

BACKGROUND

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After the Election of Andrés Manuel López Obrador: Charting the Road Ahead for U.S.–Mexico Relations

Ana Rosa Quintana

Abstract

Mexico is one of the U.S.'s largest trade partners, behind only China and Canada. U.S. officials and their Mexican counterparts throughout many levels of government work together on a daily basis. From agriculture to border security to counterterrorism, this cooperation supports safety in both countries. Yet, Mexico is also the largest source of U.S.-bound narcotics, a dynamic fueled by growing U.S. demand. Since the early days of the Trump Administration, recalibrating the relationship with Mexico has been a priority for the White House. From updating NAFTA to expanding cooperation on the migrant crisis in Central America, the White House has placed a premium on getting the relationship right. The election of López Obrador as the next Mexican president presents the Trump Administration and Congress with an opportunity to win big on Mexico policy by broadening cooperation on regional challenges, review the new U.S.–Mexico–Canada Agreement to ensure it strengthens trade in North America, and ramping up bilateral efforts on the Central American migrant crisis.

Andrés Manuel López Obrador, known as AMLO, was elected president of Mexico on July 1 with the highest majority in Mexico's history. His election also marks the first time that a third-party candidate won the presidency since Mexico first held elections in 1917. Similar to President Donald Trump, López Obrador campaigned on changing the political status quo. On December 1, he will assume the presidency, and his party MORENA and its coalition allies, the Workers Party (PT) and Social Encounter Party (PES), will have a majority in the Congress of the Union. Their coalition—Junto Haremos Historia—will control numerous state legislatures

KEY POINTS

- The partnership with Mexico is one of the most important for the United States. It is a relationship in which foreign and domestic policies are intertwined due to Mexico's geographic proximity to America. Mexico is one of the U.S.'s largest trade partners, behind only China and Canada.
- Violence and rampant insecurity have plagued Mexico for decades. Despite broad cooperation with the U.S., Mexico's leaders have been unable to address its internal security crisis.
- There are enduring difficulties in addressing Mexico's security challenges, growing U.S. demand for narcotics, and flows of illegal immigration.
- Recalibrating the relationship with Mexico has been a priority for President Trump. The election of López Obrador as next Mexican president presents the Trump Administration with an opportunity to win big on Mexico policy by broadening cooperation on regional challenges, working with Congress to pass the new U.S.–Mexico–Canada Agreement, and ramping up bilateral efforts on the Central American migrant crisis.

This paper, in its entirety, can be found at <http://report.heritage.org/bg3359>

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214 Massachusetts Avenue, NE
Washington, DC 20002
(202) 546-4400 | heritage.org

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as well. López Obrador will inherit a country facing significant challenges from historically high levels of violence, widespread corruption, and nearly half of the country's 127 million citizens living in poverty.

The partnership with Mexico is one of the most important for the United States. It is a relationship in which foreign and domestic policies are intertwined due to Mexico's geographic proximity to the United States. Mexico is one of the U.S.'s largest trade partners, behind only China and Canada. U.S. officials and their Mexican counterparts throughout many levels of government work together on a daily basis. From agriculture to border security to counterterrorism, their cooperation supports safety in both countries. Yet, Mexico is also the largest source of U.S.-bound narcotics, a dynamic fueled by growing U.S. demand.

Since the early days of the Trump Administration, recalibrating the relationship with Mexico has been a priority for the White House. From updating the North American Free Trade Agreement (NAFTA) to expanding cooperation on the migrant crisis in Central America, the White House has placed a premium on getting the relationship right. The election of López Obrador presents the Trump Administration and Congress with an opportunity to win big on Mexico policy by broadening cooperation on regional challenges, review the new U.S.-Mexico-Canada Agreement to ensure it strengthens trade in North America (USMCA), and ramping up bilateral efforts on the Central American migrant crisis.

Shake-up to Mexico's Political System

Mexico's traditional two-party system was upended with the 2018 elections. Going into the elections, polling found that only 9 percent of Mexicans had confidence in the country's two-party system consisting of the center-left Institutional Revolutionary Party (PRI) and center-right National Action Party (PAN).¹ Electoral results in 2018 reinforced those findings with the historic election of a third-party candidate. López Obrador won 53 percent of

the vote and 31 of Mexico's 32 states, the highest majority in Mexico's election history. A coalition of the New Alliance Party (PNA) and the Green Party of Mexico (PVEM) led by the PRI, Mexico's incumbent and historically dominant party, suffered major setbacks in national, state, and local level elections. PRI presidential candidate José Antonio Meade won only 16 percent of the votes. Ricardo Anaya, candidate for the PAN, earned 22 percent of the vote, even after forming a coalition with the leftist Democratic Revolutionary Party (PRD).² After the election, the PVEM and PRD split from PRI and will now be working with the MORENA-led coalition.

The congressional and gubernatorial results were equally as poor for the PRI-led and PAN-led coalitions. The MORENA-led coalition won 54 percent of the seats in the Senate and 61.6 percent in the Chamber of Deputies, Mexico's lower house, with MORENA winning the majority in both houses. By contrast, the PRI coalition controls only 11.7 percent of the seats in the Senate and 9.4 percent in the lower house. The PAN did not fare well either, with 23.4 percent in the Senate and 21.6 percent in the lower house. Traditionally, either the PRI or the PAN coalition controlled the congress. The MORENA coalition also won five of the nine gubernatorial races in the election, and the party has a majority in 19 of Mexico's 32 state legislatures.³

U.S. policymakers should follow the political changes in Mexico closely. MORENA has been around less than four years as a political party and yet managed to alter Mexico's political landscape. The movement was originally founded in 2012 by López Obrador as a nonprofit organization and later registered as a political party following the 2012 presidential election. Prior to creating MORENA, López Obrador was a member of the PRI early in his political career and later joined the PRD. He was the PRD's presidential candidate in the 2006 and 2012 elections, losing both.

MORENA was founded by dissatisfied members of Mexico's leftist political parties. The party's

1. "Solo 9% de Los Mexicanos Confía En Partidos Políticos; el Nivel Más Bajo en 22 Años" (Only 9 Percent of Mexicans Have Confidence in Political Parties; the Lowest Level in 22 Years), *Animal Político*, October 30, 2017, <https://www.animalpolitico.com/2017/10/mexicanos-confia-partidos-politicos/> (accessed July 25, 2018).

2. Instituto Nacional Electoral, "Computos Distritales 2018: Presidencia-Nacional" (District Tallies 2018: Presidency-National), 2018, <https://computos2018.ine.mx/#/presidencia/nacional/1/1/1/1> (accessed July 25, 2018).

3. Central Electoral, "Concluye INE la Integración del Congreso de La Unión" (National Electoral Institute Finalizes Integration of the Congress of the Union), August 23, 2018, <https://centralectoral.ine.mx/2018/08/23/concluye-ine-la-integracion-del-congreso-de-la-union/> (accessed August 27, 2018).

TABLE 1

Mexican Presidential Elections

After coming in second in two consecutive presidential elections, Andrés Manuel López Obrador (AMLO) was elected president in 2018 by the widest margin in Mexican history.

	WINNER	%	2ND PLACE	%	3RD PLACE	%
2000	Vicente Fox (PAN)	42.5	Francisco Labastida (PRI)	36.1	Cuahtémoc Cárdenas (PRD)	16.6
2006	Felipe Calderón (PAN)	35.9	AMLO (PRD)	35.3	Roberto Madrazo (PRI)	22.2
2012	Enrique Peña Nieto (PRI)	38.2	AMLO (PRD)	31.6	Josefina Vázquez Mota (PAN)	25.4
2018	AMLO (MORENA)	53.2	Ricardo Anaya Cortés (PAN)	22.3	José Antonio Meade (PRI)	16.4

SOURCE: Instituto Nacional Electoral, <https://www.ine.mx/> (accessed September 24, 2018).

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political agenda is largely based on an anticorruption platform. Members of MORENA believe that Mexico’s dominant parties do not represent the will of the people but rather the “mobs in power.”⁴ The party criticizes neoliberal economic policies and favors a stronger government role in the economy. It supports stronger unions and progressive social policies on issues like gay marriage. At times MORENA has deviated from its leftist ideology and favored pragmatic policies. For example, Mexico’s leftist politicians have traditionally been critical of free trade agreements, yet they support maintaining and strengthening NAFTA.⁵

Prior to López Obrador’s sweeping victory, two parties had dominated Mexico’s political system for the past 17 years. And, prior to that, the PRI controlled many levers of power within the country. From its founding in 1929 following the Mexican Revolution until 2000, the PRI was the predominant force in Mexican politics. In that 71-year period, the party controlled the presidency and many federal,

state, and local government positions. Until 1997, the PRI consistently controlled the congress by at least a 50 percent majority.

While Mexico held elections in the PRI era, they were anything but free and fair.⁶ Successive PRI administrations governed Mexico as an authoritarian regime that used state resources to maintain control.⁷ Nobel Prize laureate Mario Vargas Llosa once described it as “the perfect dictatorship.”⁸ The party maintained power through patronage, expansion of the welfare state, and frequent collusion with criminal interests and organizations.⁹

Following Mexico’s peso crisis in 1982 and the PRI’s decision to liberalize the economy, the more left-leaning elements of the party were unhappy with party leadership. Defectors left the party and created the leftist PRD in 1989.

A little over a decade later, PAN candidate Vicente Fox was elected president in 2000. From its founding in 1939 until 2000, the PAN had never controlled the presidency. Historians regard the end of the PRI’s

4. Andrés Manuel López Obrador, “Programa del Movimiento Regeneración Nacional” (Program of the National Regeneration Movement), AMLO, 2018, <https://lopezobrador.org.mx/programa-del-movimiento-regeneracion-nacional/> (accessed September 2, 2018).

5. Andrés Manuel López Obrador, “Carta de AMLO al Presidente de Estados Unidos Donald Trump” (Letter from AMLO to President of the United States Donald Trump), AMLO, July 22, 2018, <https://lopezobrador.org.mx/2018/07/22/carta-de-López-Obrador-al-presidente-de-estados-unidos-donald-trump/> (accessed July 29, 2018).

6. Joseph L. Klesner, “Electoral Reform in Mexico’s Hegemonic Party System: Perpetuation of Privilege or Democratic Advance?” presentation at Annual Meeting of the American Political Science Association, Washington, DC, August 28–31, 1997, https://www2.kenyon.edu/Depts/PSci/Fac/klesner/Electoral_Reform_in_Mexico.htm (accessed September 3, 2018).

7. Joy K. Langston, *Democratization and Authoritarian Party Survival: Mexico’s PRI* (Oxford University Press, 2017), pp. 66 and 164.

8. “Vargas Llosa: ‘México Es la Dictadura Perfecta’” (Vargas Llosa: “Mexico Is the Perfect Dictatorship”), *El País*, September 1, 1990, https://elpais.com/diario/1990/09/01/cultura/652140001_850215.html (accessed August 22, 2018).

9. Ibid.

Getting Away with Murder

While impunity is commonplace in Mexico, the Peña Nieto administration's inability to solve high-profile cases was especially problematic. The still-unsolved case of 43 missing students remains a major source of controversy within Mexico. In September of 2014, students from the town of Ayotzinapa were apprehended and attacked by police officers as they were traveling to Mexico City. Ayotzinapa is located in the violent state of Guerrero, known for heroin production and powerful criminal organizations. Investigations later uncovered that, over the course of the attack, police officers killed an unknown number of the students and then handed the group over to a local criminal organization—whose leader later testified that he had the students burned alive and their remains disposed.¹ Four years later, their remains have not been discovered nor has a culprit been prosecuted. The 43 missing students join the more than 30,000 Mexicans who have been forcibly disappeared since 2006.²

1. Antje Dieterich and Mike LaSusa, "Two Years Later, Unsolved Iguala Case Underscores Mexico Security Failures," Insight Crime, September 28, 2016, <https://www.insightcrime.org/news/analysis/two-years-ayotzinapa-unsolved-mexico-security-failures/> (accessed July 29, 2018).
2. Gladys McCormick, "The Act of Disappearing in Mexico," Wilson Center Mexico Institute, March 5, 2018, <https://www.wilsoncenter.org/article/the-act-disappearing-mexico> (accessed July 24, 2018).

71-year rule as Mexico's transition to democracy. The PAN barely held onto the presidency in the 2006 election when Felipe Calderón beat PRD candidate López Obrador by 0.56 percent. López Obrador and his supporters contested the results and over a million protestors participated in demonstrations. For nearly 50 days, many even camped out in downtown Mexico City, causing major disturbances.¹⁰ The Mexican government and international observers defended the results and Calderón was shortly after sworn into office.

Calderón launched Mexico's war against drugs, an aggressive campaign led by the military to target drug cartels and organized crime. Its continuation remains unpopular and highly controversial in Mexico. It was further expanded in 2008 when Mexico and the U.S. signed the Merida Initiative, a bilateral anticrime assistance package. Merida is based on four pillars: (1) disrupting capacity of organized crime; (2) institutionalizing the rule of law; (3) creating a 21st-century border between the two countries; and (4) building strong

and resilient communities.¹¹ To date, U.S. assistance to Mexico has reached nearly \$3 billion.¹²

In 2012, the PRI retook the presidency with the election of current president Enrique Peña Nieto. While he has pushed overdue reforms in the economic, energy, and education realms, rising levels of violence, slow economic growth, and corruption allegations against his administration and members of the PRI have plagued his *sexenio*, a Mexican president's single six-year term.

Similar to the U.S.'s 2016 elections, the political climate in Mexico leading into 2018 favored an anti-establishment candidate. Polls consistently found the population to be frustrated with the status quo of two dominating political parties—both of which were perceived to be deeply corrupt and unable to improve security conditions. According to a 2017 Latinobarómetro poll, only 9 percent of Mexicans felt confidence in political parties.¹³ Concurrently, approval ratings for Peña Nieto plummeted to less than 20 percent. He will end his *sexenio* as one of Mexico's least popular presidents in recorded history.

10. Cynthia Barrera, "López Obrador Urges Protest Camps to Occupy Mexico City," *The Washington Post*, July 31, 2006, <http://www.washingtonpost.com/wp-dyn/content/article/2006/07/30/AR2006073000650.html?noredirect=on> (accessed July 25, 2018).
11. U.S. Embassy & Consulates in Mexico, "The Merida Initiative," <https://mx.usembassy.gov/our-relationship/policy-history/the-merida-initiative/> (accessed September 4, 2018).
12. June S. Beittel, "Mexico: Organized Crime and Drug Trafficking Organizations," Congressional Research Service *Report for Congress*, July 3, 2018, <https://fas.org/sgp/crs/row/R41576.pdf> (accessed July 31, 2018).
13. "Solo 9% De Los Mexicanos Confía En Partidos Políticos; el Nivel Más Bajo en 22 Años" (Only 9 percent of Mexicans Have Confidence in Political Parties; the Lowest Level in 22 Years), *Animal Político*.

Factors that Led to the Election of López Obrador

Violence and rampant insecurity have plagued Mexico for decades. Despite broad cooperation with the U.S., Mexico's leaders have been unable to address its internal security crisis. In the past six years during the Peña Nieto administration, Mexico's security crisis has become particularly acute. A spike in homicide rates made 2017 Mexico's most violent year in recorded history, with 31,174 homicides.¹⁴

During that same time, there was a growing shift in drug trafficking and production dynamics. U.S. demand for cocaine, heroin, and synthetic opioids grew alongside Colombian and Mexican production. Mexico's growing production and exportation of opioids has largely contributed to a surge in violence in numerous areas within Mexico. Credible corruption allegations against Peña Nieto's administration and PRI party officials disenchanting voters as well.

Mexico's security crisis dominated Peña Nieto's *sexenio*. In 2012, there were 26,037 homicides. That number increased to Mexico's highest in 2017, Peña Nieto's penultimate year in office. The U.S. State Department's 2017 Travel Advisory classified five states in Mexico under the Level 4 threat category, the highest "do not travel" warning.¹⁵ (See Map 1.) In contrast, in 2012, no states were classified under that travel warning.

In the first five years of the Peña Nieto administration, 6,235 kidnapping cases were reported. Calderón's same time in office recorded 4,955 kidnapping cases.¹⁶ Throughout the Peña Nieto

administration, the murders of journalists not only increased, but also had a high level of impunity. In 2016, Mexico was the deadliest country for journalists according to Reporters Without Borders.¹⁷ Impunity in the cases of crimes against journalists remains high, as 86 percent of the cases remain unresolved.¹⁸

Various factors have led to a worsening of the security conditions. While President Peña Nieto successfully pushed through substantial economic, energy, and education reforms, his security strategy was ineffective. His attempt at creating a gendarmerie to replace the military in public security was unsuccessful. Rather than identifying and addressing causal factors of crime, he deployed the military whenever violence spiked. Mexican security officials were outpaced by cartels expanding their operations. The growing demand for narcotics like opioids, particularly in the U.S., incentivized a rapid spike in production. In 2012, 10,500 hectares of illicit cultivation of opium poppy were discovered. That number increased to 26,100 hectares in 2015 and 32,000 the following year.¹⁹ In 2015, the U.S. Drug Enforcement Agency assessed that 93 percent of heroin arriving to the U.S. is produced in Mexico.²⁰

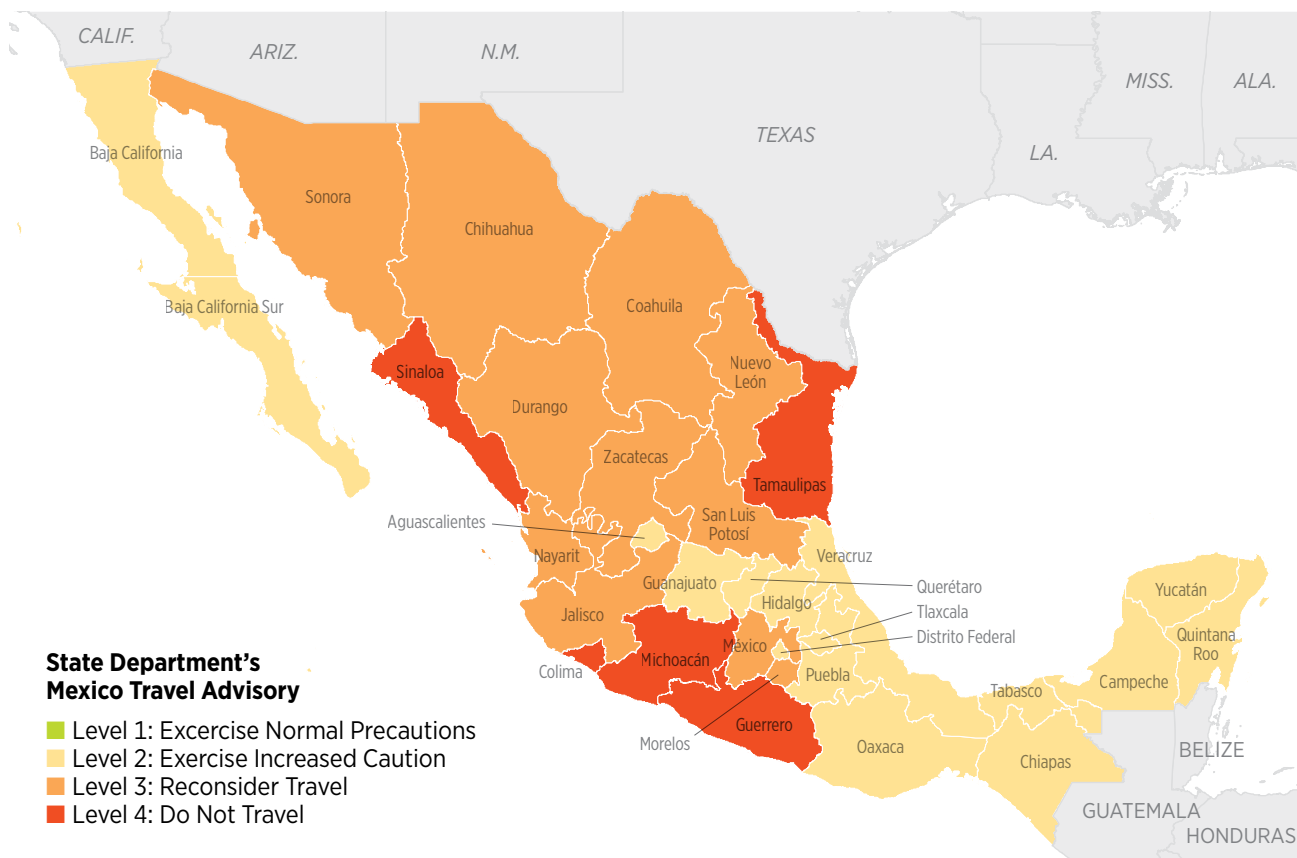
In addition to the security crisis, corruption investigations against high-level government members and members of the ruling PRI party have furthered public distrust toward the Peña Nieto administration. Transparency International finds that since 2012, Mexico's corruption perception rank has worsened. In 2017, Mexico was ranked 135 out of 180 countries, a sharp decrease from 105th place in

14. Instituto Nacional de Estadística y Geografía (National Institute of Statistics and Geography), "Datos Preliminares Revelan Que en 2017 se Registraron 31 Mil 174 Homicidios" (Preliminary Data Reveal 31,174 Homicides in 2017), July 30, 2018, http://www.beta.inegi.org.mx/contenidos/saladeprensa/boletines/2018/EstSegPub/homicidios2017_07.pdf (accessed July 31, 2018).
15. U.S. Department of State, Bureau of Consular Affairs, "Mexico Travel Advisory," July 16, 2018, <https://travel.state.gov/content/travel/en/traveladvisories/traveladvisories/mexico-travel-advisory.html> (accessed August 6, 2018).
16. "Secuestro en Mexico, A un Paso de Record, Podria Ser Mas Alto que Con Calderon" (Kidnappings in Mexico Surpassed Records, Could Be Higher than Under Calderon), *Vanguardia*, November 28, 2017, <https://vanguardia.com.mx/articulo/secuestro-en-mexico-un-paso-de-record-podria-ser-mas-alto-que-con-calderon> (accessed August 6, 2018), and "Supera en Secuestros Peña Nieto a Calderón...y Van en Ascenso" (Kidnappings under Peña Nieto Surpassed Those under Calderón), *Vanguardia*, April 16, 2018, <https://www.vanguardia.com.mx/articulo/supera-en-secuestros-pena-nieto-calderon-y-va-en-ascenso> (accessed July 30, 2018).
17. Reporters Without Borders, "Mexico," <https://rsf.org/en/mexico> (accessed August 6, 2018).
18. Committee to Protect Journalists, "No Excuse: Mexico Must Break Cycle of Impunity in Journalists' Murders," May 3, 2017, https://cpj.org/reports/cpj_mexico_2017-04-24_English_Web.pdf (accessed August 6, 2018).
19. United Nations Office on Drugs and Crimes, "World Drug Report 2017," August 14, 2017, https://www.unodc.org/wdr2017/field/6.2.1_Illicit_cultivation_of_opium_poppy.pdf (accessed August 2, 2018), and Beittel, "Mexico: Organized Crime and Drug Trafficking Organizations."
20. U.S. Department of Justice Drug Enforcement Administration, "2017 National Drug Threat Assessment," October 2017, https://www.dea.gov/docs/DIR-040-17_2017-NDTA.pdf (accessed July 30, 2018).

MAP 1

Mexico Travel Advisory

Several Mexican states—most notably on the coasts—have such violent crime that the State Department warns American visitors not to travel there.



SOURCE: U.S. Department of State, "Mexico Travel Advisory," <https://travel.state.gov/content/travel/en/traveladvisories/traveladvisories/mexico-travel-advisory.html> (accessed September 20, 2018).

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2012.²¹ Criminal cases involving PRI governors further degraded the ruling party's image. Fourteen current and former PRI governors stand accused of corruption and other criminal acts. Former governor of Veracruz and former member of the PRI Javier Duarte de Ochoa was convicted of money laundering and involvement in organized crime. He is believed to have nearly \$3

billion in public funds and to have ordered the forced disappearance of over a dozen people.²² During his time in office from 2010 to 2016, the state debt of Veracruz nearly doubled. The crime rate of Veracruz also increased, as did violence against journalists. During his tenure as governor, 31 Veracruz law enforcement officers were arrested on corruption charges.²³

21. Transparency International, *Corruption Perceptions Index 2017*, February 21, 2018, https://www.transparency.org/news/feature/corruption_perceptions_index_2017#table (accessed July 30, 2018).
22. Christopher Woody, "Killings in Mexico Climbed to New Highs in 2016, and the Violent Rhythm May Only Intensify," *Business Insider*, February 8, 2018, <https://www.businessinsider.com/mexico-homicides-in-2016-under-enrique-pena-nieto-2017-2> (accessed August 6, 2018).
23. Christopher Woody, "A Former Mexican Governor Has Been Accused of Involvement in Forced Disappearances, and It Points to a Sinister Problem With Mexico's Police," *Business Insider*, June 11, 2018, <https://www.businessinsider.com/javier-duarte-former-veracruz-mexico-governor-accused-disappearances-2018-6> (accessed August 3, 2018).

Former governor of Tamaulipas, Tomás Yarrington, is currently awaiting trial in the U.S. on charges of drug trafficking and money laundering. He served as governor from 1999 to 2005. He has been linked to various Mexican drug cartels including Los Zetas and the Gulf Cartel. He is believed to have accepted bribes in the form of campaign contributions in exchange for allowing the cartels to operate in Tamaulipas,²⁴ a state which in 2018 was given the highest travel warning designation by the U.S. State Department.²⁵ (See Appendix Table 1 for details on six corrupt governors.)

Making the López Obrador Agenda Work for the U.S.

There is a misperception in the U.S. that López Obrador's election was an indicator of anti-American sentiment in Mexico. The bilateral relationship was never a factor in the campaign. López Obrador's support came from a population dissatisfied with the political status quo and the ruling party's corrupt practices. The perception in Mexico by a majority of the voting population was that two major political parties represented the interests of the ruling elite. The elite in turn ignored and inadequately addressed the economic and social realities of many impoverished Mexicans.

López Obrador takes office on December 1. The intervening period provides an opportunity to chart the road ahead between both countries. While López Obrador's policy platform has not been fully articulated, a few issues have risen to the forefront of his agenda. He campaigned on rooting out corruption, addressing violence, bringing economic opportunities to Mexico's poor and rural areas, and implementing a nationalist energy agenda. The goals of his security and economic prosperity agenda lend themselves to the Trump Administration's objectives for Mexico. To date, the president-elect has not publicized detailed plans for his economic development

or anticorruption plans. He has not provided concrete assurances as to whether he will pursue pro-investment economic policies or support a greater state presence in the economy. On NAFTA, while he has raised concerns about improving NAFTA's labor provisions, López Obrador is a supporter of renegotiating and maintaining the trilateral agreement. While he is likely to tilt toward pragmatism, as he surely realizes that the success of his six-year presidency will hinge in large part on a strong Mexican economy that is based on greater economic freedom, there is still the probability of statist economic policies.²⁶

Following a visit by Secretary of State Mike Pompeo, Secretary of the Treasury Steven Mnuchin, and Secretary of Homeland Security Kirstjen Nielsen, the president-elect sent President Trump a letter emphasizing four priorities for U.S.–Mexico relations: development, migration, security, and trade. He stated that the most essential component of his administration is making sure that Mexicans will not be pushed to migrate from their home country due to poverty or violence. His plan for the Central American migration crisis is a joint U.S.–Mexico development and security package where 75 percent of an amount yet to be determined will be allocated for economic development, and the other 25 percent for border and public security. This is not only a positive signal for continued collaboration with the U.S., but also an indicator that López Obrador could prioritize addressing the economic conditions over public safety.²⁷

Cooperation with López Obrador on stemming migration from Central America could become a challenge for the U.S. In the past, he has said he will not do the U.S.'s "dirty work" of stopping Central Americans from entering the U.S. There are proposals for the U.S. to process Central American asylum applicants in Mexico, which López Obrador is unlikely to support. It would prove challenging for

24. David Agren, "Mexico's Former Governors Are Being Busted For Bad Behavior. So Some Are Choosing to Hide," *The Washington Post*, April 13, 2017, https://www.washingtonpost.com/news/worldviews/wp/2017/04/13/a-mexican-ex-governor-was-arrested-this-week-but-there-are-more-still-hiding-out/?utm_term=.fc6aed123999 (accessed August 6, 2018).

25. U.S. Department of State, "Mexico Travel Advisory," August 22, 2018, <https://travel.state.gov/content/travel/en/traveladvisories/traveladvisories/mexico-travel-advisory.html> (accessed August 24, 2018).

26. James Roberts, Ana Rosa Quintana, and Nicolas Loris, "A Strong NAFTA 2.0 Can Counteract Mexico's Leftward Lurch," Heritage Foundation *Issue Brief* No. 4885, July 10, 2018, <https://www.heritage.org/trade/report/strong-nafta-20-can-counteract-mexicos-leftward-lurch>.

27. Andrés Manuel López Obrador, "Recibe AMLO Carta de Trump" (AMLO Receives Letter from Trump), July 24, 2018, <https://lopezobrador.org.mx/2018/07/24/carta-de-trum-a-López-Obrador/> (accessed July 27, 2018).

U.S. policymakers should Mexico decrease interceptions of Central American migrants. Since the 2014 unaccompanied minor crisis at the U.S. southern border, Mexico has ramped up its efforts to repatriate Central Americans crossing its borders, relieving pressure on U.S. immigration officials. In 2017, Mexico sent 78,300 Central Americans back home. In the first six months of 2018, it deported 38,191.²⁸

Joint U.S.–Mexico efforts to address the security and economic drivers of illegal immigration have increased under the Trump Administration, and it is critical to maintain that cooperation. In June 2017, the Trump Administration and the Peña Nieto administration cohosted a two-day, high-level conference on security and prosperity in Central America. Since then, high-level visits and meetings on the topic have continued. Both countries must continue to build on that.

Maintaining strong security cooperation is in the national security interest of both countries. López Obrador will inherit a Mexico in a dire security crisis. U.S. policymakers should expect to see more details on his security agenda before he takes office. While he is expected to re-evaluate certain aspects of bilateral security cooperation, there is a high likelihood that he will pursue a pragmatic security relationship with the United States. Various factors in the U.S. and Mexico logically lend themselves to that. The interconnectedness of the security challenges does not allow disengagement by either party. Mexico's low institutional capacity undermined by public corruption makes the U.S. a natural partner for security cooperation.

López Obrador's incoming minister of public security, Alfonso Durazo, stated that López Obrador plans on drawing down the military role in combating drug cartels and criminal organizations and replacing them with a specially trained police force. Durazo and López Obrador intend on creating and deploying the new police force in three years. They

will also re-evaluate drug laws regarding marijuana and potentially poppy, the primary ingredient in opioids, and even consider legalizing certain drugs. The security policy will also involve pardoning low-level drug offenders and expanding social and education programs for vulnerable Mexicans.²⁹

Considering the challenging environment in which this transition from the military to a specialized police force would take place, there is a low likelihood that López Obrador could complete the reform in the next three years. Mexico's weak capacity for regulating legal markets provides little assurance that the government could effectively control legalization of narcotics.

These plans also raise questions for the future of security cooperation with the United States. Despite the nearly \$3 billion given by the U.S. to support Mexico's efforts to combat organized crime and strengthen government institutions, questions remain about the efficacy of the Merida Initiative. There are a few tangible successes of the program, such as reforming Mexico's judicial system, minor improvements to prisons, seizures of narcotics and illicit assets, and the capture of high-value targets like Joaquin "El Chapo" Guzman, leader of the Sinaloa cartel, and Miguel Angel Treviño Morales, head of the Los Zetas cartel. Bilateral cooperation has also contributed to an increase in detentions of migrants from Central and South America as well as Africa, the Middle East, and Asia.³⁰ In spite of these minor improvements, the security situation in Mexico has worsened, and narcotics' trafficking into the U.S. remains a significant challenge. The corrupting influence of transnational organized crime on Mexico's government and private sector continues. It is also difficult to evaluate the efficacy of Merida Initiative programs, as the U.S. and Mexico do not publicize many of the indicators used to measure progress.³¹ Both countries should use this transition period to identify and fix the shortcomings of the Merida Initiative and evaluate

28. Secretaría de Gobernación (Ministry of the Interior), "Extranjeros Presentados y Devueltos" (Foreigners Presented and Returned), 2018, http://www.politicamigratoria.gob.mx/es_mx/SEGOB/Extranjeros_presentados_y_devueltos (accessed September 1, 2018).

29. Gabriel Moysen, "En Tres Años Podremos Sacar al Ejército de las Calles, Asegura Alfonso Durazo" (In Three Years We Can Remove the Army from the Streets, Assures Alfonso Durazo), *El Universal*, August 16, 2018, <http://www.eluniversal.com.mx/nacion/politica/en-tres-anos-podremos-sacar-al-ejercito-de-las-calles-asegura-alfonso-durazo> (accessed August 17, 2018).

30. Clare Ribando Seelke, "Mexico: Evolution of the Mérida Initiative, 2007–2019," Congressional Research Service *In Focus*, July 23, 2018, <https://fas.org/sgp/crs/row/IF10578.pdf> (accessed July 27, 2018).

31. Clare Ribando Seelke and Kristin Finklea, "U.S.–Mexican Security Cooperation: The Mérida Initiative and Beyond," Congressional Research Service *Report for Congress*, June 29, 2017, <https://fas.org/sgp/crs/row/R41349.pdf> (accessed July 7, 2018).

whether greater transparency is needed in publicizing measurement standards.

There are also regional issues on which the U.S. should continue to work closely with Mexico. One of the top issues is the situation in Venezuela. U.S. policymakers must also keep an eye out for López Obrador's pledge to roll back Mexico's leading role in addressing Venezuela's all-encompassing crisis. If he follows through, this would be problematic for regional diplomatic efforts.³² In the past year and a half, Mexico has emerged as a leading player on Venezuela in various forums, such as the Organization of American States (OAS) and the Lima Group.³³ It has also brokered negotiations between the Venezuelan government and opposition. Other countries have joined Mexico's multilateral efforts, a welcomed change of pace from the region's customary inaction.

The president-elect might find that returning to a policy of noninterventionism would reduce Mexico's diplomatic influence in the region. Doing so would make him out of step with Latin America's leading democracies. Also, Venezuela's crisis is not limited to its borders. The Venezuelan government is a criminal syndicate with illicit networks throughout the Western Hemisphere and Europe.³⁴ The U.S. has designated high-ranking Venezuelan government officials, such as Vice President Tareck El Aissami, as drug-trafficking kingpins collaborating with Mexican cartels.³⁵ Dozens of other officials have been

sanctioned by the U.S. for their role in undermining Venezuela's democracy and committing human rights violations. Corrupt government officials and party loyalists have embezzled billions of U.S. dollars in public funds. The country is now experiencing a man-made economic and humanitarian crisis. Upwards of 40,000 Venezuelans are fleeing to neighboring countries daily, some traveling through Mexico to the U.S.³⁶ Inaction toward the Venezuela crisis would be a flawed approach.³⁷

The brewing crisis in Nicaragua will demand a decisive response from the López Obrador administration as well. Since April 2018, a violent political crisis has engulfed Nicaragua. Demonstrators are calling for the resignation of President Daniel Ortega following his government's violent crackdown against protesters. Human rights organizations estimate that government security forces and paramilitaries have killed more than 400 protestors, though the exact number is unknown.³⁸ For several months, the Catholic Church attempted to broker peace talks between the government and protestors but stopped after the government attacked churches and clergy.³⁹ The political crisis is already affecting neighboring countries. Nearly 200 Nicaraguans are arriving daily in neighboring Costa Rica, requesting asylum.⁴⁰ The U.S. and Mexico have an interest in resolving the crisis before it escalates further.

In spite of the ideological differences between President-Elect López Obrador and President

32. Andrés Oppenheimer, "If López Obrador Wins Mexico's Presidential Election, It Will Be a Setback For Democracy in Venezuela," *Miami Herald*, May 28, 2018, <https://www.miamiherald.com/news/local/news-columns-blogs/andres-oppenheimer/article211936584.html> (accessed July 25, 2018).

33. The Lima Group is a multilateral assembly of 17 Latin American countries that came together to resolve the Venezuela crisis.

34. Insight Crime, "Venezuela: A Mafia State?" 2018, <https://es.insightcrime.org/wp-content/uploads/2018/05/Venezuela-a-Mafia-State-InSight-Crime-2018.pdf> (accessed September 16, 2018).

35. News release, "Treasury Sanctions Prominent Venezuelan Drug Trafficker Tareck El Aissami and His Primary Frontman Samark Lopez Bello," U.S. Department of the Treasury, February 13, 2017, <https://www.treasury.gov/press-center/press-releases/Pages/as0005.aspx> (accessed September 3, 2018).

36. Shannon K. O'Neil, "A Venezuelan Refugee Crisis," Council on Foreign Relations *Contingency Planning Memorandum* No. 33, February 15, 2018, <https://www.cfr.org/report/venezuelan-refugee-crisis> (accessed July 25, 2018).

37. Ana Rosa Quintana, "Strong International Action Required to Address Venezuela's Dictatorship," Heritage Foundation *Issue Brief* No. 4749, August 9, 2017, <https://www.heritage.org/americas/report/strong-international-action-required-address-venezuelas-dictatorship>.

38. "ANPDH Cierra Oficinas en Nicaragua por Amenazas" (Under Threat, ANPDH [Nicaraguan Association for Human Rights] Closes Offices in Nicaragua), *El Nuevo Diario*, August 5, 2018, <https://www.elnuevodiario.com.ni/nacionales/471422-anpdh-cierra-oficinas-nicaragua-amenazas/> (accessed August 8, 2018).

39. José de Córdoba, "Church Becomes Target in Nicaragua Crisis," *The Wall Street Journal*, July 23, 2018, <https://www.wsj.com/articles/church-becomes-target-in-nicaragua-crisis-1532376158> (accessed July 25, 2018).

40. Carrie Kahn, "200 Nicaraguans Claim Asylum Daily in Costa Rica, Fleeing Violent Unrest," National Public Radio, August 26, 2018, <https://www.npr.org/2018/08/26/641375695/200-nicaraguans-claim-asylum-daily-in-costa-rica-fleeing-violent-unrest> (accessed August 27, 2018).

Trump, the conditions do not necessarily foreshadow a hostile relationship. Positive overtures from both sides in the weeks after Mexico's election indicate that both countries and leaders seek a pragmatic and mutually beneficial relationship. In the correspondence they have exchanged, both men are focused on advancing their respective agendas, and they recognize that they will be more successful by working together.⁴¹

The Road Ahead

The incoming administration of López Obrador presents an opportunity for both the U.S. and Mexico. The fact that both he and President Trump were elected partly on populist campaign promises to clean up corruption will work to the advantage of both countries. In advancing relations with Mexico's new administration, the U.S. should:

- **Support Mexico's efforts at increasing its civilian law enforcement capabilities.** Since the implementation of the Merida Initiative, Mexico has attempted to shift the primary responsibility for public security from the military to civilian law enforcement. The U.S. should support this goal, as providing internal security is not the role of the military. Officials of the incoming administration in Mexico have stated their intention to replace the military domestic security force with civilian law enforcement officers. U.S. programming should support the development of professional standards for cadets and officers, periodic vetting systems, internal affairs units with accountability mechanisms, and technical assistance on the criminal justice system and human rights protections.
- **Collaborate with President-Elect López Obrador's plans to implement a robust anti-corruption agenda.** Rampant corruption in Mexico's public and private sector remains a significant obstacle to achieving public security. U.S. officials should work with the incoming administration to integrate its anti-corruption plans into the Merida Initiative anti-crime and rule of law framework. U.S. officials should establish an inter-
- agency working group with representatives from the National Security Council, the U.S. Agency for International Development, the U.S. Department of Homeland Security, the U.S. Department of Justice, the U.S. Department of State, and the U.S. Department of the Treasury to ensure coordination across the government.
- **Nominate and confirm key positions charged with Mexico and greater Western Hemisphere policy.** The Trump Administration must urgently nominate an ambassador to Mexico. The U.S. has been without an ambassador since May 2018 and only recently confirmed the Assistant Secretary of State for Western Hemisphere Affairs. With the new USMCA and a change of leadership in Mexico, the White House needs diplomatic representation with the trust and confidence of the President.
- **Urge Mexico to maintain a collaborative role on regional crises.** Venezuela's deepening crisis requires a response from the international community. Alongside the U.S., like-minded democratic countries in Latin America must continue building consensus and addressing the crisis as a bloc. The same principles should be applied to Nicaragua. In the Northern Triangle region of Central America, the U.S. and Mexico should continue to address the root causes of illegal migration.
- **Commission studies to identify and address the causes of the U.S.'s pervasive demand for narcotics.** Like any other commodity, the demand for illicit narcotics drives the supply. The U.S. counterdrug strategy has been unsuccessful partially because the U.S. has been unable to stem the domestic drug demand. The Trump Administration rightfully declared the opioid crisis a nationwide Public Health Emergency in October 2017. As the Administration develops its counter-narcotics policy, it must also assess the factors that drive domestic consumption.
- **Align U.S. assistance funding levels to Mexico with U.S. national security interests.** The

41. López Obrador, "Recibe AMLO Carta de Trump," and Randall Jensen and Sarah Ponczek, "U.S. Stocks Hit Record; Yen, Bonds Pare Losses: Markets Wrap," Bloomberg, August 20, 2018, <https://www.bloomberg.com/news/articles/2018-08-20/asia-futures-mixed-dollar-falls-on-trump-remarks-markets-wrap> (accessed August 21, 2018).

U.S. has a deep interest in helping Mexico gain the upper hand against transnational organized crime. A safer and more prosperous Mexico will reduce the security threats to the U.S., alleviate the drivers for illegal immigration, and allow both countries to focus on productive matters in the bilateral relationship. Yet U.S. Merida Initiative funding has decreased from the all-time high of \$639.2 million in fiscal year (FY) 2010 to \$130.9 million in FY 2017.⁴² U.S. policymakers must strike a balance between fiscal responsibility and protecting U.S. national security interests.

- **Provide sustained funding for the Central American development package, the U.S. Strategy for Engagement in Central America.** Following the 2014 unaccompanied-minor crisis at the U.S. southern border, the U.S., El Salvador, Guatemala, and Honduras launched the program to address the factors driving illegal migration in the region. Guatemala's northern neighbor Mexico collaborates with the U.S. on mitigating these shared challenges. Addressing the causes of illegal immigration should be an integral part of the Administration's immigration policy.
- **Conduct a robust congressional review of the USMCA to ensure that it strengthens trade in North America.** On September 30, 2018, after nearly two years of negotiations, the three NAFTA partner countries reached an agreement to update the 24-year-old trade agreement. The text is set to be signed by November 30, the last day of President Peña Nieto's administration. During the negotiations, the U.S. Congress played only a consulting role due to the powers granted to the President via the Trade Promotion Authority

(TPA). After an implementation bill is introduced, Congress has a maximum of 90 days to consider and vote on the new trade agreement. During this time, it must oversee a vigorous analysis of the USMCA to ensure that it modernizes NAFTA, promotes economic freedom, and strengthens trade in North America.

Strengthening the U.S.–Mexico Partnership Is in the U.S. Interest

On a daily basis, U.S. officials from virtually every federal agency and many state agencies work alongside their Mexican counterparts on shared challenges and opportunities. Millions of Mexican citizens and U.S. citizens of Mexican origin legally reside in the U.S., broadening the ties between both countries. The massive trade relationship between both countries is also significant and has created deeply integrated economies.

Yet the relationship does face key challenges. There are enduring difficulties in addressing Mexico's security challenges, growing U.S. demand for narcotics, and flows of illegal immigration. When President-Elect López Obrador takes office, he will inherit a Mexico with significant problems. It is in the U.S. national interest to advance the bilateral relationship by helping Mexico improve its security situation, finalizing NAFTA 2.0 talks, and collaborating with Mexico on regional challenges.

—*Ana Rosa Quintana is Senior Policy Analyst for Latin America and the Western Hemisphere in the Douglas and Sarah Allison Center for Foreign Policy, of the Kathryn and Shelby Cullom Davis Institute for National Security and Foreign Policy, at The Heritage Foundation.*

42. Clare Ribando Seelke, "Mexico: Background and U.S. Relations," Congressional Research Service *Report for Congress*, January 29, 2018, <https://fas.org/sgp/crs/row/R42917.pdf> (accessed August 2, 2018).

APPENDIX TABLE 1

Corrupt Mexican Governors



Roberto Borge (PRI)

Former governor of Quintana Roo (2011–2016)

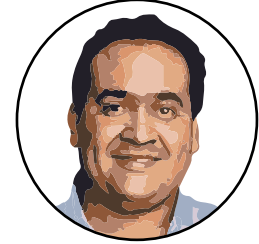
- Includes tourist hot spots Cancun, Tulum, and Conzumel
- Arrested in Panama and extradited to Mexico on charges of illicit enrichment and illegal use of state resources
- Believed to have allowed criminal groups to operate in the state
- During six-year term, Quintana Roo experienced a spike in narco-related violence



Guillermo Padrés Elías (PAN)

Former governor of Sonora (2009–2015)

- Arrested and convicted of embezzling \$8 million in public funds, and money laundering
- Son Guillermo Padrés Dagnino arrested in 2016 on related charges of money laundering and organized crime



Javier Duarte Ochoa (PRI)

Former governor of Veracruz (2010–2016)

- Convicted and sentenced to nine years in prison for money laundering and organized crime
- Accused of embezzling nearly \$3 billion in public funds and ordering the forced disappearance of more than a dozen people
- Successor Flavino Ríos Alvarado arrested and accused of helping Duarte Ochoa escape



Tomás Yarrington (PRI)

Former governor of Tamaulipas (1999–2004)

- Extradited to and awaiting trial in the U.S. on charges of drug trafficking and money laundering
- Linked to various Mexican drug cartels including Los Zetas and the Gulf Cartel
- Believed to have accepted bribes in the form of campaign contributions in exchange for allowing the cartels to operate in Tamaulipas, a state which in 2018 was given the highest travel warning by the U.S. State Department



Eugenio Hernández Flores (PRI)

Former governor of Tamaulipas (2005–2010)

- Accused by Mexican authorities of embezzlement of public funds and using public funds to purchase land for himself
- Charged and extradited to the U.S. for laundering money he received from Los Zetas and other cartels



Humberto Moreira (PRI)

Former governor of Coahuila (2005–2011), and former PRI party president

- Accused by Mexican and U.S. authorities of laundering more than \$60 million
- Former Los Zetas members testified that they had paid him millions for protection
- According to testimony given by a Los Zetas leader, as governor Moreira “allowed us to set up over 400 ‘tienditas’ [dispensaries] to sell drugs and alcohol in Saltillo and its surrounding areas [as well as] 240 in Piedras Negras, 100 in Acuña and 80 in the Cinco Manantiales region,” in exchange for \$2 million a month