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A Different Relationship

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By Donald Cohen

President Obama can and should establish an entirely new framework for our relationship with Mexico.

First, we need to recognize the reality of interdependent national economies, common binational labor and capital markets and interconnected social and family networks.

Second, we need to commit ourselves to overarching goals of creating sustainable economic development that lifts Mexican standards of living and preserves an American middle class.

Obama has difficult policy issues to address with Mexico. Mexico rightly wants real immigration reform that decriminalizes the push that Mexican poverty puts on families to find a better life in the United States. Obama should want a renegotiation of the North American Free Trade Agreement that puts Mexican families on the path to higher incomes rather than putting U.S. workers on the race to the bottom.

Immigration reform should address the fundamental power imbalance between the free cross-border mobility of capital that allows businesses to seek better returns on investment and the rigid barriers to the mobility of labor that prevents families from seeking greater economic security. Shared global economic prosperity rests on restoring that balance of power between labor markets and capital markets.

Labor and environmental standards will help level the playing field for American workers competing against lower Mexican wages and for U.S. industries ready to meet our global environmental challenges. More important, these standards are crucial elements of lifting the Mexican economy. Rising Mexican incomes would stimulate growth, and environmentally sustainable production would make Mexican products more attractive as demand grows.

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