



SMALL WARS JOURNAL

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The Seven Deadly Questions How to Think about Mexico and Beyond

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Quick Quiz

By the beginning of the new counterinsurgency strategy and arguably a turning point of the War in Iraq (late 2006 - early 2007), which country after the United States and Great Britain had the next largest combat-related loss of citizens in Operation Iraqi Freedom?

The answer is - Mexico¹.

Blood is indeed thicker than water, or at least thicker than the Rio Grande. If ever proof were required of how our two peoples have become intertwined in ways we can hardly begin to imagine, one could hardly do better than to point to the fact that Mexico, or rather, *the people of Mexico*, were in effect an *invisible member of the Coalition*.

A Country Taken for Granted

Since the Spanish-American War, the grand strategy of the United States has been to rely on stability in the Western Hemisphere in order to pursue its interests in Europe and Asia. If Mexico is not already our most vital strategic relationship, it will become so over the next generation: as a trade partner, as a source of demographic and cultural renewal, and as a pillar of our strategic worldview so taken-for-granted that it is difficult to imagine how things could be otherwise.

This is why Mexico's 2006 presidential elections was a harbinger of just how awful and how close an alternative future for Mexico could be. The leftist PRD candidate Manuel Lopez Obrador lost by a mere 0.5% to President Felipe Calderón of the center-right PAN. Lopez Obrador's post-election antics - declaring himself the legitimate president and blatantly trying to make the country ungovernable - confirmed many of the two thirds of Mexicans who did *not* vote for him in the belief that had he been elected, he would have governed in style of disastrous, illiberal populism championed by Venezuela's Hugo Chavez.

Our worst hemispheric nightmare would be a country with desperation of Haiti, the hostility of Cuba, the cash of Venezuela, the capabilities of Brazil, and the proximity of Mexico... and that country could be Mexico. Such a sea change would not happen overnight, but we should be concerned that over the last decade Mexico's political culture and governing institutions have

often seemed ossified and sclerotic, too paralyzed even to identify the country's long-term challenges let alone build a consensus to address them.

How we think about Mexico in the United States is important, because so many of Mexico's challenges affect both countries and are best dealt with through cooperation. It has been a welcome change in the first 100 days of the Obama Administration to see the media pay attention to Mexico and Latin America - at least in the current news cycle, driven by the President's three meetings so far with his Mexican counterpart and the 5th Summit of the Americas.

No U.S. Administration can afford to "ignore" Mexico or does; it is really our media (and think tanks) that ignore the region. The danger with such spotty attention is that it tends to fixate upon the latest spectacular crisis, at the expense of all else. If the net result of the current round of attention is a linear, monochromatic understanding of Mexico and the broader region, our media will have done us a grave historic disservice - on a par with their failure to expose the inner rot of the USSR and its satellites, or to understand the long rise of radical Islamic prior to 9/11.

Mexico is not just a border: it is a country, an empire, a nation of nations, with breadth and depth and a southern border of its own. We must not let our relationship with Mexico get mired in a reductionist narrative about drugs, as it got mired in reductionist narratives about terrorism and illegal immigration after 9/11.

Recent policy discussions about Mexico have been colored by a long-range study from the U.S. Joint Forces Command (coupled with a disturbing report by former Drug Czar Gen. Barry McCaffrey) which raised the question of whether *Mexico might become a "failed state"* within the next decade. For the issue to be framed in those terms, especially coming from the Defense Department, triggered much angst in Mexico. Indeed, the Joint Forces Command study was duly followed by disavowals from the White House that the United States saw any possibility of Mexico ever becoming a failed state.

Such warnings are not to be taken lightly, although the odds are that Mexico *will not* become a "failed state" on account of drugs or narcoterrorists. Destroying the drug cartels must be an urgent priority, and there is much the U.S. can do to help, not least because we are a huge part of the problem. But the selection of our strategic ends is of critical importance in applying the means. If the U.S. objective is to help a friendly democracy eliminate *the threat that druglords and narcoterrorists pose to the state*, we have a broad array of successful experience to draw on. If on the other hand, our goal is to "*stop the flow of drugs*", we might as well wave the white flag now. No one has ever learned how to do that, even into our maximum security prisons---the latest sorry example being last week's massive contraband scandal in the Maryland prison system. As it happens, our own judicial system is already so thinly stretched that if U.S. law enforcement agents along the border capture a trafficker with less than a 500-lb. bale of marijuana, they are hard-pressed to find a U.S. prosecutor who thinks it worth the effort to take on the caseⁱⁱ.

In a country with such intractable geography, with an unreliable police force, and as many as 500,000 people involved in the drug trade, an ill-equipped army of 200,000 is simply not

enough. The Calderon Administration's strategy, echoing that of Colombia under President Uribe, is to expand and upgrade the security forces while dismembering the 4 or 5 largest cartels into 50 or so weak and isolated units. The Merida Initiative, the U.S. counterdrug assistance program, will go far toward making the security forces more effective. Mexico has a tough fight ahead. It may well take a decade to resolve, but there is no lack of brave and honorable Mexicans up for the job.

The spectacle of the cartels and their grisly internecine violence should not distract us from broader structural challenges to state and society in Mexico - especially since virtually all these challenges conceal tremendous opportunities, attainable through enhanced cooperation between our countries. The cartels are more a symptom than a cause; they are strong, in no small measure because the state is weak or ineffective, and Mexico's fractured civil society is unable to compensate for that weakness. We must look beyond the short-term crises, including the current economic crisis, to deep-rooted trends working against the integrity and cohesiveness of the Mexican state. In light of some of these trends, it is appropriate to ask whether Mexico in the next generation could become a dysfunctional state even if there were no drug problem at all.

The big issues on which Mexico needs to make big progress are roughly captured by the questions below. Some of these questions beg for the transformative application of new technologies and the entrepreneurial spirit, while others, such as the dramatically shifting demographic patterns, call for an urgent reassessment of U.S. immigration requirements and policy. Not all these issues will have an impact on the entire nation at any given time, but collectively and cumulatively they will have decisive impact on the future of Mexico as a nation: on whether it can assure a decent and rising standard of living to its people, maintain a coherent political system, preserve the integrity of the state, and assert effective sovereignty throughout its entire national territory.

1. **Water:** *What will Mexico do when it runs out of water?* North and central Mexico are already hard-pressed by the demands of fast-growing urban megalopolises and of industry. Furthermore, global climate change is expected to make this region considerably more arid than it is todayⁱⁱⁱ. Water shortages already cause for squabbling with the United States (over treaty rights to the intensively-used Colorado River, for example). Over time, they may become a source of tension within Mexico itself as the water-rich and hydropower-producing states of the south become more assertive with their resources.
2. **Oil:** *What will Mexico do when it runs out of oil?* Despite two decades of wrenching structural change by Mexico's government, oil revenues still account for 40% of the federal budget. Quite apart from the political system's inability to crack open the Pemex monopoly to foreign investment. Mexico's proven oil fields (including the Cantarell field, until recently the second most productive in the world) are in "terminal decline," with yields dropping by up to 14% annually. Mexico currently exports about 50% of its oil, but the U.S. Energy Information Administration projects it will become a net oil importer as early as 2017, an extraordinary reversal for the second largest supplier of oil to the United States^{iv}.
3. **Competitiveness:** *Does Mexico have a viable strategy to remain competitive in global markets, particularly vis-à-vis China, India, Brazil, and other large emerging markets?*

There is no clear answer to what such a strategy would entail, especially as U.S. sectors that were the basis of Mexico's NAFTA boom, such as apparel and the automotive industry, shift elsewhere or fade.

4. **Regionalism:** *How will Mexico manage the widening gap between its impoverished, youthful, and heavily-indigenous southern states and the rest of the country?* This a perennial theme in Mexican history, the stuff of revolutions, driven by demographics and the country's shattered geography. The population dynamics of Mexico's center and north are quite different from those of southern states such as Oaxaca and Chiapas. These areas, and the neighboring republics of Guatemala, Honduras, and El Salvador are the demographic "hot spots" of the American continent, with large cohorts (sometimes exceeding 50% of the population) under the age of 15. The demographic patterns of this vast sub-region, which has been nicknamed "*Mayastán*", is typically associated with conflict and instability, and similar to what one finds in places such as Afghanistan, Pakistan, and Somalia^v.
5. **Indigenous issues:** *has Mexico really found the formula to satisfy the dignity and aspirations of its indigenous peoples?* Mexicans can be legitimately proud of their progress in this area. Yet, despite conspicuous advances in the national standard of living, the poverty rates and marginalization of indigenous communities remain at unacceptable levels, and provide fertile ground for populist-revanchist indigenous leaders in the style of Evo Morales of Bolivia.
6. **Old people:** *How will Mexico support its rapidly aging population?* Mexico's dramatic declines in fertility are among the steepest in the world, and the steepest among the major Latin nations. Inconceivable as it may seem today, the work force is projected to start *shrinking* after 2030. There will be enormous social and fiscal ramifications as each Mexican worker has to support an increasing number of dependents, and as Mexico's traditional extended family structure becomes leaner. The Worker/Dependent ratio will continue to rise until around 2025 (more Workers for each Dependent) but after that the aging population will cause this to shift rapidly into reverse (more Dependents for each Worker). Mexico has only about 10 years to come up with a viable strategy for how to pay for its senior citizens---a blink of an eye as we know from our own debates on Social Security reform.
7. **Young people:** *If "exporting" Mexico's unemployed and underemployed young people to the United States is no longer an option, where will they go and what will they do?* Not in contradiction with what was set forth in the previous point, for the next 10 to 15 years Mexico will still have a bulging young population. The traditional method of dealing with them, which led to an extraordinary 15% of Mexico's population to reach the United States, is increasingly unviable; but the social and political impact, within Mexico, of more effective enforcement of U.S. immigration law is unpredictable and may boomerang in the form of social and political instability.

These questions will define Mexico's agenda in the 21st century. Like it or not, ready or not, that agenda will in no small measure also be ours. The connection between Mexico and the changing face of America is inescapable. The United States is now the second largest Spanish-speaking country in the world, after Mexico (and just ahead of Colombia), and a Spanish-language cultural

powerhouse in its own right. The U.S. Census Bureau reports that Hispanics accounted for half the births of U.S. citizens between 2001-2007, with a majority of those being of Mexican origin or ancestry. The list goes on and on. History will look on Barack Obama not just as our first *Black* president, but as our first *Brown* president---the first to bridge the divide from the Black/White racial politics of our past to the post-racial, multi-ethnic politics of a true nation of immigrants in which 1 out of 5 has a foreign-born parent. The irony of this transcendent moment for African-Americans is that Barack Obama's meteoric rise to power coincided precisely with the moment when Hispanics overtook them as the nation's largest minority. Hispanics are projected to make up to 20% of the U.S. electorate by 2020.

By comparison with places like Europe, Russia, China, and India, we should count ourselves lucky to have as *simpatico* a neighbor as Mexico. But that luck may not last for ever, and should never be taken for granted. The challenge for U.S. policy-makers is to seize the opportunities lurking amid the challenges, to look beyond the short-term linear fact of the border and to think in depth of the vast region encompassing Mexico, Central America, and Colombia as a single strategic system of 200,000,000 people, linked to us by history, geography, trade, cultural and religious roots, and, increasingly, blood kinship. At this moment in time, in part due to the accidents of history but also due to epic tenacity and sacrifice in recent generations, the people of this area have a greater sympathy with the United States than at any moment in their history. This is not a moment to be squandered. To return to the opening theme of this paper, that would be poor service to the memory of Lance Corporal José Gutiérrez, a homeless orphan from Guatemala who came to us by train, bus, and foot and found his home in the U.S. Marine Corps, and who was if not the first, the second U.S. casualty of the Iraq War. He was granted U.S. citizenship, posthumously, on April 2, 2003^{vi}.

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ⁱ Department of Defense. Unpublished report, 2006. This does not refer to Mexican-Americans (U.S. citizens of Mexican origin or ancestry) but rather to the thousands of citizens of Mexico who are lawful U.S. residents serving in our armed forces.

ⁱⁱ The result, predictably, has been a surge in 499 lb. shipments...someone must be enjoying the ride. Personal interviews with various U.S. Border Patrol, Drug Enforcement Agency, and local law enforcement officers, El Paso, Texas, January 2009.

ⁱⁱⁱ See reports of the United Nations Intergovernmental Panel on Climate Change. For a range of climate and security-related scenarios in North America see Peter Schwartz and Doug Randall, *An Abrupt Climate Change Scenario and Its Implications for United States National Security*, 2003.

^{iv} Clemente, Jude. Peak oil and Mexico: *The Socioeconomic impacts of Cantarell's Decline*. Published on *Energy Bulletin*, 08/27/2008. www.energybulletin.com.

^v Adele Hayutin et al., Fremont Group. *Western Hemisphere Demographics*, 2005. ahayutin@fremontgroup.com. See also: Central Intelligence Agency, *Long-Term Demographic Trends: Reshaping the Geopolitical Landscape*, 2001. (Unclassified).

^{vi} The first two casualties of the war, on March 21, 2003, were USMC 1LT Shane Childers and USMC LCPL José Gutiérrez. The Department of Defense has never been forthcoming as to which loss occurred first.