

Rhetoric Meets Reality at the U.S.-Border: Immigration and NAFTA in a New Era of Bilateral Relations

Christopher Wilson and Rachel Schmidtke

Posted: 3 August 2018

Christopher Wilson is the Deputy Director of the Wilson Center's Mexico Institute, where he leads research and programming on trade, competitiveness and border affairs.

Rachel Schmidtke is the Program Associate at the Mexico Institute, where she conducts research on the policies and trends of migration and U.S./Mexico relations.

On July 1st, Mexican voters took to the polls and issued a call for sweeping change. Andrés Manuel López Obrador won the presidency and, along with its coalition partners, his party won a majority of seats in both houses of Congress. As a result, AMLO, as López Obrador is known, will take office in December with a stronger electoral mandate than any other president in Mexico's modern, democratic era. Though his commanding victory seems to have impressed U.S. President Donald Trump and the two presidents appear to be in a sort of honeymoon period, the good times are unlikely to last. President Trump is sticking to his guns, leading the Republican Party into the mid-term elections with new actions on trade and immigration to match the tough rhetoric on the issues that he effectively employed during his own campaign in 2016. Just as threats to cancel NAFTA and force Mexico to pay for a border wall created major challenges for U.S.-Mexico relations during and after the last campaign cycle, they have the potential to do so again in the upcoming one.

President Trump has effectively used the bully pulpit of the presidency to elevate issues of trade and immigration. A recent [Gallup poll](#) shows that immigration has risen up to become the number one "most important problem" facing the nation, with more than a third of Republicans and 18 percent of Democrats naming it as such. With unemployment low, Americans have kept a positive view of [trade in general](#), but they remain split on [NAFTA](#). Importantly, on both NAFTA and immigration, U.S. attitudes have become extraordinarily polarized along party lines, with Republicans seeing both quite negatively and Democrats more positively. (It is especially interesting to note this shift on NAFTA given that Republicans have traditionally supported free trade agreements while Democrats have been much more skeptical.)

Given the charged and polarized treatment these topics have received, one must ask whether the rhetoric reflects reality on the ground. And with a new president elected in Mexico, there may be an opportunity to advance challenging issues in U.S.-Mexico relations. This short essay

examines the changing nature of U.S.-Mexico trade and migration in the context of the Trump and forthcoming López Obrador administrations.

What is Going On at the U.S.-Mexico Border?

Migration is likely to be a contentious topic in an already strained relationship between Mexico and the United States. Following the election of Andrés Manuel López Obrador, the soon-to-be president has been in communication with President Trump, and both have stated migration as a key priority. In light of this election and the future opportunities for both conflict and collaboration, it is important to delineate some of the main issues occurring at the U.S.-Mexico border and how these issues will affect the relationship between the two countries.

Family Separations: What's Next?

There seems to be no story more heavily covered in the last two months than that of the family separations of Central American migrants at the U.S.-Mexico border. The family separations, resulting from the Trump administration's zero tolerance policy, criminally charged migrants who illegally entered into the United States. Because adults undergoing prosecution are often detained for extended periods and may be held in prisons rather than immigration detention centers, their children were not able to accompany parents in holding cells. The 1997 Flores Settlement bars child migrants from being detained for more than 20 days. Consequently, children were separated from parents and underwent separate immigration proceedings. At least 2,000 children were separated within a 6-week period, adding to the thousands of unaccompanied minors already detained at the border.

Under intense global scrutiny—including vilification from Andrés Manuel López Obrador—Trump signed an executive order ending the practice. A judge in California ordered U.S. border authorities to reunite separated families within 30 days, and 15 days for children under five. The U.S. government claims they have met this deadline and reunited all eligible families. However, there are serious discrepancies in the number of families that have actually been reunited. 914 parents remained separated from their children as of the July deadline.¹ Some of these families cannot be reunited because of criminal records or DNA that does not match, but the uglier and trickier problem lies in the parents who have been deported without their children, an estimated 463. Once they are back home, these migrants become difficult to locate.

So where do we go from here? It is hard to find a solution to this immigration policy when Congress struggles to find common ground, and the looming 2018 midterms mean President Trump will likely double down on his hard-liner immigration stance. Yet, the number of family units and unaccompanied children coming to the border are on the rise. The administration's preference is to detain families together until their cases are heard, but Congress' inability to implement common sense reforms such as to appointing more immigration judges only increases the backlog of cases. Currently there are around 600,000² pending asylum applications, so there is a mounting challenge of where to place these families while they await their hearings.

¹ Yan, Holly, "The U.S. Must Reunite Separated Families Today, but Over 900 Probably Won't Be Reunited" *CNN* July 26, 2018. <https://www.cnn.com/2018/07/25/politics/separated-families-by-the-numbers/index.html>

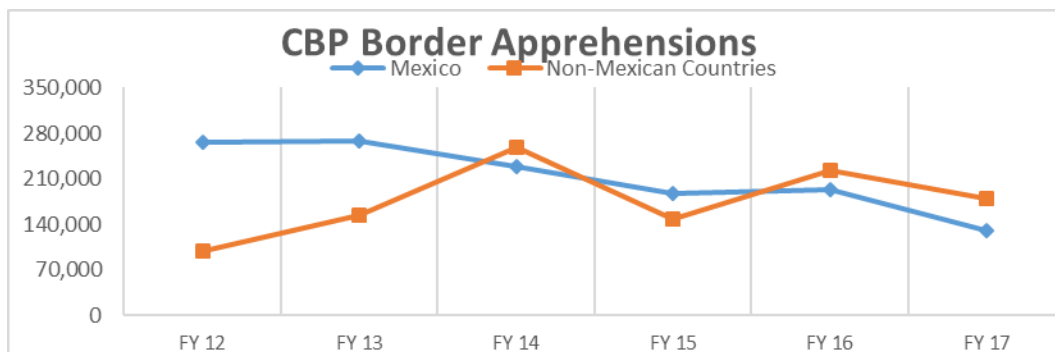
² TRACImmigration, "Immigration Court Backlog Tool" *Syracuse University*. 2017 http://trac.syr.edu/phptools/immigration/court_backlog/

The current administration is against the practice of releasing immigrants from detention until their court proceedings, claiming it facilitates illegal presence in US, what is often known as “catch and release”. However, court records demonstrate that the majority of individuals in the last ten years who were released on bond before an immigration judge turned up for their court case. According to a study by Syracuse University, the number of immigrant who were *in absentia*, (who failed to show up to a hearing) has been on the decline since 2002³. However, the small percentage of immigrants who do not show up to their court case, indicate there is a cost to letting migrants out on bail. The question is whether this cost is worth increasing migrant detention rates. Only time will tell what the subsequent measures will be in the treatment of family units apprehended at the border.

Shifting Migration Patterns and Detention Demographics

This family separation is part of the larger context in the shifts of migratory patterns into the United States, and the conversations surrounding the rights of migrants under international law and between-country cooperation. Until 2014, the vast majority of migrants arrested at the U.S.-Mexico border were Mexicans. With improved economic conditions and changing demographics in Mexico, economic recession in the U.S. and deterrence practices from CBP and ICE, the number of illegal border crossings from Mexico has fallen dramatically. In fact, the number of overall border apprehensions has dropped 26% since 2016.⁴

Today, the majority of illegal crossings are now coming from countries other than Mexico, predominantly El Salvador, Honduras, and Guatemala.⁵



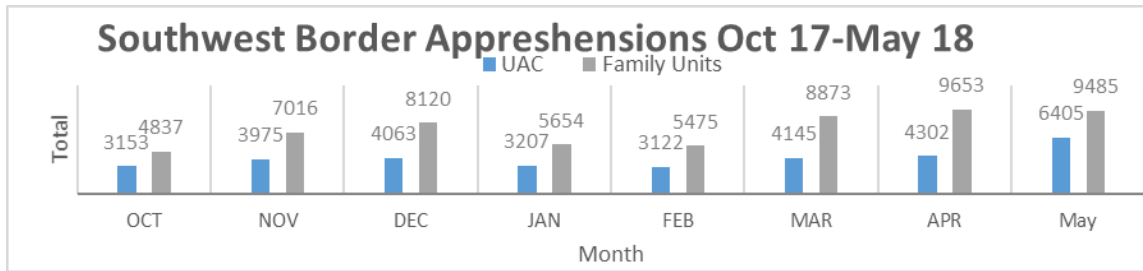
Source: U.S. Customs and Border Protection

The types of people who are crossing the border has changed as well. There have been shifts in the number of families and children crossing the southwest border since 2012. In comparison to May 2017, the number of family units apprehended at the border has increased by 435 percent and the number of unaccompanied children increased by 329 percent. The number of unaccompanied children detained in 2017 was almost double that in 2010.

³ TRACImmigration, What Happens When Individuals are Released on Bond in Immigration Court Proceedings? Syracuse University. 2016 <http://trac.syr.edu/immigration/reports/438/>

⁴ U.S. Customs and Border Protection, “Southwest Border Migration FY2018”, U.S. Customs and Border Protection 2018. <https://www.cbp.gov/newsroom/stats/sw-border-migration>

⁵ U.S. Customs and Border Protection, “FY2017 U.S. Border Patrol Apprehensions by Citizenship” U.S. Customs and Border Protection, 2017 <https://www.cbp.gov/document/stats/fy2017-us-border-patrol-apprehensions-citizenship>



Source: U.S. Customs and Border Protection

The type of removals at the southwest border has changed as well. The number deportations from criminal offenses has decreased since 2016.⁶ The number of non-criminal deportations were also down. In light of the zero-tolerance policy, these numbers are likely to increase. Migrants' crossing in the border areas are also becoming more dangerous. Heat-related deaths on the U.S. southwest border rose to 48, up from 31 in 2017, according to Border Patrol.⁷ These deaths are the main cause of migrant fatality at the U.S./Mexico border.

Mexico's Role

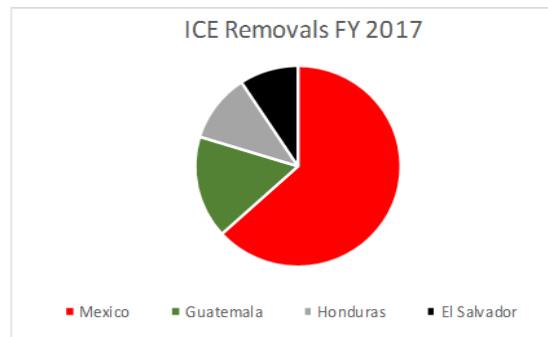
Mexico's role in the shifting flows of migration is also changing. Mexico in the past has largely cooperated with the United States in its approach to the flow of Central American migrants. The United States supported Mexico's Southern Border Program, a first line of defense designed to apprehend and deport migrants as they entered into Mexico, and long before they make the perilous journey to the U.S. However, as Mexico shifts from being a transit country to a destination country (meaning an increase in migrants who seek to stay in Mexico rather than cross into the U.S.) Mexico's role in addressing migrant rights and bi-lateral migration strategies will likely change. There have been positive talks between the AMLO and President Trump, but so far, these talks have not illuminated a clear path forward in where exactly the two leaders will find common ground. The U.S. is proposing options do not have much in them for Mexico, such as the "safe third country agreement," in which asylum seekers who set foot in Mexico must apply for asylum there. Proposals like this are convenient for the U.S., but place a great deal of responsibility onto Mexico, which already does not get the credit it deserves for the critical role it has played in managing migratory flows.

Mexico will have to balance coordination with the United States on its northern border, as well as begin to address its own flow of migrants and asylum seekers looking to stay in Mexico. The Trump administration's increasingly strict policies towards migrants may mark a parting of the ways for the new Mexican administration. AMLO's proposed Minister of the Interior Olga Sanchez Cordero said they would craft a migration policy that respects and upholds the human rights of Central American migrants. AMLO himself has stated, "We criticize Trump, but we do the same thing with the Central American migrants". The new administration has broached the idea of instating a modern "Alliance for Progress," which would bring jobs and development to

⁶ Ibid

⁷ Hay, Andrew, "U.S. border deaths rise on family, child migrants: patrol agency" *Reuters*. June 25, 2018. <https://www.reuters.com/article/us-usa-immigration-deaths/us-border-deaths-rise-on-family-child-migrants-patrol-agency-idUSKBN1JL33P>

Mexico and Central America and reduce the drivers of emigration. It is a long-term solution, but as U.S. development assistance to the region has fallen, is unlikely to garner traction outside of the context of border and homeland security. U.S. assistance has fallen by nearly 20 percent, from \$750 million in 2016 to \$615 million this year.⁸ Mexico now has an opportunity to reexamine its role in a development agenda.



Source: U.S. Customs and Border Protection

It is also important to note that Mexicans in the United States still make up the highest numbers of people deported from the interior of the United States. López Obrador pledged to assure that the 50 Mexican consulates in the U.S. into advocates for the defense of migrants, a move that makes sense for improving the relationship with the Mexican diaspora population within the U.S. However, it remains to be seen what AMLO will do to re-integrate the Mexican returnee population.

Coordination with the U.S. on migration issues will be tough, but is also a key part of the bilateral agenda moving forward. AMLO in his letter to President Trump stated that 75 percent of new funds will finance projects to create jobs and fight poverty, and 25 percent of funds would be dedicated to border control and security. We will see what President Trump and his administration think of this proposition, and if there are opportunities for coordination and support from the United States.

NAFTA and U.S.-Mexico Trade

Bilateral trade has grown almost seven-fold since NAFTA was implemented, connecting the U.S. and Mexican economies in fundamental ways. With well over a half-trillion dollars in annual trade, which amounts to more than a million dollars of commerce each minute, the two economies have become interdependent. Some five million U.S. jobs depend on trade with Mexico, and probably a slightly larger number of Mexican jobs do as well.⁹ However, it is not simply the volume of trade that binds the countries economically. Rather than simply trading goods, the United States and Mexico (and Canada) actually build products together through a system of production sharing, in which parts and materials move back and forth across the border as a final product is assembled. Approximately 50 percent of U.S.-Mexico trade is in intermediate goods, the parts and materials that fuel production processes on the other side of the border.¹⁰ The production of not just complex goods like automobiles but also rather simple products like Mexican beer, which tends to use barley and hops grown by U.S. farmers, involve multiple border crossings before making their way to customers across the continent. The integrated nature of North American manufacturing has caused a tight correlation between the

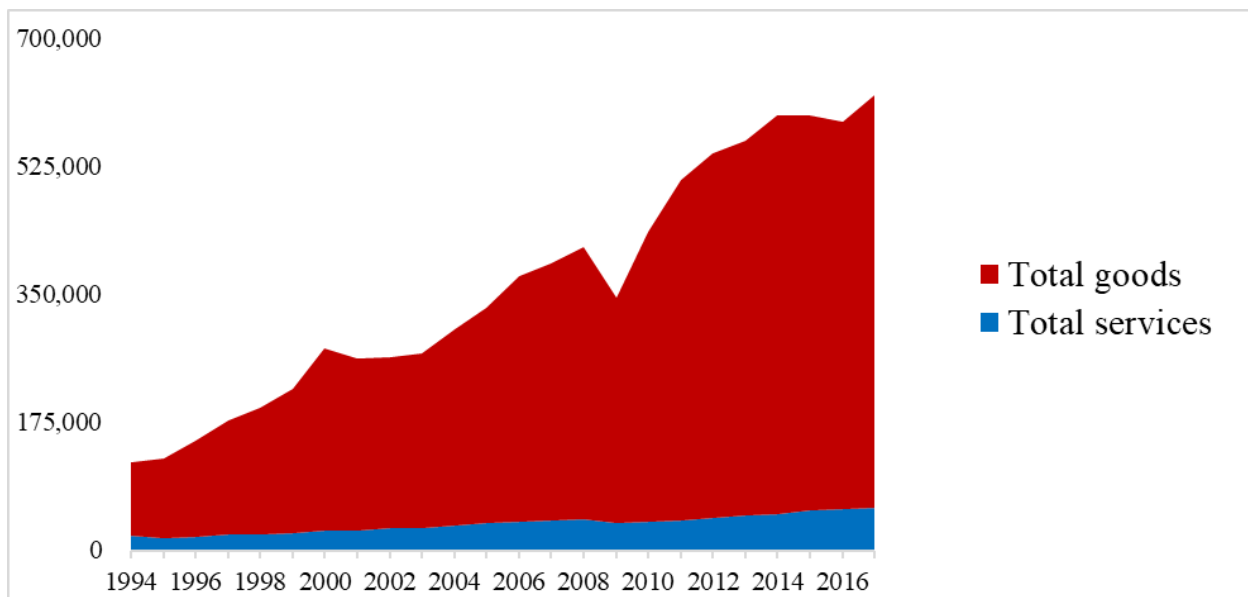
⁸ Meyer, Peter, "U.S. Foreign Assistance to Latin America and the Caribbean: FY2018 Appropriations" *Congressional Research Service*, May 9, 2018. <https://fas.org/sgp/crs/row/R45089.pdf>

⁹ Christopher Wilson, *Growing Together: Economic Ties between the United States and Mexico*, Washington, DC: Woodrow Wilson International Center for Scholars, 2017, <https://www.wilsoncenter.org/publication/final-report-growing-together-economic-ties-between-the-united-states-and-mexico>.

¹⁰ Ibid.

business cycles of the United States and Mexico and, through the extensive use of cross-border supplier networks, a link between U.S. and Mexican competitiveness.¹¹ In short, despite rhetoric that describes U.S. involvement with its NAFTA partners as a zero-sum game being lost by the United States, the reality of bilateral trade is positive-sum and a case of significant economic interdependence.

U.S.-Mexico Trade (Millions of Dollars, 1994-2017)



Source: Author’s calculations with data from U.S. Census Bureau, Bureau of Economic Analysis, and the OECD.

This does not imply that there are no losses associated with regional economic integration, just that they are significantly outweighed by the positive implications. While the vast majority of U.S. manufacturing job losses have been caused by productivity enhancing technological change, a smaller portion are related to trade.¹² Of the trade-related manufacturing job losses in recent years, the vast majority are linked to the extraordinary and imbalanced growth in U.S. trade with China.¹³ A lasting negative impact to U.S. labor markets from NAFTA cannot be found at a macro-level, but a small number of specific industries and communities do show evidence of job and/or wage loss.¹⁴ These localized negative outcomes embedded in a larger process of declining

¹¹ Jesus Cañas, Aldo Heffner and Jorge Herrera Hernández, “Intra-Industry Trade with Mexico May Aid U.S. Global Competitiveness,” *Southwest Economy*, Second Quarter, 2017, Dallas Federal Reserve, <https://www.dallasfed.org/~media/documents/research/swe/2017/swe1702b.pdf>.

¹² Michael Hicks and Srikant Devaraj, *The Myth and Reality of Manufacturing in America*, Ball State University, 2016.

¹³ David Autor, David Dorn, Gordon Hanson, “The China Syndrome: Local Labor Market Effects of Import Competition in the United States,” National Bureau of Economic Research Working Paper 18054, Cambridge, MA: NBER, May 2012.

¹⁴ Justino De La Cruz, David Riker, “The impact of NAFTA on U.S. Labor Markets,” Office of Economics Working Paper No. 2014-06A, U.S. International Trade Commission, June 2014; and John McLaren and Shushanik Hakobyan,

manufacturing employment and the failure of public policy to distribute the gains from trade in a way that ameliorates the negative outcomes created fertile ground for the 2016 Trump campaign as it called for the renegotiation or cancellation of NAFTA.

Negotiations began among the three governments of North America in August 2017 and, as of July 2018, several key and divisive issues remain pending. Topping the list of areas requiring resolution are the design of various dispute resolution structures, automotive rules of origin (minimal regional content requirements to qualify for NAFTA benefits), and the possibility of introducing a sunset clause, which would cause NAFTA to self-destruct every five years unless all parties agreed to continue in the agreement. There has recently been a greater sense of optimism coming from the U.S. and Mexican officials as they restarted negotiations following Mexico's elections, but these have been bilateral meetings without Canada and the outlines of a deal have yet to emerge.

AMLO, who historically has criticized NAFTA as a gift to big corporations and economic elites that harmed small-scale farmers and workers, became an advocate for the agreement during this past election cycle. With the future of the agreement on the line, he could not afford to be painted as a danger to such a fundamental component of the Mexican economy. Now, as President-elect, the new posture remains equally necessary, and his economic team is working with the current Mexican administration to wrap up the talks as quickly as possible in order to remove the uncertainty that has been hanging like a cloud over the Mexican economy causing investors to wait on the sidelines until the panorama clears. Similarly, AMLO, who is mainly focused on reforming Mexico's governance structure and domestic economy, understands that the loss of NAFTA could greatly complicate his plans for increasing social and infrastructure spending.

Reality has impinged on President Trump's NAFTA posture as well. While the negative rhetoric on trade and NAFTA played well during the campaign and with some of the specific constituencies mentioned previously, already escalating tariff-skirmishes and the looming NAFTA threat have frightened U.S. farmers and manufacturers, leading them to become an organized and powerful pro-NAFTA lobby. Their pressure has already pulled the President back from the brink of withdrawal on at least one occasion.¹⁵

The road ahead is still filled with uncertainty. Political factors limit AMLO's ability to grant concessions and push President Trump toward withdrawal or other hardball negotiating tactics. Nonetheless, economic realities have and will continue to make the threat of dis-integration, of implementing the economic nationalism that both presidents at least partially embrace, difficult and painful to enact.

Walking the Line and Looking Ahead

On issues of trade, migration, and broader U.S.-Mexico relations, both AMLO and Donald Trump have a challenging task ahead, a balancing act. President-elect López Obrador must maintain the health of the vital relationship with the United States, keeping NAFTA alive and

"Looking for Local Labor Market Effects of NAFTA," National Bureau of Economic Research Working Paper 16535, Cambridge, MA: NBER, November 2010.

¹⁵ Binyamin Appelbaum and Glenn Thrush, "Trump's Day of Hardball and Confusion on NAFTA," *The New York Times*, April 27, 2017, <https://www.nytimes.com/2017/04/27/us/politics/trump-says-he-will-renegotiate-nafta-or-terminate-it.html>.

cooperating on migration to the extent feasible, without being perceived as giving in to bullying from the big neighbor to the north. President Trump will likely seek to squeeze maximum political benefit out of U.S.-Mexican relations in terms of firing up his base, but must be careful not to squeeze so hard that other (or sometimes the same) key constituencies, such as business and agriculture on trade or evangelicals and moderates on migration, are repelled. Of course, there is also at least some possibility that AMLO and Trump could return to the status quo ante, in which deepening bilateral cooperation was also considered good politics.

The new sense of tension in U.S.-Mexico relations is actually in many ways a return to the pre-NAFTA era, one in which cautious cooperation was mixed with a healthy dose of mutual recrimination. The United States and Mexico are clearly no longer the *Distant Neighbors* described by Alan Riding in his famous book of the same name written in the 1980s. But are they *Two Nations Indivisible*, the title of Shannon O'Neil's 2013 text? The future has yet to be written, but the fact that younger people in both countries tend to have more positive views of each other, of trade, and of migration suggests that whatever damage is done in the short term, the forces pushing our nations together are stronger than those pulling us apart.¹⁶

¹⁶ Christopher Wilson, Pablo Parás, Enrique Enríquez, "A Critical Juncture: Public Opinion in U.S.-Mexico Relations," Washington, DC: Woodrow Wilson International Center for Scholars, 2017, <https://www.wilsoncenter.org/publication/critical-juncture-public-opinion-us-mexico-relations>.