THE FUTURE OF U.S.-MEXICO RELATIONS:
A TALE OF TWO CRISSES

Jesús Velasco, Ph.D.
Nonresident Scholar, Mexico Center

August 2018
Introduction

Since the beginning of Donald Trump’s presidential campaign, U.S.-Mexico relations have been in crisis. Trump’s criticism of Mexico and its people, his threats to deport millions of undocumented Mexicans by ending the Deferred Action for Childhood Arrivals (DACA) program, his desire to build what he calls a “beautiful wall” on the southern border, and his expressed intention to abandon the North American Free Trade Agreement (NAFTA) all have created serious friction in the bilateral relationship. Trump’s unusually aggressive rhetoric and the evident inability of the Peña-Nieto administration in Mexico to deal with this foreign relations quagmire have combined to create tense conditions between politicians of both countries. For Mexico officials and intellectuals, the current state of affairs has reached the lowest point in the two countries’ relationship over the last 25 years. After years of cordial and fruitful partnership, today Mexico’s central concern in foreign affairs appears to be to resist Trump, as many journalists and political analysts have observed.¹ For the Trump administration, however, Mexico is just one among many topics—and not necessarily the most important one—in his current presidential agenda. Under these complex historical circumstances, it is relevant to ask: How significant is the change in the bilateral relationship between the U.S. and Mexico in the era of Trump? How much has changed and how much has stayed the same in U.S.-Mexico relations? What is the future of the relationship?

To answer these questions, we need to study not only current events but also the structural conditions that propel the existing state of affairs. We must dig into the domestic politics of both countries—particularly the United States, because it holds greater weight and influence in the bilateral relationship—to find the roots of these contemporary political tensions. It is necessary to identify the historical events that influence the dilemmas of today. Only by understanding Mexico and U.S. domestic politics will we be able to comprehend the nature of current events and how these domestic conditions will determine the future of bilateral relations. “Today’s crucial foreign policy challenges arise less from problems between countries than from domestic politics within them,” political scientists Jeff D. Colgan and Robert Keohane assert.²

This paper is divided into three main sections. In the first, I will describe the structural conditions that have dominated the bilateral relationship over the last 24 years, since the signing of NAFTA. Second, I will briefly examine the domestic changes Mexico and the United States each have faced in the last two decades and the serious implications they have had on bilateral relations. I will focus my analysis on two main issues, immigration and NAFTA. Finally, I will present some concluding remarks.

The Structural Relationship: Can it Change?

At least six basic concepts define the structural characteristics that guide U.S.-Mexico relations. The first concept is that the relevance of the bilateral relationship differs in each country. That is, each nation does not attach the same significance to the relationship. Mexico represents a piece, albeit a very complex one, of American international affairs. On the contrary, the United States is Mexico’s most important international partner.

As the builder and sustainer of the post-war liberal order and the current hegemon of the world, the U.S. is involved across the continents, dealing with—or ignoring—security, economic, political, social, and cultural issues. The American agenda is vast and complex. Today, the U.S. has not only the largest economy in the world but also the most powerful military force. The U.S. economy accounts for about 25% of the world gross product in terms of nominal GDP, with China in a distant second place and Japan in third. Likewise, the U.S. has the highest level of military expenditures of any country in the world and is a leader in science and technology. In a nutshell, the U.S. is, and will be, the most powerful country in the world for the foreseeable future. Given the United States’ multiple interests and its active international agenda, outside events can quickly and drastically change U.S.-Mexico relations. The September 11, 2001, terrorist attacks are just one among many examples. Before the tragic events of that day, Mexico and the United States were intensely negotiating comprehensive immigration reform. After the attacks, the George W. Bush administration changed its priorities; Mexico and immigration were less of a focus than the struggle against international terrorism. In this respect, we need to understand Mexico’s place on America’s global agenda in order to understand bilateral relations between the two nations.

---

3 According to the Cambridge Dictionary, a hegemon is “a leader, country, or group that is very strong and powerful and therefore able to control other.” Here, the United States is the hegemon because it dominates the international scene.
4 See https://www.investopedia.com/articles/investing/022415/worlds-top-10-economies.asp.
6 It is important to highlight that several members of the Bush administration had hesitations and objections about the immigration accord proposed by the Mexican government. There were clear indications that even without September 11, the immigration agreement would have faced serious opposition within the administration and Congress, as well as from different interest groups involved in the topic. For more information about the difficulties to achieve an immigration agreement between the Vicente Fox and the George W. Bush administrations, see Jesús Velasco, “Acuerdo Migratorio: La Debilidad de la Esperanza,” Foro Internacional 48, no. 1 and 2 (January-June 2008).
The second concept is that power asymmetry is a central feature of U.S.-Mexico relations. As previously stated, the U.S. is the hegemon of the world, while Mexico is less of a global player and still has characteristics of an underdeveloped country. This asymmetry lowers Mexico’s capacity to defend its interests. However, Mexico has a great chance of prevailing when its interests coincide with those of the U.S. The negotiations in favor of NAFTA clearly illustrate this point. In addition, Mexico has demonstrated strong interest and cooperation on security issues because this is a central issue of the United States’ domestic and international agenda.\(^7\) For Mexico, the topic is relevant, especially in the war against drugs. Thus, the alliance with the United States not only helps Mexico maintain good relations with its northern neighbor, but also obtain the benefits of American intelligence power.

The third concept of the structural characteristics that define U.S.-Mexico relations is the interdependency between the countries. Mexico and the U.S. have a highly interdependent relationship. As Juan Pablo del Valle, chairman of the petrochemical company Mexichem, has said, “Mexico and the U.S. are like scrambled eggs: you can no longer separate the white and the yolk.”\(^8\) Commerce is one prime example. Mexico was, and still is, the United States’ third-largest trading partner and was the second-largest exporter of goods to the U.S. in 2016. About 46% of all of Mexico’s imports come from the U.S. Approximately one-third of U.S.-Mexico trade occurs in Texas. Roughly 30% of Texas imports come from Mexico, while 36% of Texas exports went to Mexico. The interdependence in commerce is nevertheless unequal. Mexico depends heavily on the U.S. and, although very important for America, Mexico is less relevant to the U.S. by comparison. In other words, this is what the late scholar and diplomat Carlos Rico called “complex interdependent asymmetry.”\(^9\)

The fourth concept of the relationship can be described as intermestic—that is, foreign affairs between the nations are part international and part domestic. Topics like immigration and drug trafficking are typical intermestic issues. The domestic politics of each country are becoming the driving force of the bilateral relationship. Trump’s idea of building a border wall responds more to the notion of pleasing his constituents than dealing with any bilateral problems. For instance, according to an April 2018 Quinnipiac University Poll, 40% of Americans support building the wall, while 57% oppose the measure. Yet a partisan survey conducted by CBS News found that 77% of Republicans are in favor of building the wall while 20% oppose it. In contrast, 88% of Democrats are against constructing the wall while 10% are in favor. Finally, an April HuffPost/YouGov poll

---


revealed that 65% of Trump voters believe the border wall will be built.\textsuperscript{10} Mexico’s opposition to the border wall is more of a nationalist reaction to the humiliation promoted by its northern superpower to build a physical barrier between both countries, rather than a response to the economic consequences that such a wall would produce for Mexico. It appears that for the American president, Mexico’s concerns are just not important. Trump and other officials are aware of the complex interdependent asymmetrical binational relationship in which the U.S. dominates. Trump’s statements since the beginning of his campaign show limited consideration of Mexico’s viewpoint. He has repeatedly criticized NAFTA, and expressed that Mexico has not worked enough to prevent criminals and drugs from entering the U.S. The issue, nonetheless, has irritated Mexicans and Americans who oppose the construction of the wall, creating friction in bilateral relations. What seems to matter to Trump is bolstering the support of his base.

Complexity is a fifth critical issue to be considered. U.S.-Mexico relations include multiple topics—such as commerce, immigration, drug trafficking, oil, water, and border security—and involve many actors, such as the president, Congress, states, political parties, companies, lobbyists, and think tanks, among other political movers, in each country. The complexity of this relationship increases the difficulties in reaching agreements. Substantially modifying the bilateral relationship is difficult because several players with different viewpoints and interests interact to defend their perspectives, creating a very challenging relationship. To satisfy all of those interests is often very complicated, if not impossible.

The final characteristic of Mexico-U.S. bilateral relations can be defined in terms of tradition. Routine rather than crisis has dominated the relationship between the two countries. Deportations, border crossings, or the sending of remittances are daily issues that have different impacts in each country. For example, the U.S. Department of Homeland Security in 2010 repatriated more than 600,000 Mexicans, while in 2016 the number was less than 300,000.\textsuperscript{11} According to DHS, in fiscal year 2016, ICE “spent $3.2 billion to identify, arrest, detain, and remove undocumented immigrants. Each deportation cost approximately $10,854.”\textsuperscript{12} Deportations, therefore, have an important impact on the American economy.


Mexico’s economy would be highly affected by massive deportations. Mexico’s labor market does not have the capacity to absorb the returnees. These people increase the demands for housing, schools, and services, and Mexico loses millions of dollars in remittances upon their return to the country. In 2017, Mexicans sent $28.7 billion in remittances to their home country, which represents a growth of 6.6% over 2016.\textsuperscript{13} Remittances are the third-largest source of foreign revenue to Mexico, and represent 3% of Mexico’s GDP.\textsuperscript{14} For many, this money constitutes 80% of their income. In a nutshell, these routine cases have serious and possibly devastating implications on Mexico’s economy and political systems, but cause less significant consequences for the U.S. For the U.S., deportations or border crossings typically do not capture the attention of top-ranking officials or the intervention of the president. They occur daily without the detailed awareness of politicians and bureaucrats on the beltway. In addition, officials at the border who work to extradite undocumented Mexicans or Central Americans follow established procedures that do not require supervision from the highest levels of government; their work is discrete and most of the time imperceptible to politicians and the general public.

For the U.S., Mexico’s stability is a central prerequisite for a good relationship. This was especially true after 1927 when the threat of American intervention diminished substantially and integration and accommodation between Mexico and the United States prevailed. Thus, during World War II, Mexico’s anti-fascist tendencies were welcomed by the Franklin D. Roosevelt administration. At the end of the war, Mexico reiterated its support to the United States and even its complicity with the American government. For instance, Mexico publicly supported the Cuban revolution of 1959 and at the same time provided information to the American government on the activities of Cubans living in Mexico. During the late 1930s and 1940s, Mexico became a stable country, less radical, and more willing to cooperate with the United States. Consequently, the U.S. became more comfortable with its southern neighbor.

To summarize, U.S.-Mexico relations are characterized by a solid structural relationship that is incredibly difficult to modify. Changes to these underlying ties do not necessarily depend on the arrival of a new U.S. leader, although the president or Congress could be central actors in the transformations of the structural bonds. In general terms, the structural relationship between Mexico and the U.S. has been unaltered since the implementation of NAFTA in 1994. However, the stability that has prevailed in the last 24 years is crumbling, especially since the beginning of Trump’s presidential campaign and administration. Trump has already modified the binational relationship with his rhetoric, and his policy proposals, if implemented, will drastically alter it. These changes are quite evident in two central topics: immigration and NAFTA. In the following sections, I will study the possible modifications of those important issues.


7
Security: The New Face of Immigration

From the day Trump launched his presidential campaign in June 2015, U.S.-Mexico relations have been on unstable ground. Many Mexicans believe their country is like a piñata for Trump. His actions have altered the pro-American perception of the Mexican people. On June 16, 2015, Trump declared, “When Mexico sends its people … they are bringing drugs. They are bringing crime. They are rapists. And some, I assume, are good people.”

This, and similar declarations, have provoked indignation and disbelief not only among Mexico’s population and its intellectual and journalistic communities but also in the entire government.

Trump’s statements indicate that he views Mexicans as not only undocumented migrants but criminals and offenders that jeopardize American peace.

Although the U.S. is fundamentally a country of immigrants, anti-immigration positions have persisted in American politics. Examples include the anti-immigrant Know Nothing movement of the 1830s and 1840s, the nativism of George Wallace in the 1960s, and the contemporary views of the Federation for American Immigration Reform.

Opposition toward immigration and immigrants has also been voiced by TV anchors like Lou Dobbs. Arthur M. Schlesinger Jr., a liberal scholar, wrote about the liabilities of multiculturalism.

---


The Future of U.S.-Mexico Relations

while political scientist Samuel P. Huntington advances an ethno-cultural perspective. As Stanford University professor Leo Chavez once put it, the pro- and anti-immigration views “represent two opposing and yet interlocked views of immigration, a double helix of negative and positive attitudes that have existed throughout America’s history.”

That being said, Trump’s anti-immigration position—although not unique—manifests a new trend in American opposition to migration. Historically speaking, the rejection of newcomers to the U.S. was based on economic and cultural notions. Foreigners, it is argued, take jobs from U.S. citizens and/or modify American culture. Anti-immigration arguments, however, have changed since the late 20th century. Today, some people and organizations believe that immigrants represent an actual physical hazard. Others fear that immigrants could potentially be terrorists who may threaten the lives of American people. Still others view immigrants as a national security threat, a menace to public safety, and a challenge to the very existence and survival of the country. Although this argument is difficult to sustain—empirically, immigrants commit fewer crimes than U.S.-born citizens—it is easy to use immigrants as a straw man for different problems faced by American society.

As a result of this perception, Trump has framed immigration as a security issue, and has done so since early in his presidential campaign. He has proposed enforcing programs to stop the arrival of nationals from eight countries, six of them predominantly Muslim, as well as initiatives to stop the flow of drugs from Mexico and of undocumented migrants from Mexico and Central America. He has also enforced massive deportations of undocumented people, especially those located in sanctuary cities, and modified the Deferred Action for Childhood Arrivals (DACA) program promoted by President Barack Obama. To further achieve these goals, he has suggested implementing tight security measures and constructing a wall on the U.S. southern border. Such measures strengthen his relationship with anti-immigration voters within his base and clarify who is welcome and who is not in Trump’s opinion. Trump’s decision to reinforce security at the border has more to do with U.S. domestic politics than it does with U.S.-Mexico relations. In exit polls following the November 2016 U.S. presidential election, voters who believed that

---

19 Chavez, Covering Immigration: Popular Images and the Politics of the Nation.
immigration was the most important policy issue overwhelmingly supported Trump (64%, compared to only 33% who voted for Hillary Clinton). In a similar vein, 83% of Republicans favored the deportation of undocumented immigrants while 61% of those who voted for Clinton favored granting them legal status. Finally, 85% of Republicans supported building a wall along the southern border, while 76% of Democrats opposed its construction.24

Last year, at Trump’s instruction, Customs and Border Protection granted a $297 million contract to a private firm to recruit and hire 5,000 border patrol agents.25 However, that does not necessarily mean that the current administration will achieve its goals of stopping the flow of drugs and undocumented immigrants into the U.S.26 According to Christine Stenglein and John Hudak of Brookings, it would be very difficult to find qualified agents for a quiet border where apprehensions fell 26% in 2017. Furthermore, neither U.S. Customs and Border Protection nor Border Patrol has a comprehensive plan to deploy new agents, nor do they have a coherent strategy for the border.27 In addition, the estimated cost of the proposed border wall is unclear. During his presidential campaign, Trump stated that it would cost up to $12 billion. The U.S. Department of Homeland Security estimates that the cost will reach $21.6 billion, while journalist Konstantin Kakaes, writing for MIT Technology Review, approximates a price of up to $40 billion.28 It is important to remember as well that a significant part of the border is private land, so the government would have to compensate the landowners and can expect many lawsuits. The transaction costs associated with the wall should not be forgotten.

Most importantly, though, the wall will neither prevent the arrival of undocumented migrants nor drug smuggling across the border. Recent studies have shown that two-thirds of undocumented residents entered the U.S. legally but overstayed their visas. The studies reveal that since 2007, the number of individuals who overstayed their visas surpassed the number who crossed the U.S.-Mexico border illegally by half a million people.29 In a similar vein, the number of undocumented Mexicans in the U.S. has declined by more than

The Future of U.S.-Mexico Relations

one million since 2007; non-Mexican undocumented immigrants were apprehended more than those from Mexico in 2016. According to a 2015 Pew Research Center report, immigration projections for the year 2065 indicate that the number of “Asians will actually outnumber Hispanics among all immigrants, 38% to 31.” Some undocumented Asians, interestingly enough, do not enter the U.S. through the southern border but via boats, shipping containers, and through the Canadian border, or overstay their visas.

The border wall will not necessarily stop the arrival of drugs either. A significant share of the narcotics that reach the U.S. are brought into the country through legal ports of entry. Drug traffickers are also becoming more creative, using innovative, as well as archaic, methods to transport their merchandise to the U.S.: tunnels, ultralight aircrafts, drones, catapults, air compression guns, submarines, and bribery, to name a few. A total of “224 tunnels were discovered on the southwest border since 1990.” According to a report by the U.S. Drug Enforcement Administration, Mexican transnational crime organizations transport “the majority of illicit drugs into the United States...through U.S. ports of entry (POEs) in passenger vehicles with concealed compartments or commingled with legitimate goods on tractor trailers.” In addition, there is a significant demand for narcotics by the American people; the U.S. has the highest consumption of illegal drugs in the world and

---

also leads the world in drug overdose deaths.\textsuperscript{36} There are reasons to be skeptical, to say the least, that a border wall will stop or reduce drug trafficking to the U.S. What is evident is that its construction will anger the Mexico’s general public. Though it will certainly increase Trump’s support with his base, it will also increase tensions between Mexico and the U.S.

Mexico has substantially opposed the construction of the border wall as well as the Trump administration’s immigration policy. Historically, Mexico places high importance on immigration, not only because millions of co-nationals live in the U.S. but also because they send millions of dollars to the country. However, different administrations have granted distinct weight to immigration, leading to what anthropologist Jorge Durand has called Mexico’s pendular sexennial movement on migration policy. According to Durand, despite these pendular movements, we observe a significant continuity of programs to the Mexican community in the United States, such as Programa Paisano or Matrícula Consular. Mexico has also promoted the notion of shared responsibility on migration, a view that asserts that immigration is beneficial for both countries and should be addressed equally by Mexico and the U.S.\textsuperscript{37} In other words, immigration is not only an American domestic policy issue but also a Mexican domestic policy concern. It is a bilateral problem with deep domestic roots and implications for both countries.

Likewise, different administrations have used immigration for domestic policy purposes. For Vicente Fox, immigration was an uncontroversial topic that helped to legitimize his domestic and foreign policy agenda. He held a high esteem for Mexican migrants and felt personally close to them, since he had previously lived near them in Guanajuato. He stated that immigrants produce “huge value to the U.S. economy,” and referred to them as \textit{mí​s queridos paisanos} (my dear countrymen). Fox wanted to promote policies aimed at ensuring “safe, legal, and orderly” immigration “with full respect for the economic needs of both the sending nation and the receiving nation and full respect to the human rights, both the civil rights and the labor rights, of the immigrants.”\textsuperscript{38}

For Felipe Calderon, the return of Mexican migrants to the country was due to the positive performance of Mexico’s economy. Although immigration was not a central priority of Calderon’s administration, he also promoted the notion of shared responsibility.\textsuperscript{39} For Peña-Nieto, migrants “symbolize the movement that has made possible the advancement of humanity.” Peña-Nieto believes that migrants’ culture and tradition “enriches the


\textsuperscript{38} Vicente Fox and Rob Allyn, \textit{Revolution of Hope: The Life, Faith and Dreams of a Mexican President} (New York, Viking, 2007), 141-142, and 145.

cultural heritage of the societies they live in and represent our capacity to overcome adversity.” Mexican immigrants, in his view, make a significant contribution to U.S. prosperity, producing 8% of America’s GDP. With regard to controversy about Mexican immigrants not paying taxes, Peña-Nieto sustains that Mexicans “pay billions of dollars in taxes each year, which helps pay for social assistance programs throughout the United States.”

Echoing Calderon’s arguments, Peña-Nieto has argued that the “measures undertaken by Mexico have allowed the country to approach” zero immigration. Mexico, he argues, has implemented “measures for a dignified, safe, and orderly return, as well as to facilitate the integral and productive reintegration [of the migrants].” Since 2014, the Peña-Nieto administration has implemented the program Somos Mexicanos (We are Mexicans) to help returnees find jobs, start businesses, or adapt to their new lives in Mexico. However, acclimation of these returning Mexicans has never been easy. They have problems finding jobs, accessing health care, obtaining degree accreditation, and so on. According to the Mexican National Survey of Occupation and Employment, the labor conditions of people coming from other countries are less favorable, as this population experiences higher unemployment than the general population. Likewise, 84% of return migrants do not have health services.

During the Peña-Nieto administration, the management of immigration has become more problematic because of the significant increase of Central American migrants in transit to the United States. The current government has to pay attention to the arrival of Central Americans to the national territory and implement policies to control the southern border while respecting migrants’ human rights. However, the phenomenon has required Mexican authorities to address complex issues like protection, family reunification of unaccompanied minors, the growth of human smuggling, and the exploitation and abuse of these immigrants by the drug cartels.

In a nutshell, these were the main ideas behind Mexico’s immigration policy. However, the beginning of Trump’s presidential campaign altered the difficult but respectful environment of the bilateral relationship. Trump’s offensive attacks to Mexico and

---

Mexican immigrants since June 2015 prompted an immediate response from the government and different sectors of society. Miguel Angel Osorio Chong, secretary of the interior, asserted that Trump's declarations were “absurd prejudices that seek to generate more headlines than a project.” In his view, Trump ignores Mexican immigrants’ contributions to the development of the United States. Mexican intellectuals joined the governmental criticisms. They encouraged Peña-Nieto to refute Trump’s statements with a clear policy, and requested that Mexico’s political parties and civil society at large mobilize against Trump. The mass media reported constantly about the U.S. presidential campaign, criticizing Trump’s views on domestic and foreign policy. The public organized massive rallies in the main streets of the capital and other major cities in the country. Civil organizations promoted boycotts of American businesses such as Starbucks, and Enrique Krauze, a well-known Mexican public intellectual, called Trump an “American fascist.” In August 2016, only 4% of the Mexican population had a favorable opinion of Trump, and 95% were against the construction of a border wall.

In the case of immigration, the government responded weakly, especially at the beginning of Trump’s presidential campaign. First, the Peña-Nieto administration ignored Trump statements about the country, and followed what Krauze called the “ostrich policy.” Later, the Mexican president was criticized for his decision to invite candidate Trump to Mexico City in August 2016. A few days before the meeting, the PRD declared that this was a “serious political mistake,” while the PAN requested the “cancellation of the meeting.” Former president Fox also criticized the encounter and declared that Trump was using Peña-Nieto to “improve his sunk numbers in the polls.” Finally, former first lady Margarita Zavala, who ran as an independent candidate for president, wrote in a tweet: “Even if they invited you [Trump], you are not welcome. We Mexicans have dignity and we repudiate your hate speech.” A public opinion poll showed that 85% of Mexican residents considered

---

46 Krauze, “La Urgencia de Parar a Trump.”
50 See Agencia Reforma, “Quien fue el de la idea de Invitar a Trump a México,” Mundo Hispanico, https://mundohispanico.com/noticias/nacionales/quien-fue-el-de-la-idea-de-invitar-a-trump-a-mexico.
inviting Trump a mistake, and 72% believed that hosting Trump weakened the Mexican government.\(^52\) It took several months for the Peña-Nieto administration to realize that while Mexicans may have had their disagreements, they could be united in a common front against Trump.

Later, and mainly due to pressure by Mexican society, the government began to present a tougher and more consistent policy toward the United States. Thus, Secretary of Foreign Affairs Luis Videgaray stopped saying that the construction of the wall was the decision of a sovereign state\(^53\) and argued that “Mexico will not pay for the wall, not only because it does not make any sense…but it’s also a matter of dignity.”\(^54\) In a similar vein, Secretary of Foreign Affairs Claudia Ruiz Massieu asserted that the idea of building a wall was an “absurd proposal.”\(^55\) Massieu stated that to “stop the immigration flow, cooperation, intelligence, and work are required, not a wall or rhetoric.” In her perspective, “social sensibility is required to value the contribution of the migrant population to countries not only of origin but of transit and destination. It requires co-responsibility of all the different actors involved.”\(^56\) However, Peña-Nieto’s administration has been characterized by its ignorance of the United States and an incapacity to conduct Mexico’s foreign policy. In the era of Trump, Mexico’s foreign policy toward the United States is driven by the “buddies’ strategy,” a sophisticated policy based on the friendship between Videgaray and Trump’s son-in-law Jared Kushner. There is no better stratagem for Mexico than the two buddies’ policy, d’accord.

Leading up to Mexico’s presidential election, candidates offered different policy views, but agreed on one particular point: their rejection of Trump and his policies toward Mexico.\(^57\) Among other sentiments, they concurred that Mexico is a country with dignity, and that offensive words are unacceptable; that Mexico claims, and demands respect; that they will defend Mexico against Trump insults; and that they will defend the national interest (whatever that meant to each respective candidate). Thus, the United States, and in particular Trump, was an important issue in the Mexican presidential race. NAFTA, immigration, militarization of the border, and the proposed border wall were topics of debate throughout the presidential campaign; the United States and Trump’s presidency became Mexico’s chief domestic policy concern.

---

52 Becerra and Rodrigo León, “Consideran desacierto invitación a Trump.”
Even before Trump assumed power, Mexico established the basic principals that guided the country’s immigration policy toward the United States: 1) immigration is a shared responsibility of Mexico and the United States; 2) immigration benefits both countries; 3) the United States should respect immigrants’ human rights; 4) Mexico will defend the human rights of Mexicans in the United States and of Central Americans in Mexico; 5) Mexico will always value the contributions of Mexicans living in the U.S.; 6) and Mexico will act with dignity even before the world’s greatest superpower. These principles were the backbone of Mexico’s immigration position vis-à-vis the United States.

**NAFTA: A 24-Year-Old Trade Agreement in Jeopardy**

NAFTA has been another traditional component of the structural relationship between Mexico and the United States. Implemented on January 1, 1994, the agreement intertwined Mexico, the United States, and Canada in a trade partnership to eliminate barriers and promote the movement of goods among the three countries. Despite criticism that the accord has not been able to deliver on its promises, NAFTA has been supported by different administrations in the member countries. Traditionally, authorities of the three countries have been, in general terms, satisfied with the accord. In a meeting to commemorate the 20th anniversary of the agreement, Peña-Nieto stated that NAFTA “gave unparalleled push to exchange, investment, and the creation of jobs.” In this meeting, the heads of state of the three NAFTA countries agreed to take the accord a step forward.\(^{58}\) In July 2016, just four months before the U.S. presidential election, presidents Peña-Nieto and Obama strongly backed NAFTA and the Trans-Pacific Partnership (TPP).\(^{59}\) During the presidential campaign, in contrast, Trump called NAFTA “the worst trade deal maybe ever signed anywhere.”\(^{60}\) For him, it was necessary to end NAFTA or renegotiate it.

Criticism of NAFTA is not new. Since the beginning of the negotiations in the early 1990s, the accord has generated significant distrust throughout the U.S. Some Americans were skeptical—especially people located in the Rust Belt—about building an alliance with their two neighboring countries—one highly developed and the other underdeveloped. The debates were not only between parties but also, and especially, within parties. On the Republican side, the agreement was initiated by then-President George H.W. Bush, but it was rejected by a Republican contender for the presidential nomination, Pat Buchanan. On the Democratic side, candidate Bill Clinton expressed doubts about NAFTA but would go on as president to support the partnership with Mexico and Canada; he even made passage of the accord a top priority of his administration. House Majority Leader Richard Gephardt, however, and House Majority Whip David Bonior staunchly disagreed with

---


Clinton. They categorically opposed NAFTA. To make matters even more complicated, Ross Perot emerged as a powerful third-party candidate in the 1992 election, becoming a severe critic of the agreement. He was not alone; in addition to Buchanan and Perot, the AFL-CIO, politician and activist Jesse Jackson, and many consumer groups were against the accord. Clinton actually faced more opposition to NAFTA from within his party than from Republicans.

The national debate on NAFTA reflected a regional division between the Rust Belt economies of the Northeast and the Great Lakes region, and the Sun Belt economies of the South. As political science professor Peter Trubowitz has argued, the uneven integration of the different regions to the world economy “has been a source of domestic political conflict over foreign policy...As a consequence, regions have distinctive and different stakes in how Washington responds to international change.”61 Writing in November 1993, journalists Kenneth J. Cooper and Peter Behr argued that if NAFTA was approved, trade would increase for the Sun Belt, while factories in the Rust Belt would close or move to Mexico. Thus, a regional struggle was underway.62 In November 1993, the U.S. House of Representatives approved NAFTA with 234 in favor and 200 against, and the Senate approved it with a vote of 61 to 38. A significant majority of the House members that opposed the agreement came from the Northeast and the Midwest, which represent the old manufacturing industries of the Rust Belt. The majority of votes in favor of the accord actually came from the South, which hosts the aerospace, oil, and communication technologies industries. These are the new export-oriented industries. The disputes, therefore, were fundamentally between protectionist and free market perspectives. As an example, of the 15 votes from Michigan, 10 were against and five were in favor. In Texas, it was the opposite—24 were in favor and six against.63

Today the opposition to NAFTA has similar arguments. For example, early opponents to NAFTA were skeptical that the agreement would create opportunities for U.S. exports and workers. The anti-NAFTA group argued that Americans would lose their jobs because corporations would move to Mexico in search of lower wages. “There are a lot of people who are going to be put out of work, and those are the people we represent...They want somebody to stand up to say this is not a good deal for us,” said House Majority Leader Bonior.64 Now, as before, those who oppose NAFTA argue that the accord is causing Americans to lose their jobs. During his campaign, candidate Trump asserted that “America has lost nearly one-third of its manufacturing jobs since 1997, following the enactment of

61 Peter Trubowitz, Defending the National Interest: Conflicts and Changes in American Foreign Policy (Chicago: The University of Chicago Press, 1998), xiii.
63 See https://www.govtrack.us/congress/votes/103-1993/h575.
disastrous trade deals supported by Bill and Hillary Clinton.” The anti-NAFTA perspective is that the lower salaries of workers in Mexico prompted U.S. companies to move south of the border. NAFTA, in general, sent jobs to Mexico, generating unemployment, the argument goes. In order to solve the problem, according to this view, manufacturing jobs must be brought back to the United States. American workers will then have jobs, and companies will earn profits on U.S. soil once again.

It is not clear, however, if NAFTA is the reason behind U.S. workers losing jobs. Most U.S. economists, in fact, think otherwise. According to a study by the Congressional Research Service, “NAFTA did not cause the huge job losses feared by critics or the large economic gains predicted by supporters. The net overall effect of NAFTA on the U.S. economy appears to have been relatively modest, primarily because trade with Canada and Mexico accounts for small percentage of U.S. GDP.” In a similar vein, the U.S. International Trade Commission reported that NAFTA had “essentially no effect on real wages in the United States of either skilled or unskilled workers.” Many specialists maintain that losing jobs is related to the impact of technology in factories—like the use of robots—and has nothing to do with free trade. According to journalist Jon Greenberg, “It’s fair to say that NAFTA may or may not have reduced American manufacturing jobs (with the consensus falling on the side that it didn’t).”

The anti-NAFTA rhetoric has certainly affected the views of the U.S. population, in particular those who support the GOP’s stance on the issue. According to Gallup Polls, in 1997, only 37% of U.S. residents surveyed said that NAFTA was good for the country, while 47% said it was bad and 16% had no opinion. In the year 2000 the figures reversed: 47% said it was good, 39% stated that it was bad, and 14% had no opinion. Finally, in February 2017, Gallup reported that 48% said that it was good, 46% that it was bad, and 6% had no opinion. However, the picture looks different if we analyze the results by political party affiliation. In the year 2000, 46% of Republicans surveyed said NAFTA was good for the United States, but this dropped to 40% in 2004 and to 20% in 2017. However, the numbers for Democrats are different: in 2000, 49% favored the accord, while only 39% supported it in 2004 and 67% favored NAFTA in 2017. Currently, party polarization is expressed in almost every aspect of American political life, and NAFTA is no exception.

---

65 John Greenberg, “Trump Gives half the Story on Trade Deals, the Clintons and Factory Jobs,” Politifact, July 21, 2016, http://www.politifact.com/truth-o-meter/statements/2016/jul/21/donald-trump/trump-gives-half-story-trade-deals-clintons-and-fa/. Although a substantial and critical minority of Democrats supported the agreement, NAFTA passed because of strong support by Republicans. During the late 1980s and early 1990s, Republicans were in favor of free trade. They often promoted open trade agreements with countries like Canada, and in the case of NAFTA, congressional Republicans voted for the accord at substantially higher rates than did Democrats. Nonetheless, without Democratic support, NAFTA would have been defeated. In the Senate, for instance, Democrats were split 27-28 against NAFTA.


67 Greenberg, “Trump Gives Half the Story on Trade Deals, the Clintons and Factory Jobs.”

Unlike the past, several large business organizations in different regions of the country are in favor of NAFTA. In the Sun Belt region, technology companies such as CISCO and Dell and petroleum companies are in favor of the international accord. In the Rust Belt, Michigan’s automobile industry supports the agreement, as well as the Midwestern states of Iowa, Nebraska, Missouri, and Kansas, whose combined exports to Mexico exceed $1 billion. Thus, several large U.S. corporations are fundamentally against Trump’s proposal to revise or end NAFTA, increasingly forming an alliance with Mexico and Canada rather than with the Trump administration. The Business Roundtable, the National Association of Manufacturers, the National Foreign Trade Council, and the Coalition of Service Industries, among many others, have expressed their support for NAFTA. The U.S. Chamber of Commerce, which is in favor of updating the agreement, has continually declared that NAFTA has “generated substantial new opportunities for U.S. workers, farmers, consumers, and business.” According to the organization, Texas and California are the states that are going to be most affected if the U.S. withdraws from NAFTA. The reason is simple: they are the top two exporters to Mexico and Canada. Texas exports $112 billion annually to the NAFTA countries, while California is at a very distant second place at just over $41 billion in exports. It is not strange, therefore, that Republican U.S. Rep. Will Hurd of San Antonio has argued that “NAFTA is responsible for increasing trade between Texas and Mexico by almost 110 percent since 2004.” Texas Senator John Cornyn stated that “NAFTA is not a dirty word in Texas,” and Governor Greg Abbott has argued that “NAFTA has enabled the growth and economic stability not only for our state but also for the nation as a whole, and for our neighbors to the north and south as well.” As Justin Yancy, president of the Texas Business Leadership Council, has said, “Whether you are a banker in Dallas or a farmer in Lubbock, make no mistake—withdrawning from NAFTA would be devastating for Texas.”

---


Michigan would also be affected because of its integral role in the U.S. car industry. The state’s exports to Canada and Mexico total $35 billion. Michigan has a very close relationship with Canada, trading about $70 billion in imports and exports. According to Fitch Rating, “No other state in the U.S. does more business with Canada.” In a similar vein, 22% of Michigan’s exports go to Mexico, and 36% of its imports are from Mexico. “Taken together, 65% of Michigan exports went to Canada and Mexico, accounting for a combined 7.4% of its gross state product in 2016.” According to some economists, if the U.S. withdraws from NAFTA and Mexico retaliates with higher tariffs, Michigan will lose about 7,000 manufacturing jobs. Thus, in some areas, such as automobile production, Rust Belt states like Michigan are happy to continue with the accord because it favors its important industry sectors.

Mexico has a different perspective. NAFTA has been a central component of its economic policy over the last 24 years. Since the signing of NAFTA in 1994, Mexico has based its economy on free trade and a deep economic relationship with the United States. According to the Office of the U.S. Trade Representative, Mexico is the “third-largest good trading partner, with $557 billion (two way) good trade during 2017. Goods exports totaled $243.0 billion; goods import totaled $314.0 billion.” Trade between both countries has more than tripled since the beginning of the agreement. In 2017, “the value of exports equaled 37% of Mexico’s GDP…and approximately 80% of Mexico’s exports headed to the United States,” while U.S. imports from Mexico were $223.4 billion in 2017. As political science professor Jorge G. Castañeda and Mexico Senator Armando Ríos Piter have asserted, NAFTA “logic is hellish: keep wages low in Mexico so the U.S. jobs move to Mexico to increase the competitiveness of North American companies in the region.” The close economic relationship between both countries has turned Mexico into a nation dependent on the economic ups and downs of the United States. In other words, trade between both countries is intense, with Mexico depending more on the United States than the United States on Mexico.

Trump’s attacks on NAFTA and the economic asymmetry between both countries pushed Mexico to move carefully, looking for negotiations and accommodation. The Mexican government began to modify its position on NAFTA, with the Peña-Nieto administration

---

saying it would be willing to talk about the accord. Mexico was convinced that good arguments can persuade Trump of the relevance of the agreement. Yet subsequent developments reveal that they were wrong. At the beginning of talks, Mexico clearly expressed that the country was not renegotiating the agreement. “We are simply talking about a dialogue,” said Secretary of Economy Ildefonso Guajardo in 2016. Massieu, secretary of foreign affairs at that time, also asserted that Mexico would be happy to modernize NAFTA but not renegotiate the agreement. But Trump's aggressive, anti-free trade rhetoric, the constant pressures from the American government to the Peña-Nieto administration, and NAFTA's relevance for Mexico changed the government's original position.

Trump's populist and isolationist tendencies have pushed Mexico to sit down at the negotiation table. At the time of writing, there have been seven rounds of talks since Trump announced his decision to renegotiate NAFTA in May 2017. The negotiations have been difficult because only six chapters have been completed thus far. However, some advances have been achieved. The three countries have made some progress on digital commerce, which did not even exist 24 years ago. But the Trump administration is including proposals that Mexico and Canada have said are totally unacceptable, such as incorporating a special panel for “setting tariff disputes...and to tighten rules on how much the manufactured products need to come from inside NAFTA to qualify for duty free.”

In other words, Trump wants to make the free trade agreement less free.

This is especially true in the automobile industry, with the Trump administration trying to reduce the number of cars and auto parts that are imported from Mexico or Canada. The U.S. also wants to include a clause to end the agreement after five years of its approval unless all NAFTA members vote to maintain it for another five-year period. Likewise, the U.S. wants to reduce the quantity of “U.S. government contracts that Mexican and Canadian companies can win” and additionally stop the imports of some harvests during the cultivating cycle.

At the same time, Mexico has included an anti-corruption measure as part of the NAFTA renegotiations. Corruption in Mexico has increased substantially, putting the country at 123 among 176 nations in the 2016 Corruption Perceptions Index, and at 135 out of 180

---

countries in 2017.\textsuperscript{86} The Mexican anti-corruption initiative has been supported by the other two NAFTA members.\textsuperscript{87} Corruption is one of the most serious problems currently facing Mexico. Its damages are felt at all levels of Mexico’s political and social life. Mexican officials are hoping that an improved international trade agreement will help them solve a fundamental domestic problem. This concern was expressed by candidates in Mexico’s presidential race, as contenders made corruption a main topic, if not the central one, of their campaigns.

President-elect Andrés Manuel López Obrador has proposed, among other measures, amnesty to individuals who have been involved in corruption; austerity and total autonomy to institutions fighting corruption; a Universal System of Patrimonial Declaration that includes all public servants; an international collaboration to fight tax havens; and strengthening of banking system controls to reduce money laundering.\textsuperscript{88} Yet López Obrador has been severely criticized in regard to corruption for at least three reasons. First, some of his former closest collaborators—René Bejarano and Gustavo Ponce—were publicly accused of misconduct. Second, his amnesty proposal would include crooked people and even drug traffickers. Third, he recommended Napoleón Gómez Urrutia—a former mining union leader accused of executing a $55 million fraud—for a seat in the Senate.

Corruption is a concern not only of politicians but also of the population in general. According to the National Institute of Geography and Statistics (INEGI), “half of the people age 18 and over, considered that corruption is the second biggest problem faced by its state, just below insecurity and crime.” Likewise, “88.8% of the population considered corruption a practice that occurs frequently or very frequently among public servants or employees of the government.”\textsuperscript{89} In a nutshell, corruption is a central concern of the Mexican people. It has reached the highest political sectors of the country and permeates society as a whole. It is not clear, therefore, that politicians—important beneficiaries of corruption—have a legitimate interest in ending the problem.

Likewise, López Obrador is in favor of NAFTA. He has stated that if NAFTA negotiations collapsed, “Mexico will not suffer ‘terribly.’” He wants to “maintain the treaty,” but states that NAFTA cannot become a fatality for Mexico.” In his view, Mexico has “many natural

\begin{thebibliography}{99}
\item Martin and Wingrove, “Nafta Said to Gain Steam With Agreement on Anti-Corruption Move.”
\end{thebibliography}
resources, many assets.” Jesus Seade Kuri, who is expected to be Mexico’s next NAFTA negotiator once López Obrador takes office, “coincides with the position of the current Mexican negotiation team.” In particular, he agrees with the “relevance of having appropriate and equitable rules of origin and preserving a strong and effective dispute settlement.” These statements indicate that under López Obrador, there will be more continuity than change in the NAFTA negotiations.

At the time of writing, signs indicate that the treaty is in danger. The seven rounds of talks ended with the U.S. threat of new tariffs on steel and aluminum and of breaking the trilateral negotiations. The threats came true when at the end of May, the United States imposed tariffs of 25% on steel and 10% on aluminum. Mexico and Canada have responded accordingly, imposing tariffs on U.S. products. The situation worsened during the meeting of the G-7 when Trump refused to endorse a statement against protectionism. Trump called Canadian Prime Minister Justin Trudeau “very dishonest and weak.” Some Trump officials have thrown even more oil into the fire. Peter Navarro, assistant to the president and director of the White House National Trade Council, in an interview with Fox News made a clear reference to Trudeau, stating that “there’s a special place in hell for any foreign leader that engage in bad faith diplomacy with President Donald J. Trump and then tries to stab him in the back on the way out the door.” A trade war is now more feasible than ever, and NAFTA clearly is in jeopardy.

**Conclusion**

For the first time in the last 24 years, the U.S.-Mexico relationship is on shaky ground. The structural system that has prevailed for more than two decades is now under considerable threat. If Mexico and Canada ultimately agree to the Trump administration’s NAFTA proposals, and the U.S. implements its immigration reforms, the nature of the bilateral relationship will change substantially in at least three ways: institutionally, economically, and culturally. These modifications will have a long-lasting effect on the economies of both countries and in traditional Mexican perceptions of their northern neighbor.

NAFTA created a transnational treaty that linked the economies of the U.S., Mexico, and Canada. Its members were committed to economic integration and considered the accord a good vehicle to stimulate the North American economy. Nevertheless, American forces of protectionism were a factor from the start. The views of Ross Perot and Richard Gephardt

---


during the NAFTA negotiations in the early 1990s are only two examples. Those protectionist views are alive in the current Trump administration. The possible suspension of the agreement would not only terminate a long-term alliance but will also have serious repercussions for the economies of its members. “NAFTA is ready for change,” researchers Peter Smith and Edward J. Chambers said in 2002, but limiting its scope or finishing the agreement is going beyond the spirit of improvements in the current negotiations.

Trump’s rhetoric and his positions on immigration and NAFTA have seriously affected Mexican nationalism and perception of the U.S. Thus, an unintended consequence of Trump’s campaign and presidency has been the unity of Mexico’s citizens against a common foreign enemy: The United States, or to be more precise, its current leader. Trump’s affronts have lit the flame of Mexican nationalism and anti-Americanism. Historically, Mexico has significantly defined its national identity in opposition to the United States. As Oxford University professor Alan Knight writes, Mexico’s “proximity with the United States, has clearly conditioned Mexican nationalism, which is often defined vis-à-vis the United States.” Mexico, as Knight suggests, does not have a “deeply rooted hostility to the United States.”95 Furthermore, in recent times, Mexicans have considered the United States as one of their favorite countries. In biennial surveys conducted by the Center for Teaching and Research in Economics (CIDE) in Mexico City, from 2004 to 2014, except for 2008, the U.S. was ranked as the first or second most favorable nation among Mexicans.96 By 2017, the perception had changed. According to a poll conducted by the Pew Research Center, 65% of Mexicans surveyed expressed an unfavorable opinion of the United States, compared to 29% in 2014.102 The change seems to be related to Trump and his policies toward Mexico. A poll conducted by the Mexican newspaper Reforma in August 2016 revealed that 86% of Mexicans had an unfavorable view of Trump and only 5% maintain a favorable view.103 In a similar vein, the Pew Research Center reported in September 2017, that “94% of the Mexicans oppose Trump’s proposed border wall and only 5% have confidence in him to do the right thing regarding foreign affairs.”104 This meaningful change in the Mexican view of the United States might create an atmosphere of tension between the two countries for the foreseeable future. Mexican anti-Americanism seems to respond more to the declarations of Trump rather than to a structural condition.

At the time of the writing of this paper, we do not know exactly what it is going to be U.S. policy on immigration and NAFTA. Since the structural relationship between Mexico and the U.S. was modified with the signing of the agreement in 1994, things have changed substantially. Commerce between both countries has intensified; undocumented migration from Mexico grew until 2007 but has since been in decline; U.S. deportations of undocumented Mexicans have become more frequent; and drugs continue to arrive to the United States. These general trends have become more acute since the beginning of Trump’s presidential campaign and more than one year after his administration has been in place in the White House. Trump’s offensive and aggressive rhetoric against Mexico, stricter measures on immigration, increased focus on border security, proposal to build a wall along the U.S.-Mexico border, his threat of leaving NAFTA, and other measures are modifying the structural relationship between Mexico and the United States like no other American president has in the past 24 years.

Now that Mexico has elected a populist and nationalist as its next president, the immediate future of the bilateral relationship looks gloomy. López Obrador has expressed strong condemnation of Trump and his policies. He has a negative image of the United States and its current president. He has called Trump’s policies “xenophobic and racist,” and declared that the way the American president and his advisors talk about the Mexicans is similar to the way the Nazis referred to Jews. However, López Obrador is aware of the power asymmetry between the United States and the close economic, political, and cultural ties of the bilateral relationship. He is also concerned for Mexico’s domestic politics. He wants to relax the markets and be perceived by Mexicans as a good politician with strong character to oppose American attacks, but also with good diplomatic skills to deal with the United States. The criticisms of Trump and his policies occurred during the campaign. Today, López Obrador is the elect-president. Consequently, he displays a very friendly attitude toward the U.S. and its head of state. He has invited Trump to his inauguration and cordially received U.S. Secretary of State Mike Pompeo and other important American officials in Mexico City. Likewise, Pompeo is playing the diplomatic card. He asserted during his meeting with López Obrador: “We want to come down here to let you know that President Trump cares deeply for the success of the relationship between our two countries.” In a nutshell, we are living a honeymoon between the Trump administration and the elected president of Mexico, López Obrador. How long the honeymoon will last, is difficult to predict. What is certain is that sooner or later, Trump will use Mexico and the Mexican citizens as his piñata to maintain the support of his base or distract the public’s attention from grittier topics for him. Sooner or later, we will witness the clash of two distinct nationalist and populist perspectives, without it leading to the collapse of the bilateral relationship.

---


Acknowledgements

The author would like to express his gratitude to Christopher Langer for his comments to the first draft of this paper.