

# WebMemo



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## Secretary Clinton Should Sustain U.S. Attention to Mexico After Her Visit

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When Secretary of State Hillary Clinton meets with her Mexican counterpart in Guanajuato, Mexico, on January 24, the high-level encounter will focus on topics of great importance to the U.S. and Mexico. Topping the agenda will be Mexico's deadly narco-conflict. Last year was a somber one for Mexico, one in which the drug war claimed 15,273 lives. The prognosis for 2011 is nearly as bleak.

**Narco-Violence: No Turning Point.** Upon taking office in 2006, Mexico's new President Felipe Calderon launched a campaign against Mexico's drug cartels. Powerfully armed and intensely corrupt, the cartels became a severe menace to Mexico's national security. Calderon's strategy involved using the Mexican army; a modern, professional police force; judicial reform; and stepped-up cooperation with the U.S.

Under President George W. Bush, the U.S. responded with the Merida Initiative, which established an unprecedented level of assistance and counter-drug cooperation with Mexico. Thus far, more than \$1 billion in counter-drug assistance has been delivered or is in the pipeline.

Progress has been made in building a stronger, more capable federal law enforcement team, but serious professionalization of the state and local police that make up the bulk of Mexico's law enforcement has scarcely begun. Many credit U.S. drug intelligence and operational cooperation for the successful removal of several top drug bosses. Yet these successes have fragmented criminal organizations and touched off fights among successors

in places close to the U.S. border, such as Ciudad Juarez, Tijuana, and Reynosa.

In 2010, the Obama Administration outlined modifications to the Merida Initiative to stress four objectives:

1. Striking hard at drug kingpins,
2. Continued police and judicial reform,
3. Building a 21st-century border connection, and
4. Shoring up communities disrupted by drug gangs.

Secretary Clinton should make a sober assessment of progress in the drug fight she previously likened to Colombia at the end of the 1990s.

Calderon is clearly on the political defensive. Mexicans are bewildered by the mounting death toll of drug violence that has generated heightened insecurity and outright terror in many parts of their country. The drug violence is also harming tourism and is driving up the costs and risks of doing business in Mexico. Another major concern is the deteriorating situation in Central America, where Mexican cartels are attacking already-weak nations like Guatemala and Honduras.

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**Reform and Democracy.** Mexico's present and future relationship with the U.S. hinges on successfully meeting the challenges beyond narco-violence. More than police and judicial reform, Mexico needs structural reforms to reduce chokepoints to economic freedom and growth. These include major energy reform to modify the monopoly status of Mexico's national oil company, PEMEX, on oil exploration and drilling. This is needed to address Mexico's declining oil production. It also means labor reform that gives Mexican businesses and industries the flexibility needed to become more competitive globally. Concentration of economic power in the hands of powerful Mexican monopolies and oligopolies, such as Carlos Slim's TELMEX, should also be addressed.

The electoral season is underway in Mexico. President Calderon is entering what is often considered to be a period of legislative gridlock prior to the July 2012 elections. Political long knives are being sharpened as the once-dominant Institutional Revolutionary Party believes it has a good chance of regaining the presidency it lost in 2000 to Calderon's National Action Party.

While Secretary Clinton can only watch Mexican politics from the outside, she should seek Mexico's support to address the challenge posed by the march of so called "participatory" or "Bolivarian" democracy practiced by Venezuela's authoritarian populist Hugo Chavez. Recent moves by Chavez to constrict political pluralism and rule by decree are clear violations of the Inter-American Democratic Charter. This needs to be addressed collectively in the Organization of American States and elsewhere. Mexico should participate in shining a more intense light on the serious infringements and impositions of Chavez that are extinguishing democracy in his country.

**The Trucking Dilemma.** President Obama and Congress used the fiscal year 2009 omnibus spending bill to deliver on a campaign promise to the Teamsters union by killing a pilot program that permitted a handful of trucks from Mexico to access U.S. highways. This gift to the Teamsters, however, set in motion a head-on collision with one of America's closest trading partners. It has already inflicted significant damage on the U.S. economy in the form

of NAFTA-legal tariffs levied by Mexico on products worth about \$2.5 billion in annual sales from U.S. companies in 40 states.

President Obama has said repeatedly that he is "hopeful" of ending the dispute—most recently this month when his Transportation Secretary, Ray LaHood, announced that the Administration would request negotiations with Mexico. So far, however, the Administration just seems to be paying lip service to the idea of ending the dispute, which has dragged on now for two years.

**More Than Blitz Diplomacy Required.** Secretary Clinton needs to signal to Mexico and the American people that the Obama Administration is fully engaged and deeply committed to keeping Mexico from falling further into narco-anarchy. Necessary steps include:

- ***Building Merida 2.0.*** The Administration should continue to lay the policy groundwork for follow-on support of the Merida Initiative and make efforts that are strategically planned, speedy in implementation, and effective in curbing drug violence in Mexico. Congress must be prepared to fund effective program recommendations.
- ***Strengthening global competitiveness.*** Settling the NAFTA trucking dispute can end an acrimonious and costly trade irritant. A longer-term commitment is also needed that focuses on generating employment, creating higher efficiency and trade integration, and strengthening the competitive positions of Mexico and the U.S. in the global marketplace.
- ***Defending democracy in the Americas.*** The U.S. and Mexico need to commit to a sustained and frank discussion regarding the state of democracy in the Americas and speak openly when democratic norms are violated.
- ***Cooperation for a more secure border.*** One of the best ways to make the southern border more secure is to facilitate stronger cooperation between the U.S. and Mexican law enforcement. Support for Border Enforcement Security Task Forces—which bring together local, state, federal, and *foreign* law enforcement—will help to encourage these ties, making the border more

secure against threats and criminal activity, decreasing illegal immigration, and encouraging legitimate commerce.

**Commitment to America's Southern Neighbor.**

It is good that Secretary Clinton is visiting Mexico at the halfway mark of the Obama Administration's term in office. In all aspects, Mexico's health is critical to the U.S. However, it is not just a matter of checking a diplomatic box and moving on. The visit should signal the Obama Administration's continued commitment to securing America's southern border while moving in tandem with its threatened

neighbor to curb narco-violence and drug-related terror.

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