US–Mexico relations under Trump

As the world awoke on 9 November to news of Donald Trump's largely unanticipated victory in the United States' 2016 presidential election, its southern neighbour, Mexico, was paying particularly close attention. Ties between the United States and Mexico run deep. Over 35 million Mexicans and Mexican-Americans reside in the United States and the 3,200-kilometre border is crossed an estimated one million times a day. Mexico is the main conduit to the United States for heroin, cocaine and other illicit drugs, and the Mexican government is a key US anti-drug partner. Mexico was one of president-elect Trump's most frequent topics of discussion during his 'make America great again' campaign. He has promised to implement his pledges to tackle illegal immigration and the purported inequities of the North American Free Trade Agreement (NAFTA) in the first 100 days of his term.

Incendiary rhetoric and consequences in Mexico

Early in his campaign, Trump started a firestorm by stating: 'when Mexico sends its people, they're not sending their best. … They're bringing drugs. They're bringing crime. They're rapists. And some, I assume, are good people.' Mexicans and Mexican-Americans took great offence to Trump's comments, with some going so far as to make piñatas, and burn effigies, in Trump's likeness during Holy Week festivities.

Trump accepted Mexican President Enrique Peña Nieto's invitation for a visit to Mexico City in August 2016, where the two held a press conference discussing trade, crime and Trump's proposal to build a wall between the two countries. Any progress made then, however, was undone when Trump spoke at a rally in Arizona hours later and returned to his hardline approach to immigration and the US–Mexico trade relationship. Peña Nieto's popularity among Mexicans, already diminished by domestic scandals, shrank further. After the American election, an *El Universal* poll put his approval rating at 25%. In a BGC-Excelsior poll taken shortly before the US election, 76% of Mexicans had a bad or very bad impression of Trump.

Throughout the 2016 election, the strength of the Mexican peso fluctuated according to the likelihood of a Trump presidency, casting anxiety over how the bilateral economic and diplomatic relationship might develop. As it became clear that Trump would win, the currency's value dipped by close to 15%. Following the election, however, Mexican minister of finance José Antonio Meade declared that the Mexican government had constructed scenarios for a potential Trump victory, and studied potential impacts to the monetary system.

Immigration enforcement

Since winning the election, Trump has committed to deporting 2–3m undocumented immigrants 'immediately', prioritising those who have committed crimes or pose a risk to national security. Yet, after peaking in 2007 during the presidency of George W. Bush, the number of undocumented Mexicans crossing into the United States has steadily decreased. In fiscal year 2015, US Customs and Border Protection (CBP) apprehended 177,000 Mexicans trying to cross into the US illegally, down from more than 400,000 in 2010. Recent years have also indicated a rise in the number of Mexicans leaving the United States, as net

migration from Mexico to the United States fell between 2009 and 2014, likely as a result of the US economic downturn.

During the administration of President Barack Obama, however, increased violence in Central America's gang-heavy 'Northern Triangle' – Guatemala, Honduras, and El Salvador – produced a surge of people attempting to enter the US via the US–Mexico border in the hopes of gaining asylum. In fiscal year 2015, the CBP apprehended more than 179,000 migrants from these Central American countries, nearly four times as many as in 2010. At the behest of US authorities, Mexico bolstered its own enforcement efforts to stem the influx of Central American immigrants, interdicting them before they reached the US–Mexico border. Should the relationship between the US and Mexico become more hostile, Mexico would have less incentive to continue this effort.

Though talk of a 'deportation force' loomed during the campaign, Trump has since downplayed this notion, instead prioritising 2m alleged undocumented immigrants with criminal backgrounds. But the prospect of mass deportations worries a range of business owners, particularly those in the construction, hospitality and agriculture industries, which rely disproportionately on undocumented labourers. Trump's pledge to target them has also raised the anxieties of immigrants who were brought to the United States as children and have been protected under the Obama administration's Deferred Action for Childhood Arrivals (DACA) programme, effected by executive order. Trump intends to undo many of Obama's executive actions, including immigration measures enacted over the past eight years, and some immigration activists fear the Trump administration might use DACA application information to facilitate detection and deportation efforts.

The most controversial feature of Trump's immigration plan is the proposed construction of a concrete wall between the two countries. 'Build that wall!' became a rallying cry for Trump supporters, and remains a key part of his 100-day plan and initial legislative agenda. Although details of the wall itself, including a definitive cost estimate, remain elusive, Trump maintains that Mexico must pay for the wall. Peña Nieto, however, has continued to insist that his country will not do so. Trump has suggested various ways for Mexico to fund the wall indirectly, including increased visa fees and the enforcement of trade tariffs. In April, Trump circulated a plan to withhold remittances sent to Mexico from the United States if the sender had no proof of his or her US legal status, which appears to be authorised by the USA PATRIOT Act of 2001 and other measures intended to bar terrorists from gaining access to the banking system. While the surge of non-traditional money-transfer technologies in recent years would complicate the implementation of Trump's plan, it could substantially disrupt the operations of remitters using traditional wire-transfer services. Remittances are Mexico's largest source of foreign income, with Mexicans sending US$24.8 billion to Mexico in 2015.

If Trump's cabinet nominees and transition-team members are any indication, it appears likely that he will try to maintain a relatively hardline approach to immigration enforcement. Trump's nominee for attorney general, Senator Jeff Sessions of Alabama, is known as 'amnesty's worst enemy', and for his factually questionable stance that foreign-born workers, with and without legal immigration status, are taking jobs from US citizens. Trump's transition team includes Kris Kobach, Kansas's secretary of state, who also favours restrictive immigration policies. Kobach is a contender to head the Department of Homeland Security, which subsumes two key immigration-enforcement agencies: Immigration and Customs Enforcement (ICE) and the CBP.

Mexican officials have been bracing for a potential increase in the deportation of Mexicans from the United States during Trump's presidency. During the run-up to the election, Mexican consulates across the United States worked with community organisations to host naturalisation workshops to help legal immigrants apply for citizenship and register to vote. After the election, the Mexican government realigned its engagement with the Mexican community in the US to focus on consular-protection services. Mexico's Ministry of Foreign Affairs targeted Mexican residents of the US with a campaign called '*Estamos contigo*' or 'We are with you.' In video messages, Mexican Foreign Minister Claudia Ruiz Massieu, Mexico's ambassador to the US and officers from Mexico's 50 US consulates informed those residents about consular resources. Using the return of more than 600,000 Mexicans in 2008 amid the US financial crisis as a case study, the government has expressed confidence in the strength of its 'Programa Paisano' initiative for helping Mexican nationals navigate Mexico's regulations and processes for returning to Mexico.

Trade and NAFTA

Trump's victory signals resistance to globalisation and the embrace of economic protectionism. Having forcefully criticised NAFTA throughout the campaign, Trump plans in his first 100 days in office to renegotiate NAFTA or withdraw from the deal. Effective from 1 January 1994, NAFTA eliminated tariffs on goods traded among the United States, Mexico and Canada. While the agreement did not create as many jobs as promised, it did produce small gains for all three countries, though each also lost some jobs as the market realigned. NAFTA also facilitated the free movement of goods across the borders of the three countries, creating multinational supply chains, particularly in the auto industry. The efficiencies created by NAFTA have enabled the North American auto industry to compete more effectively with Asian and European car manufacturers. Trump has threatened a 35% tariff on automobiles assembled in Mexico, a policy that stands in direct opposition to NAFTA and would have significant ramifications throughout the automobile supply chain.

The total volume of trade between the United States and Mexico was an estimated US$583.6bn in 2015, and Mexico remains the United States' third-largest goods-trading partner. Unsurprisingly, then, many jobs on both sides of the border are tied to the trade relationship facilitated by NAFTA. A new report from the Wilson Center's Mexico Institute concluded that roughly 4.9m jobs in the US directly or indirectly depended on trade with Mexico. US Trade Representative data show that an estimated 1.1m jobs are directly supported by the export of goods and services to Mexico.

Substantial technological advances have occurred since the initial implementation of NAFTA, and it would probably be in the interest of all parties to update and modernise the deal. Indeed, both President Peña Nieto and Canadian Prime Minister Justin Trudeau have expressed an interest in doing so. But both Mexico and Canada are opposed to renegotiating NAFTA wholesale. Mexico's former minister of foreign affairs Jorge Castañeda, now a professor at New York University, believes the uncertainty produced by a prolonged renegotiation would lead to significantly less investment in Mexico, greater domestic instability and major damage to the Mexican economy.

Medium-term uncertainty

Since the election, the United States has appeared to lose economic influence among Latin American nations, including Mexico. Trump has vowed to withdraw from the Trans-Pacific

Partnership (TPP), which is unpopular with Americans across the political spectrum, on his first day in office. At the November 2016 Asia-Pacific Economic Cooperation summit in Peru, Mexico's economic minister stated Mexico's intention to pursue bilateral trade deals with other would-be TPP members in Asia, as well as closer economic ties with China. If Trump were to fulfil all of his strident campaign promises with respect to Mexico, the bilateral relationship between it and the US would probably grow even more tense, which could have a lasting economic and cultural impact.

At the same time, since the election Trump, has expressed a degree of flexibility on various policies, so it is difficult to predict exactly how he will proceed once in office. There are some signs that he is moderating his immigration and trade agenda for Mexico. For instance, Trump's transition team includes David Malpass. As deputy assistant secretary of state for Latin American economic affairs during George H.W. Bush's administration, Malpass was involved in the negotiation of NAFTA in the early 1990s. Although a *Wall Street Journal* report has quoted him as saying that after 1994 'special interests descended' upon NAFTA and damaged the agreement, as an erstwhile supporter of the deal he may be amenable to adjusting its terms rather than completely repudiating it. In addition, Trump has dialled back his previously stated intention to deport 11m Mexicans, reducing the target number by 75–80%.

Since Second World War, the US–Mexico relationship has been on balance cooperative. In July 2018, Mexico will elect a new president of its own, in a campaign cycle likely to feature intense debates on that relationship. One of Mexico's leading presidential contenders, the left-wing populist and anti-establishment candidate Andrés Manuel López Obrador (sometimes known as AMLO) of the National Regeneration Movement (MORENA) party, is already campaigning with a nationalist message and encouraging Mexico to stop being a US 'colony'. In a March 2016 survey conducted by the newspaper *El Economista*, AMLO led other challengers in polls in 11 of 16 categories; a *Reforma* poll in April indicated that he would win an election at that time with 26% of the vote; and he came out ahead in a GEI-ISA poll in September. Especially if Trump's apparent moderation proves illusory, US policy may well increase anti-US sentiment among Mexicans and influence the outcome of the Mexican presidential election.

López Obrador may gain encouragement from Trump's victory as a positive signal of the general rise of populism; on 20 November, AMLO unveiled an ambitious 50-point policy agenda – centring on justice, anti-corruption, austerity and development – that will form the basis of his 2018 campaign. But he is also likely to exploit the Mexican electorate's distaste for Trump's right-wing policies and Trump's perceived co-optation of Peña Nieto. Should Trump move forward aggressively on his campaign pledges on immigration and NAFTA, and should a candidate such as López Obrador prevail in 2018, Mexico could become significantly more antagonistic to, and less cooperative with, the United States.