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**Contracts and Written Agreements**

A handshake can go a long way in Mexico. Mutual trust underlies most business agreements. Nonetheless, written agreements are taken quite seriously, because they set the parameters by which the business will be conducted.

The contents of a written agreement may be taken as an indication of the level of trust that one side has for another. A proposed agreement that is one-sided, aggressive and written in legalese can be interpreted as a lack of trust and could harm the business relationship. Nonetheless, Mexicans realize the necessity of contracts and legal agreements, and are usually quite objective about them.

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**Business Ethics and Corruption**

Mexico is gradually ridding itself of the corruption that was once one of its most prominent features. Nonetheless, requests for pay-offs and bribes are still an obstacle to international business. Many companies participate in such arrangements only because they think it is necessary for survival.

A Canadian firm might encounter corruption in a situation where a Mexican competitor had offered a bribe to a government official. The Canadian company might be asked by its Mexican partner to meet this "competition". This would be both illegal and poor business practice. If the business is not based on sound principles, it will not survive in the long run.

Corruption is diminishing in Mexico because it wastes resources and leads to inefficient, uncompetitive outcomes. For this reason, requests for bribes are most common where government departments or state-owned enterprises are involved. As the process of privatization and deregulation proceeds, corruption will become less of a factor in all aspects of Mexican society.

Canadian companies that move into Mexico should be prepared to adapt to many aspects of Mexican culture. But corruption is not one of them. This is one area where the Canadian partner should insist that Mexican partners adapt to the Canadian way of doing things.