# Working with Mexico and Across North America

E. ANTHONY WAYNE
CAREER AMBASSADOR (RET.)

AU
SCHOOL of INTERNATIONAL SERVICE

MEXICO INSTITUTE
W | Wilson Center

WAYNEEA@GMAIL.COM
WWW.EAWAYNE.COM

# Important Ties with Mexico

- U.S.-Mexico ties touch more U.S. lives daily than any other country via trade, border connections, tourism, family ties, and illicit flows. An "Inter-Mestic" Relationship.

- Some 37 million Mexican-Americans: 11% of the U.S. population.

- 1990-mile border (3,201 km) with security, economic, family & environmental interests.

- 2010-16: government collaboration unprecedented; tensions and cooperation 2017-21.

- 2020: U.S., Mexico, and Canada trade accord launched (USMCA); trade rising since.

- 2021-23: Rebuilding cooperation on migration, border, crime, trade, enhancing competitiveness. But big challenges on these issues too!

# Serious Challenges and Opportunities to Address

U.S. drug demand, Fentanyl deaths, Mexican traffickers, US guns

Manage migration: Mexico Central Am & elsewhere

Security Cooperation: Need results from Bicentennial Framework

Negative public perceptions; deepen stakeholder dialogues

Boost commerce, jobs; build resilient supply chains

Build a 21st century border to handle trade, crime, migrants

Implement USMCA, solve disputes, 2026 review

Boost North Am. Cooperation

Face Democratic Backsliding

# Trade: Mexico #1 in 2023 with 15.7% of US trade

Mexico is the U.S.':
- **was the US' largest trade partner at $298.8 billion in 2023**
- **Surpassed China as the US' largest supplier of imports in 2023**
- **1st agricultural trading partner (14.5% US exports 2022)**
- 1st or 2nd export market for 28 states, 1st export market southern Border States

**In 2021 & 2022, Mexico was 2nd largest US trade partner.**
**Total goods trade grew rapidly since USMCA began in 2020.**
**In 2023: Mexico 15.7% of trade; Canada 15.2%; China 11.3%.**
**2023 US deficit with Mexico was also highest ever: $152.4 billion.**
**Canada remains largest US export market; with Mexico #2.**
**For Mexico, US trade accounts for 80%+ of Mexican exports & 39% of GDP.**

# U.S.-Mexico Goods plus Services Trade:
## over $1.5 million a minute

**Exports**

$322.2 Billion

**Imports**

$475.6 Billion

**2023 Trade in goods**

$ **$798.8 Billion**

Services trade est. $50 b.
means
$1.5 million dollars per minute in goods & services

# Border Crossings back to pre-COVID levels

Each day over

## 1 million

border crossings
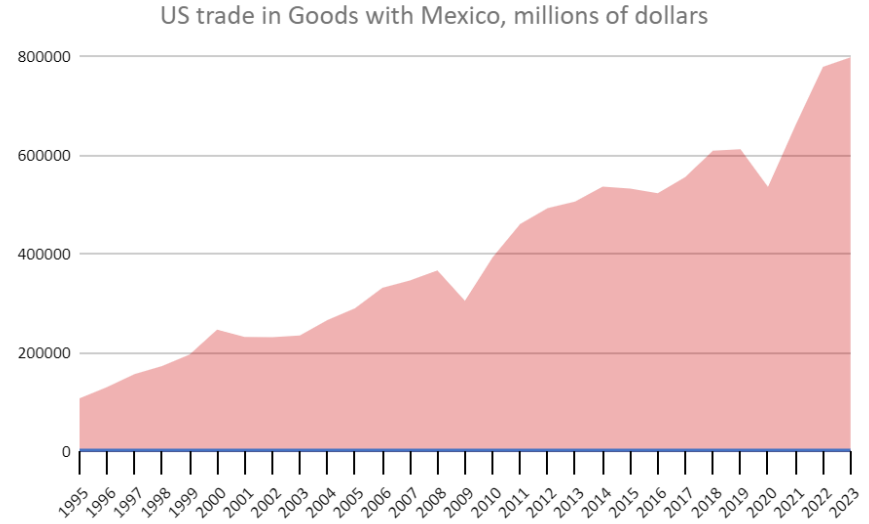
# US-Mexico trade multiplied by over 6 times since 1995

- The U.S. sells more to Mexico than to all the BRICS countries together

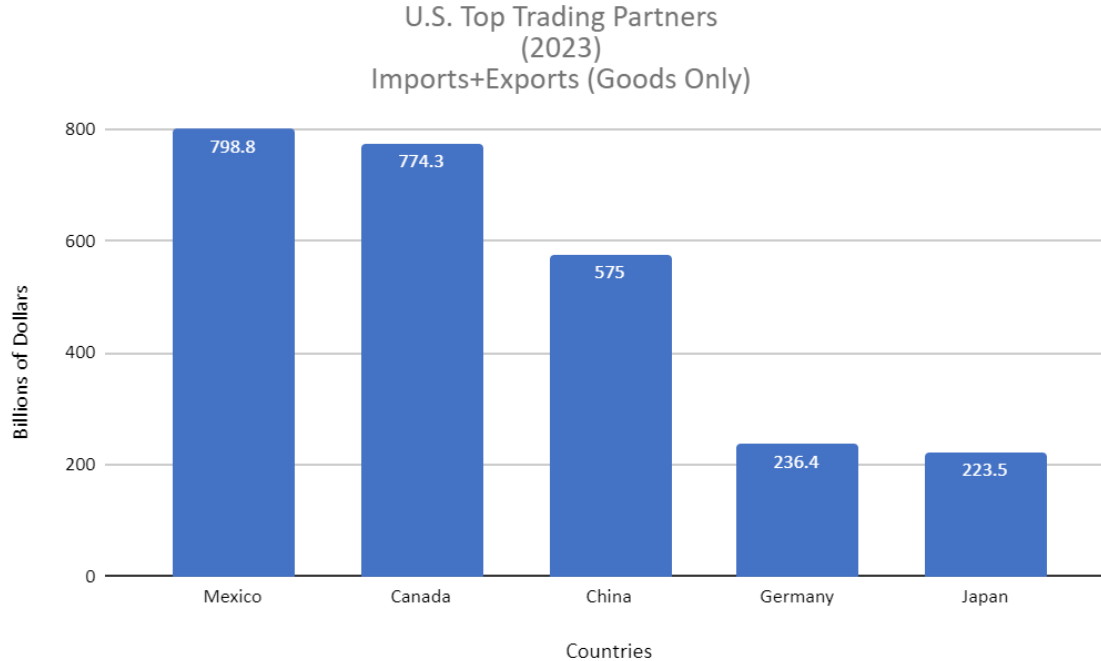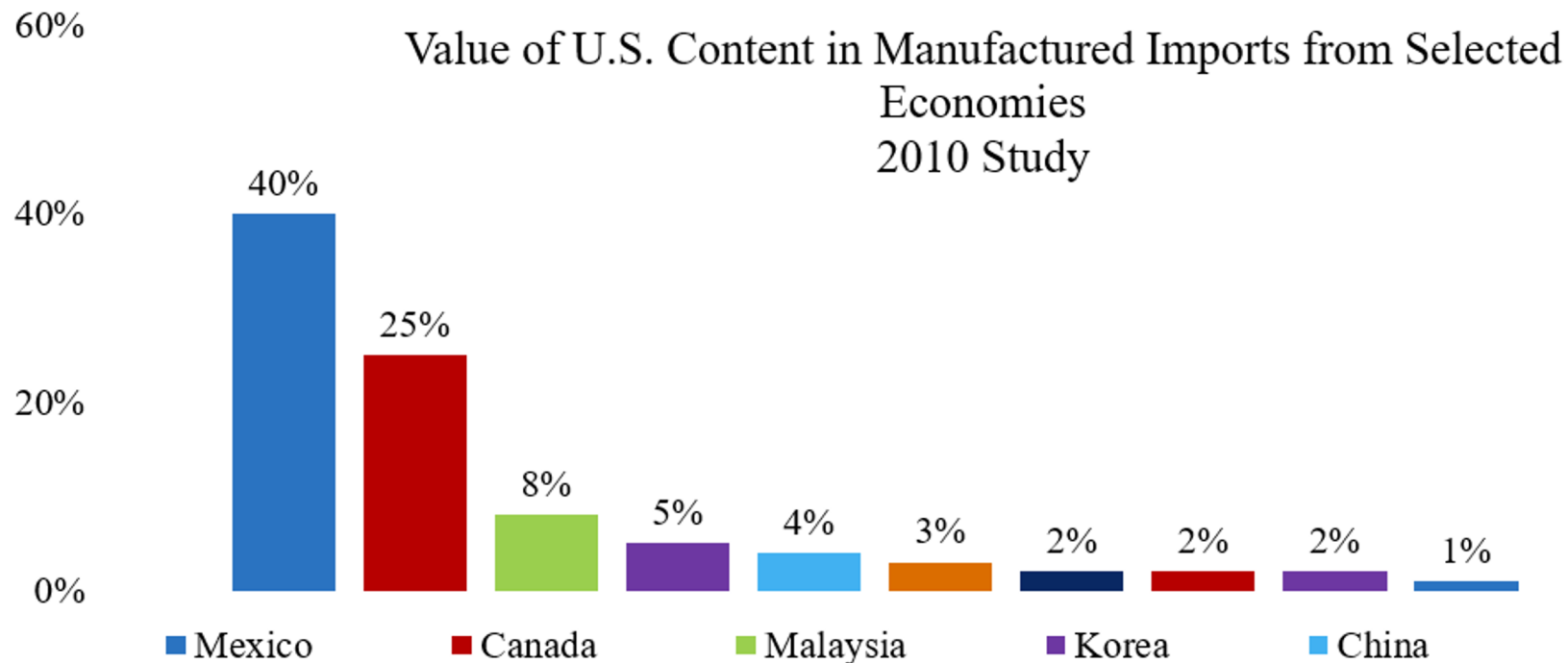↑ Over 98%

From 2010 to 2023

US trade in Goods with Mexico, millions of dollars

800000

600000

400000

200000

0

1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023

# 2023: Mexico is top trading partner in goods



U.S. Top Trading Partners
(2023)
Imports+Exports (Goods Only)

# More U.S. Content in Imports from Mexico and Canada



Value of U.S. Content in Manufactured Imports from Selected Economies
2010 Study

| | | Mexico | Canada | Malaysia | Korea | China |
|---|---|---|---|---|---|---|
| 40% | 25% | 8% | 5% | 4% | 3% | 2% 2% 2% 1% |

Source: Robert Koopman et al. "Give Credit Where Credit is Due: Tracing Value Added in Global Production Chains". NBER Working Paper No 16426.

# Mexico trade and investment supports over 5 million U.S. jobs

## Jobs per state



Legend:
- 200,000 or more
- 150,000-199,999
- 100,000-149,999
- 50,000-99,999
- Up to 49,999
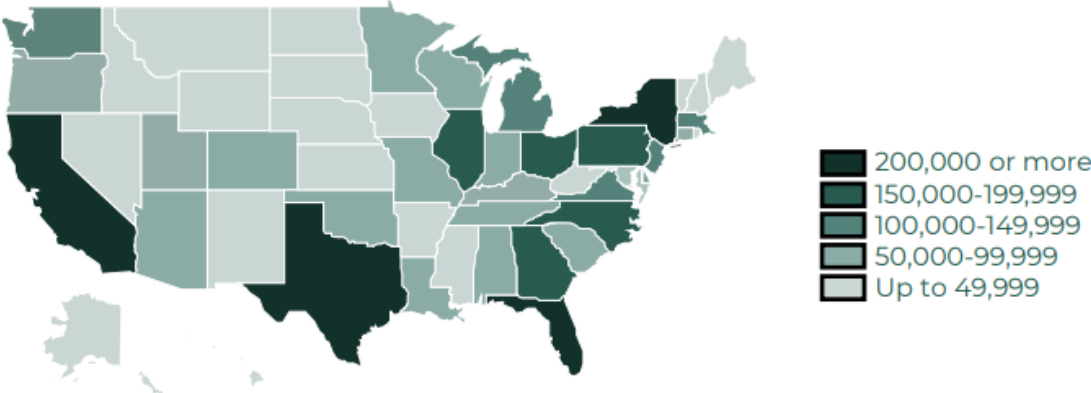
Some 5 million US jobs depend on trade and investment ties with Mexico (2022), compared to an estimated 700,000 jobs in 1993.

# Rank Order: Top U.S. States' Exports To Mexico 2024

| State | Volume $USD (Billions) | State | Volume $USD (Billions) |
|---|---|---|---|
| Texas | 129.5 | Oregon | 6.5 |
| California | 33.2 | Tennesse | 6.1 |
| Michigan | 14.5 | Pennsylvania | 5.4 |
| Illinois | 12.9 | North Carolina | 5.4 |
| Ohio | 8.2 | Georgia | 4.8 |
| Arizona | 8.0 | Wisconsin | 4.3 |
| Indiana | 7.5 | Florida | 4.2 |
| Lousiana | 6.9 | Missouri | 3.8 |
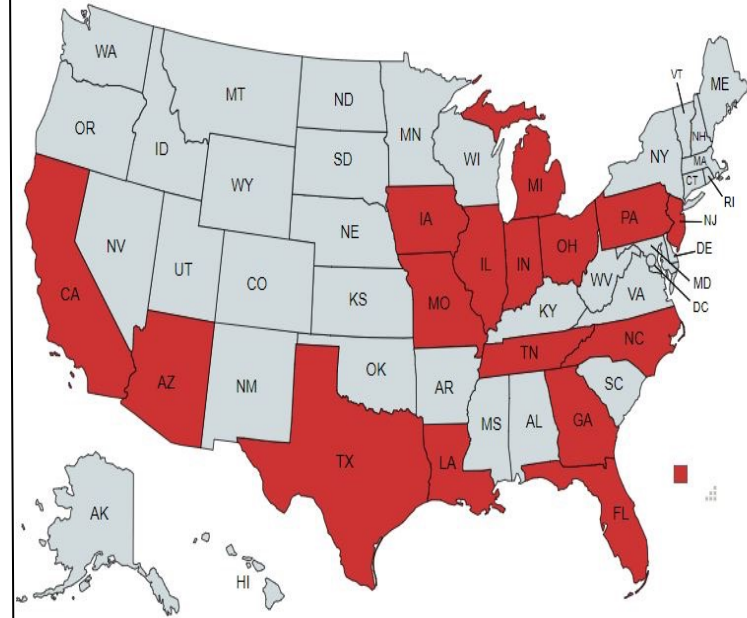
# U.S.-Mexico Border States

- In 2021, the U.S.-Mexico Border States' GDP reached $6.2 trillion

- GDP from both sides of the border would constitute the 3rd or 4th largest economy in the world.

**Largest economies in the world (2022)**

United States: $22.9 trillion
China: $17.7 trillion
Japan: $4.9 trillion
Germany: $4.2 trillion
**(EU $17.1 trillion)**

# Another Plus for Mexico: Jump in US Remittances - Money sent to family and friends in Mexico.
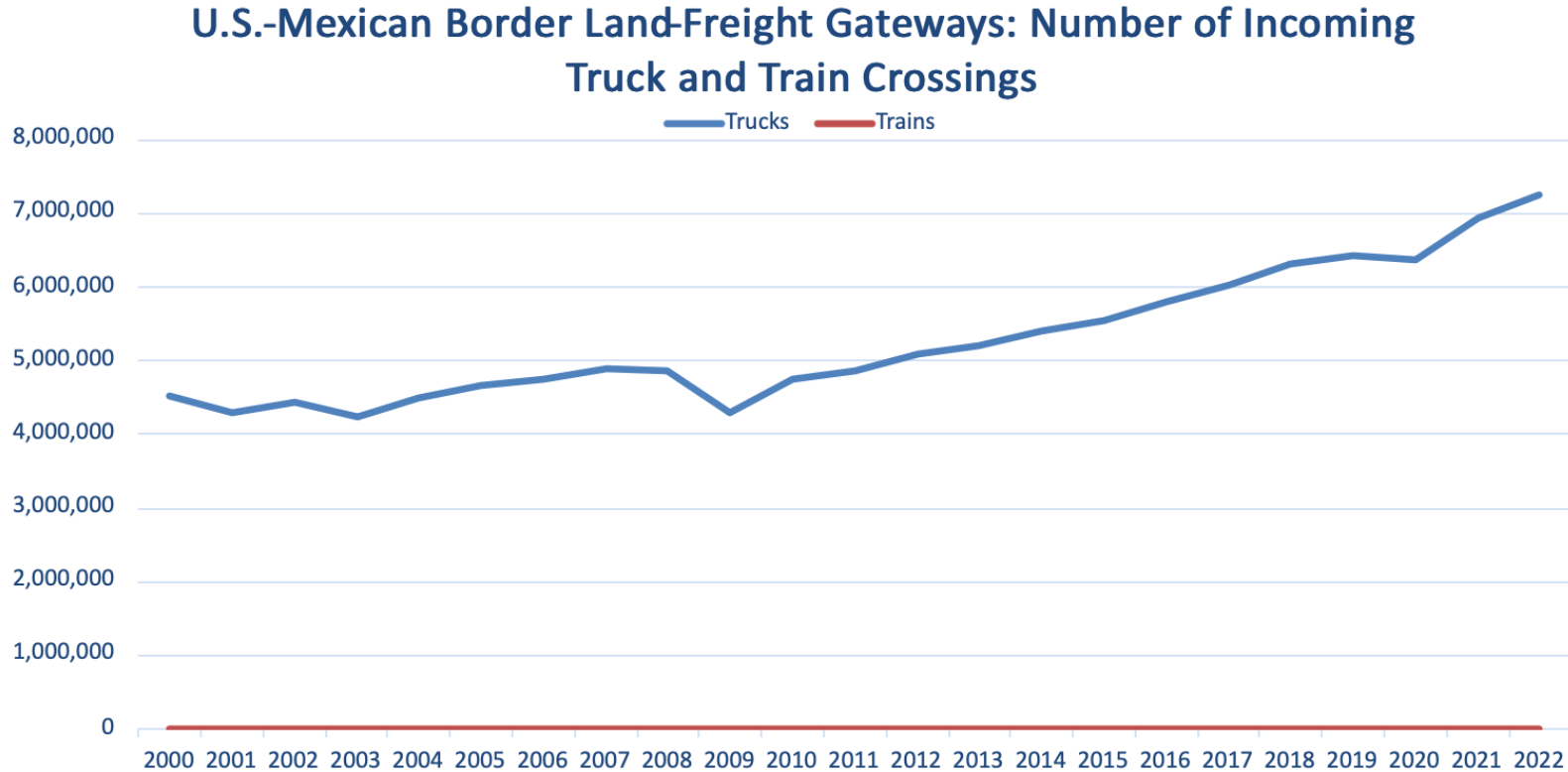


TRADINGECONOMICS.COM | BANCO DE MÉXICO
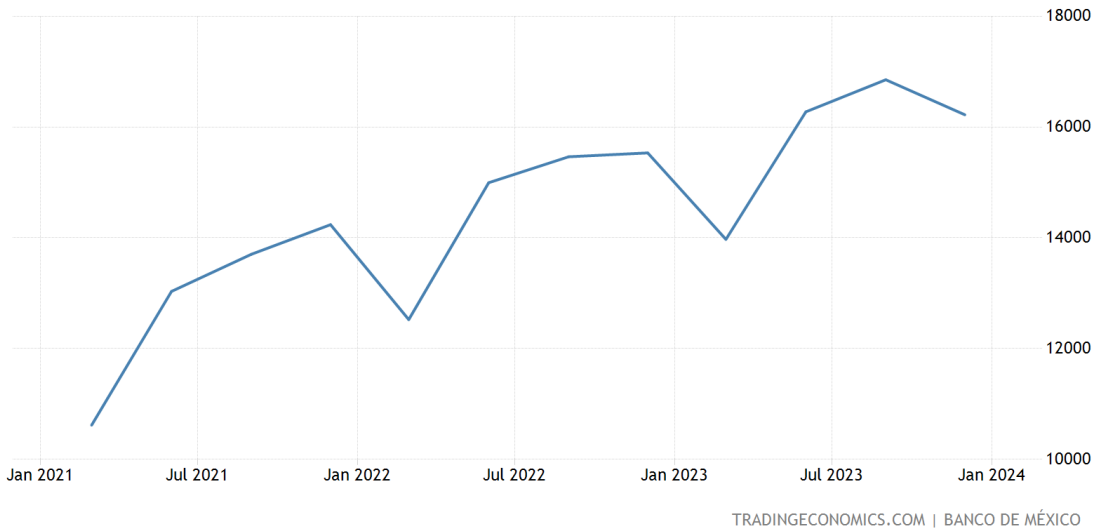
- Mexico's Central Bank estimates that **95% of the remittances** to Mexico come **from the United States**.

- In **2023**, remittances set a record of **US $63 billion.**

- Only India received more remittances in 2022.

- 7-10% may be crime related says a Reuters report.

# Border Management: Licit and Illicit Flows

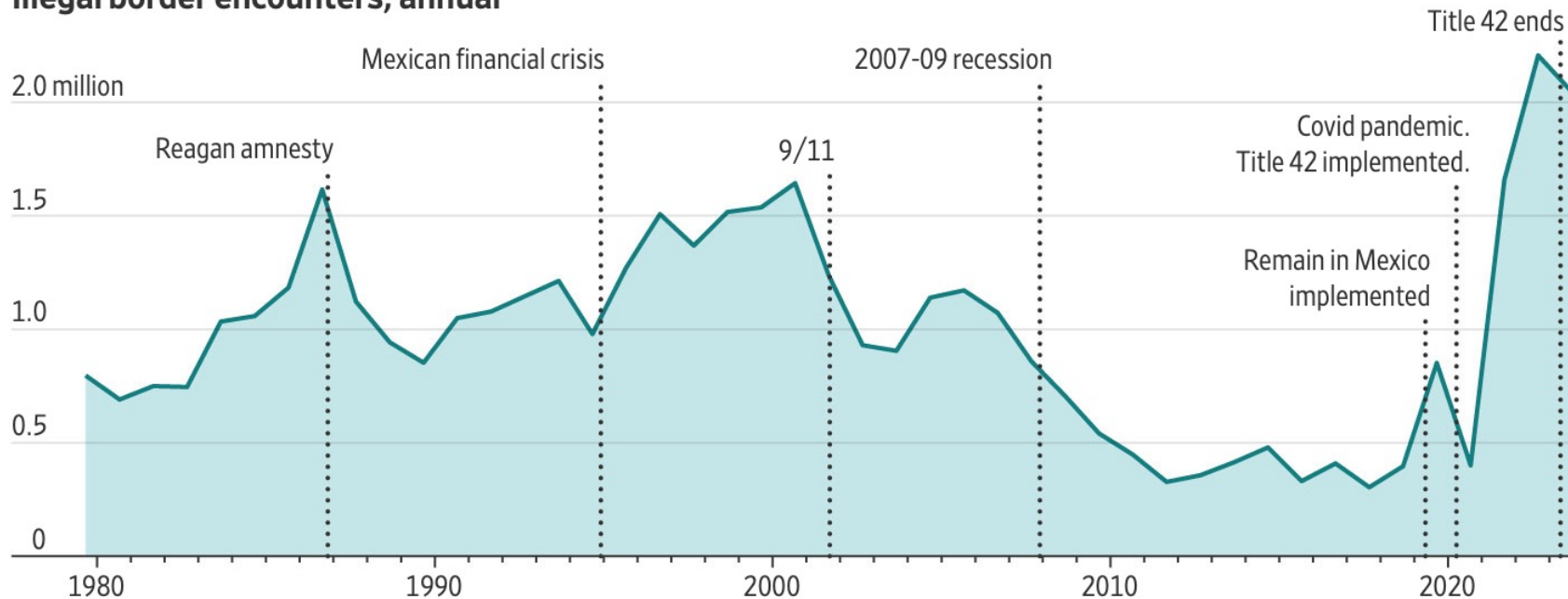# Moving toward Co-Management of the Border

# Trucks Crossing the U.S.-Mexico Border



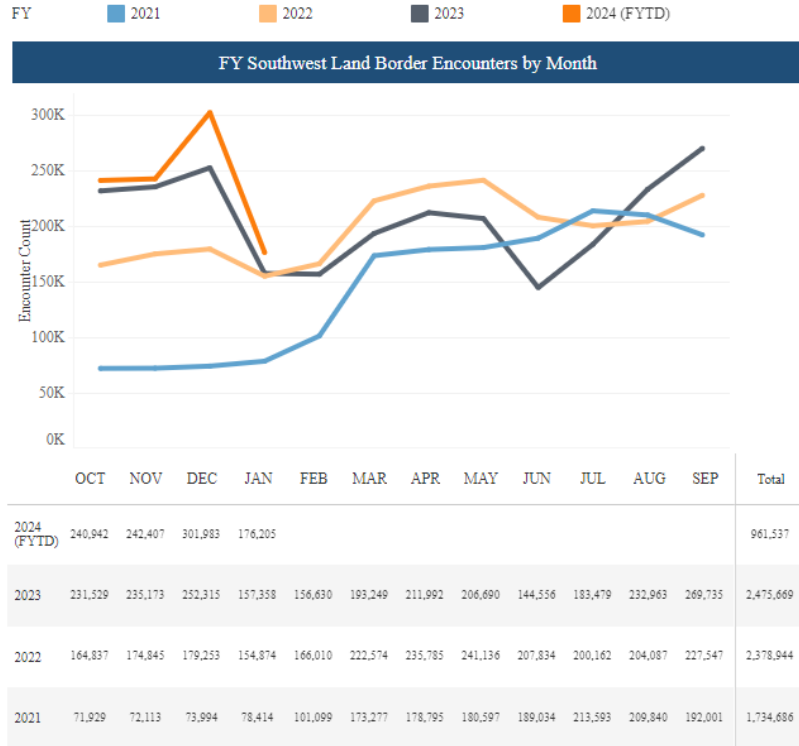**U.S.-Mexican Border Land-Freight Gateways: Number of Incoming Truck and Train Crossings**

Trucks — Trains

Source: Bureau of Transportation Statistics, 2023

# Illegal Border Encounters, Annual

**Illegal border encounters, annual**



Mexican financial crisis

2007-09 recession

Title 42 ends

Reagan amnesty

9/11

Covid pandemic.
Title 42 implemented.

Remain in Mexico
implemented

2.0 million

1.5

1.0

0.5

0

1980    1990    2000    2010    2020

Note: Data are for fiscal years and only include encounters along the southern land border.
Source: U.S. Customs and Border Protection

# U.S.-Mexico border apprehensions FY 2021-2024(FYTD)



FY Southwest Land Border Encounters by Month

FY  ■ 2021   ■ 2022   ■ 2023   ■ 2024 (FYTD)

| FY | OCT | NOV | DEC | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2024 (FYTD) | 240,942 | 242,407 | 301,983 | 176,205 | | | | | | | | | 961,537 |
| 2023 | 231,529 | 235,173 | 252,315 | 157,358 | 156,630 | 193,249 | 211,992 | 206,690 | 144,556 | 183,479 | 232,963 | 269,735 | 2,475,669 |
| 2022 | 164,837 | 174,845 | 179,253 | 154,874 | 166,010 | 222,574 | 235,785 | 241,136 | 207,834 | 200,162 | 204,087 | 227,547 | 2,378,944 |
| 2021 | 71,929 | 72,113 | 73,994 | 78,414 | 101,099 | 173,277 | 178,795 | 180,597 | 189,034 | 213,593 | 209,840 | 192,001 | 1,734,686 |

- FY **2020, 458,088 apprehensions (COVID 19)**
- FY **2021, 1,734,686 apprehensions.**

- **FY 2022 & 23, record "encounters": 2,378,900 in FY 22 & 2,475,000 in FY 23. Still high FY24.**

- **More families, more adults, more Mexicans; many more from elsewhere (a record 51%).**

- **Under Biden, over 6 million apprehended; some 4 million expelled; and 2.3 million released;**

- **Est. 8 million migrants with temporary status entered during Biden Administration**

# 48% Unauthorized Immigrants are Mexican;10.7 mil Mexican-born in US;1 mil more than 2010.

*Unauthorized immigrant population in the United States by country of birth, in millions*
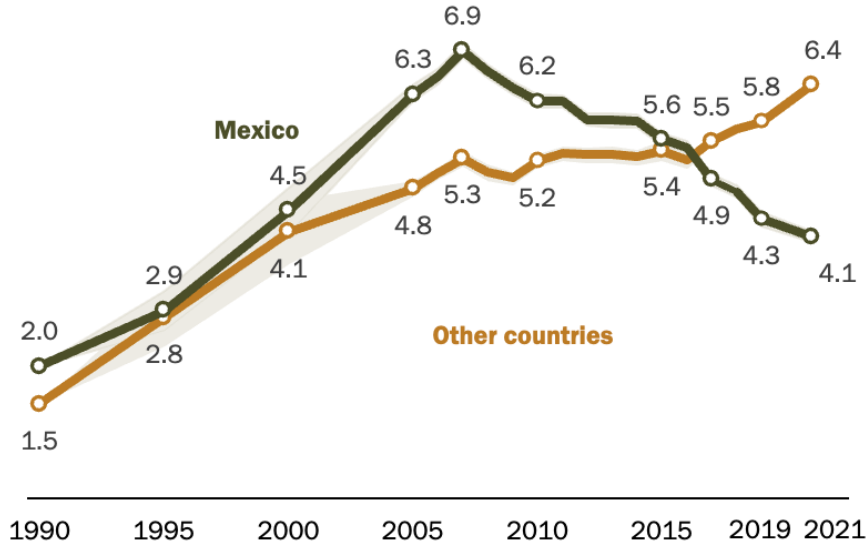


Note: Shading shows range of estimated 90% confidence interval.
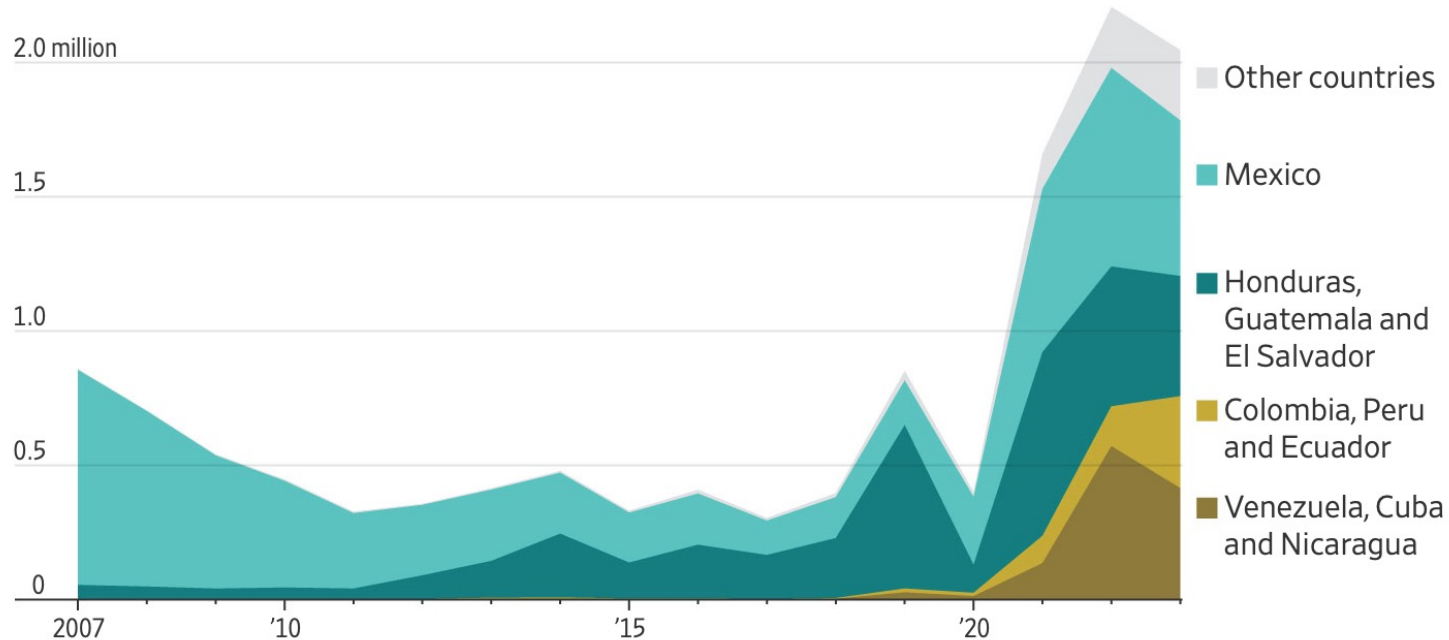Source: Pew Research Center estimates based on augmented U.S. Census Bureau data.

**PEW RESEARCH CENTER**

Source: PEW Research Center, 2023

# Migrants Detained at SW Border – through FY 2023



Migrants detained at the Mexican border
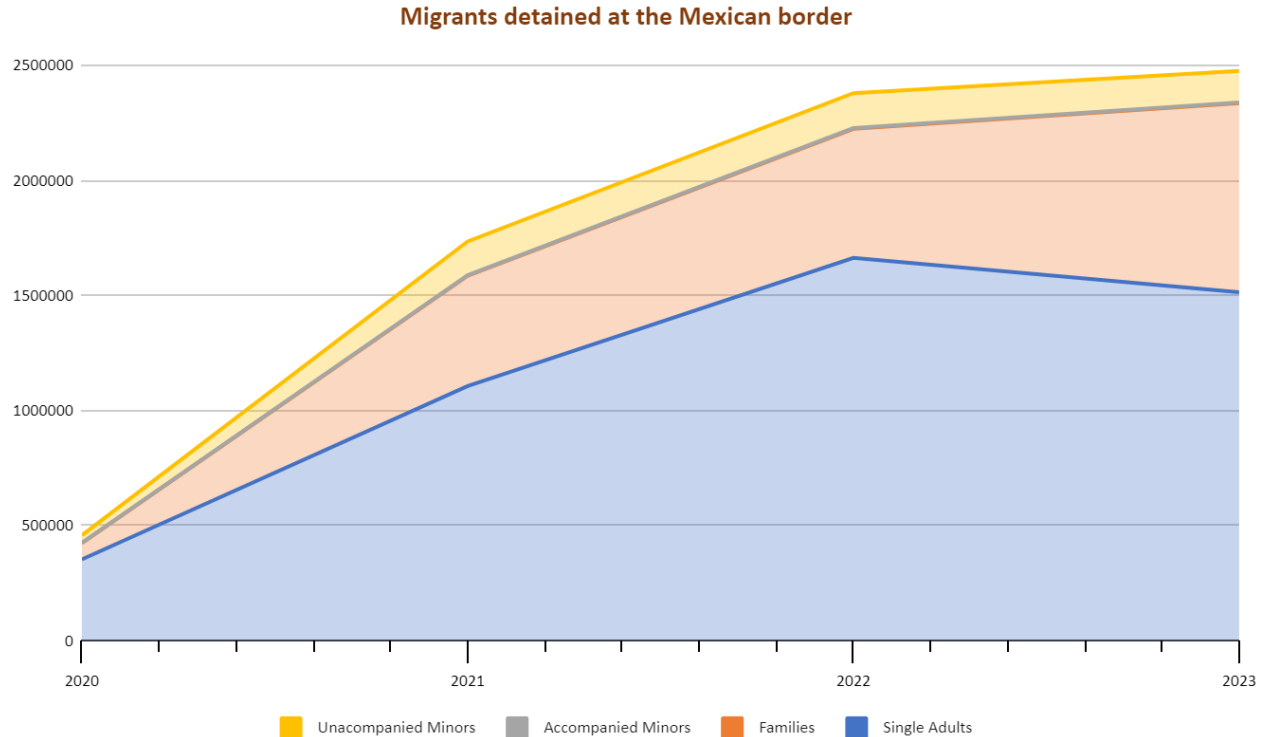
# Illegal border encounters by country of origin, annual



**Illegal border encounters by country of origin, annual**

Legend:
- Other countries
- Mexico
- Honduras, Guatemala and El Salvador
- Colombia, Peru and Ecuador
- Venezuela, Cuba and Nicaragua

Y-axis: 0, 0.5, 1.0, 1.5, 2.0 million
X-axis: 2007, '10, '15, '20

Note: Data are for fiscal years and only include encounters along the southern land border.
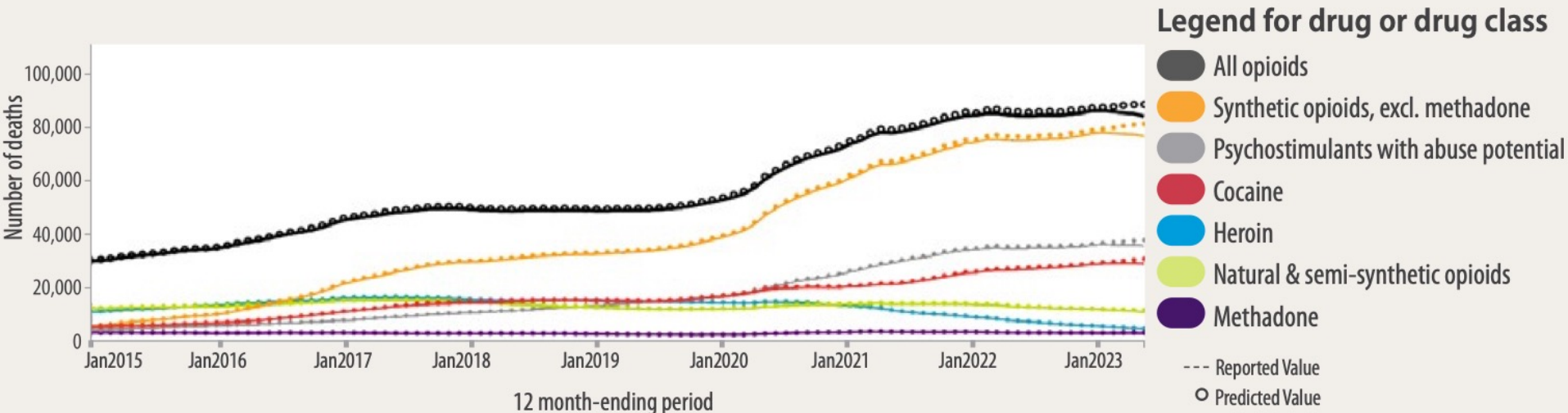Source: U.S. Customs and Border Protection

# Crime: Better Collaboration & Results?

# Driver: Drug Overdose Deaths over 109,000 in full year 2022
# Synthetic Opioids = 75,000 deaths; Many saved by rapid treatment



## 12 month-ending provisional number of drug overdose deaths by drug or drug class[5]

**Legend for drug or drug class**
- All opioids
- Synthetic opioids, excl. methadone
- Psychostimulants with abuse potential
- Cocaine
- Heroin
- Natural & semi-synthetic opioids
- Methadone
- --- Reported Value
- O Predicted Value

Number of deaths (y-axis): 0 to 100,000
12 month-ending period (x-axis): Jan2015 to Jan2023

# Perception of Public Insecurity
# 64.8% of Mexicans feel insecure in their cities

**SOCIAL PERCEPTION OF PUBLIC INSECURITY AT THE NATIONAL LEVEL** *(PERCENTAGE)*



Source: INEGI (2023)
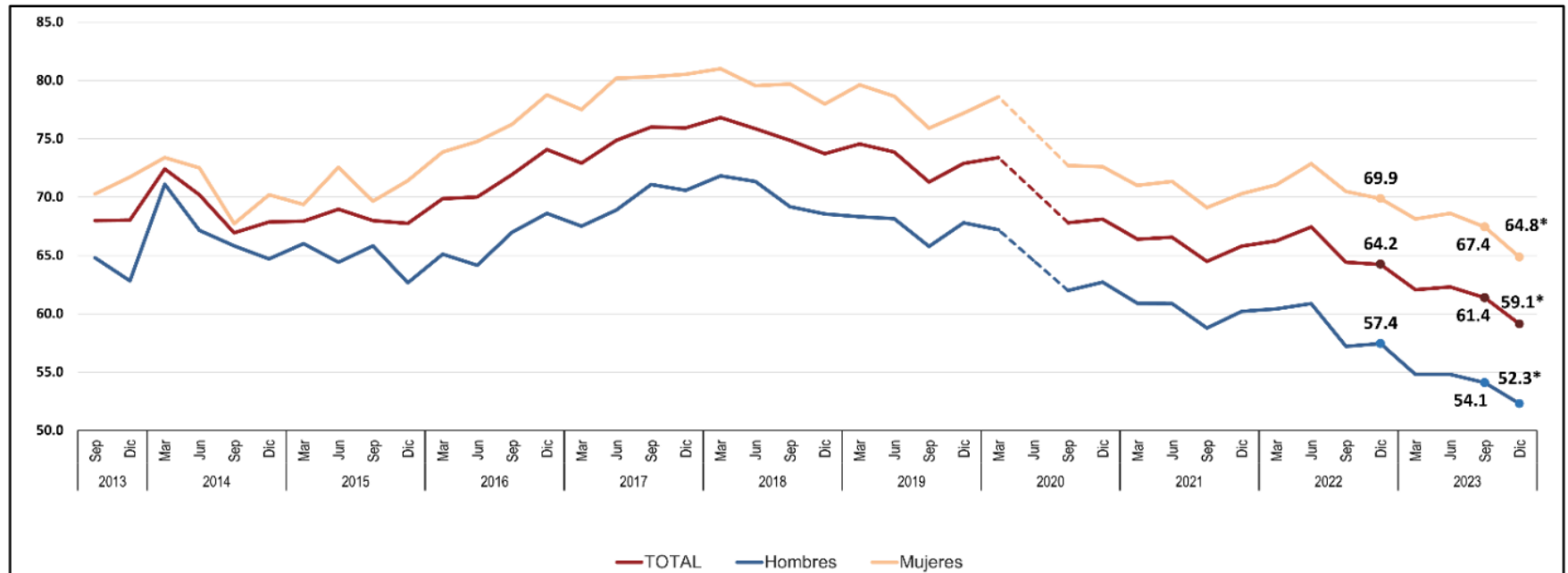
# Homicides and Femicides: Still at Crisis Levels

## Homicides in Mexico per year
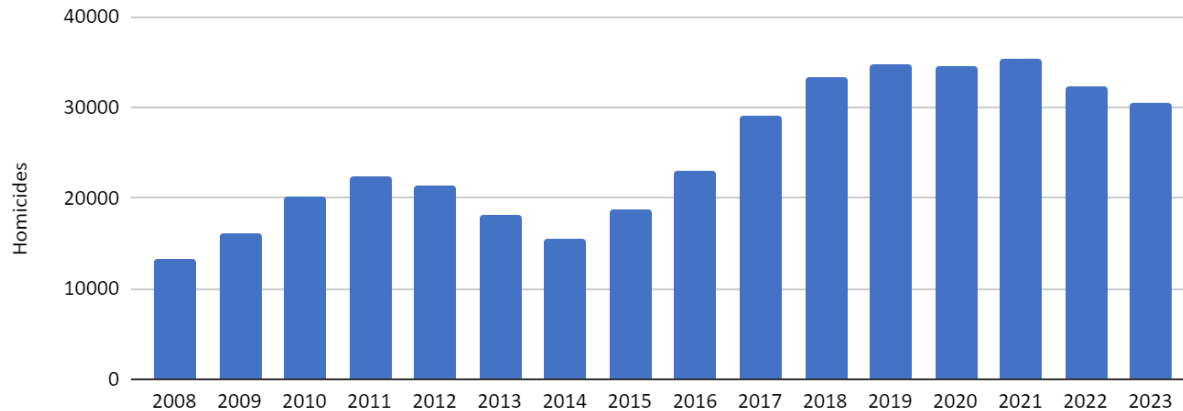


**2019 Record 34,648**
**2022 declined to 32,223**
2023 declined to 30,523.
**But during AMLO's term**
 over 170,000 – a record.
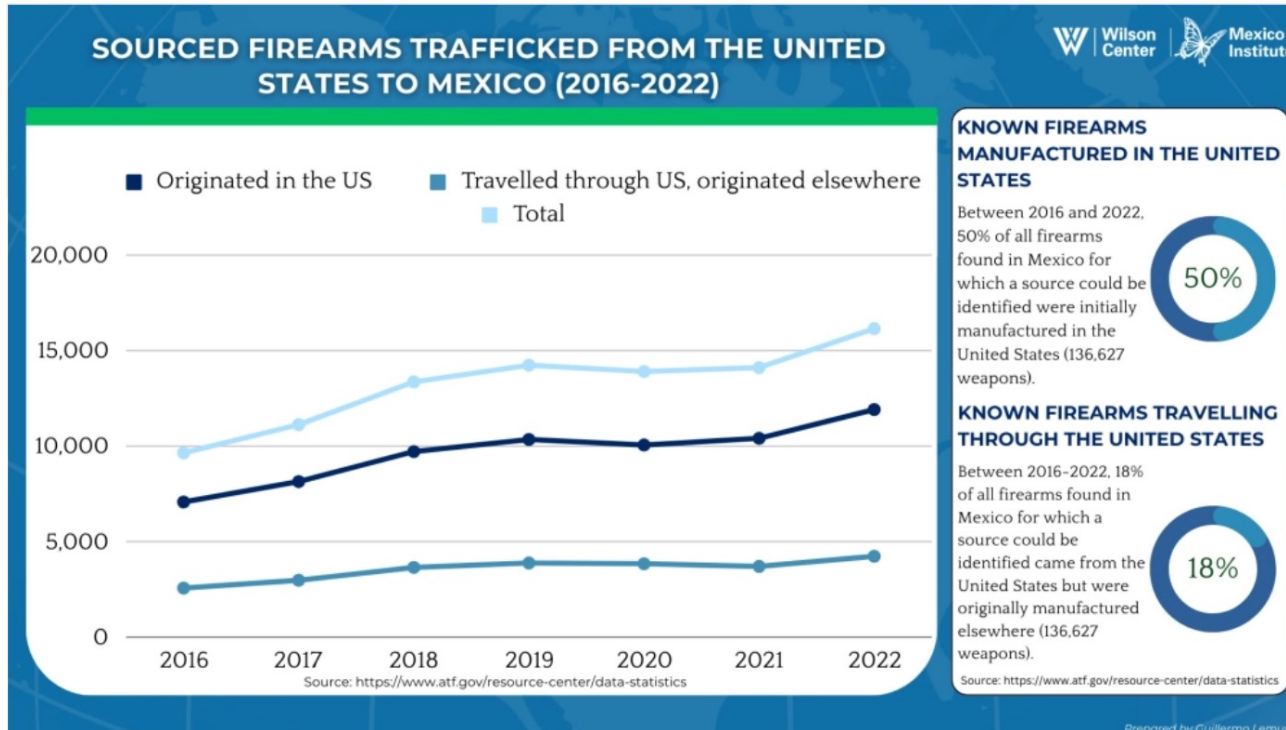**50% homicides in 6 states.**

**Violence cost Mexico 18.3%**
**GDP** in 2022, **$230 billion.**

**40,000 missing under AMLO.**

**$19-30 billion drug profits.**
**US main source of crime guns.**

From 2016 to 2022, there was a **105% increase in rifles found in Mexico**. Cartels may be favoring this type of firearm.



**Specific US counties have been linked to weapons found across Mexican municipalities,** spanning from the Pacific to the Atlantic Coasts.

# New Start: High level Security Dialogue (HLSD)

- US and Mexican cabinet members agreed to replace Merida with a new **"Bicentennial Framework for Security, Public Health and Safe Communities" in October 2021.**
- Agreed to forge a **more detailed action agenda by the end of 2021** and then a **3-year action plan**.
  - Investing in public health as related to the impacts of **drug use, supporting safe communities, and reducing homicides and high-impact crimes.**
  - **Reducing transborder crime** by securing modes of travel and commerce, reducing **arms trafficking**, targeting illicit **supply chains**, **human trafficking & smuggling**.
  - Pursuing criminal networks by **disrupting illicit financiers** and **strengthening security and justice sectors**.
- **26 joint objectives** announced **January 2022**. **HLSD met again in 2022 & 23**. **Agreed much work still to do: Fentanyl, Arms, Migrant Smuggling, Illicit Money**. **Of late, bi-monthly meetings.**
- Will require **rebuilding trust** and finding ways to successfully arrest and **bring criminals to justice**.

# Fentanyl Seizures SW Border <mark>up 241%</mark> FY 2021-23 despite High Level Security Dialogue

Border Fentanyl Seizures
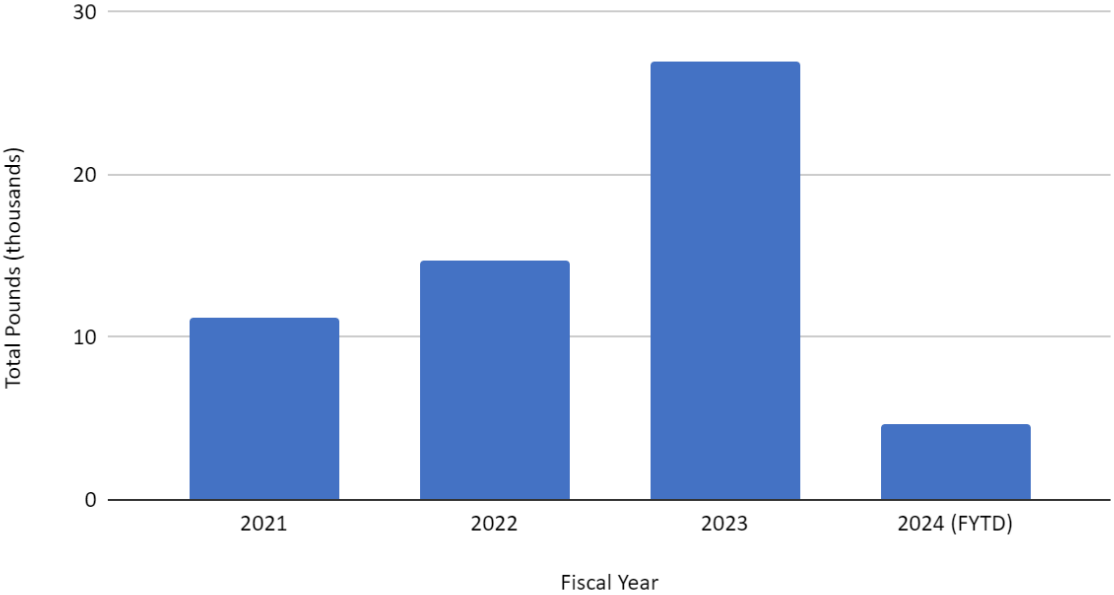


| Fiscal Year | Total (Pounds) |
|---|---|
| 2021 | 11.2K |
| 2022 | 14.7K |
| 2023 | 27.0K |
| 2024 (FYTD) | 4.6K |

# Persistent Challenges: need trust and results

- "Chronic irritants" to bilateral security cooperation continue. Foreign Terrorist Designation or Military Stikes won't solve the problems.

  1. Corruption & mistrust persist (better vetting).
  2. Weak Mex. enforcement & justice systems.
  3. Human rights violations continue.
  4. Weapons trafficking southward.
  5. Illicit money flows to Mexico.
  6. Need top-level political commitment; whole of government strategies.

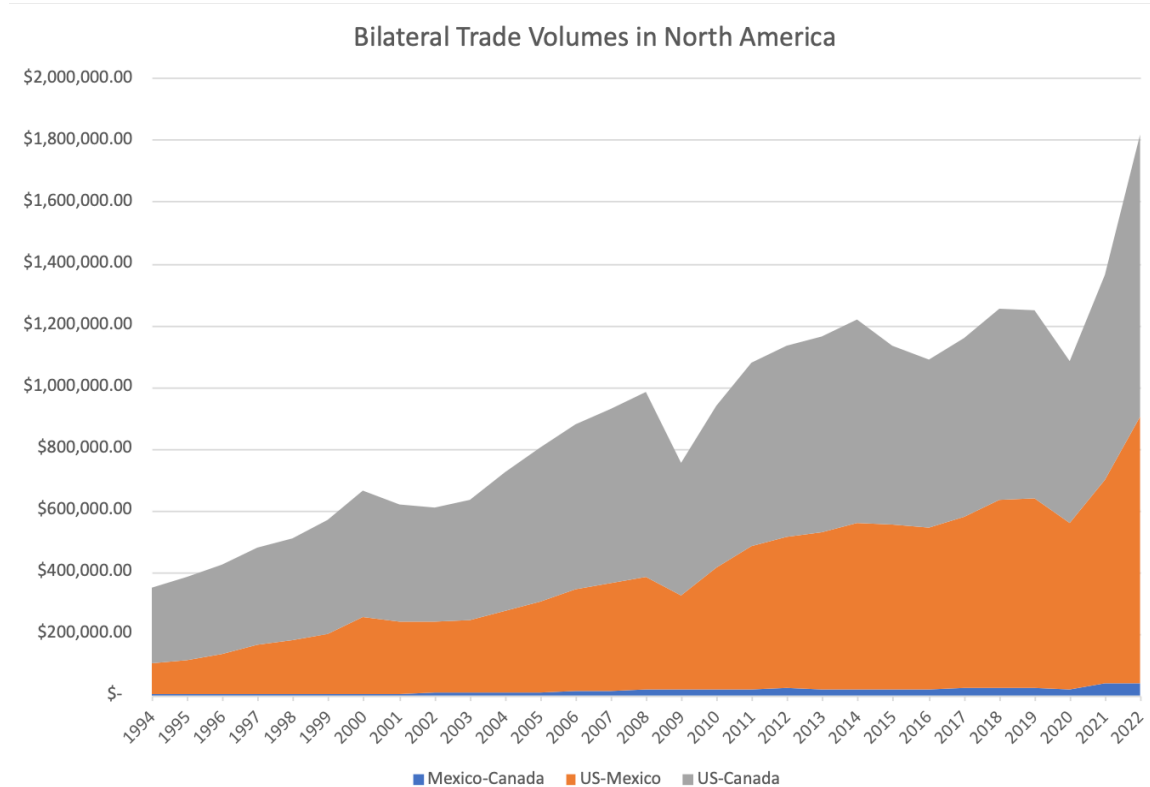# Trade, Investment, and Competitiveness:
# NAFTA to USMCA and Beyond

# North American Trade

- Canada, Mexico and the U.S. trade **$1.57 trillion a year**.

- **$4.3 billion a day**, reflecting **shared production networks**.

- More than US trade with all the European Union and over 2 times more than with China.

- **Up to 11-12 million U.S. jobs** are supported by trade and investment with both neighbors.

- Some 50 percent of North American trade is intermediate goods.

- Nearshoring and reshoring investment growing significantly.

- US public investments and tariffs on China making a difference.

# North American Goods & Services Trade: Over $1.6 trillion
## Trade grown over 4 times since NAFTA launched



Bilateral Trade Volumes in North America

■ Mexico-Canada  ■ US-Mexico  ■ US-Canada

Source: Secretaria de Economia, 2018; BEA, 2018; Census Bureau, 2018; Americas Society/Council of the Americas, 2019, USTR 2020

# Net 12 million U.S. Jobs Related to Trade with Mexico & Canada
## Top 10 states below

| Trade with Mexico: 4.9 million | | |
|---|---|---|
| No. | State | Net Number of U.S. Jobs |
| 1 | California | + 572.2 |
| 2 | Texas | + 399.5 |
| 3 | New York | + 325.5 |
| 4 | Illinois | + 198.0 |
| 5 | Pennsylvania | + 195.7 |
| 6 | Ohio | + 170.9 |
| 7 | Georgia | + 158.2 |
| 8 | North Carolina | + 150.6 |
| 9 | New Jersey | + 141.2 |
| 10 | Virginia | + 135.3 |

| Trade with Canada: 7.2 million | | |
|---|---|---|
| No. | State | Net Number of U.S. Jobs |
| 1 | California | + 898.5 |
| 2 | Texas | + 549.4 |
| 3 | New York | + 475.9 |
| 4 | Florida | + 446.3 |
| 5 | Illinois | + 293.7 |
| 6 | Pennsylvania | + 282.3 |
| 7 | Ohio | + 257.5 |
| 8 | Georgia | + 229.2 |
| 9 | North Carolina | + 225.8 |
| 10 | Michigan | + 209.7 |

Source: Trade Partnership, 2019

# NAFTA to USMCA (T-MEC, CUSMA)

- The **USMCA (United States-Mexico-Canada Agreement),** or T-MEC in Mexico, replacing the 1993 **NAFTA (North American Free Trade Agreement)**.

- New agreement signed on **November 30, 2018**.

- A revised agreement reached on **December 10, 2019**.

- U.S. Senate approved and President Trump signed USMCA in January 2020.

- USMCA entered into force **July 1, 2020.  Implementation underway.**

# Main elements of the USMCA (T-MEC)

- **Rules of Origin, wages and steel for Vehicles** to be phased in 2020-2023
  - 75% of the value of a vehicle to be produced in the region (up from 62.5%); 70% of steel and aluminum.
  - 40%-45% of auto content produced by workers earning over $16 per hour.
- **Dispute Settlement**
  - Maintains NAFTA's dispute-settlement provision over unfair trade practice allegations (Chapter 19) and state to state differences of treaty interpretation (Ch. 20), but limits investor dispute (ISDR) options to key sectors of U.S.-Mexico investment; eliminates coverage for U.S.-Canada issues. **New "rapid" dispute settlement for labor enforcement.** Eliminated ability of a government to block a dispute settlement panel.
- **Updated Treatment of Intellectual Property Rights, Digital Trade issues, Labor, Environment…**
  - Achieved or exceeded most of modernization goals sought, including stronger labor rights provisions, IPR protections, includes ecommerce & data issues, anti-corruption, competitiveness, SMEs, among others.
- **Sunset Clause:** 16-year lifetime for the agreement; review every six years; possible 16-year renewal.
- **Agriculture:** **Seeks to address** concerns over Canada's dairy policies; biotech & food safety.

# Implementing USMCA

Governments **agreed on procedures to monitor compliance, set up the dispute settlement systems, new committees to work through problems and build cooperation, and much more.**

**Post-Pandemic:** Supply chains & border crossings disrupted; <mark>need to build resilient supply chains & smarter, modern borders to support trade</mark>. **Takes govt-to-govt and private sector collaboration.**

**USMCA Concerns:**

- **Mexico: Building <mark>Labor rights</mark>. Violating provisions** on <mark>**energy investments and regulations**</mark>. **Not honoring regulatory <mark>commitments</mark> on agriculture biotech (corn)**.

- **United States**: Respecting <mark>**vehicle rules of origin commitments; lost disputed panel**</mark>.

- **Canada**: honoring <mark>**dairy**</mark> commitments and <mark>**data**</mark> rules; Canada complaints re <mark>**softwood lumber**</mark>.

**Biggest gain: reduced uncertainty**. Need good implementation & enforcement, work on **competitiveness**; SMEs; digital trade, etc. The three countries will **review results in 2026**.
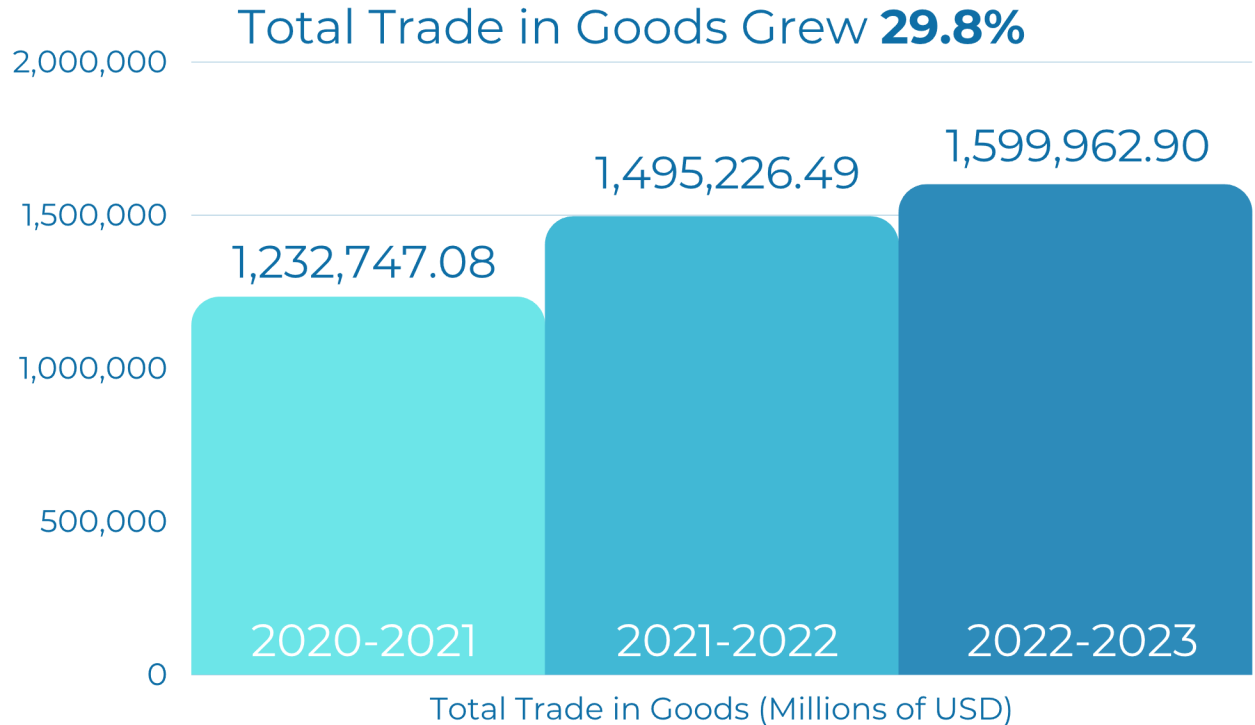
# North American Investment

In 2022, Canada's FDI in the U.S. reached: $809 billion (52% of Canada´s investment abroad)

In 2022 Mexico's FDI in the U.S. reached: $97 billion (50%)

The U.S. had $569 billion FDI in Canada and Mexico (9%)

US FDI in Canada
$438 billion

Mexico's FDI in Canada
$871 million

Mexico's FDI in the US
$97 billion

Canada's FDI in the US
$809 billion

US FDI in Mexico
$130 billion

Canada's FDI in Mexico
$26 billion

# New: High Level Economic Dialogue (HLED)

1. **Revived the US-Mexico HLED set up in 2013** to advance strategic economic and commercial priorities for both countries; **Trump Administration abandoned**.
2. In September 2021, cabinet ministers launched. **Complementary to USMCA. Four Pillars**:

   a) "**Building back together**": **encourage resilient and reliable supply chains; renew border modernization** to better manage and promote efficient trade flows.

   b) "Promoting **sustainable economic and social development in Southern Mexico and Central America**": identify best mix of programs and tools to get results.

   c) "Securing tools for future prosperity": promote collaboration on **cross border information and technology systems, including cybersecurity policy.**

   d) "**Investing in our people**": Look at ways to encourage **workforce development** including among disadvantaged populations.

   **Senior meetings 2023 reported work underway but few clear achievements**.

# Vitalizing the North American Leaders Summit (NALS): competitiveness, health and ...

**Nov 2021 & Jan 2023**, the North American Leaders Summit ==ambitious agenda (29 items)==: ==Next Summit postponed==; Needed to review and share results to date.

1. **Competitiveness**:
   Create ministerial working group to ==attract nearshoring and resilient supply chains==;
   Hold trilateral forum with private sector on ==semiconductors== (May 22);
   Map semiconductor needs and opportunities;
   Expand ==critical mineral== mapping;
   Expand ==student mobility==;
   Convene experts on ==building workforce skills== in key sectors (over 5 years).
2. **Health**:
   Strengthen North American plan to respond to ==health== crises (NAPAPI).

# North American Leaders Summit Agenda, part II: Environment, Democracy, Migration, Security

3.  **Environment and Climate**:
    Forge strategy to reduce methane emissions in solid waste and wastewater;
    Cooperate to achieve Global Methane pledge; Develop a food loss and waste reduction action plan;
    Collaborate on bus best practices;
    Develop plan to install EV chargers along international borders;
    Trilateral cooperation to conserve 30% of world's land and ocean by 2030;
    Work to develop a North American clean hydrogen market.

4.  **Diverse, Inclusive, equitable, democratic societies**:
    Trilateral exchange on equity & justice, violence against indigenous women, girls & LGBTQI+
    Declaration on Equity and Racial Justice.

5.  **Migration and Security**:
    Work to achieve safe, orderly, humane migration; cites several specific steps.
    North American Drug Dialogue Principles met, held Public Health Summit,
    Collaboration against trafficking in arms & drugs and chemical precursor diversion.
    Collaborate on Nuclear Security and Safety; increased sharing cyber security best practices
    Resume North American strategy to combat human trafficking.
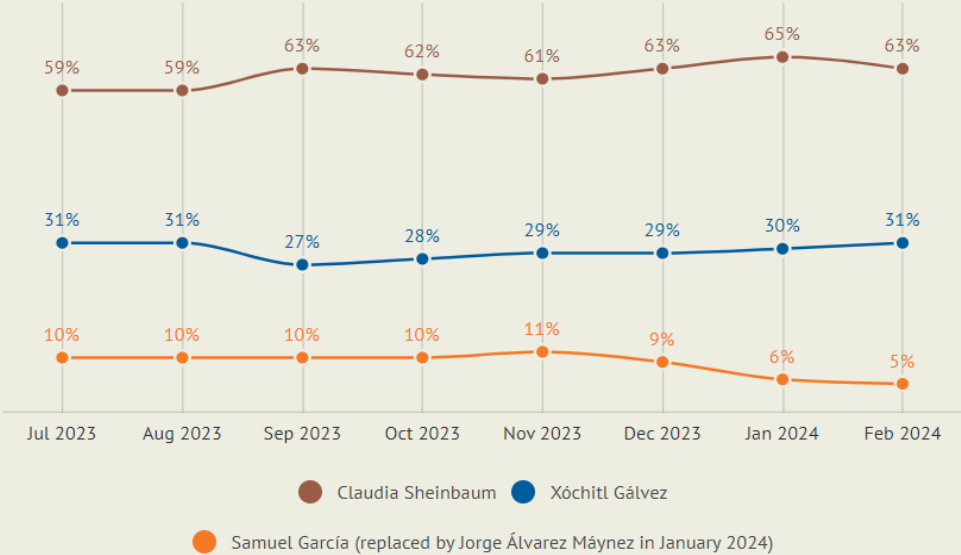
# Elections & AMLO's Policies/Performance

AMLO APPROVAL 2018-23 El Financiero poll. February results: 54% approve, 46% disapprove; Poor on security (59%), econ (51%)



**El Financiero**

"In general, do you approve or disapprove of the job Andrés Manuel López Obrador is doing as president of Mexico?"

Approve    Disapprove
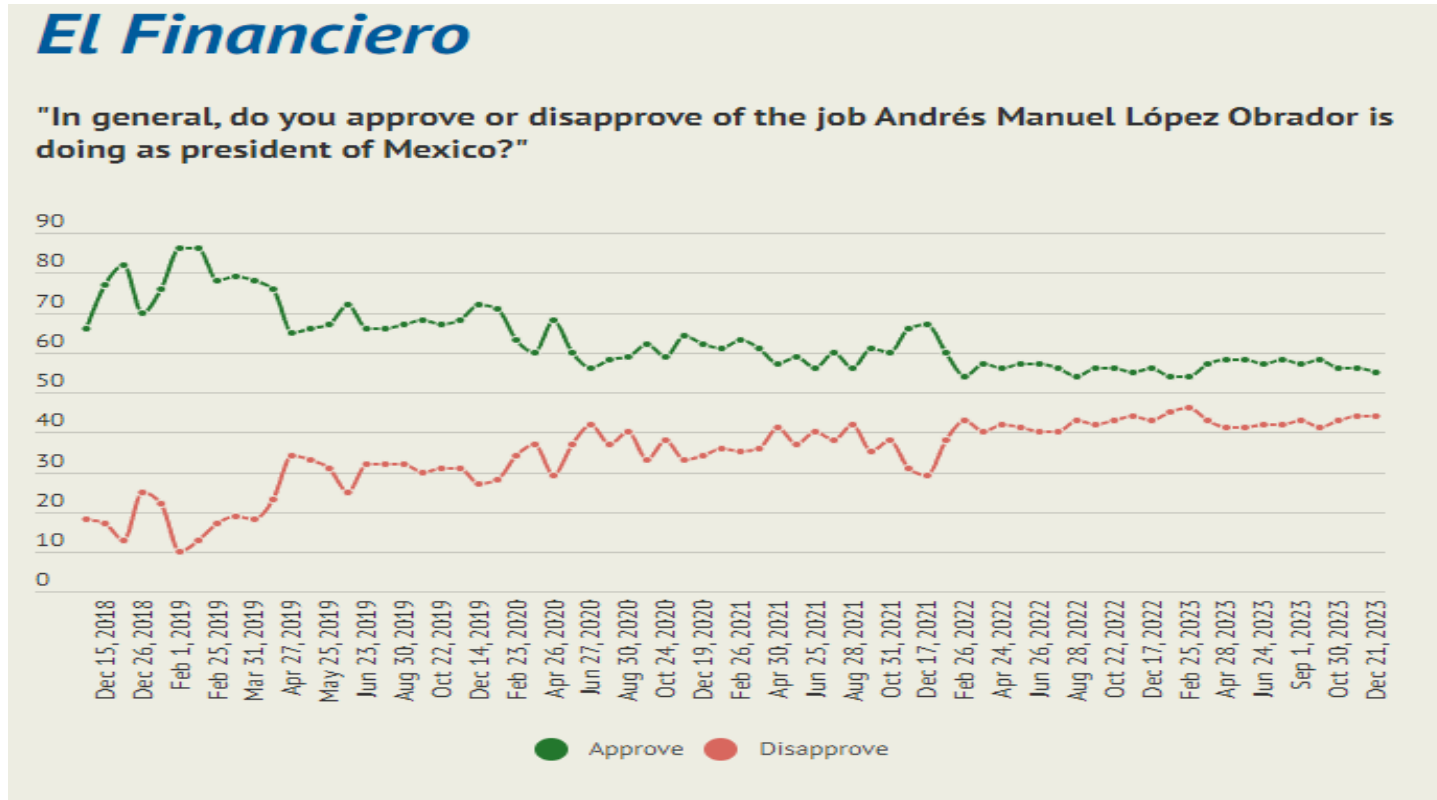
# Presidential Candidates: March 2024 Sheinbaum/Morena 60% vs Galvez/Opposition 34% (Oraculus)



## Oraculus

Oraculus aggregates polling support for the candidates of the two party alliances as well as for the MC. Below we see that aggregated polling starting in July 2023, shortly after the SHH and FAM defined pre-candidates. Figures in this chart are as of February 29, 2024.
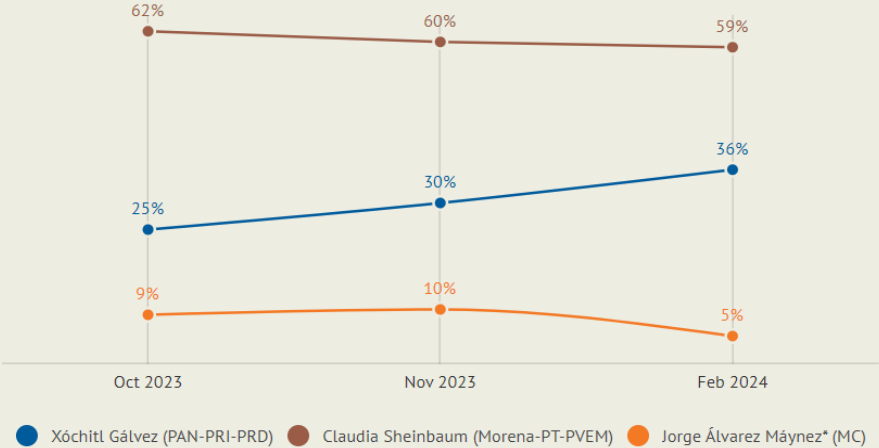
Claudia Sheinbaum: Jul 2023 59%, Aug 2023 59%, Sep 2023 63%, Oct 2023 62%, Nov 2023 61%, Dec 2023 63%, Jan 2024 65%, Feb 2024 63%

Xóchitl Gálvez: Jul 2023 31%, Aug 2023 31%, Sep 2023 27%, Oct 2023 28%, Nov 2023 29%, Dec 2023 29%, Jan 2024 30%, Feb 2024 31%

Samuel García (replaced by Jorge Álvarez Máynez in January 2024): Jul 2023 10%, Aug 2023 10%, Sep 2023 10%, Oct 2023 10%, Nov 2023 11%, Dec 2023 9%, Jan 2024 6%, Feb 2024 5%

## Buendía & Márquez

### SUPPORT BY CANDIDATE

In a poll published in *El Universal* February 2023, Buendía & Márquez measured support for presidential aspirants and parties.

**"If the election for president were held today, for which party and candidate would you vote?"**

Claudia Sheinbaum (Morena-PT-PVEM): Oct 2023 62%, Nov 2023 60%, Feb 2024 59%

Xóchitl Gálvez (PAN-PRI-PRD): Oct 2023 25%, Nov 2023 30%, Feb 2024 36%

Jorge Álvarez Máynez* (MC): Oct 2023 9%, Nov 2023 10%, Feb 2024 5%

# AMLO's Policies: Fourth Transformation

**Economic Policy: <span style="color:red">Reducing Inequality while growing economy</span>**

- Focus on developing Mexico's internal market; encourage investment.
- Build Infrastructure (e.g. railway, airport, oil refinery).
- Redirect spending to the poor but won't raise taxes or increase debt.
- Lower taxes along U.S. border.
- <span style="color:red">Aim to achieve 4% average GDP growth over his six-year term</span>;
- Develop south of country: Maya train, cross isthmus train.
- Expand Educational opportunities: apprenticeship programs and new universities.
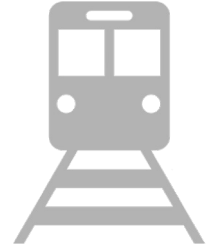
**Energy: <span style="color:red">Strengthen Energy Independence and Public Sector role</span>**

- Strengthen national oil company, PEMEX, & electricity authority, CFE.
- Limit gasoline price increases; decrease prices in several years.
- Build new refineries.
- Slow/reverse previous energy reform allowing private sector role.

# AMLO's Goals and Early Actions

**Reduce Poverty:**
- Increased **minimum wage**.
- Launched **youth jobs** programs.
- Subsidize inputs for **small farmers;**
- **New Programs to benefit indigenous.**
- Provide **universal health** coverage starting with elderly.

**Attack Corruption and Government Inefficiency:**
- Better supervision of public spending; increase legal penalties for corruption.
- **Cut officials' salaries. Reduce staff. Slash existing programs**.
- Name independent "Fiscal General"; active Financial Crime Unit.
- Promised to pursue corruption investigations.
- **Use direct means to consult** "the people."

Source: Wilson Center's Mexico Institute, 2018

# Security Proposals and Goals – few met

**Security Proposals:**

- **End to the War on drugs** - **hugs not bullets**.
- **Consider reforms on drug production and use.**
- **Social, education and jobs programs to weaken crime's attraction.**
- **Provide alternatives to drug cultivation and fuel theft.**
- **Generate peace though non-violent methods**.
- **Emphasize human rights**.
- **Strengthen the judicial system**.
- **Expand National Guard across 226 regions.**
- **Goals shared publicly**:
- **reduce crime rate by 15%**.
- **reduce homicides and car theft by 50%**.
- **reduce the public perception of insecurity from 80% to 39.4%**.
- **boost World Justice Project's Rule of Law score to 0.60 by 2024 (at .42,**

# AMLO after 5+ years: Mixed Results

- **Popularity: consistently over 50%.  Talented political communicator.**
- **USMCA and US: trade was essential for Mexico to recover from pandemic; serious disputes need resolution.**
- **Pandemic: Deaths were high**, showed weak public health system; **poverty rose**.
- **Economy: Contraction 8.2% in 2020; rebounded 5% in 2021; 2022 3%; 2023 est. 3.4%.**  Many **perceive negative business environment**, but **proximity of US market is sparking exports**.  Massive remittances from US help.
- **Poverty: By 2023, 5.7 million fewer Mexicans lived below the poverty line than in 2018 (56 million), but those in extreme poverty rose. 30 million more than in 2018 reported no access to health care.  Still increased money to poorer workers/farmers.**
- **Infrastructure Controversial:** Dos Bocas refinery, Tren Maya over budget.  Using expropriation to complete trans-isthmus railway (Tehuantepec).  New Felipe Angeles airport under-used.  AMLO claims success; Opposition says wasted money.

# AMLO after five years: Results, part II

- **Crime:** homicide, crime & violence historically high. **Homicide rate improving**. 2022 Homicide rate 62% higher than in 2015 and **organized crime rate highest recorded**. Border Fentanyl seizures set record 2023. **Impunity high**, 92% crimes no complaint lodged or investigation; rule of law ranking declining.
- **Corruption:** Mexico **dropped 3 pts in a regional ranking**.
- **Democracy: Undermining independent regulators & institutions**; **publicly attacking** electoral authorities (INE), Supreme Court, NGOs, and the press.
- **Expanding Military roles** to many civilian tasks; using **spyware.**
- Pressing change of election & judicial systems; sharply criticizing opposition and breaking election campaign rules. New constitutional reforms just proposed.
- **Migrants:** Cooperating with US; **clashes with Republicans on border/crime**.

# Perception: AMLO's Handling of Issues: Underwater on Security, Corruption and Economy



Mexicans were asked how they view the AMLO government's handling of top issues in the December 2023 poll.

| Issue | Good/Very good | Bad/Very bad |
|---|---|---|
| Economy | 37% | 49% |
| Public security | 25% | 62% |
| Corruption | 32% | 45% |
| Social programs | 56% | 30% |
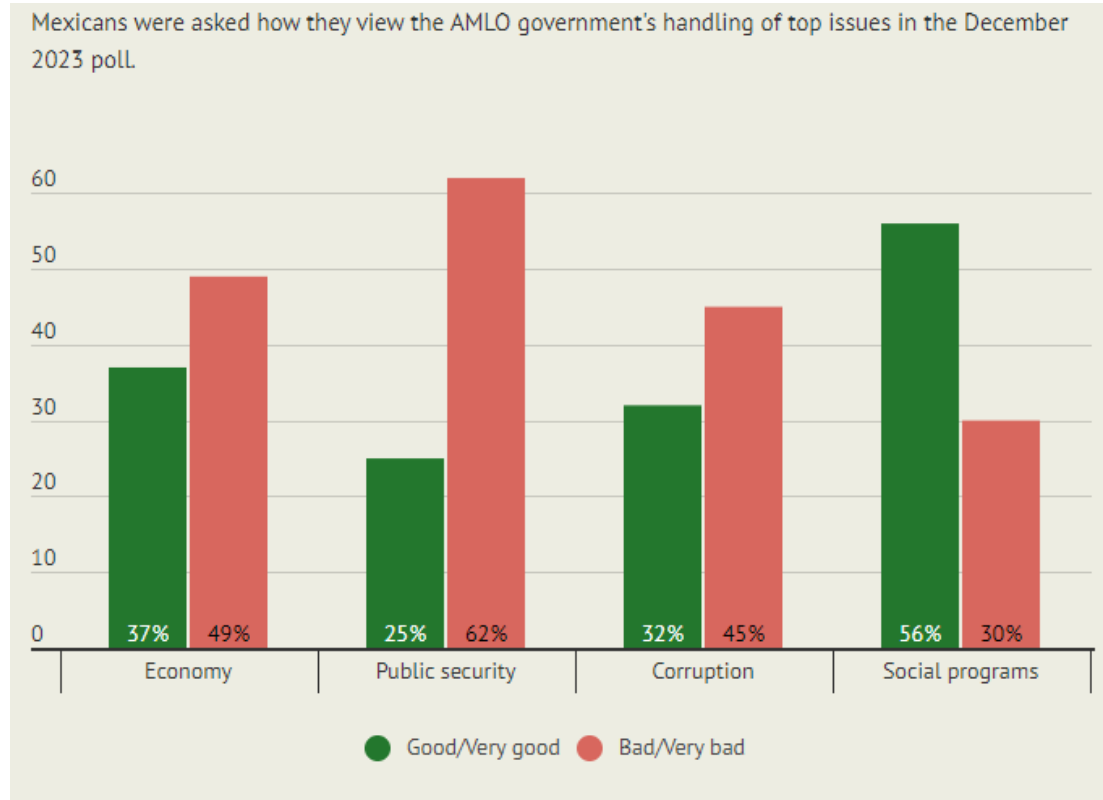
# 1/2024 poll: Approval of AMLO´s administration. Specific issues: corruption, social welfare, economy, and security



**EVALUACIÓN DE GOBIERNO**

**Aprobación**
En general, ¿usted aprueba o desaprueba el trabajo que está haciendo Andrés Manuel López Obrador como Presidente de México?
(% promedio trimestral 2019 a 2022 y % mensual a partir de 2023)

Aprueba — Desaprueba
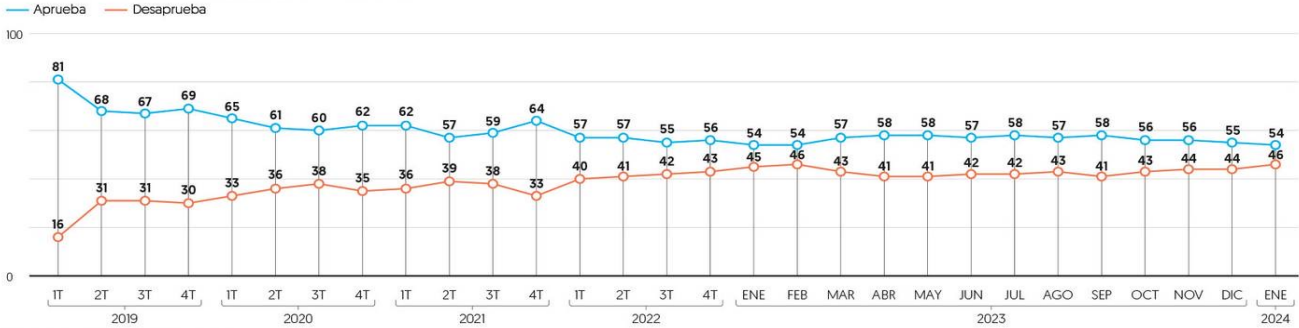
**January 2024:**
**AMLO rated poorly** on security (71%), economy (52%), corruption (38%), social welfare (48%)

**Desempeño**
¿Cómo calificaría la manera en que el gobierno de López Obrador está tratando los siguientes aspectos? (%)

Muy bien/ Bien — Muy mal/ Mal

Corrupción · Apoyos sociales · Economía · Seguridad pública
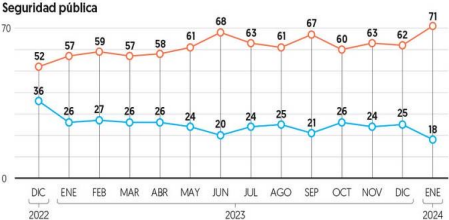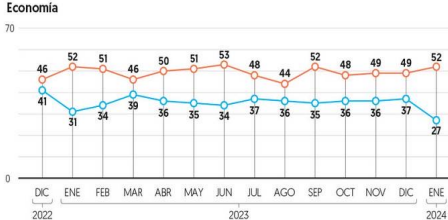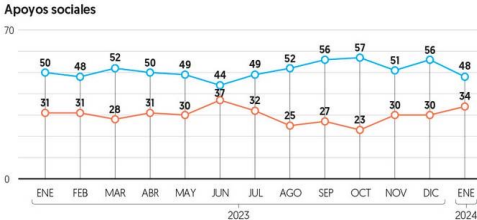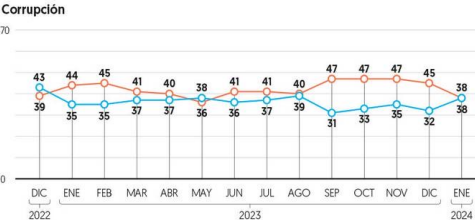
# Migration

# Migrants at SW Border: FY 2022/23/24 record "encounters"; 20 million moving in hemisphere



FY Southwest Land Border Encounters by Month

FY: 2021 | 2022 | 2023 | 2024 (FYTD)
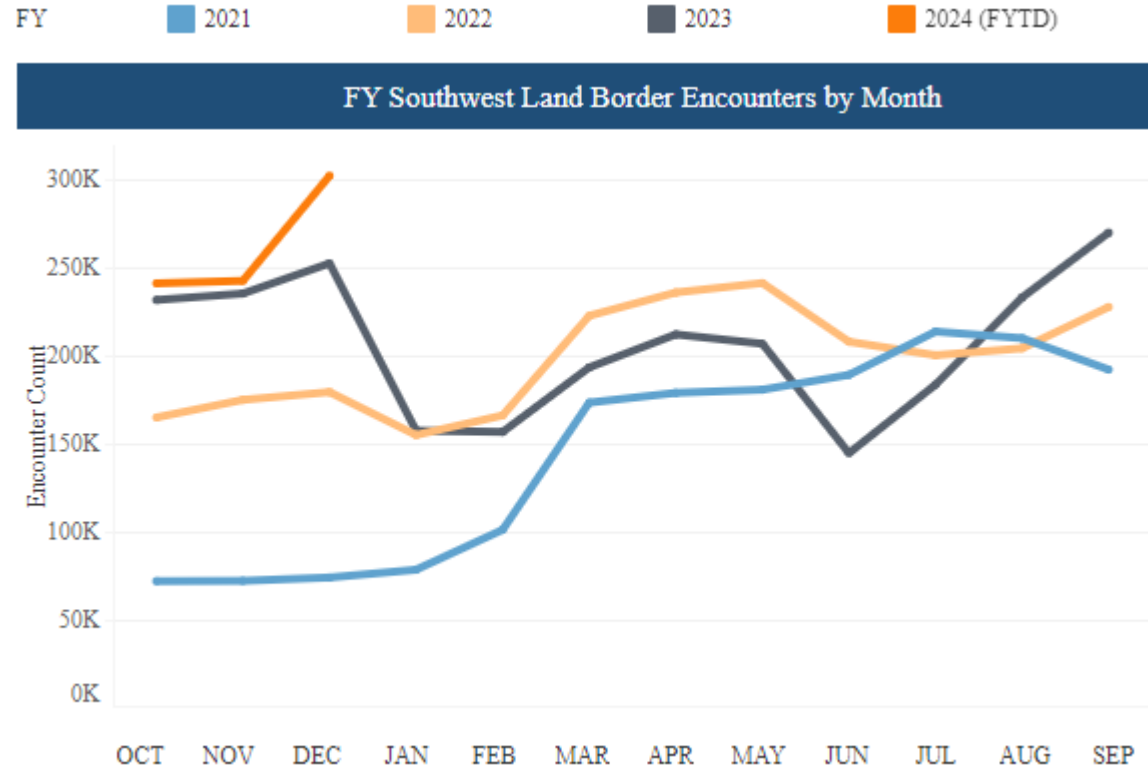
- **2022/23 set records**
- Big jump from Venezuela, Nicaragua, Haiti, Cuba, plus
- US & Mexico using legal pathways & enforcement.
- Sharp US criticism of Biden
- Numbers dipped, then rose. Migrants still coming;
- **Est. 8 million in US by Oct 24 under Biden.**
- Need: help from Mex & region; US reforms and funds needed but blocked.

# Immigration Court Backlog: 3.6 million Jan 24
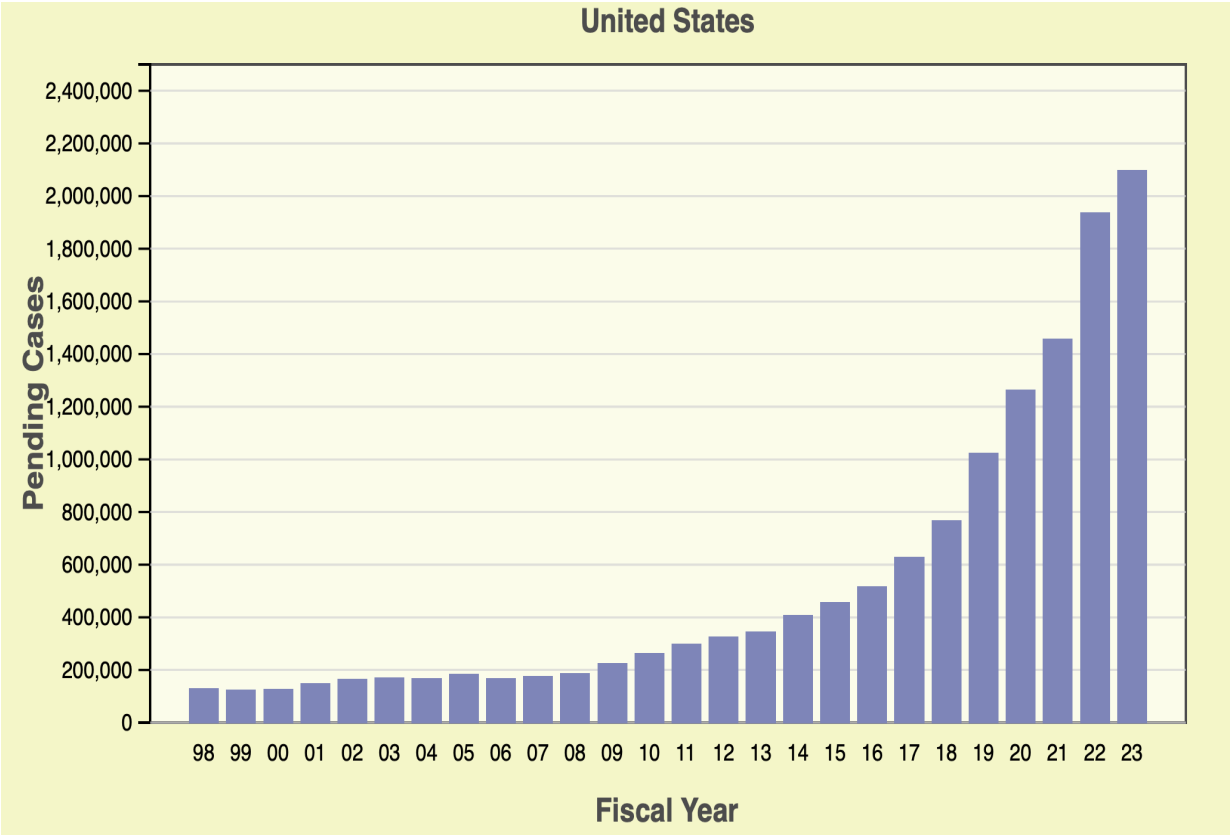
# Maintaining a Partnership with Mexico?

US-Mexico Rebuilding Cooperation: looking for results

---

**Have Constructed Mechanisms/Processes that can manage issues.**

- **Use USMCA processes;** prepare review progress in 2025-26; use dispute settlement panels on corn/biotech and energy-related policies.

- **Use High level Economic Dialogue to improve competitiveness.**
- Achieve concrete results from the **High  Bicentennial Framework on arms trafficking, drug flows, esp. reducing Fentanyl smuggling/overdoses.**
- Step up work on **missing persons cases, human smuggling and trafficking**.
- Deepen **Migration** cooperation on managing flows and longer term solutions.
- **Energize the North American Leaders Summit** agenda cooperation on competitiveness, supply chains, workforce development, etc.

# Managing U.S.-Mexico Relations:
## National Elections in both countries

**COVID 19 : Don't neglect Lessons Learned**

- Prepare to better handle future crises on health, trade, supply chains, tourism & migration.

**Trade, Investment, Competitiveness**

- **USMCA**: monitoring implementation of rules; collaborate (labor); use dispute settlement.
- **Acid tests: differences over Mexico's energy & GM corn polices, other AMLO moves.**
- Make progress in **HLED – economic well-being beyond trade.**
- Implement a NALS actions that **enhance economic competitiveness** of **North America**.

**Border and Migration: crisis levels at US-Mexico Border**

- Better manage **migration at the border with a humane and functioning system**. <u>**Send strong enforcement signals to migrants.**</u> Increase protection in Mexico. Return to modernizing border facilities and processes.
- Sustain work on **root causes** of migration; build **regional cooperation cases far from US-Mexico border; improve and reform** Mexican, US and regional capacities, legal pathways and **systems; crackdown on smugglers**.

# Key Work Areas for US-Mexico Relations, part II

**Drug and other illicit trafficking**

- **Strengthen cooperation against cross-border crime** and its deadly effects (drugs, arms, money, violence) <u>**demonstrated by clear results**</u> on both sides of the border.
- <u>**Reduce Fentanyl flows**</u> at border; **reduce drug production & violence** in Mexico; **Reduce Overdose deaths** in US. **Increase seizures of illicit arms and drugs**. <u>**Increase sanctioning/arresting/convicting traffickers & facilitators**</u>.
- **Reverse Mexican legal restrictions on US-Mexico investigative cooperation.**
- **Focus on rebuilding mutual trust through practical steps.**
- Transform security cooperation framework into a **concrete action plan** with specific goals and results and effective, **transparent evaluation process.**
- **Address US demand as well as supply** from Mexico; deal with <u>**Chinese suppliers**</u>.
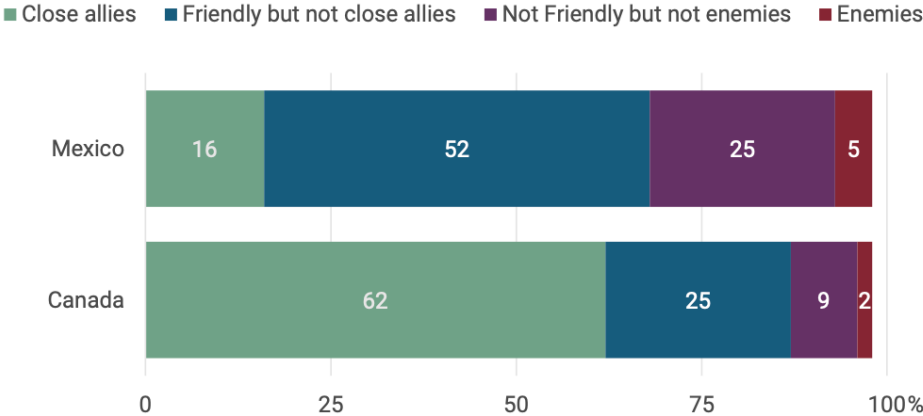
**Rebuild Confidence:**

- **Deal with negative rhetoric from AMLO; address anti-democratic moves.**
- <u>**Crossborder Military Actions likely to generate crises; not promote solutions.**</u>

# 52% see Mexico is friendly but not a close ally (16%) vs 62% who see Canada as an ally



**About half say Mexico is friendly but not a close ally of the U.S.**
Percent of adults

Legend: ■ Close allies ■ Friendly but not close allies ■ Not Friendly but not enemies ■ Enemies

Mexico: 16 | 52 | 25 | 5
Canada: 62 | 25 | 9 | 2

X-axis: 0, 25, 50, 75, 100%

**Questions:** How would you describe the relationship between the following countries and the United States? Would you say they are close allies, friendly but not close allies, not friendly but not enemies, or enemies?
**Source:** Pearson Institute/AP-NORC poll conducted September 21-25, 2023, with 1,191 adults age 18 and older nationwide.

THE PEARSON INSTITUTE FOR THE STUDY AND RESOLUTION OF GLOBAL CONFLICTS    AP | ✳NORC

APNORC.org

# Democratic Backsliding and Political Polarization

Serious challenges in the US and Mexico.

Mexico: AMLO regularly attacks his critics: in opposition, the media, among NGOs and others that he sees a blocking his agenda. Pushing hard to complete key reforms/projects. Sharply criticizes the Supreme Court for finding his proposals unconstitutional. Supporting/championing reforms that would weaken Mexico's electoral system, Supreme Court, checks and balances.

Mexico-US: AMLO regularly critical of US policies politicians, e.g., calls on Mexican-Americans to vote against them. For Republicans: The border, migrants and drug smuggling are hot button issues; some call for use of US military; criticize AMLO and Biden; but few offer serious strategies that can bring success rather than sparking crisis.

Can we manage well this situation?

# Support for autocracy in Mexico is a growing concern

- Mexico was the country with the **largest growth in support for autocratic regimes** between 2017 and 2023 (Pew Research Center).

- Specifically: support for a "system in which a strong leader can make decisions without the interference from parliament or the courts," **went up 23%.**

  - Kenya, the next highest, rose 13%.

  - **58% of Mexicans were surveyed as believing a military regime in the country is a "good" or "very good" thing.**

# Mexico´s upcoming 2024 Elections

# 2024 MEXICAN ELECTIONS

On June 2, a historic 20,263 seats will be up for election across the country including:
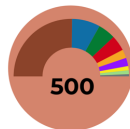
**1 PRESIDENT**

Term: 6 years

Reelection: No

**128 FEDERAL SENATORS**

128
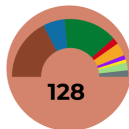
Term: 6 years

Reelection: Yes

Max. term length: 12 years

**500 FEDERAL DEPUTIES**

500

Term: 3 years

Reelection: Yes

Max. term length: 12 years

**8 GOVERNORS**
and
**1 HEAD OF GOVERNMENT***

Term: 6 years

Reelection: No

*Mexico City

**1,098 STATE-LEVEL DEPUTIES**

Term: 3 years

Reelection: Yes

Max. term length: 12 years

**1,803 MUNICIPAL PRESIDENTS**

Term: 3 years

Reelection: Yes

Max. term length: 6 years

## What is the INE?

The **Instituto Nacional Electoral**, or **INE**, is an autonomous electoral body that oversees the organization of elections in Mexico.

## Who is eligible to vote in Mexico?

**All Mexican citizens, ages 18+** who have completed the voter registration process. This includes:

- Those living abroad
- Those with a criminal record who have been approved by Mexico's Electoral Tribunal

## What is the Electoral Tribunal?

Mexico's **Tribunal Electoral del Poder Judicial de la Federación,** or, **TEPJF** is an autonomous body within the judiciary that certifies election results and validates a candidate's ability to run for office.

# 2/2024 polls: Mexico´s **political parties**



**Positive Opinion of Parties (% of Positive Opinions)**

What is your opinion of _____? Very good, good, bad, or very bad?

PAN · PRI · PRD · Morena

Wilson Center | Elecciones en México 2024 | MEXICO INSTITUTE