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Centro de Investigación para el Desarrollo, A.C.
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**THREATS AND CHALLENGES
FOR MEXICAN SECURITY**

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Content

	Page
Introduction	2
1. Conventional threats to security	5
- Conventional armed aggression: Not an immediate threat	7
- Unresolved border disputes and proliferation of WMD: Continuous surveillance	9
- Modernizing the defense policy: Concepts, instruments and resources	9
- White Paper on Defense: Discussing and assessing national defense	11
- Key implications for Mexican defense	12
2. Non-traditional threats to security	13
- Terrorism: No so distant threat	13
- Information Technology: Also a tool for destruction and chaos	14
- Drug trafficking: The most serious immediate threat	14
- Organized crime and falsified goods: Confronting transnational networks	16
- Asset laundering: The need for more cooperation	17
- Corruption, citizen insecurity and human rights violations: Perverse interrelations	18
- Transport networks and critical infrastructure: preventing infiltration and destruction	21
3. Challenges for Mexican security	23
- Poverty and the fragility of democratic governance: Feeding instability	23
- Open borders: Controlling frontiers in a globalized world	24
- Health, HIV/AIDS and other epidemic diseases: More funds and coordination	25
- Natural disasters and environmental degradation: prevent and respond	25
- Energy security: Preparing the future	26
Final Considerations	28
- The problems	28
- The options	29

Introduction

In the last ten years, the so-called “new threats” to security have taken a fundamental place in the security concerns of all Latin American countries. Simultaneously the concepts of national and regional security are being redefined. These new threats and challenges are interrelated problems that require different answers from many and diverse national, regional, and international organizations. Consequently, the answer to these non-conventional threats and challenges must also be non-conventional, and in many cases will not require the participation of the Mexican security and defense forces.

Most of the threats that Mexico is facing are of a transnational nature: menaces that do not respect national borders, meaning that no country can face them efficiently on its own. In many cases, these are threats from people and foreign entities that use the increasing legal movement of persons and merchandise to cover up their illegal activities. This paper intends to divide the different aspects of security that affect Mexico into three big groups: conventional threats to security; non-conventional threats to security; and challenges to security.

In fact, the countries of America have recently recognized that “the threats, concerns and other challenges to security in the hemisphere are of diverse nature and multidimensional reach, and that the traditional concept and focus must be broadened to include new and non-conventional threats, which include political, economic, social, health and environmental issues.”¹

These phenomena are usually of a transnational nature and so they do not respect national borders, meaning that no state can unilaterally fight against them in an efficient way. In many cases, they are the results of the actions of non-national persons and entities that take advantage of the increasing legitimate movement of people and merchandise to cover their illicit activities. Without a doubt, Mexico has benefited from the information revolution, the strengthening of its political and economical relationships with other countries, and the diminishing importance of geographical distance. Unfortunately organized crime networks in the region have also benefited and in an even larger scale. Those who would traffic with people, who deal drugs, trade weapons, forge and launder assets have now established a perfected network of complex alliances that surpass cultures and continents.²

The challenges for Mexico’s security are some of the country’s interrelated problems that require multiple responses on behalf of different national and regional organizations. In consequence, the responses to these non-conventional threats and challenges must also be non-conventional, and in many cases do not imply the presence of defense or security forces of any state. Notwithstanding the growing importance of new threats, it does not mean that the traditional threats (that are related with the use of threat and force between states, with the proliferation of conventional and non-conventional weaponry; and with territorial disputes) have entirely disappeared from the Mexican security agenda.

¹ “Bridgetown Declaration”, adopted in the XXXII General Assembly of the Organization of American States, Barbados, June 2002.

² Moisés Naím, “The five wars of globalization”, *Foreign Policy*, January/February 2003, p. 30.

The new demands on security that the increasingly globalized world set forth generate a scenario that some analysts have assessed as a war without military means.³ According to these interpretations, the profiling of a global war scenario is established against five fundamental enemies: the illicit drug trade, the weapons trade, the violation of intellectual property, as well as people and money. Some of these forms of crime have always had an international component, but these five “enemies” are truly global nowadays.

Regardless of the differences between these five “enemies”, it is essential to recognize their similarities, with the purpose of approaching them not as a problem of complying or respecting the law, but as new global tendencies that today shape the world as much as confrontations between states did in the past. It is in this sense that customs authorities, police agencies, lawyers and judges themselves will never beat these “enemies”. It will be necessary for the Mexican government to unleash intelligence agents, soldiers, diplomats, and economists that understand how to use the incentives and regulations that will ease facing these matters. Furthermore, these enemies will not be conquered solely by incrementing the number and the skills of governmental combatants. A revision of the doctrines and institutions charged with facing these problems will also be necessary.

The different security aspects that affect Mexico are divided in three groups:

1. In the first group are contained the threats related to conventional security, or classic defense, meaning all those related with the use of military force in its traditional sense such as the conventional meaning of defense against a foreign country aggressor. Contained in the present category are territorial disputes, the armed aggression between states, and the proliferation of weapons of mass destruction.
2. In the second group are contained the so-called nontraditional threats to security, which arise from parties not related to the state, but that still constitute a real and immediate danger, exposing the state, its institutions and its citizens to great risks. For example: terrorism, drug dealing, corruption, organized crime, threats against infrastructure and elevated levels of violence and citizen insecurity.
3. The third group contains the no less important, yet ample concept of threats to safety. These consist of several issues related to structural problems, and which can considerably affect the security levels of the state. In light of its complexity and multidisciplinary character, military means are non adequate. This will only be possible through the strengthening of democracy and governance, and through social and economical development. The issues related to this group are, among others: extreme poverty, economical instability, weakness of democratic governments, citizen insecurity, human rights abuses, HIV/Aids as well as other epidemic diseases; and also natural disasters and energy safety.

Mexico, as well as many other governments in the world, is fighting against new phenomena with obsolete tools, inadequate laws, inefficient strategies and bureaucratic schemes. It is not surprising that the evidence shows that in many cases the governments are losing the battles.⁴ In the last decade, international criminal activities in Latin America have gone beyond drug dealing and have become more complex. The increase in trade and transportation between the region and Europe, Africa, as well as with the Caribbean and the United States has attracted criminal organizations from other continents. In this sense, the newborn regional economic integration has contributed that Latin America becomes a significant force in forged products for the international market. Additionally, those who launder assets are taking advantage of the weakness of

³ Naim, Op.cit., pp. 29-37.

⁴ Naim, Op. cit., p.30.

the law against illegitimate transactions to move and safe keep all benefits rising out of illicit actions Let us now identify and determine the severity of such threats and challenges that Mexico faces.

In this context, the present article analyzes the threats and challenges to security in Mexico. This paper is divided in three sections. First, we present the conventional threats to security: armed aggression between states, unresolved disputes of maritime and land borders, and the proliferation of weapons of mass destruction, and the need to generate a national debate on defense policy is discussed. The second chapter analyses non-conventional threats to security: terrorism, vulnerability emerging from the increasing use of information technologies, drug dealing, transnational organized crime, violations to private property, illicit arms trafficking, asset laundering, increasing citizen insecurity, and threats to key infrastructure and communications networks. In the fourth chapter of this article we address the challenges for security: weakness of democratic governments, extreme poverty, corruption, abuses against human rights, citizen insecurity, the impact of regional integration, health, natural disasters and degradation of the environment, and energy security. Finally, we establish a series of final considerations divided into two groups. On the one hand, we define the problems with which the government and Mexican society are confronted and that will need to be resolved in light of the situation presented in this paper. On the other hand, we present some alternatives that could make it easier for Mexico to resolve and give answer to the new security demands.

1

Conventional threats to security

The conventional threats to “traditional security” or “classical defense” are referred to the prevention of conflicts between states and to the role of structures of national defense. Latin America is a peaceful region without nuclear weapons,⁵ notwithstanding, it is important that the countries of this region, including Mexico, maintain themselves alert with respect to prevention and resolve international disputes and the proliferation of weapons of mass destruction. This section considers the elements directly related with “traditional” security.

There are currently no major conventional military threats to Mexico. Therefore, the country does not need to generate large-scale capabilities. It is clear that the country does not need to develop a capability against the emergence of a direct conventional strategic threat. However, given its geographical proximity to the United States and its vast oil and gas reserves, the threat from proliferation of WMD and international terrorism remains very real for Mexico, and in the worst case it could result in serious casualties and significant disruptions to the national economy and way of life.

In the structure for national defense⁶, the President is Commander-in-Chief of the three armed forces: Army, Air Force and Navy. He exercises control through the Minister (Secretary) of National Defense (which includes the Air Force) and the Minister of the Navy. The Mexican air force (Fuerza Aerea Mexicana - FAM) has only a limited combat capability and is configured primarily for logistical support missions. The Mexican navy consists of two fleets, a naval air arm and three brigades of marines. Mexico has an extensive coastline on both the Pacific Ocean and on the Gulf of Mexico, with no connecting naval passageway. For this reason, Mexico maintains a naval command on two coasts. The Gulf Command and the Pacific Ocean Command are divided into naval zones that roughly follow the boundaries of the coastal states.

The Mexican armed forces have about 193,000 personnel on active duty, including 60,000 conscripts. Total army active-duty strength is approximately 144,000 troops, including about 60,000 conscripts. The total active manpower of the Mexican air force is 11,800. The Mexican navy has 37,000 active-duty personnel, including 8,600 marines and 1,100 naval aviators. The country has a lottery system for recruiting conscripts.

⁵ Since the signing of the Treaty of Tlatelolco, Latin America became the first world region free of nuclear arms. The Treaty was signed on February 14th, 1967 entering into force on April 24th, 1969 by being signed and ratified by 33 countries of Latin America and the Caribbean. It is the first disarmament Treaty that binds the five nuclear powers to respect the non-nuclear status of the region as well as not to utilize or threaten with nuclear weapons against the signing countries. This Treaty was created to: ensure the absence of nuclear arms in Latin America and the Caribbean, and the great areas of the Atlantic and Pacific oceans; to contribute to the nonproliferation of nuclear arms, to promote total and general disarmament; to utilize exclusively for peaceful activities the nuclear material and installations of the signing countries; and to prohibit and impede the testing, use, fabrication, production or acquisition, by any means, of any nuclear weapon, by any of the members, being it directly or indirectly, by third parties or in any other way; to prohibit the reception, storage, installation, emplacement or any form of possession of any nuclear arm, directly or indirectly by any of the parties, by mandate of a third party or in any other way; and so that the signing members abstain themselves from doing, promoting or authorizing, directly or indirectly, the testing, use, fabrication, production, possession or dominion of any and every nuclear weapon or to participate in these activities in any way.

⁶ There is also a National Security Cabinet, which is chaired by the President, and that is conformed by: the Secretary of Interior, the Secretary of National Defense (Army and Air Force), the Secretary of the Navy, the Secretary of Public Security, the Secretary of the Treasury (Hacienda), the Secretary of Public Function; the Secretary of Foreign Relations, the Attorney General, and the Director of the Center for Research and National Security (CISEN).

Approximately 60,000 draftees serve a one-year part-time obligation (four hours per week). The Defense Budget for Fiscal Year 2002 was of \$3 billion dollars.

By law, the armed forces must be prepared to develop three different defense plans. The objective of National Defense Plan-I (DN-I) is to prepare the Armed Forces to confront an external military aggression. National Defense Plan-II (DN-II) has been designed to guarantee internal security and social peace. Defense Plan III (DN-III) has been conceived to protect the population in the event of natural disasters.

ESTABLISHED GENERAL MISSIONS FOR THE MEXICAN ARMY AND AIR FORCE

The Mexican Army and Air Force, are permanent armed institutions that have the following general missions:

1. To defend the integrity, independence and sovereignty of the Nation. External defense.
2. To guarantee internal security, by combating drug traffic, supporting citizen security and internal order.
3. To carry out civic and social actions and social that support Mexican progress. Such as reforestation, education and sport activities.
4. Assist the civil population in the event of citizen necessities.
5. Assist the civil population in the event of disasters. National Defense Plan-III (Plan DN-III).

These missions will be carried out by the Army and the Air Force or in combined form with the Navy or with other federal agencies or state or municipal governments.

Source: Secretary of National Defense (*Secretaría de la Defensa Nacional*.)

ESTABLISHED GENERAL MISSIONS FOR THE MEXICAN NAVY

The Mexican Navy is a national military institution whose mission is to use the naval power of the federation for external defense and to cooperate in the country's internal security. The attributions of the Navy are, among others:

1. To carry out actions to safeguard the sovereignty and to defend the integrity Mexico at territorial waters, as well as in internal waters.
2. To safeguard the human life at sea and in the interior waters, by means of search and rescue operations at national and international.
3. To protect the strategic facilities of the country.
4. Assist the population in cases of disaster or emergency; applying the institutional plans of civil protection, in coordination with other authorities.
5. To protect national resources at sea, rivers and lakes.
6. To cooperate with the competent authorities in the combat of terrorism, smuggling, piracy, robbery of fishing crafts and products, and illegal traffic of persons, weapons, and narcotics.

Source: Secretary of the Navy (*Secretaría de Marina*.)

Then, which should be the main elements for the reform of the defense sector in Mexico? It is possible to mention three that are closely related: the institutional modernization of the defense sector; the review of the defense policy, in order to confront present circumstances; and, the public discussion of the current international security and defense agenda.

This chapter, therefore, is divided in the next sections: armed aggression between states; unresolved maritime and land border disputes, and proliferation of WMD; the modernization of the Mexican defense policy; the need for a White Paper on defense; and key implications for defense.

Conventional armed aggression: Not an immediate threat

The underlying causes of conflicts and wars are so complex that it is impossible to affirm that violence has completely disappeared from the region. Furthermore, the velocity of today's world changes implies that all countries must double their efforts to assure that all actions necessary to prevent armed conflicts have been taken. The misunderstandings, national differences, failure of internal reconciliation measures and exaggerated nationalism are only some of the many factors that could lead to future armed conflicts. Mexico is bordered on the north by the United States and on the south by Guatemala and Belize. Mexico has relatively few problems in defending its land borders. Therefore, border reinforcements have been primarily employed in a drug-interdiction role. This does not mean that we are anticipating Mexican involvement in future wars, but it's indispensable to discuss the need to develop capacities to prevent and resolve possible or permanent situations of violence and armed conflict.

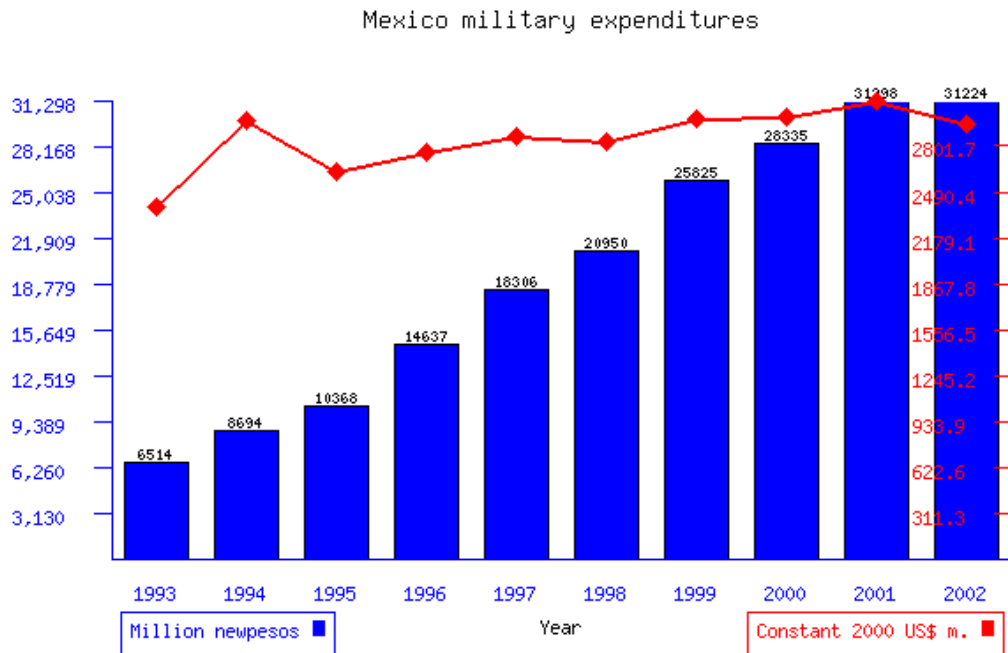
Is Mexico developing such capacities? This is a question directly related with the size of its defense budget. In the last ten years, this budget has maintained the same level: 0.5% of the Gross Domestic Product. If we compare this percentage with the ones maintained by Argentina (1.4%), Brazil (1.5%), and Chile (2.9%) in 2002, we could say that Mexican defense expenditure is not very high. However, this analysis does not tell us if Mexico is using well the resources allocated for defense. In order to this, we need to see if there is a correlation between the capabilities that the Armed Forces are acquiring and the defense scenario made by Mexican defense planners. With regards to this, Mexico's armed forces are involved in many projects for the renovation of military equipment, most of which is sometimes more than thirty years old and that is not adequate to face the current demands of security. Recent plans and programs of military equipment acquisition have to comply with tight budgets in order to achieve their goals of modernization.

The next table and charts, show both the evolution of Mexico military expenditure in the last years as well as a comparison between this expenditure and the ones of three other important Latin-American countries: Argentina, Brazil, and Chile.

MEXICO MILITARY EXPENDITURE							
Military expenditure in local currency (pesos), at current prices and for calendar year							
1988	1989	1990	1991	1992	1993	1994	1995
[1876] m.	[2387] m.	[3138] m.	[4247] m.	[5430] m.	[6514] m.	[8694] m.	10368m.
1996	1997	1998	1999	2000	2001	2002	
14637m.	18306m.	20950m.	25825m.	28335m.	31298m.	31224m.	
Military expenditure in constant US dollars							
Figures are in US \$m., at constant 2000 prices and exchange rates and are for calendar year*							
1988	1989	1990	1991	1992	1993	1994	1995
[1624]	[1722]	[1788]	[1972]	[2183]	[2386]	[2978]	2630
1996	1997	1998	1999	2000	2001	2002	

2763	2865	2828	2991	2997	3113	2956	
Military expenditure as a share (%) of gross domestic product (GDP)							
1988	1989	1990	1991	1992	1993	1994	1995
[0.5]	[0.4]	[0.4]	[0.4]	[0.5]	[0.5]	[0.6]	0.6
1996	1997	1998	1999	2000	2001		
0.6	0.6	0.5	0.6	0.5	0.5		

Source: Stockholm International Peace Research Institute (SIPRI) military expenditure database, July 2003.



Source: Stockholm International Peace Research Institute (SIPRI) military expenditure database, July 2003.

MILITARY EXPENDITURE								
Country	Military expenditure in constant US dollars. Figures are in US \$m., at constant 2000 prices and exchange rates and are for calendar year*				Military expenditure as a share (%) of gross domestic product (GDP)			
	1990	1995	2000	2002	1990	1995	2000	2001
Argentina	3528	4341	3741	2875	1.3	1.7	1.3	1.4
Brazil	6561	7841	7644	9957	1.9	1.5	1.3	1.5
Chile	1564	1920	2148	2305	3.7	3.1	2.8	2.9
Mexico	1788	2630	2997	2956	0.4	0.6	0.5	0.5

Source: SIPRI military expenditure database, July 2003

Unresolved border disputes and proliferation of WMD: Continuous surveillance

Even though many maritime and land border disputes are still taking place in Latin America, Mexico is not involved in any of them. Notwithstanding, it is in the best interest of the government to help other countries resolve these conflicts to facilitate the development of stability and safety in the region. These disputes prevail in spite of the increase in Measures of Promotion of Trust and Security, the multiplication of treaties and sub regional declarations, adequate democratic governance and growing regional economic integration, all of which has reduced the probability that any of these disputes could worsen and turn into an armed conflict.

Very few countries of the Americas have chemical, biological or nuclear weapons, or have the means for their distribution. However, it is possible that many of these countries, given their capacity, may contribute to the proliferation of the materials necessary to produce these weapons of mass (WMD) destruction if appropriate measures are not taken to prevent exports of these materials. The establishment of efficient multilateral systems of nonproliferation, arms control and disarmament, including verification measures, are still of fundamental importance in the fight against the proliferation of WMD or its components, this is as much for the countries as for all other agents. It worth noting that Mexico is part of various disarmament and nonproliferation treaties that contributes to peace and stability in the region.

To this regard, Mexico faces an important threat given its geographical proximity to the United States and given its vast oil and gas reserves. The threat from proliferation and international terrorism remains very real for Mexico, and in the worst case it could result in serious casualties and significant disruptions to the national economy and way of life. It is not very difficult to conceive an attack with a small amount of chemical or biological weapons to key infrastructure (such as oil wells in the Gulf of Mexico), or to places that attract thousands of US tourists each year (such as Cancun, Puerto Vallarta, and Acapulco). This would be an enormous setback for Mexican security and to its trade relations with its northern neighbor.

However, the possibility that WMD or its components may be introduced illegally into a country of the American Continent for its use by terrorist constitutes a concern that all nations in the hemisphere should address jointly. The key to eradicate this illegal trade is that states share information and intelligence in a better way.

Modernizing the defense policy: Concepts, instruments and resources

By defense, we are referring to the group of activities carried out by men and women occupied in and for the State, to protect its society and territory, with the legitimate employment of military means and with the use, or threat of use, of force. In this sense, the national defense policy rests on a group of at least four elements: the conceptions that guide it, the resulting policy, the instruments to apply this policy and the resources that finance it.

This does not mean that geography and history do not have a very important role in the defense policy planning, but the degree of their effect can be modified by the same defense policies. Therefore, it is very important to notice that national defense can be transformed, although the changes do not come from one day to another.

The modernization of the defense policy should be understood in a wide sense. It involves not only the renewal of the weapons systems in the different branches of the armed forces, but also, it has to include the

doctrines, the education systems, the structure of the ministry of defense and of each force, and the participation of civil society in the discussion and elaboration of the Mexican defense policy.

What has changed for Mexico in the field of defense that impels modernization? Nowadays, as in most Latin American countries, the Mexican security agenda does not exclusively include traditional strategic issues. Rather, it includes problems like those outlined by the emergence of asymmetric threats and new forms of conflict, and it is mostly driven by new conceptions of the employment of military means and new missions for the armed forces. In a wide sense, the security agenda has been enlarged to progressively include social matters, organized crime, and even environmental and health issues.⁷

After the September 11 attacks, in Mexico the Secretaries of Defense, Navy and Interior, reviewed its ability to respond to the particular challenges raised by international terrorism. Operations against this kind of threats require increased precision and rapid delivery of security and military means.

Nowadays, the focus of most armed forces in the world is to develop flexible force structures able to generate the right capability in a less predictable and more complex operational environment. This implies significant changes in the way military plans are prepared and executed, placing different pressures and demands on people, equipment, resources and supporting infrastructure.⁸

For the Mexican security and defense institutions it is important to be aware of some of the technologies that will be available for most armed forces in the next ten to twenty years. According to some defense experts, there are ten areas of technologies that will likely change armed conflicts and internal security in the next two decades. These are: (1) information and intelligence management, with sensors providing enormous amounts of real-time information; (2) advanced energy sources, like fuel cells, will increase the mobility and range of vehicles and equipment; (3) non-lethal weapons, for police actions and confrontations involving civilians; (4) advanced multi-detection and tracking systems that will detect metals, chemicals and drugs, for airport and customs security; (5) universal inoculations against multiple pathogens; (6) a global cyber net, that will be faster and better protected against cyber attacks; (7) individual warning devices against unhealthy air, water, and food; (8) rapid deployment and mobility of troops, provided by fastest vehicles, communications, and early warning systems; (9) safe buildings to protect people from biological and chemical threats; and, (10) advanced multifunctional materials for soldiers and other security personnel clothing that monitors people's health and enhance its camouflage capabilities.⁹

Certainly not all the above technologies will be immediately available for Mexican Armed Forces. However, they certainly will shape the tactics of many armies and security institutions around the world, and especially in the United States. Therefore, Mexico needs to analyze how to take advantage of the opportunities offered by these new technologies to deliver, or suffer, security and defense effects in different ways.

Finally, an important issue that needs attention is the fact that Mexican Armed forces are missing the active incorporation of woman to its different branches. An important improvement would be to see, in a few years time, women graduating as air force transport or combat officials, or acquiring more responsibilities in the

⁷ Raúl Benítez-Manaut, "Seguridad y defensa en México. ¿De la Revolución a la globalización?", *Foreign Affairs en Español*, Volume 4, No. 3, October-November, 2003, pp.160-171.

⁸ *Delivering Security in a Changing World. Defence White Paper*, Ministry of Defense, London, December 2003, p. 1.

⁹ Stephen M. Millet, "Tomorrow's conflicts: faster, safer, casualty-free", *The Futurist*, Nov/Dec 2003: 37,6, pg. 42-46.

Navy, or in the Army becoming active elements to support combat tasks, participating in artillery, telecommunications or engineering duties.

White Paper on Defense: Discussing and assessing national defense

An important element of the modernization process must be the elaboration, publication and dissemination of a Defense White Paper, in which the administration presents to the Mexican society the central elements of its defense policy. In a democratic regime it is basic to give the society the information needed to discuss the elaboration of this policy, and assessment that provides the society the baseline against which the government intends to develop the force structure and capability requirements for the future. Throughout Latin America, many countries already are publishing this kind of information (such as Chile, Argentina, Ecuador, Guatemala, and in the near future Dominican Republic, Nicaragua and Peru).

The purpose of the White Paper is to set out the governmental analysis of the future security environment, the implications for defense, and how the government intends to adapt its planning and force structure to meet the potential threats. The document purpose is to present the security and policy baseline against which future decision will be made, and to give a clear statement of Mexican future strategic priorities. This also is important because it permits a better and more transparent mechanism of resource allocation for national defense.

The possible content for a Mexican White Paper on Defense could be as follows:

- Evaluation of the regional and international security context
- Identification of the security challenges for Mexico
- Future requirements for Mexican defense
- Capabilities of the armed forces that will be needed to confront the challenges
- Capabilities needed to support the national defense policy

This effort to assess threats and capabilities must be permanent. Moreover, its results should be expressed in a renovation of the ideas and concepts that constitute the diverse and different policies conforming Mexican defense policy.

It should be pointed out that in Mexico, the armed forces play an important role in supporting the civil authorities in responding to a wide and increasing range of civil contingencies. The availability of a pool of highly trained service personnel, combined with expertise in natural catastrophe management, has seen the military deployed throughout the country to support civil authorities. In addition, this has been the case since other governmental institutions very often lack the capacity to perform its supposed primary tasks, such as citizen security and the fight against crime. Therefore, the established missions of the armed forces in Mexico are still heavy influenced by this context.¹⁰

Key implications for defense

¹⁰ Carlos Rodríguez Ulloa, "Situación actual de las relaciones cívico-militares en México. Inercias y cambios", unpublished manuscript, May 2004.

For Mexico, like for any other nation, to consolidate and enlarge its degree of international influence is a form to promote and defend its interests, principles and values. However, if Mexico wants to belong to the worlds' most important forums and international institutions for peace and security, its government and society should be aware that one cannot seek to be in those institutions without assuming the risks that this implies. It is not possible to participate and to vote an important decision and then let the costs be paid by other countries. Furthermore, an active foreign policy in the fields of peace and security needs a national defense policy that incorporates the possibility of risk, and assumes the costs of that will to participate in the world stage. A national defense policy that incorporates this perception contributes to increase the political-strategic stature of the country. So, which defense policy does Mexico need?

The key implications for the defense sector that can be draw from analysis of the traditional security challenges for Mexico are:

- Currently, and in the near future, there will be no major conventional military threats to Mexico, so there is no need to develop a capability against the emergence of a direct conventional strategic threat.
- However, given the geographical proximity to the U.S. and its vast oil and gas reserves, the threat from proliferation and international terrorism remains very real.
- Mexico must be prepared for "asymmetric" attacks (those avoiding direct conventional conflict with its military forces) by non-state actors, including the employment of Weapons of Mass Destruction delivered through a variety of means.
- The added demands placed on the armed forces by the expanding and greater geographical scope of deployment will require the force and supporting structures to be more flexible and adaptable.
- A broad spectrum of maritime, land, air logistics, C4ISR (Command, Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance), and Special Forces capability will be needed.
- The reform of the defense sector needs an institutional modernization, the review of the defense policy to confront present circumstances, and the public discussion (ideally, through a Defense White Paper) of the current international security and defense agenda.

2

Non-traditional threats to security

Non-traditional security threats to Mexico have their origin in the action of non-state actors. These kinds of threats constitute real and present dangers that expose the state, their institutions, and their citizenship, to enormous risks. This category of threats includes terrorism, drug traffic and the illicit traffic of weapons. Mainly criminal and terrorists networks that act internationally generate these threats. Therefore, the answers at state, sub regional and hemispheric levels must be given also through the consolidation of international networks for cooperation and information sharing.

Terrorism: No so distant threat

Terrorism is a transnational and decentralized phenomenon that is not confined to a single country or region. Consequently, the answer to this threat should be framed in a wider context to effectively confront this global threat. While the events of September 11-2001 catapulted terrorism to the center of U.S. security concerns, for many other countries in the Hemisphere this threat was in their security agenda since many years ago. In the course of the years, in the Western Hemisphere there have been numerous terrorist attacks, and almost all the countries have suffered the repercussions of these kind of actions.

However, the war against terrorism produces mixed consequences for other threats to the security, mainly to drug trafficking. Antiterrorist strategies deviate and distract the attention of the police and security forces, as well as scarce financial resources, from its "normal" routine. Moreover, this possibly creates new opportunities for those people involved in international crime. However, there are also positive externalities from the actions against terrorism. The increase of surveillance, new customs procedures, the signing of international agreements to track money laundering, can create new synergies, which help the fight against organized crime.

In Mexico, terrorists, as well as other transnational criminals, could easily take advantage of: the increasing movement of people and resources throughout the country; the weakness of many border controls; the inadequacy of some laws against terrorist activities and the corruption of security personnel; and of bank regulations that still have to be seriously improved to combat more effectively money laundering.

Some of the actions needed to improve the fight against this non-traditional security threat are: improvement of intelligence gathering and strengthening of the exchange of intelligence information at a regional and international level; develop strategies to increase public awareness and understanding of the threat that international terrorism pose to the country; follow and block the funds product of organized crime activities, so this money cannot be used to finance terrorist acts; and, finally, strength both the rule of law and the defense of human rights.

At the same time, in order to prevent indigenous terrorism to emerge in Mexico, it is fundamental to analyze and combat the deep causes that could promote these activities: poverty, social inequity, impunity, and absence of the rule of law throughout the country.

Information Technology: Also a tool for destruction and chaos

Notwithstanding that Information Technology (IT) is usually seen as a resource to create opportunities for development, this creative force can also be used as tool for destruction and chaos. The “technological gap” is the challenge most commonly identified, because the distance between those people in Mexico having access to modern information technologies and those that do not is expanding. The bad social distribution of IT benefits easily increase income, educational, and employment inequities. At the same time, in a globalized world, those business and companies that fail in maintaining themselves up-to-date with technological innovations needed to maintain and expand its sales, benefits, and jobs, could be left behind. An additional challenge for Mexico is to develop the adequate conditions for business, labor force, local governments, and civil society, can use IT to get the information needed to generate both social and economic benefits.

In the short term, however, the more important threat associated whit IT for Mexico is the inadequate security systems of many public and private computer networks. The risk rises in a globalized framework in which governments, corporations, financial markets, and the armed forces, increasingly use electronic devices to transmit all type of highly sensitive information. Cyber-terrorists, hackers, and different criminal organizations, can penetrate computer systems throughout the country with the objective of stealing information or to produce sabotage. In Mexico, the computer systems of public hospitals, intelligence services, financial institutions, energy plants or centers air traffic control, will remain vulnerable if public and private organizations fail to install systems to prevent and detect attacks, and to protect their information networks.

To be prepared to confront these threats, the Mexican government needs to consolidate and spread public awareness of the challenge that an insecure information network poses for national development in a globalized world. Promoting public-private initiatives to support e-government, e-commerce and innovations in computer security could do this. Efforts should also be done to transfer resources to diminish the “digital gap” and to democratize the access to information. An important step would be assuring lower prices to access telecommunications and the Internet. In addition, an effective use of IT for sharing information between police and security institutions should be promoted. Finally, measures that contribute to avoid that IT falls in to the hands of criminals or terrorists should be adopted.

Drug trafficking: The most serious immediate threat

The illegal traffic of drugs is the single most important threat for Mexican security. This criminal activity has enormous political, economic and social repercussions for the country. For many nations, even just the volume of the economic resources that drug trafficking implies surpass the capacity of the state’s financial apparatus to confront the impact on national economies. The 1999 United Nations Human Development Report, calculated that the annual trade of illicit drugs was near the 400 trillion dollars, equivalent to eight percent of world trade. The transnational character of this threat, together with market dynamics, justifies the need to increase multilateral cooperation to combat it.

Mexican security is affected by a complex combination of factors related to drug trafficking: production of illicit drugs inside the territory; transport of drug shipments through the country (by land, sea or air); violence

and corruption fed by the profits that this activity produces; increasing presence of 'private armies' to protect these activities throughout the country; and the negative social consequences generated by the increasing levels of drug consumption in the country, among others. In the last years, the alliances among Mexican, Colombian, and Caribbean traffickers have generated many options for trafficking, multiplying the routes to reach the largest drug market in the world: the U.S.

The problem of consumption has increased in Mexico, as well as in all the countries of Latin America, in the last ten years. In many cases, the routes for drug trafficking have created a "spill-over" phenomenon, increasing drug consumption in the countries that constitute these routes. Therefore, the traditional division between producer and consumer countries is becoming increasingly irrelevant to confront this problem.

Another element, associated with this increasing drug trafficking and consumption is the possible political instability associated with these issues. The money obtained by these illegal activities could be used to finance political campaigns throughout the country, or to buy consciences at all government levels.

The issue is especially serious in regards to cocaine consumption. The American Continent is the world most important consumer of this drug, and the impacts of this drug in Latin American societies are very important. Of the people treated for drug problems in Argentina, Brazil, Chile and Mexico in 1999, cocaine addicts represented, respectively, 77.4%, 59.2%, 89% and 32.3% of the total treated.¹¹ Although the U.S. continues being the biggest cocaine market in the world, several countries of Latin America have reported an important increase of cocaine consumption among their citizens. In this region, three cases deserve attention: Argentina, Brazil and Mexico. Argentina is the Latin American country in which the percentage of cocaine consumers is bigger. In 1999, 1.9% of the population aged 15 and above consumed this drug. Brazil is the most important cocaine market of South America, and the second in the Western Hemisphere. The report of the United Nations estimates that during 1999, around 900 thousand people (0,8% of those aged 15 and above) had consumed cocaine in Brazil. In Mexico, during the nineties there was a growing tendency in the use of this drug. This increase was particularly strong between 1993 and 1997, when the consumption of cocaine among the students of Mexico City quadrupled. It passed from 0.63% of the population between 11 and 19 years, to 2.69%. In the period 1997-2000, this increasing was less significant, probably reflecting the first signs of a tendency towards the stabilization of the number of young people using this drug.¹²

In the short term, due to a lack of capacity and credibility of the police forces, the Mexican Armed Forces will continue to have a fundamental participation in the fight against drug trafficking. However, it is quite clear that the efforts to combat drug production, traffic and consumption should develop, increasingly, a multinational dimension to be effective. However, in some countries this view also generates numerous concerns related to the fact that certain multinational policies in deed harm the traditional interpretations of sovereignty and the principle of non-intervention.

¹¹ United Nations Office on Drugs and Crime (UNODC), *Global Illicit Drug Trends 2002*, p. 278.

¹² *Global Illicit Drug Trends 2002*, pp. 249-250.

Organized crime and falsified goods: Confronting transnational networks

Transnational organized crime is a threat linked to many of the transnational threats mentioned in this report, such as terrorism, illicit traffic of weapons, drug traffic, money laundering, and the proliferation of weapons of mass destruction. In fact, in many cases the transnationalization of crime facilitates these types of activities. Besides, transnational organized crime encourages corruption and violence, weakening the foundations of democratic regimes.

In the case of Mexico, besides drug smuggling, criminal groups are involved in the traffic of people, piracy, traffic of stolen vehicles, of firearms, of tobacco, alcohol, and another types of smuggling. The traffic of people is becoming a flourishing business. Mexico has become a key route for the organizations that benefits from the illegal immigration that goes from Central and South America, and Asia towards the United States.

The illicit traffic of small and light weapons helps local and transnational criminals, terrorists and drug dealers to carry out their violent activities. In accordance to the United Nations, only 18 millions (or some three percent) of the 550 million small and light weapons in circulation today are used by governments, the military or the police forces. The illicit traffic of weapons almost represents 20 percent of the total trade in small weapons and it generates more than a thousand million dollars a year.

In the last decade, international criminal activities in Mexico have extended beyond drug and weapons traffic, becoming a more multifaceted activity. The increase of the commercial and transport links with the U.S., Europe, and Asia, has attracted extra continental criminal organizations. Regional economic integration has helped to transform Mexico in a significant source of false products for the national and international markets, in a time when both the demand and supply of illegally copied products is rising very rapidly. The industrial and technological capacities in Mexico have opened the door to the illegal duplication of CDs, DVDs, clothes, and software, among other products. For example, some 40% of software existing in the country is of illegal origin, which generates losses of between US\$600 million and US\$800 million per year in that sector.¹³ Mexico has a growing problem of business that violate the laws of patents and marks. From January to October of 1998, Mexican authorities confiscated 23.4 million falsified products, while in all 1997 the confiscated products were “only” 12.6 millions.¹⁴

Federal deputies in Mexico estimated that piracy, in all its forms, generates illicit resources of more than 1.8 billion pesos (US\$158 million) and affects all economic sectors, causing losses of more than 180 billion pesos (US\$15.87). Furthermore, in a recent report the Citizens Council for Public Justice and Security said that 70% of pirate products – from clothes to perfumes and software- that are manufactured and marketed in Mexico come from criminal hotspots in Mexico City.¹⁵

¹³ “Illegal products generate losses of more than 180bn pesos”, *Crónica*, 18 June 2004.

¹⁴ U.S. Government, *International Crime Threat Assessment*. This Global assessment was prepared by a US Government interagency working group in support of and pursuant to the President’s International Crime Control Strategy, during the Clinton administration. Representatives from the Central Intelligence Agency; Federal Bureau of Investigation; Drug Enforcement Administration; US Customs Service; US Secret Service; Financial Crimes Enforcement Network; National Drug Intelligence Center; the Departments of State, the Treasury, Justice, and Transportation; the Office of National Drug Control Policy; and the National Security Council participated in the drafting of this assessment.

<http://clinton4.nara.gov/WH/EOP/NSC/html/documents/pub45270/pub45270index.html>

¹⁵ “Illegal products generate losses of more than 180bn pesos”, *Crónica*, 18 June 2004

There are no nation in the world free from the action of transnational organized crime. In fact, national capacities in many countries are simply non sufficient to effectively confront this threat. Mexico is increasingly becoming an example of this. Therefore, any improvement in the fight of this threat will necessarily implicate the adoption of a multilateral focus, based on regional and international cooperation. However, this does not exculpate national governments from their responsibility in transforming and improving its security institutions.

Asset laundering: The need for more cooperation

Asset, or money, laundering creates devastating social consequences and is a threat for Mexican security, because it feeds the activities of drug and weapons traffickers, and other criminals. If it is not confronted with the right means and strong willingness, this activity could harm in a permanent way the integrity of Mexican financial infrastructure.

Given the high integration of capital markets, asset laundering can also affect national and world growing rates, since those that perform this activity reinvest their resources in the places were its financial movements have less probabilities of being detected, not in the places were interest rates are higher according to solid economic conditions. For some analyst, the enormous worldwide growth of criminal activities is explained, mostly, by the multiplication of possibilities generated by economic liberalization and a globalized economy.¹⁶

After Colombia, Mexico is the main point for money laundry in Latin America. In 2003, the Mexican financial system laundered 24,000 thousand million dollars, while a year before, in 2002, the sum reached 25,000 million. This means a reduction of 4% in a year: almost nothing. At the same time, while in the U.S. 20,000 financial operations are daily analyzed, in Mexico they just reach 5,000. While in the U.S. 2,500 persons were convicted for money laundry, in Mexico there were no more than 20 persons convicted for this crime.¹⁷

Mexican drug dealers repatriate great part of their earnings in the U.S. using exchange offices located along the border, Mexican banks, stock exchanges and other financial institutions. There is also evidence that non-negotiable monetary instruments, denominated in dollars, are exported from the U.S. to Mexico as a way to avoid the movement of big quantities of cash between both countries. Also, it is pointed out that laundered assets have been used to invest in numerous businesses in Mexico.¹⁸ At the same time, the imminent mass irruption of electronic money -cards with microchips that can store big sums of money and therefore can be easily transported outside normal channels or simply exchanged among individuals- would increase the challenge of combating asset laundering.

Ten years ago, the profits for Mexican cartels, which are the big suppliers for the American market, ranged between 10 and 30 thousand million dollars annually. It is estimated that in 1995, when Mexico was experiencing an important financial crisis, the money laundered represented the equivalent of the country's

¹⁶ UNESCO, *Globalisation, Drugs and Criminalisation. Final Research Report on Brazil, China, India and Mexico*, 2002 (http://www.unesco.org/most/globalisation/drugs_1.htm).

¹⁷ David Zuñiga, "Lavó por lo menos 24 mil mdd el sistema financiero mexicano en 2003", *La Jornada*, June 9, 2004 (electronic edition).

¹⁸ *International Crime Threat Assessment*.

petroleum exports.¹⁹ These examples reflect the exponential growth of drug trafficking in Mexico during the decades of the 80's and the 90's.

Although the profits from drug traffic represent only a little percentage of illicit economic activities, the total amounts of money from illicit activities that is laundered, at that is controlled by criminal networks, may have important repercussions on financial crises. This theory has been demonstrated in a recent analysis of the crises happened in Mexico (1994-1995), Thailand (1997) and Japan (since 1990), that takes into account "criminal economy". In other words, what economists have denominated the "tequila effect", that is to say, the artificial prosperity that preceded the Mexican financial crisis between 1994 and 1995, probably was related with a "cocaine effect."²⁰ In this context, some analyses speak of a "gray" economy that constitutes the transition area between a completely "white" licit economic activities and the illegal "black" economy, based on traffics of all type, and they confirm the existent permeability among these three types of economy.

The authorities in charge of elaborating a Mexican strategy for the fight against money laundering cannot continue underestimating the relationship between criminal networks and the national economy, and have to recognize that they do not have the capacity to analyze more financial operations, and that they need international help from institutions like Financial Action Task Force from the group of the seven more developed countries (G-7).

Corruption, citizen insecurity and human rights violations: Perverse interrelations

The high interrelation presented by corruption, citizen insecurity, and human right abuses in Mexico is extremely dangerous for social stability and development. This interrelation generates perverse outcomes that seriously hurt the foundations of the social contract, such as the active participation of security and police agents in the planning and execution of many crimes, and the impunity for many criminals because of political and judicial corruption.

An extreme example of this situation are the crimes committed in the border city of Ciudad Juarez, were at least 307 women have been killed since 1993 in this city of 1.3 million in the state of Chihuahua. About 100 of the killings were similar, with the victims sexually assaulted, strangled and dumped in the nearby desert. A recent federal investigation revealed that 81 state and local officials, including investigators, forensic experts and police officers, lost evidence, contaminated crime scenes and had been slow to protect endangered women.²¹

The feeling that the government is incapable of providing public safety has prompted significant sectors of the public to contract their own private security systems, made up of former soldiers and police officers. Those who do not have money remain vulnerable to organized and un-organized crime.²²

¹⁹ UNESCO, *Globalisation, Drugs and Criminalisation. Final Research Report on Brazil, China, India and Mexico*, 2002.

²⁰ UNESCO, *Globalisation, Drugs and Criminalisation. Final Research Report on Brazil, China, India and Mexico*, 2002.

²¹ "Juarez slayings report: incompetent police but no serial killer", Associated Press Newswires, 4 June 2004.

²² "Budget disputes endanger Mexico's public safety", *EFE News Service*, 5 June 2004.

Corruption affects Latin American countries, although in some of them is more generalized. In Mexico, corruption contributes to insecurity in two different ways. On the one hand, corruption undermines the credibility of democratic institutions, which creates political instability. On the other, it affects the state capacity to respond to security threats, especially to the activities of organized crime, such as drug trafficking.

The impunity that sometimes some drug dealers have is due to their ability to neutralize or undermine Mexican law enforcement agents, promoting a systematic corruption or even infiltrating government agencies. According to some reports, the form that corruption acquires in a country is highly related with the structure of the state and with the force correlations that is established between state institutions and the traffic networks. In this context, the current situation in México, where the administration was under a single party during seventy decades, could be more similar to current the situation in China than to Brazil or Colombia.²³

The increase of violent crimes in the last years has caused a crisis of citizen security. This crisis has important negative effects in the public, social and political order. In fact, citizen insecurity harms democratic institutions, since Mexican society loses trust in the capacity of its authorities to guarantee its basic security needs. In this context, kidnappings have become a highly sensitive issue in Mexico. The country ranks second in the world after Colombia with regard to the number of kidnappings, which earn criminal gangs nearly \$900 million a year, according a report by the Mexican parliament released in June 2004. "In 2000 the Mexican Mafia pocketed \$900 million through 3,200 kidnappings operations," the *Justice and Security Today* report said. Mexico comes second only to Colombia with 3,706 kidnappings, the report said, adding that unlike Colombia, where kidnappings were often carried out by guerrilla groups that use them to raise funds for their armed fight against the government, in Mexico the kidnappings are carried out by dozens of specialized criminal gangs.

Apart from being a serious crime, which deals a blow to the human dignity of the hostages, kidnappings have heavy social repercussions. Though the kidnappings rate in Mexico remains far lower than that of Colombia, fear of abduction for ransom torments Mexicans throughout the country, besieged by what they perceive as an unrelenting crime wave spawned by authorities' ineptitude and corruption.

In Mexico, 380,000 state and federal police together with the Federal Preventive Police (PFP) must combat some 4.5 million crimes each year, 90 percent of which are robberies that fall under local jurisdiction. The Public Security Ministry (SSP), which oversees federal police forces has some 3,700 agents, but contends that the financial cutbacks prevent the hiring of some 1,900 previously budgeted police officers as well as 800 prison guards. However, the problem is not only of lack of resources, but also of institutional disorganization and lack of strategic vision. For example, security forces have broken up large kidnappings organizations, only to have their place taken over by smaller groups that conduct "express kidnappings" lasting several hours.²⁴

The political influence of criminal networks observed in Mexico, evidences the enormous problem between the legislation and the application of the rule of law. Sometimes this situation is so extreme that the legitimacy of many institutions of the state is in doubt. Recently there have been some situations in which a

²³ UNESCO, *Globalisation, Drugs and Criminalisation*.

²⁴ "Budget disputes endanger Mexico's public safety", *EFE News Service*, 5 June 2004.

perversion of the rule of law (such as extra judicial executions perpetrated by police forces during “difficult” arrests) does not permit to foresee a better future.

The analysis of the evolution of the corruption in Latin America presents a difficult scenario for Mexico. The report of *Transparency International* (2003), with respect to worldwide corruption perceptions, shows the dramatic situation that Mexico, and most Latin America countries, need to confront. The corruption perception index (CPI) score is related to the perceptions of the degree of corruption as seen by business people, academics and risk analysts, and ranges between 10 (highly clean) and 0 (highly corrupt).

Country rank	Country	CPI 2003 score
1	Finland	9.7
2	Iceland	9.6
3	Denmark	9.5
	New Zealand	9.5
5	Singapore	9.4
	Canada	8.7
11	Luxembourg	8.7
	United Kingdom	8.7
16	Germany	7.7
18	Ireland	7.5
	USA	7.5
20	Chile	7.4
23	France	6.9
	Spain	6.9
29	Slovenia	5.9
54	Brazil	3.9
59	Colombia	3.7
64	Mexico	3.6
	Poland	3.6
66	China	3.4
86	Russia	2.7
131	Haiti	1.5
132	Nigeria	1.4
133	Bangladesh	1.3

Source: Transparency International Corruption Perceptions Index 2003.

The continuous and systematic abuse of human rights from some sectors of the federal and local governments in Mexico affects internal and regional security. This abuse and refusal of human rights is damaging the security and the development of the population, which should be able to exercise all their rights without the fear of reprisals. The abuse of human rights goes against the legitimacy of democratic governments and it increases political, economic and social instability. In the last two decades there has been some improvement in the protections of human rights in México, although there are many areas that need serious attention, like in the protection of women, child, and immigrants rights. The participation of human rights local, regional and international organizations needs to be encouraged, to force all governmental levels and institutions to guaranty the rights and freedom of citizens.

The traffic of women and children for sexual exploitation is becoming an important problem in Mexico. This fact implies the extreme violation of human rights, among others, the right to dignity and security, the right of

not been subjected to violence or to cruel treatment, and the right to health. Poverty, work discrimination based in gender, and sexual and physical violence make women and children very vulnerable against criminal networks. These networks usually also participate in activities that threaten regional and national security such as drug, and small and light weapons traffic, that increasingly are involved in people traffic and kidnappings.

Transport networks and critical infrastructure: preventing its infiltration and destruction

The fact that Mexico increasingly depends on technology for many of its daily activities, and the need to assure the fast movement of people and goods, imply the need to place more attention to phenomena that threaten transport networks and critical infrastructures. Growing levels of integration in communications, transport, technology and infrastructure, have made necessary to offer a solid and coordinated protection against potential terrorist attacks.

Critical infrastructure are transport and energy systems, defense facilities, bank and financial institutions, water and oil reserves, agricultural resources, chemical plants, police and fire departments, hospitals and public health systems, government offices, and the national symbols. In other words, critical infrastructure refers to those resources, infrastructures, systems, and functions so vital for Mexico that its interruption or destruction would have a serious diminishing on Mexico's security, economy, governance, health, citizen security, and on the moral of its population.²⁵

Potential weaknesses of critical infrastructure in Mexico are numerous and complex due to the size and interconnection of these assets, but it is possible to point out the following related issues as high-priority:²⁶

A national effort should be made to increase energy systems security, specially the electric power network and other facilities for energy generation and distribution. If in the near future privatization of electric generation is successful, this issue will acquire even more relevance, since many industrial experts believe that the private energy sector is not well prepared to develop security configurations from a strategic point of view.

The national health system should be prepared to assume a "first-respond" role against a possible development involving biological, chemical or radiological attacks. Not that these threats are highly plausible, but there are serious weaknesses that need to be addressed. These weaknesses include the absence of stable funds for public hospitals; incompatible communication networks between federal and local emergency and security agencies; the lack of qualified personnel; and a highly possibility shortage of medical supplies due to lack of funds.

Information and control centers are also potential targets. Three infrastructure sectors that can be especially vulnerable to these kinds of attacks are: oil and gas pipelines, and air and rail transportation systems. The control centers associated with these sectors are concentrated in a reduced number of nodes or critical facilities. This concentration implies that wide segments of this infrastructure are potentially vulnerable to

²⁵ Bruce Don and David Mussington, "Protecting critical infrastructure", *RAND Review*, Summer 2002 (<http://www.rand.org/publications/randreview/issues/rr.08.02/infrastructure.html>).

²⁶ Based on Don and Mussington, Op.cit.

disruption generated by a small number of destructive actions. In the agricultural sector, it is indispensable to reconsider the relationship between the producers and the intelligence community. The lack of closer contacts between these two groups means that information related with a possible interruption of food supply would not reach the appropriate public institutions.

Several actions are needed to strength the protection of critical infrastructure in Mexico: The collaboration between state and industrial leaders to protect the electric power network and other energy generation and distribution facilities. Reducing oil wells and refining facilities vulnerabilities against terrorist attacks that could be launched from land, sea, or air.

Finally, an important part of vulnerability assessment in Mexico should be directed to identify policies, procedures and institutions that would avoid the potential and catastrophic interruption of critical services: water supply, electric energy, among others. Surveillance, detection and verification of biological or chemical capacities must be improved. In addition, it is necessary to develop emergency systems that enforce the link between critical infrastructures and law enforcement agencies. These emergency communication systems will allow government agencies to be permanently communicated during those periods in which normal civil communications systems are interrupted or intervened.

3

Challenges for Mexican security

In this section we consider security threats from a broader point of view. These are the aspects considered as the structural causes of insecurity in Mexico. These issues are not related with traditional national defense, neither with the “non traditional” threats that were analyzed in previous sections. The aim of this section is to review those aspects that, when related with the ones previously analyzed, give security a broader view, which have been called “multidimensional.”

The security challenges analyzed in this chapter are: poverty and the fragility of democratic governance; corruption and human right abuses; open borders; health, HIV/AIDS and other epidemic diseases; natural disasters and environmental degradation; and, energy security. That is to say, a broad diversity of factors that may affect, in one way or another, security levels in Mexico, but that do not have its origins in a direct armed aggression from another state or in a direct action from transnational organized crime. It is important to highlight that almost all of these issues are extremely interconnected, and that usually the emergence of one these challenges cannot be explained without taking into account the other ones.

Poverty and the fragility of democratic governance: Feeding instability

Many sectors of the Mexican society live in extreme poverty, with very low possibilities to improve their living conditions. Continued extreme poverty, which is highly linked with economic and political exclusion, is a fertile ground for instability, and undermines the legitimacy of the democratic elected governments. The emergence of the Zapatista National Liberation Army (EZLN) and the Popular Revolutionary Army (EPR) during the nineties has its main explanation in this context. In addition, poverty and political exclusion also generate fertile ground for the growth of drug traffic and other types of illegal activities that are seen by many people as the only way to obtain economic resources.

The hopes, during the last part of the nineties, that economic reforms based on the market would promote economic growth, have vanished. At first, poverty indexes decreased, but in the last years they have increased again, generating a more unequal distribution of income and political power in Mexico. As a result, there is a lack of faith in the reforms based in the free market promoted by the present administration. In Mexico as well as in all Latin America, social inequalities are increasing and this phenomenon has important consequences for peace and stability.

Although in Mexico exists a democratic regime, there is still the need of its consolidation through the strengthen of its institutions, a good government performance, and more decisive actions to promote and protect human rights. The consolidation of democratic administration of national resources is the best way to strength national sovereignty and to promote mutual trust between different countries. Democracy is useful to manage internal demands for change in a pacific way, so it could minimize social tensions that eventually may be spilled to neighboring countries. The disintegration of Mexican democracy would be a crisis for regional security, because it would provoke enormous physical insecurity and instability for its neighbors, an even maybe to the rest of Latin America.

Increasingly, there is an important public dissatisfaction in Mexico with the quality of governmental leadership at all levels, and with the corruption in many parts of the present administration. Maybe, some of this dissatisfaction is unjustified, however, the demands of a new century require a competent leadership, that is ready to deal with the challenges related with increasing the quality of democratic governance.

In Mexico, corruption has become a fundamental obstacle for the economic growth and social development, as well as a factor that increases Mexican society's distrust of politicians and police and security officials. Notwithstanding, it must be noticed that any country in the Americas, the U.S. and Canada included, is free from corruption (see the next sections).

There are two issues at the top of Mexican society agenda: unemployment and personal security. For the second issue contributes the weakness, or sometimes the total absence, of the rule of law in many parts of the country, that has become a fundamental threat to the nascent Mexican democracy. Besides, the corrupt behavior of many police forces and a very slow judicial system procedures, have contribute to the division of the society, to vigilantism (the creation of private armies to defend some urban areas against crime), and to emigration.

Open borders: : Controlling frontiers in a globalized world

Mexican growing economic interdependence has brought some prosperity, but has also made the country more susceptible to the effects of international economic and political crises. A sudden fall of export revenues and direct foreign investments, caused by uncertainty in the world economy, could seriously harm the economy of the country. Besides, economic uncertainty can be translated into political instability for the incipient Mexican democratic régime. On the other hand, facing the tension between free movement of people and goods, on one hand, and the movement off harmful goods for national security like drugs and weapons, on the other, is one of the main challenges that Mexico faces.

Mexico represents a clear example of the security challenges generated by regional integration. This country shares a 3,300 km frontier with the U.S. That frontier historically has been an important area for smuggling, and drug and people trafficking. In addition, multiple jurisdictions in both sides of the border complicate the efforts to control it. Criminal activity has been benefited by the impressive increase of legal trade generated by the North American Free Trade Agreement (NAFTA). This treaty has also increased the opportunities for the traffic of drugs and people. The legitimate trade between the U.S. and Mexico makes their frontier one of the busiest borders in the world. Since NAFTA came into force, truck traffic increased 70%, and the number of train containers that enter the U.S. from Mexico grown near 60%. This is quite important for security challenges, since more than half of the cocaine that enter the U.S enter through its border with Mexico.

After the terrorist attacks to the U.S., on September 11, 2001, the security of the Mexican-U.S. border became an issue of serious concern for both countries. The issue at stake is how to assure the free traffic of people and goods without letting terrorist and international organized crime explode the vulnerabilities of this porous border.

In order to respond to this, the NAFTA countries (Canada, the U.S. and Mexico) are discussing how to develop a 'security perimeter' in North America. To do this, it is important to design more effective border

controls. Establishing an effective security perimeter implies new systems to control the flow of goods (for example, revision of shipments), and a better regulation of the movement of people (such as special visas for business and education trips) that do not stop commerce and tourism. Clearly, in order to diminish the threats from its “open borders”, Mexico will have to share procedures with its neighbors, and consider the possible harmonization and standardization of its systems to control the movement of goods and people. These efforts should be centered in creating appropriate state capacities for exchanging information, on improving the available technology, on qualified human resources, on governmental transparency, and on the participation of the private sector.

Health, HIV/AIDS and other epidemic diseases: More funds and coordination

The challenges for Mexican security posed by health issues are quite relevant. The country has an important need of investment in its health system. Some key issues that require attention include: the abuse of toxic substances; health problems of immigrant population's; infrastructure of public health; the need to develop a consensus on the appropriate model of public health system; the need of better networks for surveillance of diseases; the assignment of resources for the prevention of diseases; and a concentrated effort to assess the links between health, poverty, demography, and national security.

New and wider visions of the implications of global health issues for Mexican security require more coordination, resources, and political will. To understand the concept of global health more clearly, it should be recognized that the global exchange of people, goods, services, ideas, and knowledge has a direct and indirect impact in population's health. The movements of people and goods through the border accelerate also the movement of diseases. Therefore, it is possible to say that trade and health are intimately linked.

HIV/AIDS represents one of the most important challenges for global health, and is an important political, economic and social concern for Latin America. In fact, decades of growth and economic development can be eliminated in many Caribbean countries by the devastating effects of the HIV/AIDS. However, other curable infectious diseases, as tuberculosis, affect Latin American security in a similar way to HIV/AIDS. The increase in the movement of people, both inside their country and among different other nations, imply that these kind of diseases can easily be spread to many parts of the country. Since HIV/AIDS and other infectious diseases usually have a greater impact on those states with smaller capacities, to prevent them and combat them a coordinated regional answer is required.

In synthesis, good health is essential to maintain the political, social and economic bases for the sustainable development of Mexico. The lack of investment in health and human well being promotes distrust towards governments and contributes to diminish economic productivity, helps to create higher crime rates, and to increase social disintegration. Therefore, direct investment in education for public health, and the development of infrastructures for the water distribution, sanitation and housing, is critical for national development.

Natural disasters and environmental degradation: Capabilities to prevent and respond

In the last ten years, the capabilities of Mexico to prevent and respond to natural disasters have improved. There is now better coordination between federal and local governments, and between national and

international organizations. In addition, scientific and technological advances have been incorporated to prevent and respond to natural disasters. Nevertheless, hurricanes, floods, droughts, volcanic eruptions and earthquakes continue to represent serious threats for national and regional security. Therefore, it is important a permanent effort to increase coordination and exchange of information, at both national and regional levels, to prevent and mitigate the impact of natural disasters.

The greatest impact of these natural phenomena is on the loss of human lives. This is generally generated by precarious conditions of living for millions of people in the country. The poorest sectors, those with less possibilities of choosing, end up living in areas that should not be populated, and in houses that were not built to resist any unstable movement.

Environmental degradation can cause similar pernicious effects as ones produced by natural disasters. Both phenomena can have long term devastating repercussions on individuals and society, which help to increase social and economic uncertainty. To this respect, it is important to highlight that environmental damage in Mexico surpasses the social understanding of its effects. Its costs are equivalent to a “tax” on future growth. This “tax” is reflected, for example, in costs of health, the multiple effects the floods have, and the decline in maritime and agricultural resources.

Very often, the risks for national security are generated by the accumulation of environmental damage effects. The decrease of resources and environmental degradation increasingly contribute to migration, to social and economic uncertainty, and to transnational tensions (especially in places where there still are disputes over water rights. Independently the perspectives that some governments may have on the last ends of the international help (for example, a desire to obtain a better access to the natural resources of the country in need of help), it is clear that in a world with increasing interconnections between ecological, economic, social and political phenomena, there is a need for multilateral initiatives to improve the responses to these issues.

Energy security: Preparing the future

For Mexico, it is quite urgent to assure a constant and safe supply of fossil fuels for the next two decades. Although it has important oil and gas reserves, at present it lacks the infrastructure needed to face the expected energy demand of the next years. The expected increase of the energy consumption, generated by population and economic growth, (see the following chart), makes indispensable the development of governmental policies that promote energy infrastructure and increasing investments in new energy sources.

Demographic Trends in Mexico	
Total population (millions)	
• 1975	59.1
• 2001	100.5
• 2015	119.6
Annual populations growth rate (%)	
• 1975-2001	2.0
• 2001-2015	1.2
Urban population (as % of total)	
• 1975	62.8

• 2001	74.6
• 2015	77.9
Population aged under 15 (as % of total)	
• 2001	33.3
• 2015	26.4
Population aged 65 and above (as % of total)	
• 2001	4.9
• 2015	6.8

Source: United Nations Development Program, *Human Development Report 2003*.

To reinforce its security in the energy sector, Mexico needs to:

- Search for the diversification of its energy sources as a long term strategy.
- Invest in the infrastructure that will support the increasing energy demand of the next decades, with a particular focus in expanding energy sources.
- Promote policies that facilitate the trade of products, goods and services related with the energy sector.
- Work to assure that the private sector, the international financial institutions, and the Mexican government develop a legal framework for a rational exploitation of the existent resources in the country. A legal framework that assures Mexican energy security in the long term.

As for the emission of green house effect gases, there is a substantial scientific agreement regarding that its increment, especially of carbon dioxide (CO₂), is related to the increasing use of fossil fuels. In these circumstances, the Mexican energy industry faces a big challenge. In the interest of reducing air, land, and water pollution, incentives should be instituted to increase efficient energy consumption. In addition, investments in the improvement of Mexican oil industry should be made. Finally, the Mexican energy industry should adopt the principle of precaution about the emission of green house effect gases, and work with scientists, private industry and non-governmental organizations, to look for ways to diminish the emission of gases these kinds of gases.

Final considerations

The global security environment is more uncertain than it was four years ago, and Mexican security and defense structures must be prepared to face an even broader range, frequency, and often duration of tasks. After the terrorist attacks in New York and Washington in September 2001, and in Madrid in March 2004, as well as the political, economic and humanitarian crises of recent years throughout the world, is quite evident that international stability and security have a fundamental influence on Mexican security environment. Mexican society must be aware to the fact that increasingly what happens in the world is becoming, more and more, part of the national interest of its country. Also, is now evident that the successful management of national security problems will require ever more integrating planning of military, political, diplomatic and economic instruments at both national and international levels.

Nevertheless the diversity of the new security threats and challenges that Mexico faces, all these phenomena have four characteristics in common. None of them is limited by geography and all have a transnational impact. They challenge the traditional notions of sovereignty, making more difficult the actions designed by governments to tackle them. They confront both Mexican government and society with the reality of a wide and growing national and international market for illicit products: drugs, weapons, and falsified goods. And finally, they confront slow governmental bureaucracies against criminal networks that have enormous capacities to adapt themselves to new situations.

The problems

The great majority of security threats and challenges that Mexico faces question the traditional notions of sovereignty. Many of the new risks are generated by non-state actors, such as the criminal networks involved in the traffic of narcotics, weapons, and people. Therefore, while in a globalized world criminals take advantage of the increasing opportunities to move from one country to another, those who combat them are constrained by traditional notions of sovereignty. International criminal organizations are able to move drugs, people, money, and weapons globally much quicker than many police agencies can move their resources inside their own institution. It is a fact that in the last years, coordination and exchange of information between Mexican security and police agencies have increased. However, this has not been enough to combat dynamic organizations that can exploit every deficiency that national or international law present.

Thousands of Mexican men and women have been the victims of violent assaults, rape, and murder and are waiting for justice. The victims and their families are offended and most of these crimes have gone unpunished.

As in the rest of the world, the performance of transnational criminal groups in Mexico is basically motivated by the incredible profits they obtain. In each one of its illicit activities, the incentives for overcoming the limits and barriers imposed by the government are simply enormous.

Besides, Mexican authorities confront increasingly coordinated criminal networks. The same networks that traffic with immigrants can be involved in the distribution of drugs. The profits from drug trafficking generate resources to buy falsified goods that often are sold by illegal immigrants. Mexican drug cartels make deals

with Central American weapons traffickers, while some brokers in Mexico City and Wall Street, controlled by Mexican and US mafias, clean the assets in financial operations throughout the world.

The factors that have given international organized crime an enormous intensity in Mexico during the last decade probably will continue to be present in the next years. The spread of technological innovations will continue. Criminal networks will be able to exploit these technologies in a more immediate way than Mexican government, which will be facing adjusted budgets, heavy bureaucracies, and the scrutiny of media and society. International trade will continue to grow, giving an involuntary cover for the expansion of the illicit trade. International migration will increase, offering the organizations trafficking with people new recruits and victims. The manipulation of electoral processes can also be a tool of criminal organizations to weak public institutions, or to corrupt politicians offering them money for their increasingly expensive electoral campaigns. Finally, in an ironic way, even the spread of international law -with its growing network of treaties, sanctions, and conventions - can present criminals networks new opportunities to gain more and more money, because they will be providing the forbidden goods to those people that request them, no matter the price they have to pay.

The options

It is necessary for local and federal governments, as well as for the whole Mexican society, to reconsider the way security problems are confronted today. To combat the transnational impact of the security threats that Mexico faces, it is important to develop more flexible sovereignty notions. For example authorizing the presence of NAFTA police and customs teams (with Canadian, Mexican and U.S.) in the borders of North America, developing a North American capture order, and increasing joint search and rescue exercises with others nation armed forces. Also, it is important to understand that only by the strengthening of cooperative actions between national and international institutions, will be possible to act efficiently against these threats.

From the point of view of the traditional problems of security, Mexico has no immediate threats. There are currently no major conventional military threats to Mexico, so there is no need to develop a capability against the emergence of a direct conventional strategic threat. However, given the geographical proximity to the U.S. and its vast oil and gas reserves, the threat from proliferation and international terrorism remains very real. In addition, it is urgent to develop means to promote more transparency and opening in defense matters. Taking into account the serious credibility crisis than Mexican institutions (governmental, political and judicial) are experiencing, it is important to renovate the trust of the citizenship in the armed forces, trust that should be renewed continuously.

The design of new mechanisms and institutions will also be necessary, since the threats confronted make obsolete many of the existent institutions, the legal frameworks, the military doctrines, the armament systems, and law enforcement techniques that have been used by Mexican governments during the last decades, and that have proved to be of limited impact. Also, Mexican government and society need to recognize that placing obstacles to multilateral action arguing the protection of national sovereignty, often will be a wrong policy to confront most of the security threats and challenges that the country faces. Mexican sovereignty is violated every day, and not by other countries, but by non-state networks that violate Mexican laws and cross its borders to trade with people and illicit products. Without a national debate to

develop new forms to understand and to manage sovereignty, Mexico will continue confronting new security threats with an enormous disadvantage.

In many cases, defeating market forces will be almost impossible. Therefore, sometimes, the government will be forced to move from repression to regulation; this is, from combating the production of falsified goods, to its regulation. Other times, technology will to achieve more than governmental policies. For example, powerful encryption techniques could protect, in a better way, computer software and other products of being illegally copied, than the registrations of patents, rights, and marks would do. Besides, Mexican security agencies fight against networks motivated by the enormous profits created by other government agencies prohibition of some actions or products. In all the cases, however, these profits can be traced to some form of government intervention that generates enormous margins for profiting from the demand of these illegal products and behaviors. In many cases, these governmental interventions are justified and it would be a mistake to eliminate them; governments cannot simply give up the fight against the traffic of drugs, human beings, or weapons. Nevertheless, the society can better confront some other questions of illegal trade using regulations, not prohibitions.

The global nature of these threats implies that any government, no matter its economic, political or military weight, will make progress acting alone. However, developing trust among governments is not an easy task. Many governments assume, maybe with some reason, that the criminal networks they are combating may have penetrated other countries security forces, and that sharing information with them will represent an important breach to its national security. Other governments fear that today allies can become tomorrow enemies, so sharing sensitive security and defense information will be more than foolish. Others face the problems of legal impediments for sharing intelligence information with other governments.

In the entire world, the loss of human lives and the destruction of infrastructures that natural phenomena generate are growing alarmingly. This situation is especially critical in those regions inhabited by poor people. In addition, it is also necessary to assess the negative impact that natural disasters could have on interstate relationships. A central challenge for Mexico is to improve its capacity to prepare and develop more effective strategies to respond to the increasing levels of destruction caused by natural disasters. This is quite urgent, given the impact that global climatic change is having in precipitations patterns thought the world. Also, federal and local governments should work with both national and international NGOs, in order to promote the appropriate use of scarce natural resources, and to find new forms to manage transnational environmental risks.

The multidimensional characteristics, causes, and effects of the threats that Mexico faces, imply that only through a multilateral and coordinated answer will be possible to guarantee the future security of the country.