

President Obama and Mexico: New Opportunities for Cooperation

ANDREW SELEE

Although Latin America is not among the priorities of the new Obama government, Mexico is an exception. And not because Mexico is a priority for United States' foreign policy, but because all the themes on the bilateral agenda directly affect internal politics in the us. This article analyzes three key questions –organized crime, economic integration and migration, and cooperation on the frontier– and concludes that, while there will hardly be spectacular changes in the short run, there is reason to expect greater cooperation in these areas. But, for this to happen, both governments must abandon any exclusively national perspective and advance towards a truly strategic association.

Andrew Selee: Director of the Mexico Institute, Woodrow Wilson International Center for Scholars; Adjunct Professor, The Johns Hopkins University.

Key Words: Cooperation, Organized Crime, Frontier, Barack Obama, United States, Mexico.

The election of Barack Obama has sent a hopeful sign to the world that U.S. foreign policy is undergoing a moment of change. Obama has made it clear that he will seek to repair U.S. relations abroad through greater multilateral engagement and reach out to countries that have been treated as enemies in the past. In his first days in office, he gave orders to close the U.S. prison in Guantánamo, Cuba, outlawed the use of torture, began reducing the U.S. military presence in Iraq, and took a forceful hand in

crafting a strong government initiative to limit the economic crisis. He has indicated that he will use multilateral arena to resolve disputes, reach out to the Cuban government, and open up dialogue with emerging powers in the developing world on reshaping the world's global architecture.

The election of someone with such a strikingly different worldview than his predecessor also sends a signal about the ability of U.S. democracy, with all of its imperfections, to correct course after a period of estrangement with the international community. In the end, the public chose a candidate who differed markedly from his predecessor, who had been immersed in the world in a way none of his predecessors ever has. Obama is, after all, the son of an African father, who was raised in Hawaii, the country's most multicultural state, and in Indonesia. There are bound to be significant continuities in how the Obama administration relates to the world – policies change only slowly in any country and they always contain significant continuities that belie the rhetoric of change; however, his election clearly marks a change-point (*parteaguas*) in how U.S. citizens expect their government to behave.

Latin America is unlikely to receive significant attention in the first year or two of the Obama administration, given the pressing challenges elsewhere in the world. There is, however, one major exception and that is Mexico. This is not because Mexico will be at the center of U.S. foreign policy – indeed, Brazil is likely to receive more attention in Obama's global priorities as an emerging power. Rather, U.S. policy towards Mexico is deeply tied to domestic policy. The key issues on the agenda – migration, trade and development, security, and infrastructure and environmental concerns at the border – are all issues of national interest that have implications for domestic policymaking. Obama's decision to meet with Mexico's president first after his election reflects this recognition of Mexico's importance as a neighbor with shared policy concerns. We are not likely to see abrupt shifts in how Obama deals with these concerns or any major new initiatives; however, it is likely that the Obama administration will address key issues in a different way that creates new opportunities for cooperation that can benefit citizens in both countries.

■ The Contours of the U.S.-Mexico Agenda

There are few countries – if any – which are as important to the United States as Mexico. The two countries share more than just a two-thousand mile border. Their economies and societies are deeply interwoven and what happens on one side of our shared border inevitably affects the other side. There are over twelve million Mexicans who live in the United States, a tenth of Mexico's population, and almost a tenth

of the U.S. population is either Mexican or of Mexican descent. Mexico continues to be the second destination for U.S. exports, and the United States the primary destination for Mexican exports. Over twelve million people live on the U.S.-Mexico border, but over eighty million live in the ten states (four in the U.S.) that share that border.¹

Despite constant assessments by analysts that the United States has not paid enough attention to Latin America in recent years, there is actually no lack of policies towards Mexico in the U.S. government. Since the issues in the relationship with Mexico almost always have domestic as well as foreign policy aspects, every department and almost every agency of the U.S. government has some dealings with Mexico or the U.S.-Mexico border, as do a range of state and local government agencies. Those agencies that do not deal with Mexico or the border directly, almost always deal, in some way, with the population of Mexican immigrants in the United States.

The challenge for the Obama administration is, therefore, to find strategic ways of building synergies among these multiple, disjointed, and often competing efforts that tie into a broad agenda for collaboration with Mexico around clearly defined objectives that are in the national security interests of both countries. A successful «strategic partnership» between the two countries would require both high-level foreign policy attention in Washington and Mexico City and efforts to engage all government actors at the federal, state, and local level involved in key policy decisions on a few key issues that have major impact for both countries.

There are at least four areas that call out for priority attention in the relationship and will require sustained dialogue and engagement: security cooperation, economic integration, immigration, and border management.

■ **Adopting a Comprehensive Approach to Organized Crime and Rule of Law**

Criminal activity associated with drug trafficking poses an increasing threat to communities on both sides of the U.S.-Mexico border. Mexico is the largest transshipment point for cocaine en route to the United States, and is the largest foreign supplier of methamphetamines, heroin, and marijuana (although the United States produces more methamphetamines and marijuana than Mexico). In turn, profits from drug sales in the United States pump roughly \$15 to \$25 billion every year into illicit activ-

¹ All data in this article can be found in *Towards a Strategic Partnership between the United States and Mexico*: edited by Andrew Selee with David Ayón, Dolia Robert Donnelly, Dolia Estévez, and Eric Olson, Washington, DC: Woodrow Wilson Center, February 2009.

ities in Mexico in money and weapons. Violence from drug trafficking has become endemic, and it has gradually penetrated into the politics of some local, state, and even federal government agencies in Mexico. Meanwhile, the drug trade fuels crime in neighborhoods throughout the United States and grows particularly threatening in the border area.

There is probably no single issue where the U.S. and Mexico have a greater stake than ensuring that organized crime does not penetrate the democratic institutions of the two countries or create pockets of impunity where citizens' rights are systematically violated. Whereas once human rights defenders were concerned primarily with the military and police abuse, the concern now needs to be on both creating transparent institutions *and* ensuring that these institutions are effective enough to enforce rule of law, so that citizens do not have their rights violated by organized crime organizations.

Recent efforts between the two countries to strengthen intelligence sharing, technology transfer and training, including the bipartisan passage of the Mérida Initiative which is supposed to provide \$1.4 billion in equipment, technology, and training, have built a strong framework for future efforts at cooperation. Much more can be done to deepen these efforts, however, and a new administration might look for ways to forge a more comprehensive approach against organized crime that combines law enforcement cooperation, especially targeted efforts at disrupting money and arms supplies with efforts to strengthen police and judicial institutions in Mexico and, most importantly, reduce the demand for narcotics in the United States. This would mark a major departure in U.S. drug control policy in the past but one that would have significantly more chances of success than previous efforts.

There are signs that Obama is open to a new approach to drug control in the United States. During the campaign he repeatedly emphasized the need to rethink drug policy at home and cut off the supply of weapons flowing across the border. However, changes are likely to be incremental in this area as elsewhere. There is no magic bullet to reduce the consumption of narcotics in the United States, even though this is the most effective strategy for limiting the growth of the narcotics business. However, Obama is likely to re-prioritize these efforts in the federal drug control budget and encourage states to pursue alternative sentencing regimes that allow drug offenders to enter treatment instead of jail. Added investment in prevention and treatment is likely to be welcome by state governments that currently struggle to provide adequate funding for these efforts.

Obama has also stressed his administration's commitment to disrupting money and arms flows to Mexico, with a specific emphasis on the latter. Efforts to reduce arms purchases by drug trafficking organizations have been hampered because of U.S. laws which allow arms sales with only the most cursory registration process. The gun lobby in the United States, one of the most powerful in the country, is likely to prevent any efforts to tighten requirements on sales. However, it is illegal to export weapons without a license or to sell them knowingly to criminals, so increased funding for weapons inspectors at the border would go a long way towards disrupting these flows, even if it does not eliminate them. Furthermore, Obama could reverse a Bush administration policy, which allowed high-caliber weapons to be imported to the United States for sale as «hunting weapons.» This policy has driven down the price of high-caliber weapons, the kind organized crime likes to use, and reversing it only requires an administrative decision, rather than legislation. Cooperation on money laundering, which has received far less attention to date, is likely to be as important as efforts to slow arms trafficking; however, conversations are only beginning on this crucial piece.

The Obama administration can also do a lot more to support Mexico's efforts to reform its justice system and police forces. The Merida Initiative already included funding for the training of judges and lawyers in the new judicial procedures approved by the Mexican Congress; however, much more can be done to support the exchange of judges, prosecutors, and public defenders, so that they learn from each other's systems. The Obama administration could also continue the support being given Mexico's federal law enforcement bodies, particularly technology and scanners, and strengthen cooperative efforts to develop accountability system in state and local police. This will also help Mexico reduce the role of the military in domestic law enforcement operations, which remains a source of concern because of the lack of due process controls to prevent and process human rights violations. These are long-term investments, but the security of the two countries is likely to depend in the future on whether the United States can reduce the demand for narcotics and limit the flows of key inputs into organized crime, and whether Mexico can develop an institutional framework that ensures rule of law.

Finally, the two countries can do much more to contain the current threat posed by organized crime and limit the harm done to communities on both sides of the border. There is no way to eradicate drug trafficking entirely, as long as there is a market for drugs, but the Obama administration can work closely with its counterparts in the Mexican government to coordinate intelligence and law enforcement operations that limit the reach of drug trafficking organizations. This might eventually even entail de-

veloping joint law enforcement operations where U.S. and Mexican civilian authorities work together on both sides of the border. This is highly sensitive terrain, given Mexico's historical fears about U.S. imperialism, but it may serve to develop both trust and rapid response capabilities if it is implemented in a truly binational manner, with operations in both countries and with a limited operational mandate targeted at those criminals who cross the border frequently.

■ **Managing Migration through Sensible Policies and Economic Cooperation**

The two countries are joined together by the continuous flow of migrants from Mexico to the United States. This phenomenon has created some positive outcomes: Mexican immigrants to the United States have become important civil and political actors in U.S. society. The weight of Mexican-descent voters was felt clearly in Obama's election, where it may have tipped several states in his favor, but the greatest contribution has been at the local level, where immigrants from Mexico and their descendants are renewing American civic life.² Similarly, migrants have become a powerful source of political and economic renewal for communities in Mexico, where individual and collective remittances are spurring local development and increasing the accountability of public authorities.

However, migration is also the symptom of deep inequalities between the two countries, and neither country has developed policies to address this phenomenon adequately. The United States continues to have immigration laws that date from the 1960s, with low visa quotas and almost no visas for work-based immigration. The result has been a growing population of twelve million or more undocumented migrants, perhaps seven million of them from Mexico, who have no chance for full participation in U.S. society and whose U.S. children grow up with the fear of deportation. At the same time, Mexico has made little concerted effort to address the national crisis of out-migration. Although remittances seem like a boon to impoverished communities, they are a poor substitute for losing many of the country's most entrepreneurial citizens.

Obama has pledged to reform immigration law, although it appears that this goal may have to wait until after there are signs of a positive upturn in the country's eco-

² See Xochitl Bada, Jonathan Fox, and Andrew Selee, editors, *Al Fin Visibles: La Participación Cívica de los Migrantes Mexicanos en Estados Unidos*, Washington, DC: Woodrow Wilson Center, 2005, and the findings of the Wilson Center's current project on Latino Immigrant Civic and Political Engagement, co-directed by the three editors, available at <www.wilsoncenter.org/mexico>.

nomy. He is likely, in the short-term, to shift enforcement policies away from undocumented immigrants and towards large companies that recruit undocumented labor, which is a positive step. He might also pursue efforts to reduce visa backloads, which would actually legalize a significant number of undocumented immigrants who have family visas pending. However, it will take a concerted effort by immigrant and immigrant-rights organizations to make sure that Obama lives up to his promise to pursue comprehensive reform once the economic crisis lessens. A «grand bargain» that would modernize visa laws to allow additional work-based immigration, create a one-time «regularization» of undocumented immigrants, and ensure careful enforcement of the new immigration rules would go a long way towards making the United States a welcoming country for immigrants again, and would benefit the U.S. economy significantly. It is worth noting that Mexico could also do much to bring its own immigration laws in line with the standards it expects from the United States to ensure orderly migration flows from Central America and elsewhere.

At the same time, much more can be done between the two countries to promote economic development. First and foremost, consultation between the two governments during the economic crisis will help avoid surprising that might undermine the Mexican economy further. Unlike the 1994-95 «tequila crisis,» today's financial crisis is the product of U.S. mismanagement, and Obama seems to understand the need to avoid policies that might destabilize neighboring countries. Second, the Obama administration has an opportunity to open a dialogue with Mexico on development strategy. Cooperation in ensuring adequate credit to microenterprises and small producers, for example, might help create opportunities for would-be migrants to stay at home. If Mexico were to use some of its excess oil revenues – assuming prices return to higher levels in a couple years – for a targeted credit fund that would be managed with international levels of transparency, it might be possible to engage the United States and Canada as co-stakeholders in the effort. It would be important for this to be a Mexican-led effort, however, in which the U.S. and Canada would be important, but minority partners.

It is highly unlikely that Obama, despite his campaign rhetoric, will want to open up the North American Free Trade Agreement (NAFTA). There are too many special interests in the three countries of NAFTA that would want to influence the agreement if it were open for renegotiation. However, Obama is likely to seek strengthened standards on labor and the environment, which could produce positive benefits for all three countries. There is also an opportunity for the Mexican government to protect the most vulnerable sector of the economy, small corn producers, by pursuing voluntary export restraints on white corn, since white corn makes up only one percent of

U.S. corn production and prices are still quite high for domestic sales. Meanwhile, small corn producers in Mexico are roughly fifteen percent of the population and among the poorest and most likely to migrate to the United States for lack of other opportunities. It is unlikely that small producers would benefit from a renegotiation of NAFTA, which would almost certainly favor large commercial interests, but strategic action to protect those who need it might be possible with the right political will. This is particularly true since the United States has been far from compliant in its obligations under NAFTA, which might allow a mutual trade-off of trucking (which Obama has problems liberalizing because of his political base) for corn (which would aid Mexico's poorest farmers).

In short, the two countries have much at stake in reducing migration pressures through key investments in providing credit for productive projects and reforming migration laws to meet the real demands of the two countries. None of these issues is easy in the short-term, as both countries face the imperative of weathering a deep economic crisis, but discussions on these issues could be on the table so that they can be implemented once the worst of the storm has passed.

■ Investing in Border Communities

The border has become a microcosm of all the challenges that the two countries face in trying to deal with each other effectively. At the border wait-times in the excess of one or two hours caused by deficient infrastructure raise the cost of trade and limit cross-border ties; unilateral strategies for security play out against the need for cross-border cooperation in law enforcement; and the challenges of clean air and sufficient water remind people that natural resources know no political boundaries and require joint responsibility. U.S. border communities remain among the poorest in the United States, with average incomes a third less than in the rest of the country, and they have significant deficits in employment and infrastructure, despite the comparative advantages that border communities should have as international gateways.

At the same time, border communities have become laboratories of experimentation in creative efforts at international cooperation. Most have developed binational mechanisms to manage resources, respond to natural disasters, ensure public security, and promote development, generally at the margins of federal policy. However, much better coordination is needed between federal agencies and state and local governments to ensure that these efforts can be consolidated and expanded so that border communities can be safe and prosperous. All too often, rigid insistence on national sovereignty has wasted potential opportunities and paralyzed bilateral cooperation.

With the right policies, the U.S.-Mexican border might come to resemble that of the U.S.-Canadian border, where joint efforts to secure common objectives have often replaced unilateral thinking with significant benefits for both security and development of the border region.

In the short-term, the Obama has committed himself to additional spending on border infrastructure, both crossing points and environmental infrastructure. Given the commitment of both countries to spend their way out of the crisis through ambitious stimulus packages, this provides a golden opportunity to repair some of the deficit of infrastructure that holds the development of border communities back and undermines environmental quality. It will be vital for the Obama administration to develop a bureaucratic process that allows it to approve border infrastructure in an expedited manner, since this often takes up to fifteen years now. With a little bit of creativity and leadership, the Obama administration could overcome this problem. They might also use some of the money allocated for a border fence – always a counterproductive policy that undermined cooperation on security – to pay for additional border inspectors who could speed crossings at existing border stations.

There is also, however, a broader agenda for border cooperation that requires federal government energy in both countries to help spur cross-border development and support local efforts at collaboration. Creative ideas might include creating a special visa for students from Mexican border states who win admission to U.S. universities so that they can study or intern part-time across the border. Another option would be to support the development of cross-border enterprise zones that allow border communities to develop joint capacity in a single industry (such as software or biotechnology). In short, the Obama administration might look at how it can creatively invest in cross-border innovation, taking its cue from the ideas that border residents themselves have developed to do this.

■ The Way Forward

Strengthening the partnership between Mexico and the United States will require new channels for communication and ongoing consultation that allow strategic thinking to take place. Both sides will have to think about it as a true partnership which can benefit both sides. Despite the deep integration between the two countries, there are forces that pull against this. The fear of immigrants has a deep (if ironic) history in the United States, and although there are signs that the country is swinging towards a period of greater recognition of its immigrant past and present, these forces often reappear during times of economic crisis. Similarly, the perception of Mexico as a under

siege by drug traffickers makes some U.S. citizens think that their country should close the border, rather than recognizing the deep interconnectedness of these problems with their own communities where drugs are sold and the profits sent abroad. At the same time, political elites of the left and right in Mexico often see the United States as a threat to Mexican sovereignty rather than an opportunity for strategic engagement in Mexico's best interests.

The election of Barack Obama as president of the United States opens a new period for cooperation between the two countries. If both governments can resist the chauvinistic pressures in its political system and find creative avenues to engage each other, there is an opportunity for real progress on issues that could benefit both countries. There are not likely to be any major new initiatives that are announced with public fanfare, but there may be strategic decisions made to alter the course of current cooperation that could have far-reaching effects in the future and benefit the well-being of citizens in both countries. 