was seen as being driven by civil society itself.

Contacts between officials from both the Commission and Mexican government as well as with civil society groups began some months in advance. The discussions concluded that, in the interest of incorporating the different concerns, the issues would be divided into three working groups: political, cooperation, and economic and commercial aspects.

The EC website concerning EU–Mexico relations was then reorganised to present the forum, allow online registration and selection by the participants of which working group was most relevant to their interest. Secondly, invitations were sent out to all participants calling for oral presentations within the working groups as well as written documents in preparation for the dialogue. The list of participants, oral presentations and written proposals were then compiled and placed on the web for all to access.

The decision as to who would make presentations was made following discussions with the Mexican government and civil society and reflected the greatest relevance to the debate. It was believed that by publishing the data, the participants would become familiar with the issues and the discourse could be launched immediately.

The second aspect that the Commission encountered was how to manage the discussions. As mentioned previously, it was the Commission’s policy to buttress civil society’s full participation within the debate. After consultation, it was decided that two members from civil society (one per region) would act as ‘rapporteurs’ in each working group. Their function would be to present a summary of the working group debate at the final plenary. Each presentation would last 10 minutes before open plenary discussions would be held.

Following the forum, it was agreed by the Commission that the forum’s website would remain open to receive additional presentations, to publish the summaries from the ‘rapporteurs’ and the overall conclusions as well as to be used to post comments and questions. Critical to the Commission was the belief that civil society should not lose the advantage established by the forum and should maintain the dialogue beyond the actual day itself.
The discussions

The forum was widely acknowledged as unique and the dialogue constructive. It was the first opportunity of its kind to discuss the limitations of the agreement openly and to explore, in practical terms, how that could be improved in order to achieve common goals.

The unprecedented opportunity for civil society to focus on shared values and concerns, to present a unified agenda and to cross physical boundaries, proved that civil society is capable of speaking in one voice. By focusing on the core issues of democracy, civil society participation and human rights, the debate was not diverted from the main concerns and issues were discussed in a constructive manner.

In an environment of mutual collaboration, participants listened to proposals and exchanged information.

From the Commission’s perspective, the forum marked a significant step in fulfilling the mandate that it had prescribed that fundamental to external, as well as, internal policy, was the strengthening of democracy, human rights and the promotion of civil society.

The meeting gathered over 200 participants from a wide range of organisations: NGOs, trade unions and other associations were highly present and represented almost 2/3 of the whole delegates. Academia and business amounted approximately 15 % in spite of EC efforts to widen the scope of represented organisations.

This section of the publication, rather than providing a verbatim report, will highlight issues and the results from the working groups in bullet form. The actual summaries from the ‘rapporteurs’ can be found in Annexes 5 to 7.

Two main thematic issues were discussed in all the working groups with similar comments and results:

1. Human rights and the democratic clause.
   (a) The need to positively interpret the democratic clause and to define strategies for the promotion of human rights on both sides.
   (b) To support the creation of a Social and Environmental Observatory to evaluate and monitor the impact of the global agreement and facilitate the exchange of policies between the EU and Mexico.
   (c) The need to establish a Joint Consultative Committee, consisting of members from different areas of civil society. It would have the character of the European Union Economic and Social Committee and its equivalent in Mexico in addition to other civil society organisations. In that sense, due to the inexistence of such body in Mexico, all groups expressed their support for the creation of a Mexican Social and Economic Committee.

   More specific issues were raised in each working group, such as:

   **Political:**
   - to reinforce horizontal links between the EU and Mexico through social networks in the third sector;
   - to analyse the potential and limitations of the global agreement;
   - to question the necessary changes to Mexican politics and the EU’s Member States, as well as civil society in order to fully participate and support institutional mechanisms that reinforce bilateral relations, reform of the State and human rights.

   **Economic and trade:**
   - the need to include social and environmental clauses in the EU–Mexico free trade area;
   - the need for a dispute and compensation mechanism to mitigate against the impact of the global agreement and create a ‘code of conduct’ for enterprises;
   - the need to ensure that privatisation and EU investment are in line with policies of sustainable investment.

   **Cooperation:**
   - the need to include in the EC budget a specific budget line for cooperation with Mexico;
   - the need to include gender as a mainstream element in EC/Mexico cooperation;
   - the need to elaborate on impact assessments concerning the implementation of the global agreement, such as environment.

2. Mechanism to allow for greater participation by civil society within the framework of the global agreement.
   (a) To use the existing clauses of the global agreement to establish a mechanism to include civil society in the decision-making process.
The conclusions of the forum

Following the discussions, the **general consensus** from the three working groups were as follows.

- Overall there was agreement that civil society should play a greater role in the decision-making process, assessing the impact and evaluating the implementation of the agreement. In addition, all three working groups underlined the importance of an effective human rights clause and the mechanisms to implement it.

- It was further agreed that a second forum should be held in 2003 in Mexico, with civil society playing a more participative role in its organisation.

- In addition, there were calls for the process of dialogue to be institutionalised to the same extent as in other agreements, such as the EU–Chile agreement.

- Lastly, there was general consensus around the proposition for the formation of a Mexican Ecosoc, a Social Observatory and a Joint Consultative Committee. It is hoped that such institutions would allow civil society a greater participative role in the consultation as well as the decision-making process itself.

At the final plenary, the Commission and the Mexican government took it in turns to reflect upon the conclusions from the ‘rapporteurs’. From the **Commission’s perspective**, concerning the institutional questions, it had the following comments to make (Annex 8).

- In terms of creating a Mexican Ecosoc, it is a decision that only the Mexican government can make. In terms of creating a Joint Consultative Committee, the Commission was in total support of such a proposal within the framework of the existing agreement.

- In terms of creating a Social Observatory, many questions persist over its composition and character, but the Commission remains open to and will consider suggestions from civil society.

- In terms of enforcing compliance of Mexican law by European business, the Commission stated that it is the Mexican government who has to ensure that business fulfils the obligations dictated by Mexican law, but also civil society can enforce this through greater vigilance.

- In terms of carrying out a sustainable impact assessment, guaranteeing the agreement is sustainable in **social, labour, environmental terms**, is an obligation for all parties. The implementation of the agreement was done with much attention placed upon these aspects.

From the **Mexican government’s perspective**, Ambassador Porfirio Muñoz Ledo observed that there had been three types of suggestion (Annex 8).

- First, suggestions related to the process of democratic transition in Mexico, which is a concern for the Mexican government, with the desired collaboration from the Commission.

- Second, suggestions related to the process of democratisation in the European Union, currently illustrated by the creation of the European Convention, which aims to address the question of the democratic deficit by drawing civil society and European institutions together.

- Third, suggestions related to issues concerning bilateral relations between Mexico and the EU and how civil society can optimise the agreement. In this regard, the ambassador reiterated the principle suggestions resulting from the discussions, namely:
  1. the creation of a Mexican Ecosoc as a counterpart to the European one and the creation of a Joint Consultative Committee, under Article 49 of the agreement, to unite the two institutional bodies;
  2. the creation of a Social and Environmental Observatory;
  3. the creation of horizontal means by which civil society can unite on both sides and at regional and local levels;
  4. establishing a budget line exclusively for cooperation with Mexico.

The ambassador stressed that, although the agreement has only been in force for two years, there were limitations that need to be addressed. In order to do this, it was important to make use of the existing structures and form a consensus over what those limitations consist of. He stressed that human rights and democracy are essential elements within the agreement and the importance of expanding the political dialogue beyond the agreement to have a similar framework with regard to other international organisations.
Going beyond the forum: the Commission’s role?

The Commission’s policy of using all means possible to extend the dialogue beyond the forum itself has been manifest in the following ways.

- By maintaining the forum’s website open to allow participants to access the presentations and contact details.
- By allowing for additional presentations to be posted on the web to instigate future dialogue.

Whereas the Commission is looking at ‘virtual’ means of promoting the dialogue, there are ongoing discussions on how to fulfil the appropriate suggestions made at the forum for a greater institutionalised process of consultation and broadening participation from the whole civil society. Issues raised at the civil society forum will be discussed at the appropriate institutional forums.

The Commission was also in agreement with the suggestion that civil society have a greater say in the organisation of the second forum. Participants, who suggested that civil society groups should become the co-presidents of the working groups, reinforced such an initiative. A greater role for civil society in organising the next forum is vital in support of Commission policies to ensure the ‘ownership’ of issues by those to whom it is geared. Ownership implies responsibility and the effect of such an endeavour would lead to greater coordination by civil society with the relevant governmental and non-governmental authorities in preparation for the forthcoming forum.

In spite of the Commission’s efforts to widen as much as possible the participation of organisations from different sectors to this consultative process, the presence of representatives from the business area, as well as the academic, could have been stronger.

Now that the process of dialogue has been initiated it would be inappropriate if its organisation remained in the hands of the Commission and/or the Mexican authorities. It should now be up to civil society to mobilise itself.

Conclusion

The purpose of this publication is not only to set out the background, intentions and outcomes of this first forum, but to illustrate its wider significance.

By definition, the consultations involved a delicate process. What is clear is that the role civil society plays is in constant evolution, which is altering its character and composition. Political space has opened up on the domestic and international agenda for it to play that role and that opportunity was offered in the composition, organisation and success of the forum.

It is vitally important therefore, that as an evolving process, the initiative that civil society in Mexico and the EU developed throughout the formation and follow-up to the forum be sustained and enhanced. Civil society, as the entrusted guardians of its citizens, balancing the State and the market, has a great responsibility to ensure that the concerns of the population are accounted for and that civil society itself grows to be representative of broad interests and that those interests are responded to by national governments.

The forum was a unique mechanism to promote greater access by civil society to the decision-making process within the framework of the EU–Mexico agreement. It also provided an opportunity for civil society to raise its concerns and positive suggestions for measures that could be introduced in Mexico as well as the EU to allow for civil society to have a more formal responsibility in policy design and implementation.

Above all, the major conclusion, shared by all, was the need for greater economic and political ‘trickle down’ i.e. that the fruits from democratisation and economic reform are felt by those who might not have been able to benefit directly. The success of promoting principles of social justice, individual rights and equality, at the heart of political concerns on both sides of the Atlantic, can only be assessed and reinforced through the channels of civil society. Civil society therefore has a large responsibility to provide alternatives and not simply to criticise political failure. A major success of the forum was therefore the robust way in which civil society not only challenged the existing structure, but also provided suggestions for alternatives. It represented a unique opportunity for both sides of formal and informal political spectrums to learn what mechanisms work effectively to ensure that voices are heard and democratically considered. However, the next challenge for the groups involved is to be representing a larger scope of civil society including economic, social, academic and other relevant actors, and to organise themselves so that the proposals submitted to the Commission and Mexican government are plausible and reflect the wide range of views within civil society.
Footnotes

(1) The full title for the global agreement is: economic partnership, political coordination and cooperation agreement signed on 8 December 1997 and entered into force on 1 October 2000 (OJ L 276, 28.10.2000).

(2) See Annex 1.

(3) See Annex 2.

(4) See Annex 3.


(7) CIFCA, DECA Equipo Pueblo, CNCD/Belgica and RMALC, Encuentro de organizaciones sociales y civiles de Mexico y la Union Europea en el Marco del Acuerdo Global UE-Mexico, Memoria, 26-30 de Noviembre 2001, Ciudad de Mexico.


(9) See annex — Agenda of day.
First meeting of the Mexico–European Union Joint Committee — 2 October 2001

IP/01/1361, Brussels, 3 October 2001 — Joint press release

On 2 October 2001, the first meeting of the Joint Committee established by the economic partnership, political coordination and cooperation agreement between the European Union and Mexico was held in Brussels.

The Mexican delegation was led by Ambassador Porfirio Muñoz Ledo, Ambassador of Mexico to the European Communities, and also included Dr Miguel Hakim, Undersecretary of Economic Relations and International Cooperation, and Mr Fernando de Mateo, Coordinator General for Negotiations with Latin America, ALCA, Europe and services sector in the Ministry of Economy.

The Delegation of the European Union was headed by the European Commission, Mr Fernando Valenzuela, Deputy Director-General of External Relations and regarding trade issues by Mr Roderick Abbott, Deputy Director-General of Trade. The Presidency of the European Union was represented by Mr Willy Stevens, Director for the Americas of the Belgian Ministry of Foreign Affairs of Belgium.

Both delegations expressed their most strong rejection of the terrorists attacks perpetrated in the cities of New York and Washington DC, on 11 September 2001, that caused incalculable human and material losses, and produced deep consternation in the international Community.

The delegations declared that these acts undermine the foundations of civilised coexistence among the nations and represent a serious threat to international peace and security. For this reason, they condemned categorically terrorism in all its forms and demonstrations whatever its motivations are, and the parties are committed to grant their political and diplomatic cooperation to the legitimate efforts that are undertaken to submit to the action of justice the authors, organisers and sponsors of those acts, as well as those responsible for giving them support or protection.

The parties reviewed activities carried out during the first year of operation of the global agreement in the three areas of coverage, political dialogue, trade and cooperation, underlining the significant advances in deepening their relations and acknowledging the efficient operation of the agreement.

With respect to the political dialogue, the visit to Brussels of the then President elect of Mexico, Vicente Fox made in October 2000 was highlighted. In addition, the meetings of the Mexican Secretary of External Relations with the Troika of the EU on occasion of the first meeting of the Mexico-European Union Joint Council was underscored, as were the visits to Mexico of the President of the European Parliament, Nicole Fontaine, of the EU High Representative for the Common Foreign and Security Policy, Javier Solana, and that of the Vice-President of the European Commission, Loyola de Palacio.

Mexico and the European Union reaffirmed their will to further develop contacts between the parties and thereby contribute to the strengthening of the political dialogue between Mexico and the European Union. In accordance with the provisions of the global agreement, both delegations expressed their interest in holding the first Presidential-level meeting between Mexico and the European Union in the first half of 2002.

With regard to the Ministerial-level dialogue between Mexico and the Troika of the European Union, both parties recalled that the latter will be carried out in the framework of the Joint Council as well as on occasion of the United Nations General Assembly when previously agreed.

Both delegations reiterated their conviction that multilateralism is the best manner to deal with the principal issues of the current global agenda. In that context they recommended encouraging meetings between those responsible for multilateral matters in the Mexican Ministry of Foreign Affairs and their counterparts in the European Union, in order to exchange information and experiences on respective positions in multilateral organisations.
in subjects such as: climatic change; defence of cultural identity; combating terrorism and money laundering; and the death penalty, among others.

The European Union wished Mexico a successful organisation of the United Nations Conference on Financing Development, that will be held in March 2002 in the city of Monterrey.

Both delegations highlighted the importance of the next summit between the European Union, Latin America and the Caribbean countries, which will take place in May 2002 in Madrid.

Mexico and the European Union analysed cooperation between both parties and committed themselves to accelerate the implementation of this chapter of the association agreement. In this context, both delegations expressed satisfaction with the progress made in the negotiation of the memorandum of understanding on the multiannual guidelines of Community cooperation in Mexico, which is the instrument that sets out the priority areas on which cooperation will concentrate for the coming years. In addition both parties committed themselves to concluding the negotiation of the financing framework agreement.

The priorities agreed in the memorandum of understanding are: the fight against poverty, and social development; scientific, technical, educational and cultural cooperation; cooperation in the economic sector, and strengthening the rule of law and institutional support.

Mexico and the European Union agreed on the need to promote the signing of sectorial agreements in the areas of science and technology and education and high-level training in order to complement the existing horizontal programmes in these areas.

The Mexican delegation presented the main features of the Plan Puebla-Panama, one of the Mexican government’s principal projects, which offers a regional development framework that envisages new public policies for human development, the fight against poverty, investment promotion and productive sector development in the south of Mexico and the Central American countries. On its side, the European Commission expressed its willingness to study the possibilities to support Mexico’s actions in the framework of this subregional cooperation plan.

Mexico and the European Union recognised the importance of maintaining an open dialogue with Mexican and European civil society to exchange information and views on the best way to take advantage of the opportunities that the association agreement offers. In this respect, they decided to organise a forum or conference in 2002 that will include the participation of all interested parties, including among others, the academic sector, entrepreneurs, trade unions, political parties and non-governmental organisations.

In trade related matters, the parties reviewed the state of the implementation of the free trade agreement between Mexico and the European Union, which entered into force on 1 July 2000. They noted with satisfaction that during the first year of existence of the free trade area, bilateral trade grew by 25 %. Mexican exports to the EU increased by 39 %, while European sales to the Mexican market expanded by 20 %. The trade agreement is also stimulating bilateral direct investment. Currently, 5 066 companies with European capital are established in Mexico, which represent 23 % of companies with foreign investment in the country.

It was therefore concluded that the first year’s results show that the agreement is allowing both parties to fully benefit from the potential that the bilateral relationship offers in the trade and investment field. In this respect, it should be recalled that this trade instrument offers Mexican and EU exporters access to a market of more than 470 million consumers.

At the same time, the agreement establishes the framework for further integration between Mexican and European firms. It opens the possibility to satisfy, through both parties’ free trade agreement networks, the demand in markets such as North and Latin America, Mexico and Europe.

The parties also noted that the technical bodies established by the agreement have begun their activity, opening a fruitful dialogue on issues which are crucial to ensure that
trade flows are unhindered, such as customs and rules of origin, standards and technical regulation and sanitary and phytosanitary measures.

The Joint Committee was also the occasion for the parties to have an exchange of views and explore solutions on a number of specific trade issues. Information was also exchanged on the state of the multilateral discussions in view of the Doha Ministerial and on the regional negotiations in which both parties are currently engaged.

Finally, it was proposed that the second session of the Joint Council be held during the first six-month period of 2002.
EU–Mexico: Joint Council —
second session — 13 May 2002

Brussels, 13 May 2002 — Joint press release

The second meeting of the Joint Council established by the economic partnership, political coordination and cooperation agreement between the European Union and Mexico took place in Brussels on 13 May 2002.

The Mexican delegation was led by the Foreign Minister, Dr Jorge Castañeda, and Minister for the Economy, Dr Luis Ernesto Derbez. The EU delegation was headed by Mr Josep Piqué i Camps, the Spanish Minister for Foreign Affairs, in his capacity as President-in-Office of the Council of the European Union. He was accompanied by Mr Javier Solana Madariaga, EU High Representative for the Common Foreign and Security Policy, and the Danish Undersecretary for Political Affairs in the Ministry of Foreign Affairs, Mr Michael Zilmer-Johns. Representing the Commission were Commissioners Christopher Patten and Pascal Lamy, responsible respectively for External Relations and Trade.

The ministers welcomed the holding of the second meeting of the Joint Council established by the economic partnership, political coordination and cooperation agreement between the European Union and Mexico, and agreed that it had contributed to consolidating bilateral relations.

The parties examined the results of the agreement during its first 18 months in force.

Within the framework of political dialogue, the ministers stressed the importance of reinforcing high-level contacts so as to deepen bilateral dialogue. Particular mention was made of the forthcoming visit to Europe by President Vicente Fox, during which he will address a plenary sitting of the European Parliament in Strasbourg, and hold the first meeting at presidential level between Mexico and the EU Troika in Madrid, Spain.

The Mexican and EU delegations held an exchange of views on current developments in Latin America.

The delegations welcomed the outcome of the Conference on Financing for Development held recently in Monterrey, Mexico.

Both delegations emphasised the importance of the second summit of Heads of State or Government of Latin America, the Caribbean and the European Union, to be held this month in Madrid, Spain.

The ministers examined regional cooperation arrangements, and heard with particular interest a report on the progress made in carrying out the different projects provided for in the ‘Plan Puebla Panama’, a regional development plan which envisages new public policies for human development, combating poverty and promoting investment and productive development in the south of Mexico and Central American countries.

Ministers reviewed the state of the implementation of the free trade agreement between Mexico and the European Union, which entered into force on 1 July 2000. They noted with satisfaction that the agreement is allowing both parties to fully benefit from the trade and investment potential the bilateral relationship offers.

According to import statistics of each party, during the first 18 months of existence of the free trade area, bilateral trade grew by 28.6 %. Mexican exports to the EU increased by 44.1 %, while European sales to the Mexican market expanded by 23.1 %. The trade agreement is also stimulating bilateral direct investment. Currently, more than 5 000 companies with European capital are established in Mexico, representing 23 % of companies with foreign investment in the country.

The Joint Council was also the occasion for the parties to adopt decisions and have an exchange of views on a number of specific trade issues. First, the parties adopted the acceleration of tariff phase-out for a group of products in the automotive and pharmaceutical sectors, batteries, bicycles, and mechanical equipment for a total estimated value...
of 1.7 billion EUR. Information was also exchanged on the state of the multilateral discussions and on the regional negotiations in which both parties are currently engaged.

Finally, the parties took note that the Mexican and European private sectors have decided to engage in an ambitious initiative: the Euro-Mexican business dialogue. This joint effort will serve as a strategic forum to elaborate policy recommendations to the European and Mexican authorities, aiming to foster the full use of the opportunities created by the free trade agreement.

In relation to cooperation, the delegations welcomed the conclusion of negotiations regarding the Financing Framework Convention, an instrument which lays down administrative rules for the practical implementation of cooperation projects in Mexico and which, together with the memorandum of understanding on multiannual cooperation guidelines, constitutes the legal framework for cooperation between the parties.

Mexico and the European Union also agreed on the desirability of working towards the signing of sectoral cooperation agreements in the short term.

In this respect, they reviewed progress in the process of concluding an agreement on science and technology, which would enable Mexican researchers to participate in all areas of the European Union’s sixth research and technological development framework programme. The European Commission informed the meeting that it was applying to the Council for formal authorisation to negotiate such an agreement and that, once this process had been concluded and a mandate had been obtained, negotiations could get underway with a view to concluding an agreement in the second half of the year.

The European Commission welcomed the Mexican proposal for a memorandum of understanding on developing cooperation between the European Union and Mexico on the environment, including measures to protect the environment and ecological balances, and expressed its interest in examining this issue in greater detail.

With respect to the sectoral agreement on education between Mexico and the European Union, the parties agreed to initiate discussions in the near future with a view to evaluating the proposal submitted by Mexico. The parties reiterated their belief that this agreement would complement the measures carried out in the context of the ALFA and ALBAN regional cooperation programmes.

The Mexican delegation expressed its intention to submit other draft instruments aimed at reinforcing cooperation measures between the parties.

The parties also reviewed the cooperation activities to be carried out by the European Union in Mexico in the coming years. They highlighted the programmes to combat poverty, to support implementation of the free trade agreement and to assist SMEs, as well as drawing attention to progress made in identifying projects in the judicial field.

Mention was also made of the fact that the European Union had selected Mexico as one of the countries in which it would support measures to promote respect for human rights. The meeting heard that the European Commission would allocate EUR 2.5 million to a programme of cooperation with Mexico in this field, which envisaged, inter alia, support for the process of harmonising national legislation with international human rights standards, by strengthening forums for dialogue between the public authorities and civil society.

Both sides stressed the importance of the dialogue meeting with civil society to be held in Brussels before the end of the year.

Lastly, it was agreed to hold the second meeting of the Joint Committee in the second half of September or the first half of October in Mexico City, and the next meeting of the Joint Council in the first half of 2003.
Mexico–European Union summit —
18 May 2002

Press release, Madrid, 18 May 2002

The first Mexico–European Union summit under the economic partnership, political coordination and cooperation agreement between the two parties was held in Madrid on 18 May 2002.

The summit was attended by the President of Mexico, Mr Vicente Fox, the Prime Minister of Spain, Mr José María Aznar, in his capacity as President-in-Office of the European Council, and the Prime Minister of Denmark, Mr Anders Fogh Rasmussen, assisted by the EU’s High Representative for the Common Foreign and Security Policy, Mr Javier Solana, and the President of the European Commission, Mr Romano Prodi.

The leaders emphasised the importance of the meeting and agreed to hold similar meetings in future in the context of EU–Latin America summits, or by prior agreement.

They exchanged views on regional and international issues of mutual interest.

They restated their belief that interregional dialogue provides an ideal forum for addressing the main issues on the current global agenda. They confirmed their commitment to the United Nations and reaffirmed their belief that the strengthening of multilateral institutions and the implementation of international law help to achieve international security, prosperity and well-being.

They confirmed their rejection of terrorism in all its forms and manifestations, and undertook to continue combating this scourge.

They restated their commitment to the promotion and full implementation of all human rights, bearing in mind their universal, indivisible and interdependent nature, in accordance with the provisions set out in the UN Charter and the human rights instruments agreed internationally, as well as in the 1993 Vienna Declaration on Human Rights.

The leaders welcomed the results of the recent summit on development financing in Monterrey, Mexico, and renewed their commitment to helping to implement them.

After reviewing the main aspects of the bilateral partnership, they welcomed the results obtained during the first 18 months of the economic partnership, political coordination and cooperation agreement between Mexico and the European Union.

The leaders, convinced of the need to strengthen political coordination and cooperation measures between the sides, decided to enhance contacts at high level in order to step up relations between Mexico and the EU.

The arrangements will be established by common agreement within the framework of the association agreement.

They highlighted the need to deepen political dialogue at all levels in areas of mutual interest and in accordance with the provisions of the economic partnership, political coordination and cooperation agreement, particularly in the headquarters in Brussels, New York, Geneva and Vienna, and in the processes preparing for the main United Nations conferences.

They conducted a detailed analysis of the results of bilateral economic relations and undertook to identify measures enabling these relations to be strengthened even further.

With regard to trade, the leaders noted with satisfaction that bilateral trade had grown by 28.6 % during the first 18 months of this agreement. Mexican exports to the Union had increased by 44.1 %, while European sales to the Mexican market had grown by 23.1 %.

They also noted with satisfaction that the Mexican and European private sectors had decided to launch an ambitious initiative, the Mexico–EU business forum, the objective of which is to strengthen trading relations between Mexican and European companies.
President Fox reported on the progress in implementing the Puebla–Panama plan, in particular the measures taken in the context of planning public policies for human development, the fight against poverty and the promotion of investment and productive development in southern Mexico and Central American countries.

The European Union reaffirmed its support for the measures taken by Mexico in the framework of this plan for subregional cooperation.

The leaders agreed on the need to strengthen the cooperation chapter of the agreement by the conclusion of sectoral agreements in the fields of science and technology, environment, education and further training, and the exploration of other fields of cooperation within the priorities adopted.

They emphasised the importance of strengthening consultation on environmental issues in order to meet the challenges of promoting sustainable development and environmental protection. In particular, they highlighted the importance of maintaining close contact during the preparatory discussions for the United Nations Conference on Sustainable Development to be held in Johannesburg at the end of 2002.

They highlighted the need to maintain open dialogue with Mexican and European civil society for the exchange of information and views on how best to avail of the opportunities afforded by the partnership agreement, and the importance of the first forum with civil society which is to be held in Brussels at the end of this year and which will be attended by all those concerned, including the academic sphere, employers, trade unions, political parties and non-governmental organisations.

Lastly, they hoped for a most successful outcome to the coming third Latin America–European Union summit to be held in Mexico in 2004 and for rapid progress in the negotiations under way between the European Union and Latin America.
The first EU–Mexican civil society forum
Brussels, 26 November 2002

Borschette Conference Centre — Rue Froissart, 36, 1040 Brussels

Schedule

08h30 Registration of participants, distribution of badges and security check.

09h30 Plenary: Welcome on behalf of the European Commission and the Mexican government:
  - Mr Guy LEGRAS, Director-General for External Relations
  - Ambassador Porfirio MUÑOZ LEDO, Head of Mission to the EU

10h00 Coffee Break

10h15 Division into working groups:
  Room 0A Political aspects
  Room 1A Economic and commercial aspects
  Room 0D Cooperation aspects

13h00 Lunch break (lunch not included)

14h30 Continuation of the working groups

16h15 Coffee Break

16h30 Plenary:
  Room 0A • Presentation and conclusions on behalf of each working group
  Room 0A • Concluding remarks on behalf of the European Commission and the Mexican government:
    - Mr Francisco DA CÂMARA, Director for Latin America
    - Ambassador Porfirio MUÑOZ LEDO, Head of Mission to the EU

18h00 Drinks offered by the European Commission
  Room 5° floor
REPORT OF THE POLITICAL AFFAIRS WORKING GROUP

Rapporteurs: Mrs Georgina Sánchez, Executive Director, AIP
Mr René Rodríguez, Executive Secretary, CIFCA

Summary

The issues addressed by the political affairs working group can be grouped under two main themes.

(a) Human rights and the democratic principles clause.
(b) Democracy and mechanisms for civil society participation in political dialogue under the EU-Mexico global agreement.

In the course of the communications and debates, many proposals were made, some of which met with broad support from the participants. To make it easier to grasp the meaning and context of these proposals, we list them below by category.

I. Proposals relating directly to the global agreement

- Provide a positive interpretation of the democratic principles clause and formulate strategies for the effective promotion of human rights, in both Mexico and the EU.
- Go beyond the restrictive definition of human rights, which limits them to political and civil rights, to cover a far broader range (including civil, political, social, economic, cultural and environmental rights).
- Support the setting up of commissions and committees to address specific problems/issues, such as human rights, indigenous people’s rights, the responsibilities of business, etc.
- Make exhaustive use of all the possibilities provided under the global agreement to establish and set up mechanisms for the participation of civil society, so as to ensure it is represented and can democratically influence decisions, in particular those concerning the present global agreement and its impact on daily life.
- Support the creation of a Social and Environmental Monitoring Agency to monitor and evaluate the effective impact of the global agreement, promote the GA’s successes, and facilitate policy convergence between Mexico and the EU.
- Strengthen horizontal links between Mexico and the EU through social networks and the inclusion of the social economy.
- Examine the strengths and weaknesses of the global agreement by informing the Mexican people about it, including its scope and limits.

II. Proposals relating to national and regional socio-political processes which could strengthen the global agreement

- Proposals for necessary changes in Mexican domestic policies, so that both the Member States of the European Union and civil society on both continents can take part in and contribute to political reform and ensure the respect of human rights through institutional mechanisms which strengthen bilateral relations.
- Support the creation of a Mexican economic and social council, on the model of those which already exist in the EU, as a mechanism for dialogue with the European Union.

Separate reports on key issues
Human rights

Alan Dréanic

International Federation for Human Rights
How could the human rights clause be improved?
The FIDH favours a positive interpretation of the democratic principles clause: i.e. not only should this clause serve as an instrument to punish serious human rights violations or counter serious set-backs to the democratic process, but should above all be used
proactively, to promote greater respect for human rights and democratic principles in third
countries (EC, 25/6/01). This interpretation has been confirmed by the European
Commission (25/6/2001) and the Council. It should be stressed that the democratic
principles clause in no way releases States from any of their international obligations or
responsibilities.

In Mexico civil society is seriously concerned that the global agreement may have a
negative impact on human rights. Such negative effects would not be limited to economic,
social and cultural rights but would also affect environmental rights, the rights of women,
and so on.

Proposals

- **Set up a special working group** (under the provisions of Article 49) to monitor
the human rights clause and the mechanisms for civil society participation. This
group would be comprised of officials, civil society representatives and human
rights specialists, and would define specific mechanisms together with a concrete
programme of action.

- The issue of human rights should figure systematically on the agenda of all meetings
held within the framework of the global agreement.

Objective

The objective is to reinforce political dialogue so as to meet certain concerns regarding
human rights and democracy and to identify measures which might be able to improve
the situation. Civil society should take part in evaluating the impact of the agreement
on human rights in other contexts, through a reciprocal process involving both Mexico
and the EU.

Maureen Meyer (PRODH-Mexico)-Brid Brennan (TNI-Holland)
Joint RMALC-CIFCA communication

‘Towards a positive interpretation of the democratic principles clause’

The global agreement stresses the importance of respect for democracy and fundamental
human rights. The fact that these elements are included in the agreement should give them
greater legal force, and it is important that this clause should be applied in practice.
Human rights should also be addressed under themes such as sustainable development.

Proposals

- **Strengthen the positive interpretation of the democratic principles clause.**
Implementing the positive dimension of the democratic principles clause will improve
accountability by making it obligatory for States to report on their progress regarding
human rights. These reports can then be compared with other sources, and on this
basis recommendations can be made to the government (Articles 13 and 39 of the
agreement).

- Recognise the importance of, and guarantee civil society participation in, the
decision-making process and the drafting of proposals for public policy under the
agreement.

- Ensure that human rights are included in political dialogue and in agreements on
cooperation, trade and economic issues, as a horizontal issue.

- **Set up a Joint Consultative Committee** (in line with Article 49) to enable direct civil
society participation and dialogue with the governments of both Mexico and the EU
Member States and to promote mechanisms that can facilitate dialogue and participation
among states, social partners and civil society. The committee will provide a legal basis
for the exercise of the rights recognised in the International Covenant on Civil and Political
Rights. Committee results — opinions, statements, audiences and social and civil
dialogue — should be included in discussions with the States.

- **A Social Observatory** should be set up to evaluate cooperation through joint monitoring
activities, to disseminate information, and to evaluate the impact of bilateral relations
on human rights, using recognised and reliable indicators. The observatory’s remit
will cover such themes as human rights and natural resources, preservation of cultural
heritage, poverty, refugees, consumer rights, health, community life (Article 25),
education, culture and environment (Article 34), economic development and private
National security measures should not be allowed to negatively impact human rights.

**Mrs Laëtitia Sédou**  
**OMCT representative to the EU**

**Communication**  
‘Human rights and the EU–Mexico agreement: challenges, contradictions and recommendations’

Article 1 lays down that human rights and democratic principles provide the *de facto* basis of the EU–Mexico agreement. Human rights are an essential part of the agreement, and ‘underwrite the external and internal policies of both parties’.

Human rights constitute the basic framework for the application of all the articles of the EU–Mexico agreement, and specifically for those which figure in Titles III, IV and VI. The democratic principles clause should guide and structure political dialogue between the two parties.

**Proposals**

- The subject of human rights should be **systematically included on the agenda of Joint Council meetings**.
- Set up **specific mechanisms for political dialogue** which will be effective enough to guarantee monitoring and evaluation of respect for human rights by **defining concrete tasks**, such as **checking on** the implementation of recommendations, human rights violations, and specific recommendations. In this context, ‘human rights’ should be interpreted in the broadest possible sense, to include social, political and economic rights, etc.
- **Monitor** the freedom of action and expression of defenders of human rights; oversee the implementation of final recommendations made by international and/or regional organisations (UN, ILO, IACHR, etc.); oversee the ratification of, and compliance with, agreements and conventions by both parties.
- **Evaluate the impact** of trade and investment liberalisation; guarantee that human rights are not excluded (DESC), and that measures are taken to safeguard social justice and sustainable development.
- **Incorporate a positive interpretation** of the democratic principles clause.
- The OMCT recommends the creation of a **Social Observatory** to carry out comprehensive ongoing monitoring of the agreement, and in particular the impact of liberalising markets and investment flows. Ensure that all measures concerning the control of services, trade and investment contain a strong reference to human rights.

**Summary of interventions in Debate No 1**

**Isabel Oferlin, WCL**

The WCL insisted on the need to strengthen the process of **institutionalising democracy**. Whether working through the Joint Consultative Committee and/or the Economic and Social Council due to be set up in Mexico it is important that those instruments already developed by the ILO should be incorporated, since they set the standard in this area.

**Vicente Vázquez (indigenous Zapoteca representative)**

The organisations representing the indigenous peoples of Mexico have all pointed out the imbalance of power that exists between the EU and Mexico. These organisations place great importance on a positive interpretation of the democratic principles clause and support the setting up of a Social Observatory.

They recommend **establishing mechanisms to control and monitor respect for indigenous peoples’ human rights**. They suggest **setting up a working group** on indigenous rights under the global agreement, based on the articles referred to in these interventions.

**Juan Moreno, ESC union representative**

The ESC approves of the **various proposals** discussed in this forum (Joint CC, Social Observatory, ESC) but it is **important not to forget to include social rights as well** (by incorporating the main international agreements).
When it comes to consultations on setting up these instruments, the crucial point for the ESC is that there should be no backtracking and that the process should help to achieve better coordination within civil society, and with its partners.

**Manuel Canto**

Manuel Canto pointed out that there are different types of political relations. Underlined the need to take into account the fact that each region has to go through its own historical process and that this is reflected in the different kinds of institution established as a result.

**Indigenous representative from Oaxaca**

The representative regretted the fact that agreements are being signed between the EU and Mexico in which the indigenous communities have not been taken into account. It is vital that the effects of the Plan Puebla Panama and the impact of GM food producers on Mexico should not be forgotten during discussions.

(Unfortunately, no notes were taken on what other speakers said.)

**Reactions of the chairman of the political affairs panel to first debate**

Ambassador Porfirio Muñoz Ledo

1. **Human, economic, social, cultural and labour rights are universal, indivisible and independent.** International agreement on indigenous and tribal peoples’ rights in independent countries. All such agreements on rights are applicable, since the democratic principles clause protects all the agreements mentioned.

2. The issues of minorities is crucial. There are agreements on minorities, original and aboriginal peoples, bicultural and multicultural societies, and on migratory workers.

3. There is a consensus both on the meaning of ‘civil society’, and on the need to respect its diversity.

4. Regarding imbalances, it is important to point out that there can be no absolute symmetry between two societies. **What matters is to define and observe democratic standards and to ensure that these standards are protected.** The governments have declared that they intend to raise democratic standards.

5. **Representativity** is crucial for social organisations; it is not enough simply to encourage them to participate in institutional mechanisms.

**Separate reports on key issues**

**Democracy and mechanisms of participation**

Rodríguez García Caro (ESC business representative)

The ESC has published its positions on the EU–Mexico agreements; its opinion on the global agreement was published in 1995.

The agreement contains articles providing for systematic mechanisms to govern the functioning of the Joint Council (Article 45) and the Joint Committee (Article 48), enabling the JC to decide (Article 49) to set up special committees and governing periodical consultations (Article 36(3)) involving civil society. Article 39(2) deals with civil society development through human rights and democracy cooperation programmes and raising public awareness.

The European ESC has also published a number of opinions on the important role to be played by the European governance culture, as a model of good governance and good administrative practice.

For the ESC, **developing relations between the two regions will necessarily require the participation of organised civil society.** In Europe, the ESC acts as a forum for dialogue to enable participation by civil society representatives. **Declarations and opinions are arrived at by consensus,** which has proven to be a very practical working method. This promotes and reinforces a model of pluralist and participatory democracy for organised civil society.
The idea of a joint ESC is interesting, and the idea of a Joint Consultative Committee certainly has a key role to play. Both these ideas are in line with the conclusions reached by the ESC in Brazil (1999).

In the speaker’s opinion, the main articles of the EU–Mexico agreement provide the basis for establishing such mechanisms:

- Article 36 concerning civil society;
- Article 39 on cooperation;
- Article 49 on the creation of specialised committees;
- Article 43 on the evolutionary clause.

**Vicente Villamar**

Proposed setting up a Mexican State Economic and Social Council so as to create parallel mechanisms to those of the EU. This would represent an important step forward in Mexico’s democratic transition, by providing a basis for good governance (Article 49).

Proposed setting up mechanisms to create links and promote solidarity between Mexican organisations in the social sector is a fundamental necessity.

In conclusion, the ESC representative proposed holding a second civil society dialogue forum in **October 2003**.

**Reactions**

**Ambassador Porfirio Muñoz Ledo**

Defining the Economic and Social Council as a State body poses a problem, and would require changes to the constitution. Its composition and competencies would also be different, as a result.

Not all ESCs are organised in the same way.

The bases on which an ESC draws are: businessmen, workers and the productive sectors. How could the other productive sectors be integrated? An ESC must not compete with other sectors in terms of its competencies; on the contrary, it must strive to function inclusively and promote linkages.

Mrs Roos de Witte (FOS)-Laura Becerra (DECA-Equipo Pueblo)

CIFCA-RMALC joint communication

‘Mechanisms for civil society participation in political dialogue under the global agreement between the EU and Mexico’

Mrs De Witte

Before the global agreement was signed, civil society organisations in Europe and Mexico had already presented a number of proposals on how to promote political dialogue and how they might participate in that dialogue. They also organised dialogue forums, like that in which we are taking part today.

It would be useful to set up and formalise mechanisms for citizens’ participation in political dialogue between the EU and Mexico to monitor the impact of the global agreement. In this sense, all proposals concerning mechanisms for the participation of Mexican and European civil society and associated analyses aim not only to have civil society recognised as a political actor in this dialogue, but also to guarantee the continuity of that dialogue. We are worried that some parties may believe that such dialogue can be confined to a single day of consultation.

At the civil society forum for European-Latin American dialogue held in Brazil in 1999, we said ‘that social dialogue mechanisms cannot be used as instruments to legitimise agreements which have been arrived at without our societies playing any effective role in the decision-making process.’

In November 2000, the EU reaffirmed the importance of civil society participation. The European Parliament for its part has explicitly requested that civil society consultative forums should be set up. The EP also proposed that civil society should participate regularly in regional dialogue meetings, should have observer status at ministerial summits and should be encouraged to participate in sectoral forums and commissions.

Mrs Becerra

We have decided to make joint proposals because the impact of the global agreement is being felt in both the EU and Mexico (whatever the imbalance between the two sides).
We believe that civil society has both the right and the obligation to participate in decision-making on State policy. Strengthening participatory democracy so as to influence public policy will not only protect democracy itself, but also the identity of society. Civil society must take part in the monitoring, follow-up and control of the agreement so as to encourage both Mexico and Europe to defend economic, social, political and cultural rights (for such rights are indivisible).

Proposals

- **To extend and diversify** consultations between civil society and public authorities so as to fill the gaps in the agreement.
- **To move beyond the current monopoly** on political dialogue by the executive and institutionalise civil society participation.
- **To ensure transparency of information**. Provide access to all information produced so as to guarantee effective monitoring and follow up.
- To set up a **Social Observatory** to follow up both the implementation of the global agreement and its impact.
- **To establish mechanisms** for continuing dialogue between the executive, the legislative and civil society. Organise consultations in advance.
- To give the European Parliament and the Mexican Congress a bigger role to play in the Joint Council. Dialogue must include EU and Mexican governments and parliaments.
- To use observation mechanisms and participation to revise the chapters of the global agreement dealing with **trade and investment**.
- **Autonomy and pluralist representation** when setting up citizens’ councils and joint committees.
- To encourage the creation of new forums for consultation and dialogue.

Reyes Calderón and Marisol Basave

Presentation of project on scientific modernisation

Proposes a model for the analysis of corruption in institutions and companies, designed to help promote good governance, transparency and accountability through a system based on standardisation and indicators (including financial systems).

Summary of contributions to the debate

**The Euzkadi case**

During the debate, the case of the Euzkadi company was described: how the German multinational Continental Tiger bought the company in 1989 and then decided to close it down. This raised the question: **How can workers’ rights be defended within the framework of the agreement?**

It was suggested that monitoring systems should be established and secondary agreements drawn up so that regulatory frameworks for business can be laid down. Problems should then be dealt with on a case-by-case basis.

It is important to set up a Social Observatory and ensure citizen monitoring.

**CGIL**

Described the experience of the Italian ESC, which operates as a consultative body. It has the power to initiate legislation, promotes ongoing dialogue, and functions in an entirely transparent manner. The Italian National Labour Confederation is currently considering setting up a National Council on Labour Economics.

**Vicente Villamar**

Asked the forum to support the creation of both a Mexican State ESC and a Committee of the Regions.

**Fesebes**

Pointed out that Mexico needs constitutional reform.

**Democratising** the workplace, accountability, transparent functioning. Desire for more democracy has led to withdrawal from trade unions. How can the unions avoid the trap of corporatism? How can the Observatory’s independence be guaranteed? How can we protect ourselves from US pressure?
Manuel Canto

The debate today is very typical for Mexicans. In Mexico, we don’t just need to think about creating institutions; it is also vital to change the way the actors behave. Otherwise, we will just be putting ‘new wine in old bottles’. Institutional development must be accompanied by the redemocratisation of the social actors. Mechanisms for social expression must give pride of place to decentralised processes. Debate must be initiated in Mexico on the integration of the social economy.

Amnesty International

There has not been much discussion of training in human rights. Despite the recent positions of the Mexican government, violations continue to go unpunished and there is a huge gap between federal and state levels. The EU should apply direct constructive pressure to reduce human rights violations and ensure the perpetrators are brought to justice.

Positive use should be made of the democratic principles clause and of a control and evaluation system within each of the States concerned. This practice should be reciprocal, and the EU should set up mechanisms to assess the responsibilities of its own Member States.

The functioning of the proposed mechanisms for participation in political dialogue needs to be clarified. It is not clear how Mexican and EU civil society would be included. There must be mechanisms for information, advice, consultation and decision-making, and contacts must be established between the Mexican government and civil society. Clarifying these issues is a matter of considerable importance.

Erik Van Mele

Oxfam Solidarity, Belgium

Agrees with the last comments on the ESC and also with those on monitoring and mechanisms to encourage political dialogue. However, rather than just copying the ESC model, this is an opportunity to be inventive. Mechanisms should be devised which will enable real progress, and which are flexible, not just another layer of bureaucracy.

Fédération Nationale CGT— Droit à l’énergie

They propose applying an ethical code for organisations and companies to encourage respect for human rights. One specific example is the right to energy, which provides a concrete way of reducing poverty.

Georgina Sánchez

Asesores Internacionales en Prospectiva

In line with Articles 36 and 49 of the agreement, it is important that social actors who are not organised into unions, corporations or NGOs should be included in political dialogue — people such as academics, specialists, experts and independent businessmen, who by nature do not, and will not, belong to any such bodies, but who should be represented and who have much to offer the agreement. Experts should be included because letting them participate and recognising what they have to offer can only strengthen participation mechanisms and consolidate the progress achieved under every section of the global agreement. Including the social economy will guarantee truly democratic participation by civil society.

Reactions and summary by the chair of the political affairs panel

Mrs Da Camara

- Need to see what is possible within the framework of the current agreement.
- Proposal to set up a working group on human rights.
- Proposal to set up a Social Observatory, and suggested statutes.
- Proposal to set up an ESC in Mexico; the EU is interested in this proposal as a way of strengthening dialogue.
- How would these institutions function, who would be included in them, and how would elections be held?
Ambassador Porfirio Muñoz Ledo

– Civil society is a political actor.
– Every democratic process leads to proposals for the creation of new institutions, however these must take into account the laws which already exist in each region (on both sides).
– The revision of Articles 25 and 26 will be crucial.
– National planning procedures at executive, legislative and judicial levels must all be adapted to include broader social participation.

End

REPORT BY THE ECONOMIC AND COMMERCIAL GROUP

Rapporteurs: Mr Ronald Köpke, Advisor Florece Norte
Mr Manuel Pérez Rocha, European Union project manager, RMALC.

A. Opening session

Introduction by the European Commission

On opening the meeting, officials of the European Commission (EC) underlined the fact that the global agreement (agreement) between Mexico and the European Union (EU) was not only a trade agreement but included political dialogue and cooperation aspects. In this connection, the dialogue was important and an open debate should take place in which the majority of opinions could be expressed. It was hoped that proposals would be as constructive as possible. This did not mean that negative aspects of the agreement could not be presented but they should be accompanied by alternative suggestions. Ten minutes would be allowed for each presentation and, thanks to the method used to select the speakers, almost all of them had been accepted. During the morning, papers of an economic nature would be presented and in the afternoon specific papers would be presented. These presentations would be published before March.

The global agreement was a new type of agreement and had entered into force in 2000, 10 years being allowed for gradual liberalisation. The agreement also covered liberalisation in investments and services, and Mexico represented, for the EU, a first step towards Latin America (the EU-Chile agreement had followed and the EU–Mercosur agreement was being drawn up).

All areas were covered, one of the objectives being to achieve ‘NAFTA parity’. It was emphasised that this parity related to the cover of teams and sectors, although the free trade agreement (EU–Mexico FTA) was different. The EU objective had been to recover the markets that had been lost in Mexico, while for the latter the objective was to diversify its markets. One of the principal objectives from the standpoint of the EU had been to offer a framework for Mexico to differentiate its markets and, with this goal in mind, enable it to level out trade imbalances.

According to the EC, bilateral trade (since the introduction of the EU–Mexico FTA) had increased by 28.3 % and Mexican exports had increased by 45.5 %. EU investments in Mexico had increased by 23 %. Investment was the most important aspect and the EU had opened up more, and the existing imbalances were acknowledged. However, the trade agreement did not provide a conclusive response and for certain aspects multilateral solutions should be sought. Accordingly, the agreement between Mexico and the EU in relation to the Doha (WTO) agenda was greeted with enthusiasm.

Contribution by the Mexican government

The officials from the Mexican Mission to the European Union acknowledged the importance of proposals from civil society. For Mexico, the novelty of the agreement was that the European Union was opening up its markets to Mexico, so that Mexico could gradually create opportunities in Europe and leave behind the times when there were no trade preferences.
Question

Before the presentations were given, the researcher Carlos Rozo asked why the export and import results were not the same according to the Mexican and European statistics. As far as the data from the Mexican National Bank for Foreign Trade (Bancomext) were concerned, Mexican exports were not growing at the same rate as stated by the EU (45%) and therefore Mexico’s trade deficit in relation to the EU was continuing to increase. However, the European figures indicated that Mexico’s export growth had been greater.

On behalf of the EC, Giulio Menato explained that attempts were still being made to reconcile the statistics and therefore there could be some differences. One reason for these statistical differences was that very detailed figures were normally provided for imports, depending on the payment of tariffs, but it was not the same for exports, where the exporter declared what had been exported. A further difference related to the years that were used to measure the increases, in addition to the fluctuations in the dollar-euro exchange rates. He also explained that there had been a significant reduction in trade and investment due to the general recession in 2001. Notwithstanding, the figures, although they did not coincide and were not exact, served to illustrate the current trend and joint work was being carried out to achieve greater accuracy.

B. First session of presentations

1. Towards a social and environmental observatory on the effects of the EU–Mexico agreement; Presentation by Gerard Karlshausen (Political secretary to Centre National de Coopération au Développement, CNCD, in Belgium) and Antonio Villalba (Coordinating Committee of the RMALC and Frente Auténtico del Trabajo)

The CIFCA network and the RMALC brought together more than 100 organisations in Europe and Mexico, which was why this presentation was being shared.

- There was concern for the resumption of work to expand the global agreement by the Mexican government, as there had been a call to include social and environmental clauses since the NAFTA negotiations.
- The Mexican government was thanked for remaining in the debates as they were requested to listen to the proposals and help to ensure that the EU–Mexico FTA would not be like NAFTA considering the results that it had produced after nine years.
- A proposal to create a Social Observatory was read out.
- It was emphasised that the proposal was based on three principles: autonomy, analytical rigour and transparency. It should have the backing of an advisory council, implement the democratic clause, follow up European companies established in Mexico (monitoring respect for social and cultural economic rights) and vice versa, contain annual programmes, carry out analyses of the current situation, disseminate knowledge on the impact of the agreement on societies, be equipped with evaluation and implementation instruments, undertake research for three types of reports, a) macroeconomic, b) sectoral and c) specific case studies, etc., and generate proposals that are promoted publicly.
- The Social Observatory was the product of many years of debate with more than 100 organisations in both Europe and Mexico.

The EC noted the concern regarding the effects of the agreement on the environment and in relation to respect for and promotion of economic, social and cultural rights, and that the creation of a Social Observatory was proposed in connection with the reciprocal investment promotion and protection agreements (IPPAs) and the EU–Mexico FTA.

2. Human rights, economic integration and the EU–Mexico FTA, analysis and proposals. Jorge Calderón Salazar, Director-General, Instituto de Estudios de la Revolución Democrática

- He expressed his solidarity with the RMALC and the CIFCA network in relation to the stance they had adopted during the inauguration of the forum; ‘the RMALC
and CIFCA are right to express their interest in dialogue, not only among civil society but also in establishing dialogue at a high level with government officials’.

- He proposed that civil society organisations be considered for chairing sessions and stated that in these debates the European component should also include the EP and the Council of the EU, since certain key directives had been ratified by the three bodies.

- He put forward a proposal of a new dimension for the political aspect of the global agreement, since substantial priority had been given to the trade aspects, as could be seen in the EU–Mexico FTA, its chapters and its sections. He stated that he was not in agreement with the other two chapters being left until later and the trade aspects being given excessive priority, thus violating elements of the Mexican Constitution. If there was any doubt about this, the Member of the European Parliament Caroline Lucas gave a clear indication before the EP that giving powers to the Joint Council that went beyond the congresses and parliaments violated the constitution; the Mexican government was therefore requested to provide an explanation for these points.

- He criticised certain EU and EC representatives for directly pressurising Mexico to privatise the national energy industry. He stated that there could be dialogue but the fact that Mexico was repeatedly being pressurised was unacceptable since Mexico should not give up its right to take sovereign decisions and, therefore, it was solely up to Mexicans to take decisions with regard to such privatisations.

- He referred to Article 35 of the global agreement, which included an undertaking to review the legal framework for investment within a period of three years and stated that Mexico should instead continue to apply Article 27, which prohibited the sale of petroleum and energy, as recognised by MEP Caroline Lucas in her Report. Elements of the Mexican legislation/constitution should be reviewed with a view to their inclusion in the global agreement.

- He explained how the multilateral agreement on investments (MAI) contrasted with the dictates of the United Nations Conference on Trade and Development (Unctad). For this reason, the second directive under the Mexico–European Union agreement and the IPPAs were of concern, since contrary to the declarations of the Heads of State, which called for regulations to prevent financial crises, they moved towards global deregulation and prevented Mexico from regulating, requiring the liberalisation of flows and the establishment of supranational legislation.

- He proposed that by means of the future developments clause of the global agreement, these aspects should be reviewed (IPPA).

### 3. The participation of civil society in the transition to democracy with justice and equity — An economic approach. Federico Emery Ulloa, Alianza Social — Colegio Nacional de Economistas

- He explained how in various forums the question of globalisation had become the centre of debates and the reconsideration of concepts such as State, market, etc.

- In general, civil society was experiencing a negative impact from globalisation and the market was seen as the source of the impact on the environment and natural resources.

- Globalisation was also a process that had benefited the world’s population, although poverty was increasingly in evidence.

- However, it was not globalisation itself, but the international financial institutions and the World Trade Organisation which dictated the rules of the game and in particular the neo-liberalism that was an economic oversimplification, but one imposed on society.

- In this connection, the Alianza Social in Mexico (consisting of trade unions, academic institutions, government organisations, etc.), had been developing the creation of a State Economic and Social Committee (ESC) which could be the interlocutor of the ESC in the EU.

- In other words, for our relations to proceed in a balanced way it was necessary to have an equal counterpart interlocutor.
• This was a proposal that was put to the Mexican government (to both the executive and legislative powers), and the ambassador himself, Mr Muñoz Ledo, had taken up the matter.
• They also supported the RMALC with regard to the Social Observatory and the Joint Consultative Committee, although the creation of the ESC was also necessary, for which the support of the EU and the European NGOs was requested.

4. 100 positions for national dialogue. Jorge Sandoval — Centro de Estudios Estratégicos Nacionales (CEEN)

• He explained that the CEEN, which formed part of the Alianza Social, combined 25 institutions (employers, trade unions and universities) and that its work was concentrated on developing ‘strategic thought’ in our organisations.
• The creation of an Economic and Social Committee in Mexico was necessary, whether or not it was supported by our government, so that it may act with its European counterparts.
• It was not possible to speak of economic progress in Mexico without speaking about the democratic transition.
• It was necessary to establish agreements with European organisations in order to learn about cases of democratic transition, as in Spain, Italy, etc.
• A more coherent configuration of the domestic market was necessary, and global trade should assist us in expanding our domestic market. Globalisation with greater social content and ethical responsibility was required, and we hoped to gain this from Europe.
• It was necessary to say we had had enough ‘short-termism’ and to promote long-term projects, lasting more than 25 or 30 years. In this connection, Europe came to us with a long-term view while Mexico still had a very day-to-day view.
• We were in the throes of participative globalisation, active and participative sovereignty, reclaiming through the trade agreement concepts ranging from the social needs to the development of Mexico. Mexico wished to participate in the EU-Mexico FTA with a view to expanding social benefits.
• Therefore, sovereignty could be reconfigured through sectoral committees (within the ESC) with social commitment. It was therefore essential to extend representation to a range of sectors.

C. Debate

Carlos Rojo explained that various people had raised the question of globalisation. There was a school of thought showing that it had not been generally beneficial even for industrialised countries, except for the minorities; it led to private gains at the expense of social cost. Given that greater social expenditure was necessary, governments could not spend on infrastructure. This was a problem that affected all countries. Only from this perspective could we put forward solutions.

Víctor Andrés Maldonado of the EC explained that, in effect, there were no absolute positives or negatives in any country, but that excessive regulation led to inefficiencies. By way of example, he cited Spain, which on entry to the EU, had maintained its tariffs and still depended on the domestic market. The dismantling of barriers gave rise to European multinationals for the first time and they managed to win markets. You have now heard of multinationals in Spain that were not known about previously. One did not have to protect all industries, but countries should operate according to where they were more or less naturally competitive. Tariff barriers prevented an adjustment to the competitiveness of national industry. One only had to look at the computer industry in India and Pakistan for an example.

Mateo Lejarza said that Carlos Rojo did not discriminate between the effects on affluent countries or otherwise. He explained that for them, globalisation was not an end in itself but an area in which hegemonies were defined, and without doubt it was the multinationals that were bringing about globalisation, as seen from the MAI. In the last 20 years, the number of multinational companies had increased. The United States owned over 190 of the 500 biggest corporations in the world. Today, the G7 countries had new economies that were unlike those of 20 years ago, yet one felt it was possible to catch up with them. It
was an illusion that imbalances could be resolved in this way and a process of industrial development put in place. If the aim was globalisation, we would pursue underdevelopment which, according to the Brazilians, was an autonomous stage.

Enrique Gómez of the Workers’ Union of Llantera Euskadi discussed the illegal closure of the Euskadi company and the dismissal by the German transnational company Continental Tire of 1 174 workers, violating the constitution and the rubber industry law as well as the international rules concerning the ILO agreements. ‘Our company went on strike on 22 January; we are exercising our right to strike and we demand that our workplace be reopened. The Federal Conciliation and Arbitration Board judged the strike to be inadmissible, something that does not exist in Mexican jurisdiction’. He explained how Continental Tire had attempted to break up the strike by contracting Intercom (a company that used former CIA agents) for this purpose. Continental Tire had closed five companies, four of them in Europe, and discrimination existed in terms of what was offered to the Mexican workers. The overall impact in the Mexican case had affected 12 000 Mexican workers. What was worse: the servile attitude of the Mexican government or the silence of the European authorities? He stated that the attitude of the European authorities appeared to be straight out of Germany in the 1930s. He expressed his support for the RMALC proposal for a Social Observatory and the proposals put forward by other speakers. He posed a question to the authorities present: how were the activities of the European multinationals in Mexico going to be regulated in order to guarantee untrammelled respect for labour rights, and in particular what steps would they take in the Euskadi case?

Víctor Andrés Maldonado explained that he had been fortunate enough to be one of the negotiators of the investments chapter of the Mexico–European Union global agreement. Within the global agreement, there were no provisions allowing the European Commission to intervene in this case. He pointed out that the content of the chapter was very limited, and referred to the liberalisation of payments (as with the IMF mandates) and the fact that if the parties so wished, they could agree IPPAs which were not within our competence. There was also another clause which stipulated that in three years new disciplines could be discussed.

Calderón added that Mexico had signed IPPAs with all EU countries except the United Kingdom and Ireland. He explained that the European Parliament was aware that Mexican environmental, social and labour rules existed, just as they existed within the European Union; that they had spoken of regulations that did not signify reverting to the protectionism of the 1960s and that in reality were the key to the Spanish success. Labour standards were a subject of debate in relation to compulsory measures/rules.

Alfonso Moro of the RMALC stated that, in his view, it was only right that the debate was centred on the subject of investments. He said that this would allow further progress to be made on the proposed Social Observatory. The figures showed that Mexico was the eighth biggest exporter in the world. Although in 1993 almost 42 % of all exports consisted of ‘maquila’ (foreign-owned outward processing plants) activities, in 2001 this figure had reached 49 %. If exports outside the ‘maquila’ industry were excluded, Mexico had a deficit of USD 17 000 000. The Mexican government had not taken advantage of this experience and the European authorities were agreeing IPPAs similar to Chapter 11 of NAFTA, which had a catastrophic impact for a large part of the Mexican economy. The implications behind the IPPAs would have to be determined, and as an example there were the statements made by President Fox during his recent trip to Europe, when he called upon European investors to set up in Chiapas because the north of the country was no longer competitive. The Social Observatory should also take a look at what Mexican companies were doing in Europe.

On behalf of the Mexican government, Daniel Dultzin explained that the agreement with Europe did not yet include certain disciplines relating to agriculture and that there was still a long way to go as there were many quotas that had not yet been met. With regard to the Joint Council and its powers, he explained that to make any changes it would be necessary to modify a law and that the Mexican government would not do this without proposing it to, and getting it through, Congress. For this reason, it was impossible for
the Joint Council not to apply domestic procedures since, for example, prior to the adoption of deregulation measures a decision by the Mexican Senate was required. Perhaps this could have been done previously, but not now, and the modifications had to be debated in Congress.

Helene Bouneaud of the General Confederation of Labour in France and the European Trade Union Confederation (ETUC) spoke of the imbalances and what had happened in countries that had used this concept and that of social cohesion, through which countries’ development levels had been aligned. She stated that they were therefore not in agreement with the EU-Mexico FTA, which was a ‘free-exchange’ agreement, and that an agreement on sustainable development should be encouraged. She also stated that the European pressures were intolerable (based on the ‘requests’) with respect to the privatisation of services and that the ETUC felt that the negotiations on services should take place outside the General Agreement on Trade in Services (GATS). With regard to social and cultural economic rights, these were excluded from the United Nations Charter despite the fact that they were workers’ rights and this should be taken into account by the Social Observatory. It was also necessary to react against the voluntary codes of conduct which were self-imposed by the multinationals; instead, genuine regulatory mechanisms should be imposed as well as instruments for their verification and monitoring.

Jorge Sandoval explained that on the labour front, it was a question of correcting imbalances, and when the democratic clause was signed the ideal of democracy would be shared despite the fact that in the south labour violations were offered as competitive advantages which violated ILO regulations.

Colin Harker of the CIOLS explained that Article 23 specified freedom of association as an essential right and that the CIOLS would be interested in the analyses of the Social Observatory, for example with regard to the behaviour of European companies in Mexico, and would provide its support. Harker stated that the Mexico’s history (and specifically NAFTA) provided a good example of the impact of globalisation and of how wages had fallen and employment had been reduced, China’s accession to the WTO would make it difficult for employment levels to revert to their former level. Harker also took the view that serious consideration should be given to the creation of an Economic and Social Committee in Mexico and that measures should be introduced to minimise the costs of deregulation. Mexico’s desire for fairer trade with Europe should be demonstrated in practice.

Laëtitia Sédou of the World Organisation against Torture considered that the European Commission should take affirmative measures to promote human rights. It was essential to defend social rights and engage in affirmative action, although positive discrimination did not improve the quality of services for other disadvantaged groups. The liberalisation of the markets brought the problem of torture to the European Union.

Support for social observatories should be sought in order to evaluate possible impacts rather than waiting until they had already occurred.

Carlos Rozo explained that before it had entered the European Union in 1982 Spain had already spent years in the process of integration, which Mexico, under more difficult circumstances, wished to achieve in just a few years. Since the creation of NAFTA, a considerable portion of the non-maquila industry had become part of the maquila industry. He cited researchers such as John Saxe Fernández, who had shown that Mexico had grown at a much more rapid rate when it was protectionist. The industrialised countries had changed and one of the key changes was the way in which TNCs operated. In Mexico, one of the results of NAFTA was that it put an end to the domestic production chains. The idea of opening up the economy was as old as the economy itself. The situation continued as usual, as did the IPPAs in this sense.

In response to the speakers, EC officials stated that a Social Observatory was legitimate and that the impact assessments were necessary, but they questioned the extent to which the functions of an Economic and Social Committee, to be created by the Mexican government, would be duplicated. The Mexican government officials wondered whether, on the part of the proponents of the Social Observatory, there was any connection with...
institutions such as Colmes, ITAM and UNAM which had study centres on the European Union and what funds would be available. The proponents explained that connections did exist, for example with the Institute for European Integration Studies (IEIE), and that some of them were members of the European Studies Association, recently formed in Mexico, but in the case of the College of Mexico the project had failed and was transferred to ITAM. The objectives of the IEIE were not very clear, although it had already published a book on Mexico–EU relations to which members of the RMALC and CIFCA had contributed. As regards resources, the aim of the Social Observatory was in fact to provide an official framework for work that had been going on for many years with resources from various institutions, in order to maintain a certain amount of autonomy. The proponents of the Economic and Social Committee in Mexico explained that this would be a national body whose functions would be to create a permanent forum for dialogue.

Antonio Villalba of the Frente Auténtico del Trabajo stated that to date there had been no discussions with the Mexican government and that it was necessary to be aware of the Mexican government’s opinions with respect to the creation of the Social and Economic Committee and the Social Observatory.

For the European Commission, Víctor Andrés Maldonado, stated that labour rights went beyond the right of association and that in this connection it was felt that the right of association was already assured in Mexico.

According to Alfonso Moro, this was the first time that it had been made clear between the participants that for the purpose of the agreements between the European Union and Mexico there had been no sustainability impact assessment whatsoever, despite the fact that the EU directives provided for this. He asked for details as to how these assessments were going to be carried out in the case of Mexico and who would participate in them.

Maldonado explained that these sustainability impact assessments were carried out prior to the negotiation of an agreement, but that the directive for its realisation was not issued until after negotiations had commenced with Mexico, and therefore in this case these assessments had not yet been carried out.

Marcela Symansky explained that certain assessments were, however, carried out by the European Commission, listed on page 19 of the Mexico–EU book of the IEIE. However, there had been no access to these studies and it was asked whether these studies would be made public in due course, to which Maldonado responded that he could not say whether they would be accessible. EC officials explained that sustainability impact assessments were carried out by consultancy firms and the results were published on the Internet, but that the case of Mexico was different since the decision to carry out the assessments was made before these were published and that it was now inappropriate to carry out more studies and that instead they should take a look at what was happening with regard to the application of the agreements and see what could and should be done to correct negative situations. It was still believed that civil society and private consultants should be involved in the studies but the global agreement with Mexico was concluded at a very early stage. Marcela Symansky again asked whether the studies carried out by the Mexican government would be made public and whether the sectoral reports in question would be made public. Daniel Dultzin of the Mexican Mission to the European Union responded that if there was a European Studies Association in Mexico, it would be very important to ensure that it was connected with the Social Observatory, and he recommended an entry on the website of the Mexican government and the mission for the purpose of obtaining further information, reports, etc., as well as opportunities for free trade.

Gerárd Karlshausen added that it appeared that a consensus existed on the Social and Environmental Observatory and on the proposal for an ESC. These were two different proposals, with different timescales, although they could be complementary.
D. Second session of presentations:

1. Community aspects of the global agreement, Mr Adán Aranda Godoy, Professor, Centro de Estudios Universitarios, UNAM/DISPUTE SETTLEMENT MECHANISMS.

The dispute settlement mechanism of the global agreement was a dynamic mechanism that was in tune with the current international trade situation.

However, one should consider the aspects of Community law that affected the agreement including the competences mechanism that existed between the European Community and the Member States, basically in relation to investment.

This Community aspect posed a problem, namely identifying when and at what stage the Community was competent and when and at what stage the Member States were competent for the purpose of determining which of them, according to Community rules, was legally competent to implement the decision taken.

We should therefore have a system of uniform interpretation when faced with disputes that had to be settled with respect to the interpretation or application of the rules of the agreement.

It was also important to have an office attached to the Joint Council, with experts on the subject and through which the development of the agreement could be coordinated with uniform interpretation of all disputes concerning the agreement.

2. Proposals and observations concerning the process of review and reform of the Federal Telecommunications Law. Structural reform for communications and information. State policy. Mateo Lejarza Leo, National Executive Committee of Alianza Social—Sindicato de Telefonistas de la República Mexicana

He explained how telecommunications related to the processes of privatisation, and how a State policy was required since this sector should be provided with more than just a sectoral policy. Labour reform was in the first place a matter for the State. A development policy for the sector was required but not a carbon copy of what was being done in the EU; technology transfer and respect for labour rights were necessary. The alternative should be oriented towards the model of the new economy: sustainability, lower energy consumption and high productivity. It should be a matter of national strategy.

Within this framework the following had to be achieved: 1. technology transfer, 2. training of human resources, and 3. respect for labour rights. The speaker called for sectoral dialogue (creation of sectoral committees) between Mexico and the European Union, and put forward the idea that a social dialogue forum should take place in Mexico next year.

3. Víctor Camposeco

The air industry trade between Mexico and Europe was regulated by bilateral agreements, not by the EU–Mexico FTA, which brought with it the consequences of lower salaries and adverse effects for the small companies in emerging countries. In order to correct the unequal level of competitiveness, sectoral committees were suggested in order to propose suitable measures such as combating monopolies and subsidies in the air industry in Europe.

Reactions by Karl Falkenberg of the European Commission’s Trade DG to the last three presentations

1. With regard to the first presentation, things were being made unnecessarily complicated. As regards dispute settlement, independent panels existed to ensure that the parties applied the existing mechanisms. Basically, it was a mechanism to ensure implementation which, however, did not operate like NAFTA, where private companies could bring action against States; there was an option to move towards bilateral forums or multilateral forums. It was, in short, a basic agreement which both parties could be seen to observe.
2. With regard to telecommunications, there were no commitments in the agreement. All that had been said was that we would not revert to being more restrictive. It was a question, in this sense, of the existence of a ‘standstill’ clause. But, in reality, nothing new had been concluded as a result of the agreement. In telecommunications, it was clear that both Mexico and the European Union had commitments in relation to GATS, and the EU had already made strong commitments, but with Mexico it was merely a case of ‘standstill’, i.e., not regulating things that had already been deregulated.

3. With regard to the presentation on aviation, he was puzzled by the logic that something that was not covered by the agreement could have negative effects. Legally, the EU could not negotiate in that sector, although if there were renewed interest on the part of Mexico, it could consider the possibility of negotiations. However, before entering into negotiations, it was important that Mexico should commence its task since the European air markets were becoming very competitive and had not enjoyed subsidies such as those provided in the United States since 11 September.

Reply by the speakers:

1. The dispute settlement mechanism was so simple that it left aside how the agreement would be interpreted and left it to private arbitrators to resolve and interpret the mechanisms as they saw fit. For that reason, it was proposed that a group of experts should exist to resolve matters relating to the application of the agreement and its future developments clause, in addition to the clauses on subsidiarity and competition.

2. The aim was to draw attention to the social impact at sectoral level. The bilateral agreements had been concluded before the matter had been raised, but in Mexico there was pressure for the sector to be entirely liberalised. This could bring about favourable expansion for companies but not for the development of the country, nor for human rights, nor for the generation of new markets, among others.

3. The air industry was not an island, but part of the economy. To the further puzzlement of the EU representative, it was mentioned that a large percentage of goods entering the country was accounted for by the maquila industry, carried by foreign airlines, and national air transport had decreased. For this reason, the fact that the air industry was not included in the agreement did not mean that the agreement did not affect the economy of that sector.

Final comments of other participants

The representative of the Maseca Group (GRUMA) in England explained that 20 years ago it was not believed that the tortilla could be industrialised. Then tortillas began to be exported to Europe from the United States and now the company already had a plant in Coventry which provided jobs to 400 employees and Mexican food had become very popular in England.

Student in Brussels: One of the key aspects was the question of economic competition. Imbalances would always exist and it was the role of Mexicans to face up to the EU. The way to do this was to use the same tools that the EU used. The EU–Mexico FTA contained political and cooperation aspects and Mexico needed to take a look at what was happening in eastern Europe, where they had aligned their competition policies with the EU.

Iván Polanco of the Asociación Nacional de Empresas Comercializadoras del Campo: Trade liberalisation should not apply in this sector as the EU had already anticipated the impact and had left out of the negotiations those products which it considered to be strategic. It was important to ensure the right to healthy food. He asked whether liberalisation would soon take place. As regards subsidies, he asked how Mexico could compete with the United States and the European Union.

The representative of the VITRO Group in Europe explained that his company had, since 2001, been integrated with Crystal Glass of Spain. In Europe, it produced sheet glass and was also involved in a number of projects in Europe for which the glass was made in Mexico, from the Guggenheim Museum in Bilbao, to Barajas Airport, the Lisbon Towers and even projects in Algeria, to name just a few cases.
By way of conclusion, Mr Karl Falkenberg of the Trade DG stated that the EU–Mexico FTA was different from NAFTA because the European Union was different from the United States. He said that he knew how much pressure the United States was applying on Mexico but he hoped that this situation would not be transposed. With regard to agriculture, some 95 % of Mexican exports were covered by the EU–Mexico FTA; a number of products had been excluded but a revision clause existed to modify this. The subsidies affected not only trade between the two countries, but also everything else, and these could only be controlled through a new WTO trade round. He explained that the European Union was committed to continuing the reform process started in Doha and that greater control should be applied in respect of both forms of subsidies: production and trade. Food aid should also be controlled as this was a means used by many countries to dump their surplus products on the poorest countries.

COOPERATION WORKING GROUP REPORT

Rapporteurs: Mrs Verónica Berezowsky, Consultant with ProNiños de la Calle (NGO)
Mrs Fany Lorena Jiménes Aguirre, Director (Cooperation and Regulations), EU Information and Communication Centre, Jalisco

THE WORKING GROUP MAKES THE FOLLOWING PROPOSALS.

1. Create a joint independent consultative committee that could evaluate the impact of the agreement, to act as a consultative body to the Joint Council on issues relating to human rights. The committee would be composed of representatives from various social, economic and civil society sectors in both Mexico and the Member States of the European Union.

2. Create mechanisms for communication, consultation, decision-making and evaluation, such as the Social Observatory for the application of the association agreement that was set up with civil society organisations, and establish a budget line to finance them.

3. Support the initiative for a Mexican Economic and Social Council to institutionalise the dialogue between organised civil society, economic operators and the government, so as to compensate for institutional imbalances in Mexican civil society participation.

4. Develop a mechanism for consultation and dialogue between the respective Economic and Social Councils whose proposals figure in the global agreement.

5. Create a budget line exclusively for cooperation with Mexico, as is the case for the candidate countries.

6. The Commission should contribute to education and training, so as to build up human resources with specific skills and a better grasp of cooperation issues, both under the agreement and independently of it. In this way, cooperation activities can be used better and more effectively.

7. Cooperation priorities should include projects and interventions targeting women in the fields of education, health, training, leadership and political development. Likewise, support should be given to projects which promote gender issues in public policy and movements which bring us together within the international agenda for women.

8. The global agreement should incorporate appropriate indicators, measures and methodologies for impact evaluation so as to ensure a gender-oriented approach. We suggest that the work carried out on gender indicators by WIDE (Women in Development Europe) and by the Mexican gender and economy network be taken into account.

9. Establish an information and follow-up mechanism for the forum’s conclusions and hold a second forum in Mexico.
10. Implement a study of existing legislation to prevent abuses of social, economic cultural and collective rights. This study should include recommendations on how to prevent such crimes going unpunished and appropriate forms of reparation.

11. Seek to have Mexico designated as a priority country during the implementation of the ‘2002–06 EU regional strategy for Latin America’, and ensure that civil society organisations take part in defining and implementing the contents of that strategy.

12. Carry out a sustainability study of the global agreement so as to evaluate its economic, social, gender and environmental impact, stressing the importance of precautionary measures. This study should be prepared in collaboration with social sector organisations from the EU and Mexico.

13. The right to development is diminished to the extent that imbalances of power are ignored and major private-sector investors are granted rights which in some ways override those of the State. These imbalances must therefore be taken into account, and appropriate development mechanisms devised to offset them. The agreement should lay down the right to impose performance requirements, in particular on the part of the Mexican State.

14. Performance requirements for investors should be included, so as to prevent social and environmental dumping.

REPORT OF THE FINAL PLENARY SESSION: CONCLUSIONS

Rapporteurs: European Commission
Mission of Mexico to the European Union

The plenary session began with the rapporteurs presenting the discussions of each working group (see the groups’ reports).

DISCUSSION

Mr Francisco da Câmara Gomes, European Commission Director for Latin America, thanked the rapporteurs for their presentations and highlighted the work involved in their preparation. He recalled that once the reports were finalised they would be put on the forum’s web page.

He spoke of the need to transmit the results of the forum to other bodies such as the EU Council of Ministers and the European Parliament so that they could share the concerns, recommendations and proposals discussed during the forum. Although he pointed out that it was not possible to respond positively to them all in the short term, he said that they were all worthy of attention and that there should be a frank, open and constructive dialogue in order to examine them carefully and see which could be addressed and how.

Mr Jorge Calderón, Director-General of the Instituto de Estudios de la Revolución Democrática, underlined the importance of giving serious thought to the proposal for another forum in 2003 in Mexico. He suggested that both sides’ social organisations should be duly consulted and that in particular they should play a more active role in organising the forum and should act as joint chairmen of the working groups. For their part, the Mexican and European authorities should give a clear response to the proposals made in the course of the day.

Mr da Câmara backed Mr Calderón’s proposal, adding that it would be paradoxical if the organisation of forums remained in the hands of the administrations. The administrations had begun the process but it must be taken up by civil society and the next meeting should be held at the initiative of civil society itself. Obviously the administrations would have to be present to contribute to the discussions and respond to all the questions and suggestions. It was a two-way discussion — not just between civil societies but also between civil societies and both sides’ administrations.
Mr Manuel Canto, Director of the Movimiento Ciudadano por la Democracia, asked for it to be made clear in the report of the political affairs working group that the four sets of actors involved considered it feasible to set up mechanisms such as a Social Observatory and a Joint Consultative Committee under the existing global agreement.

CLOSING REMARKS

Mr da Câmara stressed that this process must continue, and that there was a certain consensus on the importance of a second meeting, with a clear preference for it to be held in Mexico.

He made the following points regarding the proposals of an institutional nature.

1. **Setting up an Economic and Social Committee** in Mexico — This was a matter solely for the Mexican authorities and it was up to them to take a decision on this.

2. **Joint Consultative Committee** — The European Commission supported the creation of this type of body and was of the view that it could be set up under the current agreement.

3. **Setting up a Social Observatory** — It was a matter of defining exactly what was meant by 'social observatory' (powers, composition, etc.). The European Commission was willing to receive practical proposals from civil society and examine them.

4. **Conduct of European firms and compliance with Mexican law** — Any firm on Mexican territory must abide by the legislation in force and it was up to the Mexican government to ensure compliance. Civil society must also be vigilant and, where necessary, act as a source of information.

5. **Evaluating the sustainability of the agreement** — It was up to us all to ensure that the global agreement was sustainable in social, employment, environmental etc. terms. Application of the agreement should be carefully monitored, via impact assessments or some other means.

Mr da Câmara thanked the participants for attending and for the quality of the contributions. He said that the forum proved that they were on the right path and they should continue along it.

Mr Porfirio Muñoz Ledo, Mexican Ambassador to the European Union, said that in the forum **three types of proposals** had been made:

1. **Proposals connected with the democratic transition in Mexico** — This was a task facing the Mexicans and it was hoped that the European Union would provide cooperation and support.

2. **Proposals connected with the European Union’s democratisation process** — as illustrated by the current work on the Convention. He said that the democratic deficit was an ongoing issue and the EU should establish closer contacts with civil society.

3. **Proposals connected with issues of EU–Mexico bilateral relations** — above all concerning civil society and its involvement in implementation of the agreement. Many proposals had been made in this context.

   - Setting up an Economic and Social Committee in Mexico as a counterpart to the European one and setting up a Joint Consultative Committee bringing together these two bodies (using Article 49 of the global agreement).
   - Setting up a Social and Environmental Observatory.
   - Establishing horizontal-type links between the two sides’ civil society networks and between local and regional authorities.
   - Establishing a budget line exclusively for cooperation with Mexico.

The ambassador stressed that barely two years since the entry into force of the agreement there were already comments that showed its shortcomings and weaknesses. He therefore proposed that work should focus on two areas:

   - making use of the current structures of the agreement,
   - obtaining both sides’ agreement on what they considered to be the weaknesses and shortcomings of the agreement.
The ambassador welcomed the emphasis placed since his time in opposition on accepting the democratic clause; the universal, indivisible and interdependent nature of human rights had been made clear. He said that ideas and proposals concerning human rights had been put forward in virtually every field: civil and political, economic and social, indigenous (an issue very much at the forefront), emigrants (Mexicans and Latin Americans in Europe) and said that this brought us back to the main thrust of this agreement, namely the protection and defence of human rights.

As for the specific issues raised by the rapporteurs of the working groups, the Euskadi employees had a court ruling in their favour and now the federal authorities had to apply it; this would be communicated directly to the competent authorities. That problem was settled but it would not be the last. Controls and contacts of this type would help to reveal other such problems.

He also said that the subject of political dialogue had hardly been addressed and yet it was important to seek similar positions and agreements within international bodies. This would be proof that both sides wanted to establish an in-depth dialogue and work together to achieve a fairer international world.

He concluded by saying that the forum was a first step and that if there was consensus a new forum could be held in the near future in Mexico.

**Civil society bibliography**

**Primary sources: EU**


**Primary sources: Mexico**
