

# If it works in Asia, why not in Mexico?

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*"Where there is no tiger roars donkey with rheumatism ..."*

My relations with Asia, particularly Singapore, date from the year 1997 when I was commissioned an Honorary Commercial Counselor of Singapore in Mexico by the Prime Minister, Goh Chok Tong. Later, in 2001, when I was appointed by former President Fox, Mexico's Ambassador in Singapore, and today, when the government of this country has driven me to ratify as Director Emeritus. In all these years I have been asked on several occasions to share my point of view related to the growth of this country compared with other countries such as Japan, China, India, South Korea, Taiwan, Hong Kong, etc ...

I feel an important duty as a Mexican, and especially right now when we have to choose a new president and government, to share with you some thoughts which I hope will serve as a tool to help them form an opinion and have that vote of "quality".

There, according to Kishore Mahbubani, former Ambassador to the UN and listed as one of the most influential minds of the XXI century by the magazine Foreign Policy, seven pillars that have shaped the growth, in every sense of the Asian countries and feel can be implemented in Mexico.

## **Pragmatism:**

In 1978, Deng Xiaoping, leader of the People's Republic of China since 1978, decided to undertake a journey through the following Southeast Asian countries, Hong Kong, Malaysia and Singapore, famous for being part of the new "tigers" of Asia. I wanted to know why their economies were far more prosperous than China, and therefore social conditions. It was this trip where he coined the famous phrase: "No matter if the cat is black or is white, but if you kill the mouse is a good cat." When he came to Singapore and met Lew Kwan Yew, Prime Minister of Singapore at that time, told him that from that moment the model as a country to China would be to Singapore and since then, countless delegations of students, along with officials from China have visited Singapore.

From that moment, to Asia, ideologies stopped making sense. Began to implement what has worked and eliminate what has not worked.

This is a great lesson to our politicians and leaders must learn. If, for example in the energy industry, there are no countries in Asia except North Korea, having a policy in which there is only one state company in charge of the entire chain of production and distribution such as Pemex and CFE in our country. In China there are three competing, publicly traded and have projects in which foreign participation is vital and more. One of them, "PetroChina" is now the largest in the world, India has three state and two private cases of South Korea, Japan, Malaysia, Thailand, Indonesia, etc., Are similar and different patterns of participation foreign and private. Singapore has no oil, however, has the petrochemical and refinery

largest in Asia and third in the world.

Why can not we have a joint venture in Mexico, "Oil of Mexico", for example, and have a scheme similar to that of PETROBRAS, where there is also participation by private placement of shares on the Stock Exchange and other schemes?

So, could continue with many other cases of what YES could work and what not, but I leave that exercise to you.

### **Free Market:**

The mobility of factors of production is vital to inject dynamism and speed to the economy of a country. It is important to adapt to the changing demands of world markets in this globalization.

What we require, in the issue of labor reform in Mexico, is to adapt to what has worked and what is best for workers and employers, eye, is proven to be the micro and small business the main generator of employment in the world, not the state. Do not hinder it, we must facilitate negotiations by flexible laws.

In the case of Singapore, the labor issue, it supervised by the Ministry of Labour. There is no specific contract work rather than those that are in the lowest level, where you have to look at certain rules relating to contract work hours, breaks or overtime, other workers negotiate their contracts so individual and signed what suits them. As an additional comment, Social Security and Pensions in Singapore is the best thing experts say, would be good for the case study that concerns us, I know you have many other countries and I have no doubt that in Mexico is well known, something is wrong ....

### **Meritocracy:**

Once talking to Kishore Mahbubani, was telling me "why Brazil has the best football team in the world? Because there are well aware that in different social strata in Brazil, from top to bottom as the favelas, there is talent, and that is important and have done very well ... ". The same applies to the world's leading universities: Harvard, Stanford, MIT, LSE, etc., Recruit only the best there is. If there is today a country that boasts excellence in an important entity in its public servants after Singapore, is the Chinese Communist Party, have been responsible for selecting the excellence of its members and it is these that are part of the charges important government in China.

In the case of Singapore, the Parliament authorized to be paid the best wages and benefits to public servants, affordable with similar salaries in the private sector, the purpose of this allows reward excellence in office and fight any attempt to corruption and for this we have engaged the services of specialized companies in the industry with the intent to evaluate each year the labor market (I have understood that a candidate is proposing to pay half of what they earn today ....). Everywhere you look, there are many examples that we have to do ...

### **Education:**

Asia, like most advanced economies in the Western Hemisphere, has spent great amounts of resources to education, to which we know has been widely beaten in the campaigns that we all recognize the importance of an investment in human capital that will serve to the future of a people and of the Mexican nation.

In the case of Asia, we can argue that today their basic education, primary, secondary and high school is the best in the world, is based on merit, we know of

cases of South Korea, Japan and Singapore, for India and China for their size and complexity, have been slower, but with great results, they are reflected in the number of graduates that only these two countries "produce" and is today the world's highest number in engineering, in the case of economists in China and India.

In North America, the best universities have benefited from significant flows but less and less frequent of students from Asia, the point here is that those who come to study in these colleges, they do because there are no institutions higher education in their countries but have passed the tests of excellence, both in their countries of origin and in the entrance examinations of these universities and the vast majority of these future graduates have been awarded grants by both these institutions and their countries . In the past the vast majority of them stayed in the U.S., but today a lot of them are returning to their countries and are contributing in a timely manner with its society and economy. They see a great future.

In Asia perceived that he had to generate all the necessary conditions to turn their countries into centers of knowledge and power to contribute to the preparation of its population.

I'm sure there have been numerous studies in Mexico on these issues, which are known perfectly well have been success stories in the world. IF we implement what works, we know what we DO NOT work.

### **Science and Technology:**

I do not know how to translate into Spanish the following: "better than a brain drain to brain in the drain". This was said Rajiv Gandhi, who was the Prime Minister of India in the eighties. The idea that occurs to me to express what it meant something like this: "It is better to have brain drain, which have brains leaking" ... The importance of investment in science and technology is recognized by all, the amount allocated in relation to GDP varies between countries, but those that allocate percentages above 2%, are today the most advanced, most of Asian countries like China, Japan, South Korea, Singapore, Taiwan and India have rates above 2%. At this point, it is worth noting that in the case of Singapore and China, they went from 0.9% (Singapore) and 0.7% (China) in 1995 to levels above 3% in 2010, Mexico is our last place in the OECD with only 0.4%

### **Respect for Law:**

If we want to survive in a globalized world, if we want to be competitive, attract investment and to have economic growth that respects and applies the law is fundamental in the development of a country.

Mexico already has a legal framework for global scale and in this case we know that what is in black and white does work, just need to have the "character" and everything else ... (I leave to your imagination).

### **Culture of Peace:**

You can argue that Mexico achieved significant growth after World War II until recently in this century as the vast majority of what is now known as West, in Asia until recently, say in the seventies still had conflicts. Today, this phenomenon does not exist in Asia and I dare say the same expectations of wars between them are extremely low and in the case of Europe these expectations are nonexistent. This Culture of Peace has allowed them to concentrate on the economic and human

development.

Unfortunately our expectations Mexico warfare they are there, not with our neighbors, but with what we call "organized crime". We have witnessed the shocking decline that has occurred in the economic and social growth of our country. We need to work on effective solutions and rapid deployment to deliver results and manage to have expectations of "war" very low and concentrate on the economic and social growth.

**Responsible Government:**

A responsible government is one that has taken account of these seven pillars. For example, the one who took precautions before the crisis of 2008 or the one who always believed in the "invisible hand" of markets, and yet acted with responsibility to supervise and be present and pending in the economy and markets by imposing financial precise rules on the allocation of flows in financial markets.

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