

U.S.-MEXICO RELATIONS: TRENDS AND ISSUES

Introduction

Over the past 20 years the Latin American region has undergone a quiet but profound transformation which significantly has changed the image of these states and their place in the world. Increased political and economic independence of Latin American countries, intensification of regional cooperation, declining US influence in the region and emergence of the new actors as China have become the most important features of these processes.

The United States has been forced to respond to these changes. In the last years of George. W. Bush's presidency, discussions on the necessity to develop a new strategy towards Latin America were developed among American political elite. Barack Obama's foreign policy towards Latin America was seen as a promising approach for the region in the beginning. But it soon became obvious that US would maintain the continuity in its policy.

Peculiarities of US strategy in Latin America

The analysis of United States policy in Latin America leads to considering key factors that have a direct impact on Washington's strategy in the region.

First of all, it should be emphasized that for many years the Latin American trend has not been a priority for the United States, however, the geographical proximity, economic ties for decades and a number of security challenges emanating from the Latin American countries do not allow the United States to neglect its southern neighbors.

Secondly, it is important to take into account that Latin America is a complex area that consists of states, radically differing in size, level of economic development, the nature of the political regimes of the challenges and problems facing them. The failure of a number of region-wide projects initiated by the United States in the last decades, in particular, a project aimed to create a free trade zone uniting all nations of Western hemisphere was caused by the heterogeneity of Latin America. An awareness of inability to unite currently all countries in the region has forced Washington to focus on bilateral relations, especially with those countries that are willing to cooperate.

Thirdly, today the US has to shape a strategy for the Western Hemisphere with significant declining of its political and economic influence. Leftist turn of several Latin American countries, emergence of regional integration blocs without the United States and the emergence of foreign actors in the region significantly impede Washington's efforts there.

Fourth, while making analysis of US policy towards Latin America, it is important to note the heterogeneity of the American political class and the differences in approach existed among the various agencies, organizations and branches of government. Overall, Obama and his top advisers on Latin America advocate policy of partnership and compromise, including with uncomfortable regimes.

In the past two decades, Washington's strategy in Latin America was based on such fundamental principles like advancing of free trade and economic integration and promotion of democracy. Illegal migration and drug trafficking, security issues have also been in the focus of the United States.

This strategy proved to be ineffective in many ways: experts point out that the liberalization of the political systems in some Latin American countries (Venezuela, Bolivia) eventually brought to power anti-American forces, and the imposition of free trade agreements has caused opposition in Brazil and Argentina [1].

US miscalculations were connected with their assurance that democratization of political life and liberalization of the economy will inevitably turn into close Washington's allies in the region, however the ideological dogma has proved to be ineffective. For instance, such country as Brazil has a moderate free market and a multi-party system which is largely corresponding to Western standards but at the same time it consistently opposes US over a broader range of issues.

Nevertheless, the US influence in today's Latin America shouldn't be underestimated. In the political sphere, of the closest allies of the United States in the region are Colombia, Mexico and Panama. Relations between US and such states as Venezuela, Bolivia and Ecuador have been tense for many years. As for the US relations with Argentina and Brazil can be assessed as complex relationship where the elements of confrontation and cooperation coexist.

At first sight it seems to be that the US has a strong foothold in the Latin American market. United States remain Latin America's main trading partner. Total U.S. trade with the region amounted to \$846 billion in 2013, more than three times that of China's trade with the region [2].

In addition, free trade agreements (FTAs) have augmented U.S. economic relations with 11 countries in the region. However, Brazil and Argentina's adamant opposition to the agreement has led other nations to cast aside the possibility of a global free trade policy and caused the citizens of many nations to question the validity of the agreement because of the belief that that it will negatively impact populations.

Trade imbalances in US relations with Latin America – around 60% of total turnover accounted for Mexico, while the South American countries to diversify their external economic relations.

It is noteworthy that there is imbalance in trade between U.S. and Latin American countries. Approximately 60% of total turnover accounts for Mexico while South American states' foreign economic relations have diversified. For example, China's trade with Latin America totaled US\$ 261.6 billion in 2013 and it has already become a major trade partner of Brazil, Chile, and Peru. It is planned to double annual trade between China and Latin America to US\$500 billion over the next 10 years [3].

U.S. policy toward the region under the Obama Administration has focused on four priorities: promoting economic and social opportunity; ensuring citizen security; strengthening effective democratic institutions; and securing a clean energy future [2].

Promoting social and economic development in Latin America is seen by the United States as a way to combat threats emanating from the region (drug trafficking, migration) which caused by acute social problems of Latin American countries. Specific instruments of this policy are the various US programs that provide assistance to small businesses in rural areas, improve the quality of education and health in this region.

Within the framework of policy to strengthen democratic institutions, the Obama administration, like its predecessors, is funding a variety of programs which aim to promote the rule of law, protecting of human rights, and support for civil society, political pluralism, a free speech, and others. These funds are allocated to government authorities and NGOs.

As regards energy sector, the Obama Administration introduced the Energy and Climate Partnership of the Americas (ECPA) in 2009 designed to strengthen inter-American collaboration on clean energy. ECPA includes voluntary bilateral and multi-country initiatives to promote clean energy, advance energy security, and reduce greenhouse gas emissions. US authorities believe that Latin American countries need to invest more in

clean energy sources, and the goal of global energy policy in the Western Hemisphere should be the unification of energy systems to ensure universal access to electricity [4].

The US Administration launches a number of programs aimed at countering drug trafficking and organized crime within the security sphere. The Obama administration seeks to combine coercive methods of combating drug trafficking with the financing programs for socio-economic development of Mexico, Colombia, Central America and the Caribbean countries.

Currently, particular attention is paid to Central America because of the serious threats in security sphere and migration. The Obama administration's strategy in Central America is based on three priority areas – economic development, security and strengthening of government institutions. The United States intends to provide additional assistance to security forces, promote judicial system reform, stimulate private investment and development of infrastructure projects, support civil society and develop trade relations within the region and between the United States and Central American countries.

In the beginning of 2015, U.S. President Barack Obama submitted a \$4 trillion budget for 2016 that included \$1 billion in assistance to Central America. It is the president's attempt to address core issues behind last year's surge in unaccompanied minors migrating from Northern Triangle countries (El Salvador, Guatemala, and Honduras) – the three countries in Central America that will get a majority of the funds. The budget also includes an additional \$120 million for Mexico to secure its southern border. Obama's \$1 billion proposal is three times as much as 2014 budget allocations for Central America [5].

In ideological terms, the Obama administration representatives emphasize the necessity to build a democratic and economically developed countries in Latin America that have a middle class majority today. According to Vice-President Joe Biden, the economic growth, the security in this hemisphere is overwhelmingly in U.S. interests, exceeding almost any other interest [6].

Particular attention should be paid to the United States' focus on expanding of partnership, supporting Latin America's growing global role. According to Assistant Secretary of State for Western Hemisphere Affairs Roberta Jacobson, it also opens up tremendous opportunities for creative diplomacy and deeper collaboration between the US and Latin America [7].

American experts assert that the U.S. should integrate these countries into global decision-making rather than isolate them. If not, they could be a thorn in the side of the U.S. as it tries to implement its foreign policy agenda. They could even threaten to undermine efforts to defend international norms and human rights. It's also clear that countries such as Brazil and Venezuela present their own challenges to U.S. influence in the region and even on the world forum [8].

Mexico in the focus of the U.S. foreign policy

United States concentrated on building bilateral relations with a number of Latin American countries. In recent years, Mexico has become the most important country for the United States in Latin America.

Mexico is one of the closest allies of the US in Latin America. Their geographical location and common border define special nature of the bilateral relations.

Since coming to power in 2012, President Enrique Peña Nieto has built unprecedented level of cooperation with United States which is based on the political will of two presidents. It can be stated that the United States and Mexico are strengthening the strategic partnership in various fields like trade, migration, and security.

Since the North American Free Trade Agreement (NAFTA) came into force in 1994, U.S.-Mexico trade has soared. President Obama embraced Peña Nieto's desire to bolster economic ties and focus on issues beyond security, including education and trade facilitation. Mexico is currently our 3rd largest goods trading partner with \$507 billion in total (two ways) goods trade during 2014 [9].

The United States have a strong interest in the impact of the Enrique Peña Nieto government on economic and security conditions in Mexico and on U.S.-Mexican relations. Economically, the United States and Mexico are heavily interdependent, and the U.S. economy could benefit if Mexico is able to sustain or expand its economic growth rate. In connection with this, the Obama Administration has vowed to take a different approach, focusing more on strengthening economic ties rather than security issues [10].

An important initiative of the Obama administration in fostering trade ties with Mexico has become U.S.-Mexico 21st Century Border Initiative which would have a positive impact on the NAFTA competitiveness of in the global world.

More recently, Mexico have become party to negotiations of a larger trade agreement—the Trans-Pacific Partnership (TPP), a multilateral deal seeking to boost economic integration among Pacific Rim countries. It was during Obama’s last trip to Latin America in June 2012—for the G20 in Los Cabos—that the United States supported Mexico’s membership in the TPP. Mexico’s participation in these negotiations is of great importance for the United State and Americans attempt to ensure that Mexico’s stance in negotiations coincides as much as possible with their position. The necessity of increasing the competitiveness of all the countries in North America that represent a single economic unit explains US intentions to present a united front with Mexico (and Canada) in the TTP negotiations. A concluded TPP would solidify North America as an integrated production platform with Asia-Pacific and parts of South America, while also offering an opportunity to strengthen NAFTA. [11].

Despite the rhetoric of shifting emphasis toward economic cooperation, security issues still continue to remain a key part of the US-Mexican relations, because threats related to drug trafficking and illegal migration originated form Mexico. Besides the Mexican cartels, there are criminal gangs from Central America who use Mexican territory as a gateway to enter the United States. In this regard, U.S. Government has consistently urged Mexico to take the steps to strengthen security on the southern border, but it is extremely difficult to implement technically.

The Mérida Initiative, aka Plan Mexico, which was put forward in 2008, is aimed to combat drug trafficking and organized crime. It was defined as a «new security cooperation initiative» between Mexico and the U.S. The Obama administration is continuing to fund and oversee the Mérida Initiative and related domestic initiatives. From 2008 to 2015, the U.S. appropriated roughly \$2.5 billion in Mérida Initiative assistance for Mexico. Within the framework of this initiative, the US Government pays great attention not only to training of Mexican police and other security forces, but also to measures aimed at social development of problematic regions.

The close US-Mexican cooperation in energy fits into the US strategy on developing an integrated regional energy system, at first in North America and then in Central America and in the distant future in South America. Mexico plays an important role in these plans because, on the one hand, it is one of the main suppliers of oil to the US, and on the other hand it is a major importer of US natural gas. The Obama administration and its successors will continue to consider Mexico as an important element in ensuring energy security of the United States.

American strategy towards Mexico includes active involvement of this country into global and regional affairs. Being an ally of the U.S., Mexico supports America’s stance on many international issues, however, the Obama administration’s attempts to use it as a «Trojan horse» in the various Latin American integration associations are not always successful, because Mexico does not want to complicate relations with other Latin American countries.

Conclusion

Thus, in terms of the relative decline of US influence in Latin America, the Obama administration is forced to pursue a complex, multivector policy towards the countries of the region. There are both numerous common grounds than differences between the United States and Mexico. The economic and trade relationship with Mexico is of interest to U.S. policy makers because of Mexico’s proximity to the United States, the high level of bilateral trade, and the strong cultural and economic ties that connect the two countries. Also, it is of national interest for the United States to have a prosperous and democratic Mexico as a neighboring country. The United States and Mexico have strong economic ties through NAFTA as well. Mexico joined negotiations for the proposed Trans-Pacific Partnership which would likely enhance the economic links Mexico with the United States. But at the same time the relationship between the U.S. and Mexico is complicated and conditioned by the long and the bloody war on drugs.

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