

Chapter 29 – Victor Manuel Urbieta Garcia, The New Generation of Businessperson, Tijuana, Baja California

Prologue

Victor is an executive with a Mexican-owned automobile insurance firm based in Tijuana. Financially he is in the upper-middle-class, making about \$60,000 a year. (Interestingly enough, he describes himself as making just a middle-class income. Mexicans are like Americans, who usually put themselves a social notch lower than their income alone would. Calling oneself middle-class is unpretentious. Describing oneself as upper middle-class is pretentious).

At thirty-six, Victor still has the boyish good-looks of a twenty-something. He is candid and soft-spoken, willing to be frank about his life and his view of Mexican society. He is typical of the current generation of Mexicans who are shaping the face of society in this century. He embodies the grace and courtesy of the older generation like his father, whom you will meet later, and the pragmatism of the new Mexico.

He talked frankly about why, given the choice, he would prefer to living in Mexico for some reasons and to live in the United States for others. He explained the changes in Mexico that he's seen in the last transitional decade of the 1990's that have made the country safer and less corrupt in many ways, giving birth to hope that the country will be able to shed the shackles of centuries of inefficiency. But as a Mexican, he embodies that paradox of Mexican culture that makes it so hard to understand.

Victor's story is a little different than most people's and he tends to talk at greater length, hence there are fewer questions by me. Also, since he does a great deal of business in the United States, not only is his English impeccable, but he talks more like an American in the phrasing of his sentences.

Interview

Victor, you told me earlier that you think you may have a different way of looking at things than other people I've interviewed. Why is that?

I was raised in more of the American way than my father. America influences the way Mexico lives and changes.

There is a duality to Mexicans. On the one hand, we are fatalists. On the other we are optimists. It's like this. We know that there is a chance for failure; that things will never

change. But we want them to, we want a better life. So we examine each move we make, weighing the likelihood of the worst result against the probability of success. We believe in good luck. If we take an action, we believe that luck will step in and help the bold. If things do not work out, we can fall back on our fatalism.

It's like this. My father taught me to always take advantage of opportunities that Fate presents you. Once, the company he worked for had a big problem with a client in the United States. If he could resolve it, he would advance his position. To do so required someone to fly to California and take action. So when his boss asked him if he spoke English, he immediately and confidently said 'Yes.' That was partially true. He spoke limited English, probably enough to be a tourist, to order a meal or make a hotel reservation. He knew that Fate favored the bold, so he took his chance. The next day, he was in San Diego, with a Mexican attorney who did speak excellent English. Between them, they were able to solve the problem. Had he done nothing, his life would not have changed. If he took a chance, his life would certainly change. He balanced the two and gambled on a positive outcome with a little luck. Optimistic fatalism carried the day.

How do you define the middle-class?

Most middle-aged Mexicans who are in the middle-class are not there because they came from families with money. Theirs is a transitional generation. They had a leg up because their families struggled to place their first foot on the rung of the ladder to financial success. Their families often came from humble beginnings, worked hard, and were able to give their kids something more important than unearned wealth. They gave them a sense that they could move forward in the world, that with a little luck and a lot of confidence, they could move up the rung of economic independence. But unlike a similar attitude in the United States, they also believe that friendship and other people's help are necessary. In Mexico, no man is an island. It is a collective culture where people often help each other.

Can you explain why a direct comparison of the wages paid to a Mexican worker and the wages paid to an American worker is not the whole story?

Something Americans don't understand about our social system is that there are many benefits to a worker that don't exist in the United States. For instance, although salaries may be lower, several benefits are included, even for the lowest worker.

Every Mexican worker who is officially employed is entitled to one month's salary, called an *Aguinaldo*, which is a Christmas bonus. [Author note: I benefited from this when I worked for a Mexican company while in the States. They did not realize that American companies did not have this requirement, so they thought they have to pay us for an extra month while we were there. Surprisingly, none of the other employees or executives disabused them of this notion.]

When a worker is fired from a job (including maids, gardeners, etc.), they are entitled to a month's salary for each year they worked. This is something that many expatriates find out the hard way.

All Mexican workers are entitled to free health care through the national social security health care system, *IMSS*.

While this is a minimal safety net, most Mexicans who can afford it get private health insurance. I do. The national health care system is overcrowded and seeing a doctor at a hospital takes a long time. The care is uneven.

All Mexican workers can participate in the *Infonavit* program. For a small percentage of their salary, they can buy a house or apartment. While these are not large by US standards (an apartment consists of 2 or 3 rooms, about 600 square feet), they offer a big first step for those wanting to own their own home.

I make enough money to have my own home, but I am buying an *Infonavit* house to rent. [Author's note: This is the second person who said essentially the same thing. The *Infonavit* fund consists of money that the worker (no matter what level) puts in. If it is not used by a certain time, the amount declines until it is zero].

Since better-off Mexicans are aware that many workers don't make much money, tips are common for all sorts of employees. Gas station attendants (that's right, in most places [although this is changing], you don't pump your own gas), are paid a small *propina* if they are courteous or offer to do something for you. The same is true for other service people.

Are business people in general as competitive as American businesspeople you've known?

Of course there are some who are. But in general, people help each other. For instance, when I was very new to the business, other men in other companies would give me advice that helped me do my job better. By the same token, there is an undercurrent of paranoia in some older businessmen that can bite you. In Mexico, you have to know who your friends are, and who your enemies are. We have a saying that if you forgive an enemy, he can become your best friend.

Victor, I know that your father owns the company and now you are an executive. Did you get your job because of your family connections?

I was in college in Mexico City and didn't know what I wanted to do with my life. I was bored with school, so I thought I could get a job at the company where my father was an executive and live a life of ease. My father said, 'OK, if you want to work for my company, you will have to pass a test, like all applicants. If you pass it, you can have a job. If you don't, you had better find a way to support yourself.' This was not what I expected. [We both laughed out loud at the understatement].

I took the test and passed it. The next day I went to my father's office. He told me I was hired. Immediately, I saw myself in a suit with an office and a secretary. My father told me to report to the mail room. There I was, the boss's son, a mail boy. [Laughs].

I can see now why he did this. My father started as a poor man, selling vegetables in the *Central de Abastos* (farmer's market) in Mexico City. He worked his way up and he expected me to do the same.

By working in the mail room, I learned where all the offices were and who was who in each department. I learned the interconnectivity of an organization. After a few months there, I was assigned to claims. I went out with the claims adjuster to learn how our business operated. I learned that insurance was not just about written policies, but about people who suffered losses. I also learned that not all people are honest. It taught me that one should never forget that the people in the field are what makes or breaks a business.

One day my boss told me I was going to handle a claim by myself. I was afraid and refused to go. My boss told me that if I didn't, I would be fired. So much for being the boss's son. It was an easy claim and I went to interview the lady who had been in an accident. She was very nice and saw that I was nervous. She kindly told me to take my time and that it would all work out. I will never forget that lady.

[Author commentary]

Victor moved on to other insurance companies because of his experience. Because he spoke English, he worked with the US side of the business. In a strange twist of fate, we had both worked for the same Mexican insurer at one point. We had both been fired by the same chief executive of that company. We both saw that old-style executives like him, who were given their jobs by their fathers, who treated their companies as fiefdoms and vehicles to living the high life, were the basis for inefficiencies of Mexican companies and set the ground for international corporations taking control of Mexican business. [End author commentary].

I hate to use the cliché, but your English is impeccable. Why is that?

All children in school in Mexico are taught rudimentary English. I knew that a good command of English was necessary to success in today's Mexico, so I asked my father to send me to private English classes.

Do many American businessmen speak Spanish?

Not really. A Mexican must speak English so the Americans don't feel that have to speak Spanish. But the really successful American businesspeople have taken the time to learn our language and we appreciate it. Business in Mexico is more about personalities than business in the United States.

We hear a lot about Mexico, particularly Tijuana, being unsafe in general and about kidnappings specifically. Is there any truth to these beliefs?

[Victor thought before talking, then spoke with sincerity and conviction]. Before I go farther with this topic, I want to make it clear that most Mexicans are not living in fear of kidnapping. I should also make it clear that the average American visiting Mexico has nothing to fear about this. Kidnapping seems to be on the rise in America too. It is part of life for those with something to lose.

Many of the financially successful people fear kidnapping in Mexico. I do not put my cell phone on my business cards. There are people who call and say that some member of your family has been kidnapped and you need to put \$3,000 into their bank account immediately. These are usually bogus calls, but you never know. So now, when we answer the phone, we ask ‘Who do you want?’ If the person hesitates, we hang up. The scammers are dialing numbers randomly, so they do not know who they are calling.

This is a change from the traditional way of answering a phone in Mexico. It has been “¿Quién habla?” (Who’s speaking?) since telephones were introduced to Mexico. Now, some people answer, “¿Quién queries?” (Who do you want?).

If there is a real kidnapping (and it’s not as common as Mexican newspapers would have us believe), taking place, it usually lasts for about three days for those who are not rich. The crooks have you go to your ATM and withdraw money and then let you go.

Having lived on both sides of the border, what differences immediately come to mind?

There are too many laws in the United States. In Mexico it is easier to live and enjoy life. In the United States, you have to be afraid of someone suing you if you are successful. By the same token, it is comforting to know that in the United States, government services are available. In Tijuana, we say that if you are in trouble, call 911 in San Diego. The police are likely to arrive quicker.

Some Mexicans have told me that there is a different attitude about police today than before. What do you think?

Police are changing. We used to be able to pay a *mordia* (bribe) and get away with most small infractions, for example in driving. I was stopped by a cop in Mexico City not too long ago and he made it clear that I could not get out of my ticket. There were cameras to record the event. I have mixed feelings about this. While the old way was easier in some ways, there are fewer chances of a cop stopping you just to shake you down. Paying a fine when you did something wrong is often cheaper than the bribe would have been. I paid the fine at a bank and it was all over.

[Author’s note: Sharp readers will question this, as I should have. I missed getting the details, as it is customary for the police to take your driver’s license to insure you will pay the fine to get it back. But I have heard about this way of handling traffic violations

from people in Monterrey who said they paid the fine at a bank, got a receipt and then went to a police station to get their license back. I heard the same thing from Rudy from Tamazunchale. Walter from Durango state, doubted that this system can work, at least he has not seen it. So where we are with yet another Mexican conundrum where what is true in one place for one person may not be true in the entire country – or it may have been true once and is no longer true. ¡Bienvenidos a México! [CELIA, I THINK WE SHOULD LEAVE THIS ACCENT MARK ON THE “E”] This may have been a pilot program tried in different parts of the country that no longer is in effect.]

Do you think the quality of the police is improving?

It used to be that the only people who became police were those who could not get a good job. Today, while police officers are not required to be college graduates, their level of education is improving. A highway patrolman makes a starting salary of \$30,000 a year and it can increase with promotions to \$50,000 or \$60,000 a year. To become a highway patrolman (*Policia Federal de Caminos*), you have to have a college education and attend the Mexican highway patrol academy. Sometimes these guys are sent to the United States for more training.

[Author’s note – the last time I got a ticket, the patrolman had been to the United States FBI academy. Boy was I in trouble. Not only did I get a ticket for excessive speed when I totaled my Ford Bronco on a lonely stretch of toll road, but I also had to pay for *daños a la carretera* (damages to the highway), since my truck had hurt the road. Talk about adding insult to injury.]

City cop jobs are still mired in a feudal system. While the salaries have improved (\$600 a month in some towns, \$1,000 a month in others), it’s not true in all places. For the most part, a cop can make a decent living without a college education. But the old system of paying a portion of fines collected to their supervisors will take a long time to change. Cops used to have to buy their own uniforms and bullets, and while this is still true in many places, it is changing.

OK, let’s tackle a really big concept question. Do you think corruption is still part of the system in Mexico?

It is still a problem. It is Mexico’s number one problem. After centuries of being in place, it is not likely to be completely eradicated in my generation. The multi-billion dollar narcotics industry has made it more entrenched.

But there is hope. I have a friend who is an agent for the Mexican Judicial Investigative Service. These guys investigate high-level corrupt officials and sometimes make a dent in the chain of corrupt officials.

More and more, officials are starting to “go by the book.” The problem with that being an easy solution is that, according to every lawyer I’ve talked to, the book is written with conflicting statutes.

Thank you, Victor, for your time.

No, thank you for asking me to participate. Good luck with your book.

END CHAPTER