

Some differences between what a Mexican and a foreigner could perceive, expect or understand about a legal or structural reform or change in Mexico. Lost in translation?

Mexican people/consumers are not to blame for everything that goes “wrong or fails” in Mexico

By Rogelio Calderón – December 10th, 2018

100% hypothetical and fictional case and examples, analogies could apply such as for the 1,000 ml liters dispatched at (some?) Mexican gas stations, the quality of tap or drinking water, etc...?

Let's imagine we could ask for the opinion of Mexican people from each and all states, municipalities, socioeconomic levels, education, jobs, backgrounds, gender, careers... or conducting an anonymous survey including some of the following hypothesis or questions:

- 1.- We have 2 tins of milk powder for babies, one is made in Mexico and the other is Made in Japan or the US not for export but for domestic consumption in the US or Japan, then at the nearest convenience store the first tin costs 100 pesos and the second 150 pesos for example.
- 2.- The requirements, certifications, hygiene and related laws, ISO xxx, quality standards etc... that both tins of milk powder must comply with are exactly the same in Mexico, Japan and the US.



Question A: In which country (ies) do you think/believe it is more feasible that the milk powder will indeed comply with All the certifications, requirements and standards? Why?

Question B: If you could afford to buy either one of the tins **or** both tins were the same price, Which one would you buy? Why?

Question C: If you can't afford to buy the imported tin, Would it be worth saving money for buying it? Why?

If we go a bit further on, let's say that there's a major reform or change in Mexico and new laws are approved aiming to guarantee the quality of the milk powder produced in Mexico or in any case for such milk powder to match the same quality standards as in Japan or the US, and again we ask the Mexican population the following (or something similar):

Question I: With the new laws, changes or reforms from now on, Do you think that the milk powder tin produced in Mexico will indeed match the quality of the one produced in the US or Japan? **Question II:** Why?

With this hypothetical case I want to illustrate the difference between what a Mexican (or probably up to some extent an expat living in Mexico) and a foreigner could understand about: **i).**- What is going to happen, could happen or we can expect, **ii).**- How a process or reality could really change or not after one reform or adjustment, **iii).**- What variables and history/rationale we have to consider in the Mexican market, **iv).**- From the many “news” or “opinions” what we should/could believe are real and will really happen or not, **v).**- What the real impact could be for the individuals, different stakeholders and projects or market participants, **vi).**- Etc... Before and after a major or minor reform, new law or amendment to existing ones are published in the official gazette or program is publicly announced... because of some (or others) of the following reasons:

a).- Mexicans we have lived in Mexico for many years, **b).**- Individuals and industrial or other companies have performed transactions and done businesses in Mexico on a daily basis for long time (all or most of our lives?), **c).**- We understand somehow how Mexico works and probably that one new law might not fully change reality (Implementation?), **d).**- Sometimes but not always (it happens all over the world but probably different if it was an anonymous opinion?) even when our opinion in front of certain people or groups might be “X, W or Z”, may be what we would do regarding something affecting our family or company will be different, **example:** X, Y or Z is very good or the best, soon we will become a first world country producing top quality milk powder because of the new laws... but when we have to make a decision about what milk powder tin will we buy for our children from now on, What milk powder tin will we/you choose? The one made in Mexico under the new laws and rules or the one made in the US or Japan? Why?, **e).**- We Mexicans know and understand that “one size” fits all, unique solutions, panaceas, magical changes or acts of magic, etc... do not exist, **f).**- Everything is a process not a stand-alone issue, **g).**- Other reasons...

Other example I tried to illustrate months ago, was about gas pipelines (new and old ones) in Mexico with the note: **Why many Mexicans oppose the construction of pipelines near their homes or towns?** where I propose based mainly in how things have happened in Mexico, history and my personal experience **but not only** the history told in local newspapers, “mainstream” media, governmental or high/mid-level investor's reports or presentations, English language news, brochures, SEC or BMV filings... that the opposition from the Mexican people to certain infrastructure projects (in general) its likely to have very deep and historical roots and probably little relation with new laws being published, higher safety standards, new rules or creation of new markets.

Such opposition do not always has the intention of only getting/obtaining some social infrastructure from the developers or the government (such as a church, bridges, roads, computers...) not an irrational bad faith social rationale either or only evil-groundless reasons as it is intended to “justify” or create “noise” by some people in Mexico or in other countries with strong but probably **non-sense affirmations** or analysis telling only half of the story, similar to: “The Mexican population or “x, y, z” group’s unique intention is to extort and get free money from the private companies” **or** “They (Mexicans) are ignorant not educated that’s why they don’t understand the consequences not choose my solution or proposal” **or** “The market or project “x, y, z” is not evolving, materializing or maturing because of the Mexican people/consumers, (is it easier blaming them for the government or everything?)” **or** “We only need to create a community relations department and that’s it, problem solved” **or** “Sure, in 5 months from now we will have 300 contracts or loyal clients in our sales pipeline” and many other so called “truths”, more examples exist.

I think we should try to be more objective and careful instead of (probably) only trying to “justify” *ourselves* **or** our overcommitment beyond the sole interest in selling a product, service, program or an idea, especially in today’s world where consumers have more and more access to information and they are exposed to a lot of noise in the Mexican market too. **Usually** the Market = Buyers + Sellers + Transactions. That something is difficult doesn’t mean it is impossible, Opening a new market?

Are investors, developers... also exposed to this noise coming from different sources (news, gossips, publications, speculation, the government, agents, participants etc...) in the Mexican, regional and international markets? Myths, ideals, facts and realities?

Regulating or deregulating vs applying the laws? Is it only a matter of legal nature? **How can we close the gaps?**

Trying to impose or force something with ideas such as you must, this is the only way, only I know the real-absolute truth and what you need or what is best for you but you don’t, etc... might not work well in Mexico as we are not living in the 19th or mid-20th centuries, I think it is similar in most of the countries in the world. We need to know the full story and the history behind.

Isn’t it that in an open market the solutions should adapt to the consumers’ needs and interests instead of when we live in a monopoly market where the consumers must adapt to the few offers in the market? Just offering products or different products?

⇒ Since long time ago I think that Mexico needs to focus a lot more in the implementation and effectiveness of the existing and new regulations, opening the market to all economic agents without distortions, simulations, makeup, disguises, discretionary rules or groundless barriers of entry, non-discretionary implementation and Formal Equality... then the Mexicans and foreigners could regain some of the trust we have lost along the years. I experienced an interesting, but inverse phenomena that happened in China when I lived there and was able to move along not only speaking English of course but into the real country, the quality and perception of the goods produced in China for domestic consumption and the perception or quality of the goods made in China but imported by other countries. How can Mexico and the companies improve their and our realities?

⇒ I remember a saying: “If we sell 1 avocado to each Chinese person, we will become rich” OK, is avocado part of the diet habits of 1.4 billion Chinese people? Then if we convince the Board, sell avocados and fail, Shall we blame Chinese people/consumers?

⇒ **Social justice:** All people should have equal access to wealth, health, wellbeing, justice and opportunity. SMEs too? How?

There are two sides to every coin, **Why** do you think that we Mexicans usually look left and right before crossing a one-way street in Mexico? How and why did we learn to do so? What are the advantages and disadvantages of doing this? Do we prefer listening only what we want to or what is convenient for us? Is it better to say sorry instead of further planning, more risk quantification, deeper market analysis, strategy adaptation, etc...? Is Energy supply only about trends, load factor or the power generation mix?

⇒ You my friend, as a foreigner or expat living in Mexico, what milk powder tin would you prefer buying for your kids? Why?

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If you have questions or comments about this note or how we can help your company, please don’t hesitate to contact me at:

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