

Shannon K. O'Neil. *Two Nations Indivisible: Mexico, the United States, and the Road Ahead.* Oxford: Oxford University Press, 2013. xx + 239 pp. \$27.95, cloth, ISBN 978-0-19-989833-6.



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Since former Mexican President Felipe Calderón launched a militarized crackdown on the drug cartels that were blamed for increasing levels of brutal violence in his country in 2006, U.S. media interest in Mexico has been dominated by a “Mexican drug war.” The U.S. media’s focus on the often staggeringly horrific violence associated with Mexican drug trafficking was established enough for the incoming Peña Nieto government to hire public relations firms to attempt to shift the narrative in the United States toward Mexico’s rising economic potential rather than its struggles with violence. Nonetheless, publicly this “drug war,” or at least drug trafficking related security concerns, have also dominated the relationship between the United States and Mexico, whereby both the George W. Bush and Barack Obama administrations have overseen aid and assistance to Mexico ostensibly to strengthen its institutional “counternarcotic” abilities, including two billion dollars through the Mérida Initiative, a foreign assistance package unprecedented in the history of U.S.-Mexican relations in terms of scope

and size. Although several commentators and outlets have touted the economic potential of Mexico in recent months (in keeping with the aims of Nieto’s administration), it is still often security issues that dominate both news and U.S.-Mexican relations, not least as violence continues to generate headlines, and the bilateral security relationship begun under Calderón and the Partido Acción Nacional (PAN) looks a little less solid under Nieto and the Partido Revolucionario Institucional (PRI).

Several publications have dealt explicitly with the nature of Mexico’s drug related “security failure.”[1] Of course, the interests of academia have remained far wider than this narrow focus, and often security issues are seen as a component in a complex, increasingly integrated, asymmetrical bilateral relationship. Shannon K. O’Neil’s *Two Nations Indivisible* is most certainly a product of this wider milieu, but the core argument of her engaging work is that both the U.S. media and wider public’s perception of Mexico is far too skewed toward violence in the country, even to the point where they have missed the *real* story,

which actually centers around Mexico's political and economic transition from dictatorship and closure toward democracy and economic growth through increased openness. Crucially, for O'Neil, U.S. policymakers have largely missed this new reality too, and have been slow to recognize the dovetailing of U.S./Mexican policy interests engendered by Mexico's burgeoning economic and democratic transformation. O'Neil calls the need for the United States to adapt to Mexico's new realities, "the biggest overlooked foreign policy challenge of our time" (p. 10). While many will remain unconvinced of that claim (arguably the understandable and perhaps familiar result of personal academic focus), what cannot be denied upon reading O'Neil's persuasive and well-supported work is its central argument: U.S. interests in Mexico are deep, complex, important, and growing, and the still burgeoning interconnectedness of the two nations, or perhaps more accurately societies, is in large part responsible for this.

This, then, is the real strength of the work. O'Neil focuses on four broad issues: immigration, democratic transition, economic growth and the rise of a Mexican middle class, and the security crisis, often showing how they are interlinked. She establishes, with an admirable mix of accessibility and academically supported detail, just how "cross-border" these issues are, and how they have an impact on U.S. interests, and indeed its future economic success. She details the personal stories of Mexican immigrants and their offspring in the United States alongside a statistically backed account of immigration's crucial net economic and social benefit to the latter. Mexico's democratic transition is given a brief historic run-through, and O'Neil chastises U.S. policymakers for not recognizing what she argues are clear U.S. interests in aiding that transition in favor of an errant focus on the Middle East. In many senses the heart of the book is in its discussion of Mexico's economic transition, ignited by its debt crisis in 1982, and culminating in formalizing a much more open, foreign direct investment (FDI) and

export-led developmental macroeconomic model through the North Atlantic Free Trade Agreement (NAFTA). In a similar fashion to Julia Preston and Samuel Dillon's *Opening Mexico: The Making of a Democracy* (2004), O'Neil details how the major economic transformation and upheaval that took place from 1982 to 1995 (the year of the peso crisis) played into major political upheavals in the country and a largely peaceful democratic transition in 2000. She interconnects the transformation with increased immigration to the United States, and shows how (alongside other factors) the economic mismanagement of the PRI ate away at the foundations of what Vargas Llosa called their *dictadura perfecta* (perfect dictatorship).[2] The intensified economic integration with the United States engendered by this process provides the key imperative for U.S. policymakers to care about what happens in Mexico.

Unsurprisingly given her focus and critique of current U.S. policy, O'Neil is very much, on balance, positive about trends in Mexico, especially regarding its economic and political potential. Although she sets up a rather hyperbolic either/or scenario whereby Mexico can either continue its encouraging economic and democratic trajectory to become a "Spain on the border," or succumb to drug violence and corruption to the point of becoming something akin to Afghanistan, she concludes the latter scenario is "nowhere near" to fruition and "not even the most likely" outcome (pp. 5, 6). She also offers policy prescriptions in terms of how the United States can tap into and encourage those positive trends and mitigate the negative ones. The work would sit well as a bilaterally attuned companion to Robert Pastor's more expansive *The North American Idea: A Vision of a Continental Future* (2011) in its effort to convince policymakers that a reinvigorated focus on what we may term "the NAFTA-zone" would be a fillip for the U.S. economy and its wider global economic success. O'Neil's policy ideas are a good deal less ambitious than Pastor's, based as they are around recognizing the ties that *already* bind

Mexican and U.S. society and their respective economies, and updating policy accordingly rather than working to further deepen political and economic integration to the levels Pastor has suggested. Indeed, many of them seem eminently sensible or defensible. Even if issues such as immigration reform, drug control policies, border gun control, and the border security/economic zone trade-off are (as O'Neil recognizes) politically difficult, she builds a strong and illuminative case in favor of the United States tackling them (the chapter on immigration reform is especially convincing), and to do so in a manner that considers Mexico as a fully fledged partner.

However, there are some important points that weaken O'Neil's argument. Most important in terms of the work's overall balance, O'Neil's keenness to convince the reader of Mexico's positive political and economic outlook leads her to very much underplay the thornier and darker elements to Mexico's transformation. There are numerous examples of this, but let us focus in on a few specifics. Perhaps most controversial is her important contention that Mexico has a growing majority middle-class population, and that the admittedly painful economic transition from the closed (and by implication failed) system prior to 1982 has helped set the foundations for more sustained and sustainable growth. Again, O'Neil is not naïve about attributing direct causal links between economic openness and poverty reduction, arguing that a "number of factors," including sounder macroeconomics, immigration remittances, expanded private credit, and, yes, increased investment encouraged by NAFTA, have inflated the middle class. We are also made aware of the challenges that remain after the transformation, the oligopolies and monopolies that stifle growth, the social and economic inequalities that persist in a country marked by profound inequality, and a remaining 50 million (of 110 million) in poverty.

Instead, O'Neil is in fact rather unclear with the numbers that she uses as the basis of this argument. Her "50 million in poverty, 60 million not" figure comes from the "most restrictive" Mexican government statistics. However, the rather broad and vague way that O'Neil uses these numbers leaves out a significant 2 *million* impoverished individuals, and does not refer to the fact that this itself was an increase of 1.7 percent from 2008 by those very same statistics (or 3.2 million people) (p. 92). This was perhaps largely as a result of the deep contraction in the economy in 2009 (itself largely a result of Mexico's trade dependence on the U.S. market, which of course was suffering the effects of its own recession). In 2012 this number, according to the same Mexican government agency, fell 0.6 percent, still leaving it higher than 2008.[3] This speaks to a problem that O'Neil at best does not really get to grips with, and at worst obfuscates: the *persistence* of poverty levels throughout Mexico's transformation. O'Neil claims that two in five are now in poverty (which itself knocks over 5 percent off the actual total), as opposed to seven in ten in the "mid-1990s" (p. 101). Frustratingly, no direct source for this second figure is provided. However, we can use the World Bank's (WB) Poverty Headcount Ratio at National Poverty Line percentage figure to surmise that this is actually the high blip that resulted from the peso crisis, where 69 percent of the population was deemed below the national poverty line in 1996. What this World Bank indicator also reveals is the persistence of poverty through the heralded economic transformation that O'Neil describes. The latest figure for 2010, 51.3 percent, compares to one of 53.5 percent in 1988, 52.4 percent in 1994, and 42.7 percent in 2006.[4] There is no discussion of these more troubling figures, and no justification as to why this choice was made.

While poverty statistics are of course inherently difficult to pin down, and I am not suggesting that positive strides are not being made, the debate here is important as "Mexico's growing middle class" is a touchstone of the book, and the

positive spin put on the figures is indicative of a larger narrative problem in its argument. For example, in her description of Mexico's transformation, challenges are certainly well covered, but the history is rather pruned of agency on the part of the United States, international financial institutions (IFIs), and important Mexican figures; and a simplified schism separating the old (PRI) Mexico and the new, open, democratic Mexico is set up. She does not mention the transformation that Mexico underwent economically as part of the shift to "structural adjustment programs" undertaken by the WB and International Monetary Fund (IMF) during the third world debt crises, and she underplays the U.S. keenness to lock in the reforms that were so beneficial to achieving a strategically desirable "opened" Mexico.[5] The deeply uncompetitive privatization process that was both integral to these policy efforts, and was so important in creating the monopolies, solidifying the incredible political power, and deepening the huge inequalities so bemoaned by O'Neil is not sufficiently explored, even to the point where she excuses its chief architect (and friend of multibillionaire and telephone monopoly holder Carlos Slim) President Carlos Salinas for replenishing national coffers through rushed privatization (p. 92). Both Mexico's continuing poverty and inequality, and the PAN's resort to blunt militarized tactics also utilized by the PRI to quell social problems—whether it be sending *federales* to brutally suppress protests in impoverished Oaxaca, or fight a seemingly futile drug war that has killed upward of one hundred thousand people—are not seen as indicative of wider and deeper structural problems in Mexican political economy that will be decidedly difficult to overcome.

Some engagement with those more critical voices on Mexico who have explored the connection between what they see as Mexico's profoundly neoliberal transformation and its more historical inequalities and incomplete democratic transition may have helped balance O'Neil's argument. John Gibler's *Mexico Unconquered: Chronicles of*

Power and Revolt (2009) is a good presentation of such an argument. Meanwhile, Peter Watt and Roberto Zepeda's *Drug War Mexico: Politics, Neoliberalism and Violence in the New Narcoeconomy* (2012) traces the deep linkages between Mexico's political-economic makeover and its drug violence that O'Neil only hints at here. More fully considering these arguments may also have led to a stronger definition of O'Neil's position in what is an important and interesting debate about where exactly Mexico is headed. As it is, this is an engaging work that does an excellent job in convincing the reader of the interconnectedness of the United States and Mexico, and the growing importance of the latter to the former. It refutes the doom-laden narratives of those who would see Mexico as a failing state or one that is "at war" with insurrectionist cartels.[6] This is in itself an important contribution to the literature on current bilateral relations. However, in its overly positive outlook it tells a rather incomplete story, and the veneer is not enough to cover the nagging doubts engendered by continuing poverty and violence. As O'Neil correctly states, "economic liberalization alone can't be the engine for growth" (p. 107). For U.S. policymakers, the challenge of Mexican progress and bilateral indivisibility may be even tougher than O'Neil allows.

Notes

[1]. For an excellent academic introduction and examination of many of the issues involved in what the editors call Mexico's "security failure," see Paul Kenny and Mónica Serrano, eds., with Arturo Sotomayor, *Mexico's Security Failure: Collapse into Criminal Violence* (New York: Routledge, 2012).

[2]. Vargas Llosa made this famous observation speaking on Mexican television in 1990.

[3]. Consejo Nacional de Evaluación de la Política de Desarrollo Social, "Medición de Pobreza 2010,"

<http://www.coneval.gob.mx/medicion/Paginas/Medición/Pobreza-2010.aspx> (accessed September 8, 2013).

[4]. The World Bank, “Data: Poverty Headcount Ratio at National Poverty Line (% of Population),”

<http://data.worldbank.org/indicator/SI.POV.NAHC> (accessed September 8, 2013).

[5]. G. John Ikenberry, *After Victory: Institutions, Strategic Restraint, and the Rebuilding of Order after Major Wars* (Princeton: Princeton University Press), 239-242.

[6]. On Mexico as a failed state, see U.S. Joint Forces Command, *The Joint Operating Environment 2008: Challenges and Implications for the Future Joint Force* (Suffolk: U.S. Joint Forces Command, 2008), 36. On insurgency, see John P. Sullivan and Adam Elkus, “State of Siege: Mexico’s Criminal Insurgency,” in *Mexico’s Criminal Insurgency*, ed. Robert J. Bunker and John P. Sullivan (Indiana: iUniverse Books/Small Wars Foundation, 2012), 7-18. I do not refute that violence in some areas resembles an insurgency, just the implication that this is a nationwide phenomenon.

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