

# Free economic ties of us and mexico: the war on drugs essay example

[Business](#), [Marketing](#)



The United States and Mexico have long been partners in both political and economic fronts since the early times due to its geographical closeness and shared conflicts. As the years progressed, both nations have agreed in mutual agreement to cement their partnership that would boost their political, economic and social ties. Recently, President Obama visited and met with President Enrique Pena of Mexico to discuss economic and security issues such as the improvement of trade policies, immigration agreements and strategies to aid in the war on drugs. However, the war on drugs had been the focal point of the discussions as both countries are affected economically and morally due to their close relationship. Weapons and drugs have been trafficked in and out of both countries, making efforts to remove these cartels from their operations. In order to counter the growing drug market of these cartels in both countries, both the US and Mexico have established stronger security and intelligence agreements to track down these cartels, improve border and economic standards to protect their markets from drug-related violence.

Aside from its geographical and political relationship, Mexico and the United States are firmly attached due to their economic partnership. According to Villarreal (2012), Mexico's 2011 gross domestic product was around \$1. 1 trillion, accounting to 7% of the U. S. GDP of over \$15. 0 trillion. Due to their shared borders, Mexico's economy relies heavily on the United States, especially for its exports. In 2011 alone, almost 80% of Mexico's goods are shipped to the United States. As far as the US is concerned, Mexico is a very important trading partner much like America's relationship with Canada and China. In terms of exports, the US ships exports amount to \$174. 4 billion to

Mexico each year, while imports from Mexico amount to almost \$285.4 billion in 2011. While trade had been slightly affected by the global economic recession in 2009, trade rates flourished in 2010 and 2011 especially with the growing demand for oil. Out of the total import rates of the US from Mexico, almost 15% is crude oil while Mexico receives almost \$19.4 billion worth of refined oil. This steady economic relationship of the US and Mexico can be accounted to the enactment of the NAFTA or the North American Free Trade Agreement that linked the US, Mexico and Canada to make the world's largest free trade area and enticed freer trade between the three countries. This ensured Mexico's position as one of America's key trading partners, but also caused some deficits to occur.

While both US-Mexican economic ties are stable at best despite the barriers imposed by the NAFTA and the shift in the global economy, both countries are currently having troubles regarding the present threat of Mexico's many drug cartels. According to Beittel (2013), Mexico's problem with various drug cartels spans has been a problem for the country and the United States for more than a century. Around the 1940s, Mexican cartels slowly built their networks while Mexico was under the Institutional Revolutionary Party (PRI) for 71 years. The government at that period tolerated and even protected drug networks - from production to trafficking - despite the fact it has a strong policy against crime. While under the PRI government, drug-related arrests and eradication were done commercially as the corruption within the Mexican government enabled drug lords to escape easily and maintain their operations up to the 1990s. However, as the 1990s progressed, the leadership of the PRI was challenged by the National Action Party (PAN)

under Vicente Fox, who became president in 2000. Under the Fox Administration, the country underwent democratization and launched a more active campaign against organizing crime. As a result, drug cartels utilized violence to stop the government from affecting its operations and retaliated each time an arrest was made. Around this same time, Columbia's drug cartels have been dismantled in the 1980s and allowed Mexican traffickers to use this chance to enter the US market. With their largest cocaine distributor gone, the US black market had turned to the Mexican cartels, who in turn, revised the payment options for the US supporters to pay cash for every cocaine they purchase. By the 1990s, Mexico's drug cartels have immersed themselves within the US drug markets and further boosted the business. As a result, they also had to contend with officials from the United States, especially those watching its borders.

Like other drug trafficking organizations, Mexican cartels operate in order to maximize their profits and ensure their product is in stable condition within the market, spanning, not just within Mexico but also in the United States. These drug traffickers or cartels use both bribery and violence to maintain their operations: violence is directed towards competitors, inactive members, and opponents and bribery are used to neutralize both the government and the border officials to permit the transit of these goods without being detected. Experts cite that a part of the drug sales these cartels acquire from sales is used to corrupt both US and Mexican officials and law enforcement agencies in order to ignore them. Mexican cartels are also polydrug, handling more than just one drug to accommodate to any user. The country is currently America's largest supplier of heroin, methamphetamine and

marijuana, including cocaine that enters through the Central America/Mexico borders .

The presence of the Mexican drug cartels in both the United States and Mexico is daunting considering the economic losses of both countries due to these cartels. According to Ferragut (2012), the Mexican drug cartels are now amassing almost \$6. 2 billion worth of exports to the United States since 2001 and can reach up to \$19 to \$29 billion worth of imports from the US to Mexico. The US government had released their own estimates, stressing that the country's drug market is now at \$62 billion, contradicting expert estimates of \$19-29 billion from the market. It is uncertain as to whether or not these numbers are 100% accurate given the complexity of these drug networks and the revenue system of these cartels for both US and Mexican markets . Aside from the economic losses is the growth of violence for both the US and Mexican regions as the drug traffickers utilize heavy violence - from beheadings, hanging, murder, bombing to assassinations - to stop the joint forces of the Mexican-US forces targeting their operations.

Aside from the fact that these attacks elicits fear amongst the people, drug cartels are also known to utilize their influence to bribe or extort from businesses and establishments. As a result of this, many of Mexico's lucrative businesses and investments are withdrawn from the country and caused many to open their businesses and bring their investments to the United States. This movement continues to cripple Mexico's chances of recovering economically due to the lack of investments. Weapons trafficking is also growing in both sides of the border in order to protect the operations of the drug cartels, eliciting more violence in both regions and fear within the

public to migrate out of the country . As long as the Mexican cartels remain in power within Mexico, the International Federation for Human Rights (2008) cites that poverty would continue to reign throughout the country, disabling economic improvement and weaken the Mexican workforce. While Mexican immigrants would not have an easy time getting jobs in the US or in other parts of the globe, economies like their sense of adaptability in any situation which makes them leave the country all together .

In order to counter this economic setback caused by the Mexican drug cartels, Mexico and the United States have established stronger security and intelligence agreements to track down these cartels, improve border and economic standards to protect their markets from drug-related violence. According to Walser (2010), both countries have accepted co-responsibility over the Mexican drug crisis and have adopted several initiatives since President Felipe Calderón assumed office in December 2006. The first of these initiatives is the Mérida Initiative or Plan Mexico, which would enable both countries (including the Haitian and Dominican governments) to share resources and information for three years (2008-2010) to stop the growing drug trade. The Initiative was drafted on March 2007 in Mérida, Mexico between US President George W. Bush and President Calderón, as a means to boost partnership and greater cooperation especially because of the fact both nations are succumbing to losses because of the drug trade. The US Congress had immediately reviewed the Initiative in October 2008 as it would be one of America's largest assistance program for the Western Hemisphere after the 1999 Colombia Plan. The program included a proposed budget of \$1. 4 billion and help strengthen Mexico's law enforcement and

judicial bureaus to fight these criminal and trafficking organizations. The initiative would also include funds for new equipment to power the Mexican law enforcement with new weapons and also train them to use these equipment. The Initiative would also include a package of \$74 million to stop the trafficking of illegal weapons, as well as reaching a consensus in identifying the cartels officiating these operations. Since 1996, the US Bureau of Alcohol, Tobacco, Firearms and Explosives reported that almost 62, 000 firearms are smuggled into Mexico by the drug cartels thanks to corrupt customs officials, ranging from AR type rifles to various arrays of guns and weapons that are only used within the US military .

At the same period, Lee (2014) cited that both countries had also applied stronger individual policies to launch a huge crackdown of these drug cartels, which also triggered drug-related violence that also threatens America's Border States. With Mexico's judicial and law enforcement bureaus corrupt and weak and being retrained under the Merida Initiative, some drug cartels remain to have a stronger hold in the country due to their bribes towards these organizations. Calderon, through the help of the US government, had intensified efforts by replacing them with the military and have them arrest known cartel leaders and members, getting at least twenty-five of the top thirty-seven leaders under his administration . The US, on the other hand, had also established stronger border policies – from the U. S. Border Patrol in 1924 to the Secure Fence Act of 2006 – to contain both the drug-related violence and trafficking from Mexico. The US utilizes both uniformed personnel and intelligence agents to help crack down the drug trade both within the country and in Mexico as part of the Merida Initiative .

Upon the time of the Obama Administration, President Barack Obama ordered funds to be given to the country's law enforcement bureaus in the southwest border under the American Recovery and Reinvestment Act. In June 2009, the National Southwest Border Counternarcotics Strategy is also implemented by the Department of Homeland Security and the Department of Justice to reduce the flow of illicit drugs, revenue and weapons from passing the Southwestern borders. This strategy also highlights further US-Mexican cooperation in stopping drug trafficking in their borders. The Obama Administration also highlighted that it is also America's drug market that can be blamed for the growing influence and power of the Mexican drug cartels. As long as the public calls for these drugs, Secretary of State Hillary Clinton stressed in her 2009 speech in Mexico that it is the US consumer that provides these drug cartels their business. With this in mind, the Obama Administration took a more active approach to stop illegal trafficking of both firearms and drugs in the country. Both countries are also using the program known as e-Trace, an online data registry of all registered firearms in the US and make it available for the Mexicans in Spanish format to prosecute gun sellers that sell illegal or stolen guns to the cartels. Operation Firewall is also launched by both the Customs and Border Protection and Immigrations and Customs Enforcement to stop cash smuggling to prevent the trafficking of drug-related money out of the United States . The country had also sent unarmed drones in Mexico to assist in intelligence efforts against these cartels, informing the Mexican agents of their location and aiding in arresting drug cartel leaders .

With the Merida Initiative ending in 2010, the Obama Administration had



reopened discussions with the Mexican authorities to revise the Initiative to continue working against drug cartels and revitalize Mexican communities which lay barren due to the violence and conflict. With the election of President Enrique Pena Nieto of the PRI, both leaders have reorganized discussions on the war on drugs as Nieto's stance against the drug cartels is similar to his predecessor and stop all forms of violence to revive the country. Nieto's campaign had also included heavy press campaigns to try to get more international investors back to the country as the continuous violence due to the drug war have already crippled the Mexican economy . As far as the Merida Initiative is concerned, Nieto had expressed for the creation of its own border police force and organize a regional fund to establish related infrastructure to match the initiative of making a 21st Century Border, which would further boost US-Mexican economic integration under the NAFTA. Stricter inspections have also been raised in the discussions of the Merida Initiative to scrutinize and examine all goods, services, cargo and people moving Northbound and Southbound through these borders. Screening procedures in the US side curtails to the Customs and Border Protection to scan each item through their Non-Intrusive Inspection Systems and imaging systems to inspect travelers without alerting them. The Mexican Customs, on the other hand, is being aided by the CBP to train their inspectors to handle and conduct inspections similar to the US Customs agents . With these initiatives in progress, it is possible that both efforts would be able to contain the war on drugs and further undermine the efforts of drug cartels throughout the two regions.

With its closeness to one another, as well as their shared history, Mexico and

the United States will continue to see each other as a key partner in both political and economic aspects. However, with the growing threat of the Mexican drug cartels towards both Mexican and American economies, there is a necessity to contain these groups or else Mexico would find itself crippled due to the lack of investors and workers that are fearful of these cartels and the US would find itself the target of drug operations. While solutions to the problem would not be as effective as they are proposed, the fact that both countries are open to share the responsibility of combatting the drug trade holds promise alongside their respective individual actions against these groups. It takes time and effort to utilize fully the advantage of the Merida Initiative and the individual actions of both the US and Mexico on the drug war; however, both countries are determined to end this war to protect the people and their economies. Unless both nations remain on agreement regarding their efforts against these drug cartels, it is likely that the black market on drugs would continue to poison their economies to the fullest.

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