Trade, Politics, and Culture

Resetting the Texas-Mexico Relationship for the 21st Century
Mexico and Texas

• History divided them
• Geography and the economy reunited them
• Politics separates them
Texas as a Buffer Zone

• Spain, then Mexico, sought immigrants to Texas to protect it from foreign aggression and conquest
  • From France and the U.S.

• In 1821 Moses Austin obtains a contract to establish a colony in Texas
  • Immigrants were required
    • To obey Mexican laws
    • To learn Spanish
    • To convert to Catholicism
Mexican Domestic Politics and the Texas Conflict

- Mexican leadership
  - Federalists vs. Centralists

- Regarding American immigrants to Texas
  - Federalists saw immigrants as a force for economic growth and prosperity
  - Centralists were alarmed at how American immigrants were asserting themselves against Mexican authority

- Political ideological divergence
  - Consider the Government of Texas
    - American colonialism
  - Consider the Government of Mexico
    - Spanish colonialism
Historical Divergence

• 1821 Mexican Independence
• 1824 Creation of the State of Tejas and Coahuila
  • 8,000 Mexicans in 1821
  • 30,000 Anglo immigrants in 1834
  • 14,000 Mexicans in 1850
• 1836 Texas declares independence
  • The Republic of Texas
  • New constitution and weak government
  • Texas overturns the Mexican anti-slavery laws
• Mexico spends half a century stumbling along
Mexico in Texas

- The construction of Texas
  - Remembering and Forgetting
    - What to remember / What to forget
  - Legal and Education Systems (Antonio Gramsci)
    - The struggles of Mexicans in Texas
- Mexico disappears from Texas history
  - Erasure of Mexico in the Texas Education System
    - The textbook problem
      - Mexicans as one of many ethnic groups
  - Elimination of Spanish as a functional language
  - Settlement of new colonists
    - Americans
    - German
    - Czech
    - Other groups
Convergence: Demographics and Human Mobility

• As soon as Texas split from Mexico, convergence began anew

• Mexicans in Texas
  • 8,000 in 1821
  • 14,000 in 1850
  • 700,000 in 1930
  • 1.4 million in 1960
  • 4 million in 1990
  • 10 million in 2014

• Hispanics expected to be first minority by 2020
Mexican Immigration and Texas

- California: 37%
- Texas: 21%
Demographics and Human Mobility

- Estimated Texas population, 2014: 26,956,958
  - Percent of Hispanics, 2014: 38.6%
Is there an immigration crisis?

• 2014 Unaccompanied Minors Crisis
  • Texas as the epicenter

• New Mexican migrants to Texas
  • Highly educated
  • Entrepreneurial
  • Why are they fleeing Mexico?
    • Lack of access to credit
    • Tax system
    • Return for taxes paid
    • Security
Tourism and Human Mobility

- Mexican tourism
- Air travel
  - United Airlines to 34 cities in Mexico
  - Southwest / other airlines into Mexico
- 2014: 80 million Mexicans crossed into Texas by land
  - Key Question: Is There an Immigration crisis?
    - 1.7 million undocumented residents
    - Border Patrol Arrests by Sector
Education and Human Mobility

• California, New York, Texas, and Illinois
  • Recipients of foreign students and researchers
  • 15,000 Mexican students in the United States
    • UT System Resident's Tuition
    • Texas is losing ground to other states on attracting Mexican students

• [http://www.brookings.edu/research/interactives/2014/geometry-of-foreign-students#/M10420](http://www.brookings.edu/research/interactives/2014/geometry-of-foreign-students#/M10420)
Mexico-Texas Trade

• Exports from Texas supported 1,117,318 jobs in 2014
• In 2014, Texas got:
  • $288.0 billion from total exports
  • $176.1 billion from Free Trade Agreement (FTA) partners
    • 61% of Texas’ exports are to Mexico
Mexico-Texas Trade

• Mexico is Texas’ largest market
  • 35.6% of Texas’ total merchandise exports were to Mexico in 2014 ($102.6 billion)

**Texas’s Top 5 Export Markets**
(Value in Millions of US dollars)

- **Mexico**: 102,556
- **Canada**: 31,295
- **Brazil**: 11,832
- **China**: 10,948
- **Korea**: 8,918
Mexico-Texas Points of Entry

• In 2010:
  • 67% of all US-Mexico cross-border truck traffic used a Texas point of entry
  • 86% of all US-Mexico cross-border rail traffic used a Texas point of entry
Mexico-Texas Points of Entry

• Cities with the most cross-border truck traffic:
  • Laredo
  • El Paso
  • Hidalgo
  • Brownsville
Mexico-Texas Points of Entry

- Cities with the most cross-border rail traffic:
  - Laredo
  - Eagle Pass
  - El Paso
  - Brownsville
Mexico-Texas Points of Entry

• Texas’ role as the hub of US-Mexico trade, and its own trade with Texas, make transportation and logistics important to Texas’ economy
Hispanic Political Issues in Texas

• As of 2013, Hispanics made up less than half of Texas’ eligible voters
  • Hispanic voters punch below their weight
  • Houston, in exemplum

• Currently 38% of Texas’ population, Hispanics are expected to become a plurality by 2020.
Percent of voting age population and vote cast by race/ethnicity: 1980 (Robert Stein)
Percent of voting age population and vote cast by race/ethnicity: 2014 (Robert Stein)
Gap between share of vote and share of voting age population by race and ethnicity: 1980, 2014 (Robert Stein)
Hispanic Political Issues in Texas

• Democrats and Republicans use different issues to attract the Hispanic vote.
  • Democrats
    • Conflict with typically conservative Hispanics on moral and social subjects like sexuality, abortion
    • Emphasize health care
  • Republicans emphasize the economy and jobs
    • Oppose the Affordable Care Act and expansions of Medicaid
    • Pursue stringent anti-immigration policies
Accelerating Convergence

• Mexico’s structural reforms and their importance for Texas
  • Labor reform
  • Telecommunications reform

• Pending Issues
  • Security
  • Corruption
  • The Rule of Law
Mexico’s Energy Reform for Texas

- Despite its resources, Mexico is a net importer of refined petroleum products
  - For the first time in 40 years, Mexico began to run a negative trade balance with the US early last year
Mexico’s Energy Reform for Texas

• Mexico
  • Is looking to revitalize its older, less productive fields
  • Needs upgraded technology and expertise to extract oil from tight formations
  • Refines very little of its crude oil, and is not expected to expand those operations
  • Is simultaneously reforming its electricity industry
  • Has a lot of shale that needs to be developed

• These are all things that Texas companies are very capable at.
Mexico’s Energy Reform for Texas

• Texas companies are prepared to take advantage of emerging opportunities in Mexico
  • Oil & gas service companies headquartered in Texas can help revitalize Mexico’s less productive fields
  • Texas engineering companies are at the forefront of technology for extracting oil from tight formations
  • Texas refineries can refine Mexican oil as production increases and exceeds local refining capacities
  • Texas gas companies are making plans to run more pipeline and pump more gas to Mexican power plants
  • Mexican shale deposits are close to Texas ones, further enabling cooperation
Mexico’s Energy Reform for Texas

• Before oil prices fell, economists at BBVA Compass estimated that by 2018, Texas would gain:
  • 217,000 jobs
  • $45 billion in additional gross state product
• Of this, South Texas would gain:
  • 40,000 new jobs
  • $5.6 billion in economic activity
Reality vs. Rhetoric in Texas

• What is the role that Mexico plays in Texas?
  • Texas economy and Mexico

• What explains the reality/rhetorical divide?
  • Disenfranchisement of Hispanic Voters
    • Picture ID
    • Gerrymandering
    • Etc.
  • Low rates of naturalization of Mexicans
    • 23%
  • Death Penalty
How to reset the relationship: Political Will

• Empower Hispanics politically
  • Mexicans have not flexed their political muscle

• Political action to close the gap between reality and rhetoric
  • Vote strategically, contribute to campaigns, and mobilize

• Assess realistically the contributions of immigrants
  • Let the facts speak for themselves

• Find new mechanisms of cooperation with Mexico
  • Infrastructure (RMAs, etc.)
  • Immigration
  • Security