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Mexico: Prospects for a New Foreign Policy

By Stephen Johnson

Foreign policy is not an area where one wants or expects to see a lot of fireworks, unless it is Venezuela, Russia, or Iran. And even then, it is often an unhelpful sideshow of insults, snubs, and hidden agendas. Mexico is a country that went from a mild version of fireworks, a position of isolationism, support for Latin America's left, and a reliance on international institutions during its 71-year period of one-party government—to become more open to trade, to question previous assumptions, and to become an active player in regional and international diplomacy. During the last decade and a half, the quality of leadership among public officials and career diplomats has arguably improved.

With regard to the United States, Mexico has gone from a prickly neighbor to trade partner to collaborator on law enforcement issues, and it now pretty much punches at its own weight as a leader in regional affairs. So far, in statements and deeds, President-elect Enrique Peña Nieto shows no signs of abandoning this

trajectory, reversing the country's position on trade, shrinking from global politics, or distancing Mexico from the United States. In sum, the prospects seem dim for a return to the past.

From Isolationism to Engagement

From 1939 on, decades of rule by the Institutional Revolutionary Party (PRI) focused Mexico in on itself. Presidents were chosen by *dedazo*—appointed to run by predecessors or senior party officials. Elections were rigged—hence the sensitivity to criticism. The military was closeted, such that as late as the 1980s their foreign contacts were limited. Yet a thaw began during the administration of Carlos Salinas who combined reforms at home with an embrace of trade to pay off debts. Arguably, that was when Mexico really began to look outward and did the improbable, proposing the expansion of the 1988 U.S.-Canada trade pact into the North American Free Trade Agreement, or NAFTA. Since then, trade between the NAFTA signatories more than quintupled, from \$297 billion in 1993 to \$1.6 trillion in 2009.

In 1995, the Peso Debt Crisis further opened up Mexico and the succeeding Zedillo administration to foreign cooperation. In a move highly criticized at the time, the United States intervened, first by buying pesos in the open market and then by providing help through \$50 billion in loan guarantees. The peso stabilized, and within a year Mexico's economy started growing. By 1997, the country paid off its loans to the United States ahead of schedule. The Zedillo administration then laid the foundation for honest elections and the real possibility of an opposition party presidency. Secretary of Foreign Relations Rosario Green met with Cuban dissidents, even while affirming Mexico's relations with Fidel Castro.

The evolution continued under President Vicente Fox. Lacking foreign policy depth in his own National Action Party, he named former leftist author Jorge Castañeda as his foreign secretary. Castañeda approached the United States with an activist agenda that did not fit. Days before September 11, 2001, he had President Fox pushing for an agreement on the free movement of workers between the two countries. The idea fell flat in a suddenly security-conscious United States. And although, at times, it seemed that Mexico was Washington's new best friend, it asserted its independence opposing the U.S. invasion of Iraq and even retiring from the Rio Treaty.

Castañeda's successor, Luis Ernesto Derbez, refocused Mexico's foreign policy more broadly on the world. He even ignited an internal firestorm by observing that if Mexico supported United Nations peacekeeping efforts with financial contributions, it should do so with troops. He was condemned, even by members of his own party who said the Mexican military does not have a mission outside of Mexico. Then, in the aftermath of Hurricane Katrina, the Mexican army sent some 200 troops across the U.S. border to provide disaster relief and set up a temporary headquarters in the Houston Astrodome. The air force and navy assisted with planes, helicopters, and a ship. That year, Mexican military delegations started visiting Washington and the Pentagon.

Many will recall that Mexico's Aztec Eagles Squadron joined the United States in the Pacific Theater in World War II. And during the 1990s, there were tepid attempts to establish military-to-military talks. But post-2005 exchanges have been unprecedented. Today, Mexican officers attend U.S. military schools and have liaison positions at U.S. Northern Command. Last April, Mexico's senior military leadership participated in trilateral defense talks with U.S. and Canadian officials at the ministerial level.

Regarding foreign trade, U.S. trade officials like to brag about how much the United States supports free trade. Washington has pacts in force with 17 countries. Since 1994, Mexico has gone on to negotiate 40 treaties. Today it is looking west toward Asia—entering talks to belong to the Trans-Pacific Partnership, possibly the world's biggest trade bloc. Not waiting for this to happen, President Felipe Calderón signed a pact in June with Colombia, Peru, and Chile to form the Pacific Alliance aimed at strengthening commerce with each other as well as with the Asia-Pacific region. The new bloc has a combined GDP of \$2 trillion and includes Latin America's fastest-growing economies.

On the security front, Mexico and the United States began cooperating more deeply against transnational crime and drug trafficking with the 2008 Mérida Initiative. Mexico had the money to pay for the equipment it needed, but required buy-in from the United States as a sign that the responsibility is shared, and as an acknowledgment that the United States has a huge illicit drug market that fuels Mexican cartels. Since Mérida was enacted, Mexico has become a key player in providing assistance and information to Central American countries. Again, it is important to note that Mexico was the initiator. It was President Felipe Calderón who invited George W. Bush to the Yucatán Peninsula to persuade the United States to help.

Regarding regional and global leadership, it is important to note that President Calderón boosted funding to Mexico's foreign relations secretariat, restarted dialogues

with the ALBA countries and Argentina after a period of strained relations, arranged a strategic partnership with the European Union, and quietly advanced efforts to open the United States to Mexican trucking companies—a holdout issue from NAFTA. Calderón founded Mexico’s Agency for International Cooperation for Development (a Mexican version of the U.S. Agency for International Development) and, as a member of the new Community of Latin American and Caribbean States (CELAC), advanced a proposal for a democracy clause that Venezuela had resisted. Meanwhile, Mexico has served on one of the two rotating seats reserved for Latin America in the UN Security Council since the 1940s, but with a higher profile during the periods 2002–2003 and 2009–2010.

Continued Progress or Rebound?

With this kind of history, will the return of the PRI to the Los Pinos presidential mansion bring a return to the past or an urge to stay the current course? So far, signs indicate that Peña Nieto is leaning toward the latter. In September, he went on a six-country tour of Latin America that suggested more south-south consultations in addressing issues of transnational crime, resolving migration issues, and seeking cooperation to boost economic growth. Notably, he did not include any member countries of the Venezuela-led Bolivarian Alliance. A spokesperson for the president-elect said that the purpose was to advance “the position that Mexico has in the region and has as a country to build itself as a facilitator” in Latin America. Rosario Green, foreign secretary in the last PRI administration, reportedly said that his first three priorities will be the United States, Central America, and the Pacific Rim, suggesting an emphasis on attracting investment and boosting exports.

As the former governor of Mexico state, Peña Nieto has little experience in foreign affairs. Whoever he names as foreign secretary will have an impact on Mexico’s foreign policy much as when Vicente Fox appointed Jorge Castañeda to the job. Advisers during the campaign figure among the range of choices. Others might include former ambas-

sadors or representatives to important international organizations. Out of the pool of possible candidates, none of these technocrats are likely to steer the ship of state in a sharply different direction.

Overall, that is a good thing. President-elect Peña Nieto has plenty of challenges at home such as fighting violent drug cartels, strengthening Mexico’s weak justice system, reforming a calcified education system to develop a more educated workforce, and dismantling corrupt state monopolies. All of this is necessary if Mexico is to be competitive in the international marketplace. So in some ways, Mexico will be looking inward again. Yet while the new Mexican agenda may seem more domestically oriented, its impact is likely to be global. ■

Stephen Johnson is a senior fellow and director of the CSIS Americas Program. This report is taken from remarks he originally delivered as a panelist for “The New Mexican Government and Its Prospects,” an event sponsored by the U.S. Army’s Strategic Studies Institute and the George Washington University and held at GWU on September 27, 2012.

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