USAWC STRATEGY RESEARCH PROJECT

UNITED STATES STRATEGY FOR MEXICO

by

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The security and stability of Mexico is of national interest to the United States, and a strong, effective alliance between the two countries is pivotal to our national defense strategy and economic prosperity. Mexico is slowly transforming to a democratic society but has many challenges to overcome within their present governmental and societal systems before transformation is complete. The U.S. strategy toward Mexico is outdated and requires significant improvements. This Strategic Research Project will provide a brief discussion of the challenges that face Mexico in combating insurgencies, as well as governmental, economic and social reforms. It will then identify recent reform efforts by the Fox government aimed at improving the country's political and economic systems as a hedge against future instability. After reviewing these current measures, the SRP will propose a strategy for strengthening U.S. - Mexican relations, thereby protecting the southern border, fostering mutual prosperity, and promoting democracy. This strategy will provide the desired goals (ends), how to achieve these goals (ways), and the programs best suited to achieve these goals (means) for each of the four focus areas.
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UNITED STATES STRATEGY FOR MEXICO

The United States Security Strategy was forever changed by the September 11, 2001 terrorist attacks on our homeland. The threat of enemy attack on United States soil was thought to be nearly impossible with our superpower, hegemonic status. The focus of Homeland defense has taken on a new meaning; where the United States must no longer only anticipate a large scale attack, we must now focus on homeland security against smaller, indiscriminate terrorist acts. In all, this attack illustrated our nation’s vulnerability to non-state actors and the strategic importance of Mexico in our security strategy.

The nineteen terrorists that high-jacked aircraft for the September 11th attack used the conventional approach to entering the United States with a visa. However, what approach will they use the next time? According to FBI director Robert Mueller, there are indications that individuals with ties to al-Qaida have already crossed the Mexican border and entered the United States. Will the next terrorist cell enter the United States through Mexico and can we accept this risk knowing our open society will conceal this cell until executing their mission? The porous border between Mexico and the United States presents a security risk to the United States. Our security strategy must include a continual analysis of the political, social and economical condition of Mexico and identify viable options to assist in the stability of Mexico so they might control and secure their own borders against terrorism.

These conditions in Mexico have not improved during the first four years of the new governmental regime that began in July 2000. The new government led by President Vicente Fox is attempting a great political reformation, much like the period of time when another great leader, Franklin D. Roosevelt, introduced the New Deal Program that helped the American People regain faith in themselves. Mexico continues to be a split society divided by ethnicity, civil liberties and regional diversities that foster an insurgent force and drug trafficking in the Southern Mexican States. Although currently isolated in the Southern region of Mexico, social unrest will fuel insurgent movements into other regions if not addressed by the Mexican government, and this in turn will threaten the security of the United States as the terrorism sponsored by these insurgents’ spills over our collective border.

Mexico is pivotal to the economic prosperity of the United States by providing access to Latin America free trade and supporting the United States war on terrorism through border security. To foster a society that seeks economic growth, personal freedom and security should be Mexico’s goal in order to develop common national values, an essential defense measure against one of the insurgency primary enticements - poverty. A more prosperous and stable
Mexico will allow the government to focus on regional security, which will in turn enhance the protection of the United States Southwestern border.

The focus of this paper is to evaluate the governmental and society issues that are jeopardizing the stability of the Mexican government. Mexico is increasingly evolving into a more democratic state in order to shed its “third world” status. The introduction of new governmental policies has been a good start but there are many social ills that are repressing citizens and providing fuel for an insurgent movement. This insurgency movement threatens the security of the United States by creating an unstable environment that would require the Mexican Government to focus on social problems rather than border security.

In the end, Mexico must initiate governmental reformation, improve civil liberties, address land reform and foster economic growth in order to create an environment that denies the fertile, social and political ground for an insurgent movement. Historically, this movement has been tied to the Southern States of Mexico where severe social ills are insufferable, but a growing support for change is occurring throughout the nation, thus threatening to spread social unrest and instability to the states bordering the United States.

**SOUTHERN MEXICO: POVERTY THROUGH ISOLATIONISM**

Since the early 16th century, indigenous people of the America’s were driven from their land by the expansion of European settlers. In Mexico more than 12 million indigenous people live in the urban slums and poor villages in the rugged central mountains of the Southern States. Large land owners within these States continue to control the wealth and offer little economic opportunity for the citizens. Isolated from economic prosperity, these indigenous Indian villages are without the basic amenities of electricity, running water and working telephones that are present in other Mexican States.

The Southern States also have the highest adult illiteracy rate in the country with eighteen percent of men and thirty-two percent of women being unable to read or write. New government agencies created to offer social change for the Indians meet resistance from corrupt local government officials who benefit from ensuring no change to current conditions. These conditions in the Southern States if left unchecked are fertile ground for not only corruption but insurgency and revolution (a familiar word in Mexico).

President Abraham Lincoln, years before becoming the President, made the following statement in favor of the constitutional right of secession:
“Any people, anywhere, being inclined and having the power have the right to rise up and shake off the existing government and form a new one that suits them better...any portion of such people that can, may revolutionize and make their own of so much of the territory as they inhabit.”

Lincoln’s description of the conditions prior to the American Civil War could just as well been a description of the conditions in the Mexican State of Chiapas. Chiapas has the largest population of Indians in Mexico and is a volatile area awaiting an eruption in the form of a rebellion. Beginning in the early 1980’s, Indian peasants formed an armed group to protect citizens against land owner brutality. This group later evolved into an insurgent force called the Ejército Zapatista de Liberación Nacional (EZLN) or Zapatista Army of National Liberation. Although now dormant under the new government administration, the EZLN was estimated to have a following of five thousand peasants.

The EZLN grew in popularity with local peasants by promoting land reform, education and housing with running water, electricity and telephone service. They also aligned with local religious leaders promoting new ideals that elevated female social status and reduced alcohol consumption by husbands. These social ills not addressed by the Mexican Government provided a prolific environment for the growth of an insurgency. The EZLN took advantage of the situation and rallied the peasants in January 1994 to rebel against government control, working under the pretense of social and land reformation. Although quickly repressed by an overwhelming Mexican military, the EZLN insurgent forces were successful in becoming a martyr for the poor people of Mexico as they received much coverage by national and world wide media.

Popular support for EZLN increased over the next seven years as the Government continually resorted to strong arm tactics to suppress the insurgents rather than social reform for the Indians. EZLN and Mexican writers continue to publicize the plight of the indigenous people, and through their efforts this regional problem became a central campaign issue used by President Fox to discredit and defeat the incumbent political party. On 2 July 2000 President Fox became Mexico’s first president in seventy-one years that did not belong to the Institutional Revolutionary Party.

Although primarily located in the Southern states of Mexico, the EZLN insurgency brought instability to the entire country through their governmental attacks. The same insurgency remains quiescent awaiting governmental and social change promised by President Fox. If conditions are not improved, the insurgency will renew its attacks and have an even stronger reason to overthrow the Mexican Government. This dormant insurgency is slowly gaining
momentum against the government as evident by the instances of individual opposition to governmental programs and increases in organized crime.

This ominous problem is severely affecting the stability of the Mexican Government, and is a potential security concern for the United States. A wide-spread insurgency will result in the weakening of an already dismal Mexican border security force, and will present a violent threat to our border communities. For example, in 2004 the United States Border Patrol reported 118 assaults on agents including being attacked with automatic weapons, block-sized rocks, and vehicles that rammed enforcement vehicles. The estimate for 2005 is already on the rise, with 212 assaults on border agents by Mexican drug and alien smugglers.9 The promise of a better life in the United States is a painful temptation for a poverty stricken nation, and increasingly its Mexican populace, both law-abiding and criminal, are looking North of the border for their personal well-being.

Mexico is not unlike other developing nations who have a largely impoverished population that has little hope of improving its own conditions. In a country where 23% of the population lives in extreme poverty and one out of three children suffering from malnutrition, such social ills are felt in all regions of Mexico.10 The indigenous Mexican people view their government as biased towards the Northern States, but this attitude is slowing changing with the increase of government programs within their region. Non-indigenous citizens are also demonstrating increased involvement with the government through the development of community organizations that identify social problems to governmental agencies. For example in Mexico City, the "Mazahua House Group" has been formed by indigenous women who are pursuing solutions with the government for improving education and housing within their communities.11

Mexico’s poverty is not limited to the Southern States, as evidenced by the massive number of Northern State citizens who illegally cross into United States in search of jobs. Such a large flow of illegal Mexican immigrants not only threatens United States security but their own safety as evidenced when 151 of them died attempting to cross the Arizona desert last year.12 The United States acknowledged this security risk, but even with new technology and approximately 9,150 border patrol agents working the US-Mexico border, the United States is unable to close the door on illegal immigration. With the estimated 600,000 undetected illegal border crossing last year the security of the United States is being steadily compromised.13

To stem this tide of cross-border illegals, reducing poverty, malnutrition, insecurity and the increasing gap between the rich and poor are the critical social issues that must be addressed by the Mexican Government. However, correcting Mexico’s societal problems will require serious sustained governmental reform to include major changes in federal and state law.
enforcement, improving civil liberties, implementing land reform and fostering economic growth for more than the social elite.

In the area of political reform, Mexico is faced with an enormous challenge to change an authoritarian style of government that was in power for the past seventy-one years. This power was based on centralized governmental control at the federal and state level where local communities were without governance and subject to single dictatorship control. The dictatorial style of government fostered corruption and torture by Mexican law-enforcement officials and members of the Army as a means to enforce their policies and repress the citizens as torture and death are the ultimate civil liberty violation. Mexican citizens also have endured a government controlled media, non-governmental representation, and the exclusion of females and indigenous people from basic education. Historically, the government has controlled the opposition through payoffs to leaders of organizations such as trade unions, youth movements and other peasant movements, but recently it reverted to strong arm tactics when this option failed. In one example, a former secretary of the Peasant Environmentalist Organization of Petatlan and Couyuca de Catalan (OCESP) was arrested on trumped up charges of murder for opposing the renewing of timbering operations in the Petatlan forest due to lack of an environmental impact statement. The Mexican Police have reportedly issued warrants for another thirteen individuals associated with OCESP for the same murder charge. Amnesty International indicated that the charges appear to be linked to political motivation; the arrests coincide with an upcoming gubernatorial election where the opposing candidate is threatening to expose corrupt business dealings.4

Another mechanism for controlling the society has been reserving land ownership for the elite rich. Families in the United States moved west of the Mississippi River in the 1800’s, enduring the harshest elements to claim a plot of land, because land ownership offers stability and a sense of belonging to a community. Mexican citizens have not had the same opportunity as land ownership is limited to small parcels on a government communal farm. Mexican Constitutional changes in land ownership that ignited a rebellion in 1996 and another uprising two years later is still a festering problem today.15

Mexico’s problems with government corruption, civil liberty abuses, land ownership, and extreme poverty have created an environment that is ripe for an insurgent movement. The strategic implications for Mexico are important: An insurrection would affect their economy, international esteem, and the security of their nation. Such events would also impact the United States severely by affecting our economic linkage with Mexico, jeopardizing the first line of
defense against Mexican drug trafficking, and jeopardizing the security of the United States’ region.

In recent years, Mexico elected a new president and political party committed to reform, but the government remains corrupt with only minor improvements occurring in land reform and civil liberties. In 2000, President Fox outlined his vision of reducing the income gap between the rich and poor and improving the rampant corruption and violence. Five years later, he has even less control of his parliamentary government which adversely impact his ability to make significant improvements in governmental reform, civil liberties and land reform.¹⁶

GOVERNMENTAL REFORM

In 1946 George C. Marshall, Secretary of State and former Army Chief of Staff, spoke at Harvard’s commencement on the Marshall Plan, noting the essential nature of reform in building self-sustaining democracies:

“Our policy is directed not against any country or doctrine, but against hunger, poverty, desperation and chaos. Its purpose should be the revival of a working economy in the world so as to permit the emergence of political and social conditions in which free institutions can exist.”¹⁷

The 1947 Marshall Plan that rebuilt Europe is exactly what Mexico requires, however, it is unlikely that Mexico can create such a dramatic change with a government that specializes in the spread of poverty. President Fox’s biggest challenge is to change the traditional and conservative society that exists within the Mexican government. However, it is President Fox’s vision to transform these antiquated institutions as a method toward a truly democratic society by means of governmental and social reform in order to facilitate economic prosperity.

Mexico currently has a corrupt government that promotes citizen mistreatment. Senior governmental officials support such corruption by either accepting bribes or by turning a blind eye for fear of losing their livelihood. Law enforcement agencies and the military routinely use heavy handed techniques when dealing with violators. President Fox’s challenge is to eliminate this imbedded corruption and to professionalize the law enforcement agencies and the military. Failure to do so will create more problems for his government by inciting more citizens to join an emerging insurgent movement. Such conditions might also provide a fertile ground for terrorist organizations to grow and operate from areas just across the United States border.

To accomplish his vision of governmental reform, President Fox must have support from his leaders within the government. His previous governmental experience as Congressman and
Governor has made him aware of the authoritarian leaders that will resist his reforms. He is also aware that any change will be difficult since he is the first president in Mexico’s history to not have a party majority in Senate and Congress. Facing these obstacles, President Fox’s plan is to systematically replace key government leaders within his chain of command with individuals who support his vision for a better Mexico.

President Fox has faced a nearly insurmountable challenge of reforming key governmental leaders. He has four options to accomplish this: educate, co-opt, fire or jail them. In severe cases, he elected to jail extremely corrupt individuals, but in most others he elected to educate and co-opt the remaining leaders. President Fox found that the plan of replacing these obstructionist leaders from the previous political party regime was not feasible at the present because eliminating these key sources of social control would have caused significant unemployment and a possible government shut-down while training replacement leaders.

President Fox governmental change also included the decentralization of the federal and state government to promote local community government. To accomplish this, he intended to remove heavy-handed federal soldiers from local enforcement activities and to initiate amendments to the Mexican Constitution in order allow for greater local community government. However, he has been unsuccessful in these widespread changes due to the unforeseen high level of corruption and a government system that is unwilling to act quickly. He found that he could not remove the military from law enforcement duties due to wide spread corruption within the state and local law enforcement agencies. Therefore, he is replacing law enforcement leadership as an initial step in professionalizing the agencies before removing the military from local law enforcement duties. For example, in a move to facilitate transformation, President Fox assigned an army brigadier general as the nation’s senior law enforcement officer for the first time in Mexico’s history.

Mexico’s Constitution is another obstacle to change as it was modified to institutionalize and reinforce the measures of the previous authoritarian regime. Legislators and judges aligned with the previous political party used the constitution as a barrier to change. President Fox is enacting new legislation to reform Mexican justice through Constitutional amendments that adopt public trials and Miranda-like rights procedures. However, he is not predicting any changes to occur during his presidency citing examples of previous delays by the opposing ruling party in Congress who have stalled earlier labor, tax and energy initiatives as a means to diminish the success of the PAN party prior to the 2006 presidential elections.

Lastly, governmental reform must include enacting measures that structure professional federal and state law enforcement organizations and the federal military. These measures are
critical for President Fox to curb the insurgent appeal through the creation of a more stable
government while facilitating the economic growth of Mexico. President Fox’s work in
professionalizing the State and local enforcement agencies has included a series of
conferences and workshops hosted by government agencies to develop new policing guidelines
for Mexico. He is also looking to replicate many aspects of the United States state law
enforcement programs by reviewing doctrine, accepting donations of equipment, and training of
police officers, prosecutors and investigators in United States schools.

A third success has been the enactment of provisions to limit the intrusiveness of the law enforcement agencies with
the signing of the Freedom of Information Act in June 2002. Last, he is dismantling or
completely restructuring five federal police programs that were found to be corrupt and
ineffective.

Even with these reforms, there is still widespread corruption throughout the law
enforcement agencies because the court system routinely covers up heinous crimes committed
by law enforcement and military personnel. In 2001, the Fox administration attempted to attack
this corrupt legal system by establishing a special prosecutor’s office to investigate and
prosecute past crimes involving the disappearance of hundreds of governmental opponents and
the massacre of students in late 1960’s and early 1970’s. As a result of the investigation,
several senior level officials were prosecuted, but many more escaped prosecution due to
insufficient cooperation from the Army. In another move to remove corruption in the legal
system, President Fox proposed Constitution reforms to eliminate current procedures that
protect police officers who torture suspects. Once again, President Fox is awaiting the review
and vote by Congress who has had the proposal since March 2004. If passed by the
Parliament, the reforms will take years before the system is purged of abuse and corruption,
and continual risk to the stability of the government.

Substantial reform is also required within the military forces. The Mexican military began a
transition to becoming a credible force in the mid-1990’s as it fought both an insurgent force in
addition to policing the borders for drug trafficking. The United States assisted Mexico in this
transformation by providing classes and conducting joint training exercises over a two year
period. Although a formidable fighting force, the Mexican Army is far from being a
professional state-servant that avoids criminal acts of violence conducted against Mexican
citizens. President Fox has achieved successes in eliminating corruption within the military,
such as the removal of two Army Generals that were tied to the drug cartel and the reduction of
military involvement in law enforcement. In both cases the changes represented a major step
in gaining citizen support of the military. Unfortunately, the continued problems with criminal prosecution of military soldiers who violate the law overshadow these successes. In all, the Mexican government is not requiring the military to adhere to laws and regulations prohibiting human abuse. For example, there is no provision under the Mexican Code of Military Justice for prosecuting military offenders for rape. Additionally, there have been several violations off of military posts where the Mexican courts have referred criminal cases back to the military justice system where the military has taken no action against the accused soldier. In 2001, President Fox proposed Constitutional changes that would allow civilian courts to try soldiers for crimes committed off military bases, but these changes were rejected by legislators. It is interesting to note that the number of missing citizens each year has risen to 140 since 1996, and there have been nine rapes reported by soldiers.

To reach his vision of a better Mexico, President Fox must continue eliminating unsupportive leaders and institutionalize democratic ideals through changes to the Mexican Constitution. Additionally, he must continue to professionalize the military and law enforcement services who are the government’s representatives in the communities. A workable option would be to reshape Mexican law enforcement agencies after those in the United States using methods that succeeded in cities and rural areas elsewhere. Using this model would also increase the willingness of United State and Mexican officials to work jointly on common law enforcement issues along the Southern border.

As President Fox forwards his new policies, increased interaction between United States and Mexico military forces will be critical to future successful relations. Increased military to military interaction is key to increasing professionalism within the Mexican military. Previously, Mexico was skeptical of the motives behind the United States interest in developing closer ties but with the increased interaction on the global economy, Mexico may be less wary and ready for more interaction. Key programs could be increasing joint military to military counter drug and counter-border operations with Mexico. In all, Mexico would benefit by eliminating drug cartels, and the United States would benefit by enhancing our border security through increased regional stability.

CIVIL LIBERTIES

In 1781, Benjamin Franklin emphasized the need for social equality to unite the interests of all individuals in the development of a strong nation. “To get the bad customs of a country changed and new ones, though better, introduced, it is necessary first to remove the prejudices of the people, enlighten their ignorance, and convince them that their interests will be promoted
by the proposed changes; and this is not the work of a day.” Mexico is still awakening to this need. President Fox envisions a nation where individuals are treated with decency and respect. President Fox’s vision for key civil liberty reforms include involving the United Nations Human Rights Council and other international human rights organizations to advise and assist in civil liberties improvement planning. Additionally, he is seeking changes in Mexico’s Constitution to eliminate governmental practices that violate civil liberties, as well as a budget to implement these needed changes.

President Fox is attempting to improve civil liberties throughout Mexico through humanitarian assistance and legislative change. In December 2004, he verified the United Nations assessment and enacted their proposed plan for improving civil liberties that established a timeline for improvements. In 2004, President Fox also submitted thirty-seven human rights bills for Senate ratification which if passed will reform the Mexican Constitution to include more individual civil liberties. Last, he signed agreements with his State Governors to prevent violence against detainees and eliminate human torture. Unfortunately, his proposed legislative changes have not been approved by the Mexican Congress.

Although President Fox succeeded in his initial shake-up of the government that offered citizens a taste of democracy with increased civil liberties, overall he has not reached his ultimate goal of total government reform and societal change. The lack of jobs and adequate wages has created and economic imbalance with wealth to repress impoverished individuals in order to maintain their wealth and social status. Currently, reforms are in a “holding pattern” until the next president is elected, but the United States should continue to encourage non-governmental and world relief organizations to educate the lower-class citizens for future employment in higher paying jobs. This training would also set the stage for success in a third major area; rural reform.

RURAL REFORM

“Poor Mexico, So Far From God, and So Near to The United States”

—Mexican Dictator Porfirio Diaz (1849)

Porfirio Diaz’s comments were made shortly after the Mexican-American War, noting that the United States would not be calmed by a single conquest. President Fox faces similar challenges in dealing with the United States as a powerful global partner while simultaneously attempting to create a robust, self-sufficient economy. To reach his goal of building a strong
international economy, he must first create a stable, equitable economy within Mexico. This vision includes communities that promote individual and corporate ownership of land to support the production of agricultural products.\(^4\)

However, President Fox is faced with two major problems: Private ownership of land and the need to transform from an agricultural to an industry based society. In his economic vision, Fox sees success in developing small businesses that provide the revenue necessary for a thriving community based on private ownership of land. He faces many challenges, not the least of which is that owners do not have the capital to improve or survive. Fox has addressed this problem through a series of measures to reform to the banking industry and to allow for increased number of household and small business loans.\(^4\) In 2004, President Fox initiated a nationwide banking change by initiating a “microcredit” program for small/family businesses.\(^1\)

The program is in its beginning stages, and there are isolated incidents of success in the rural communities. However, the program has not remedied the widespread poverty as President Fox had desired. Poverty stricken areas of Mexico are increasing because there is no feasible solution of transforming the majority of large land-owner held, non-producing agricultural lands into prosperous productive areas.

Former Mexican President Carlos Salinas de Gortiari predicted that the North America Free Trade Agreement (NAFTA) and cheaper agricultural products from the United States would force Mexican peasants to close their small farms and move to the cities for employment.\(^4\) In all, this would create a cheap labor pool for industrial expansion and entice foreign investors. Former President Gortiari was correct about NAFTA ruining the farming business in Mexico, but instead of the moving to the big cities unemployed Mexican peasants are migrating to the United States. To date, President Fox has not addressed this issue, but he must negotiate NAFTA changes to remove or offset the subsidizing of United States farmers so to create an equitable market for Mexican farmers.\(^4\)

President Fox is also offering financial incentives for business investment in the Southern Mexican States, but is finding that the cost of doing business there is so great that large corporations are focusing instead on growth in the Northern States.\(^4\) This inability to achieve a stable economy in the Southern States is increasingly risk to both Mexico and the United States. President Fox admits that without a stable industry in the Southern States, the majority of unemployed farming peasants will move to the Northern border and create potential trouble for both Mexico and the United States.\(^4\) To remedy this problem, President Fox is concentrating on grass-roots development of the Southern States like education, civil liberties and land reform, but without a source of income for the peasants, he recognizes that his initiatives will fail. To
succeed, the new Mexican administration must establish programs like President Roosevelt did under the New Deal, initiating programs for unemployed workers to build roads, utilities and housing in the Southern States. These programs will provide the essential local infrastructure for expanding new industry in the Southern States region and providing future jobs for the unemployed peasants.

The consequences of not developing jobs in the Southern States will be severe, laying the ground for another insurgency that endangers the successes already achieved under President Fox’s governmental reforms. Such an insurgency would also threaten the future of the Mexican Government, and would pose a threat to the security of the United States. Mexico must embrace the creation of equality in individual economic opportunity in order to protect itself from potential insurgent movements.

**ECONOMIC GROWTH**

Of all the initiatives attempted by the Mexican Government in the past twenty years, economic growth has been the most successful. Encouraged by the adoption of the NAFTA between the United States, Mexico, and Canada, Mexico’s economic prosperity has grown dramatically in recent years. As an outgrowth of this, President Fox’s vision for economic success is a nation that has a standard of living closer to that of the United States and Canada. His strategic plan includes removing all economic barriers with the United States moving toward an arrangement that of the European Union. Additionally, his vision includes developing an economy where Mexican citizens can leave the United States for work and return routinely to Mexico.

Mexico is continuing their economic expansion by steadily increasing their sales on global markets while boosting foreign direct investment within Mexico. Although Mexico is experiencing an increase in foreign corporation development, most all new industry is limited to the Northern States. President Fox expects to reach his goal of citizens remaining in Mexico by creating jobs throughout the country. This includes the development of a strong business sector in the Southern States and capitalizing on the economic success of NAFTA. To build the Southern States business district, President Fox will use financial incentives to encourage foreign investors to create business that process the natural resources. He has developed an ambitious plan entitled “Plan-Puebla-Panama” that outlines the development of natural resources (water, electricity and petroleum) and the creation of another Panama Canal at the Isthmus of Tehuantepec.
President Fox’s plan, although very aggressive and potentially profitable, is not being acted upon due to unresolved differences with the eight NAFTA countries that are affected by the plan. Additionally, foreign investors have not taken an interest in the Southern States, observing that the existing poor infrastructure makes an investment in the region very costly. Based on a report developed by the World Bank, conditions in the Southern States, if not improved, will prevent Mexico from reaching their 2015 goal of reducing poverty by one half.

NAFTA is the single most important economic factor that will affect the long term prosperity of the Mexico. Although very successful in generating revenue for Mexico, the corporations that support NAFTA are located only in the Northern and Central regions of Mexico. As noted earlier, NAFTA is also hurting the Mexican agriculture business by undercutting small Mexican farm sales with cheaper American products. Mexico is in a dilemma of experiencing large influxes revenues from NAFTA while widespread unemployment due to an underdeveloped former agricultural areas.

President Fox’s economic plan has been extremely successful in generating revenue through NAFTA and economic alliances with Far East and European countries. His plan for economic development in the troubled Southern States of Mexico has been less than successful with poverty increasing and no jobs to offer relief. The United States relationship with Mexico is critical to our national interests; therefore, it is in our best interests to help build Mexico’s economy through business relationships that are mutually beneficial to both countries. United States businesses must implement a unique approach when establishing new businesses in Mexico, with corporations willing to accept less profit by investing in formerly impoverished regions and providing the labor force with equitable wages and benefits.

Previous United States corporate ventures by Texaco in developing countries have not built such trust by reaping large profits and providing little value to the society. These instances left citizens distrustful of their national government for allowing such abuses to happen and reflected poorly on relations with the United States. President Fox must prevent this by enacting measures that protect worker wages and benefits while allowing the foreign United States investors to benefit through lower taxes, less environmental restrictions, and more moderate labor unions. Another measure might be to deny subsidies for American farmer products that are sold to Mexico that would allow the Mexican farmer to compete on a more equitable basis. The boost in agricultural sales would create more jobs in Mexico and offer a partial relief to the massive unemployment problem.
CONCLUSIONS

The presidential election of Vicente Fox in July 2000 completed the transition of Mexico to a progressive, democratic government. The key question is how supportive are Mexico's institutions of democracy. President Fox is in the process of transforming an authoritarian governmental regime that had become entrenched in Mexican society over the past seventy-one years. His strategic vision of creating a country that is more integrated into North America through selective economic growth, social development free of prejudice, and the establishment of order and respect. So truly a noble venture, his objectives are commendable, yet cannot be accomplished in the single six year term which he is limited to by Mexico's constitution. His accomplishments in human rights initiatives, law enforcement and military reforms, and economic developments are commendable. Although only scratching the surface of change required in each of these areas, President Fox penetrated the once thought of impregnable governmental shield of the ruling elite.

What is required to make his vision a reality? First and foremost, the Mexican political will to stay the course and not give up on democracy. Next, Mexico must develop a very detailed plan on what steps are required to complete the transition they hope to accomplish. For this national plan to work, Mexico must unite behind the effort at the highest levels of government even if means the political parties conceding their own agenda in support of the national plan. Finally, Mexico requires a substantial amount of assistance from non-governmental organizations and democratic countries to assist in the institutional changes.

To this end, Mexico's recent democratic state developments are promising for a closer relationship with the United States, but we must foster a trusting, patient and sensitive approach with Mexico. We must recognize that Mexico's problems are our problems now and that it is critical we approach Mexico with the premise of respecting their sovereignty and building mutual trust. Mexico is a proud nation and we cannot use the initial approach to change via one of our combatant commands. The initial approach will require the executive department of our government to outline our intentions. This will also convey the message that Mexico is pivotal in our economic success, critical to controlling drug trafficking and essential in our global war on terrorism.

Mexico is a national interest to the United States and having an economically stronger and more democratic nation is good for the United States. Creating an enduring alliance with Mexico is essential for the United States to achieve our National Security Strategies; therefore, we must engage all elements of our national power to support Mexico's development of a democratic government. A successful transition will bring stability to Mexico's government and
eliminate a potentially volatile insurgent movement that is feeding off of social unrest within Mexico. "Defending our Nation against its enemies is the first and fundamental commitment of the Federal Government" and is President Bush's top task in the National Security Strategy; can we afford to ignore the security of our Southwestern Border?


8 Wikipedia Encyclopedia.


In the early 1900's the estates owned by the elite rich were divided into communal farms where peasants were given small parcels. The parcels were on government records but no land titles were issued and peasants were not allowed to sell their property per the Mexican Constitution. In 1994 the overused land was non-productive and the Mexican Government recognizing this changed their Constitution and issued land titles to the peasants. The Government intention was to help the peasants financially but allowing them to sell their land but the peasants viewed the move as a government attempt to reacquire the land.

President Fox is a member of The National Action Party (PAN) that replaced the Institutional Revolutionary Party (PRI) who was in power for seventy-one years.

26 Turbiville.


28 Campbell.

29 Ibid.


34 Human Rights Watch.

35 Hayward.

36 Turbiville.


39 Ibid.

40 Althaus.

41 Alan W. Lloyd, “Mexican Economic Report,” December 2000; available from <http://www.mexconnect.com/MEX/lloyds/llydeco1200.html>; Internet; accessed 20 February 2005. This program, which was first developed in India in the 1970’s, was successful in Santa Fe when President Fox was the Governor of that State.

42 Ibid.

Emile Schepers, “Land to the Tiller! Mexico and Land Reform,” 11 September 2003; available from <http://www.pww.org/article/articleprint/4053/>; Internet; accessed 20 February 2005. Estimates indicate that six million Mexican peasants have left their farms since the beginning of NAFTA. The problem culminated when the Mexican Government stopped the support of the Mexican farmers and the United States continued to subsidize its corn production.


Gustavo Castro Soto, “Plan Puebla-Panama: Part I,” 21 March 2001; available from <http://www.globalexchange.org/countries/mexico/ppp/ciepac03O7Ol.html>; Internet; accessed 21 February 2005. The Plan Puebla-Panama featured the construction of a road network from the United States to Central America, the development of 25 hydroelectric dams, new sea ports, roadways, airports and the creation of wildlife refuges. The plan impacted sixty-four million citizens from eight countries who live in the region and the plan is in not being acted upon due to irreconcilable problems that allege the plan will not benefit the people of the region.

Ibid.

Ibid. Development Strategy is a plan prepared by the World bank for President Fox that included analysis by the State representatives from Chiapas, Guerrero and Oaxaca (3 Southern States). The plan reviewed possible options to reduce poverty and identified twenty issues that if not resolved, will prevent Mexico from achieving their goal of reducing poverty by half by 2015.


BIBLIOGRAPHY


