



# U.S.-MEXICO FORUM 2025

STRATEGIC  
DIPLOMACY



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SCHOOL OF GLOBAL POLICY AND STRATEGY  
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# Strategic Diplomacy for a New Bilateral and Regional Horizon under Biden

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## KEY RECOMMENDATIONS

Build trust and partnership around areas of common interest such as Central American development or domestic job creation.

Work to avoid an early crisis on issues such as migration, USMCA labor enforcement, and human rights.

Strengthen the institutional basis of the U.S.-Mexico relationship to ensure it depends less on heads of state and more on multi-agency working groups such as the High-Level Economic Dialogue and the Border Governor's Conference.

Improve the narrative of Mexico in the U.S. and the U.S. in Mexico, as this will help create a binational partnership grounded in trust and an appreciation of the opportunities and possibilities of the relationship.

Given the growing confrontation between Washington and Beijing, it is in Mexico's interest to cooperate with the U.S. in international arenas such as the U.N. Security Council.

Enable sustainable management of the ecosystems and water resources shared between the two countries by acknowledging their natural boundaries.

## I. The Window of Opportunity

*"In other parts of the world, this relationship is looked at with some envy. And it's a partnership that has matured. ... This is about what we can do with Mexico. I mean that sincerely. We need you as much as I hope you think you need us." —Vice President Joseph R. Biden, February 2016*

On January 20, 2021, Joe Biden became the 46th president of the United States. His presidency offers the opportunity to deepen binational cooperation and ensure that the relationship between Mexico and the United States becomes an ongoing source of prosperity and security for citizens of both countries. To achieve this, both nations must imagine new approaches to the diplomatic relationship and improve those that already exist. History has shown that cooperation is the best way to improve the well-being of citizens of both countries.

The new U.S. administration will bring a new narrative to foreign policy, one that is inclusive of Mexico and understands the bilateral relationship as a positive and respectful partnership: as Biden signaled in 2016, the relationship is about what can be done with Mexico. In this, Biden will not have a learning curve. His visits to Mexico and Latin America provide him with an understanding of the challenges the United States faces in the region; he is also familiar with politicians and decision makers in the region. That Biden sees Mexico as important is clear: on his last visit to Mexico City in February 2016, he emphasized that "there's no more critical partner we have in the world than you."

Unlike the Trump Administration, which focused only on commerce and migration, Biden's administration understands the bilateral relationship in its "normal" essence: multi-actor, multi-issues, multi-level. It is a tremendously interdependent relationship in which some issues are regulated by agreements, facilitating normalized bilateral interactions. In other areas, such as USMCA implementation, migration, and security, the potential for conflict is much greater.

Although Mexico President Andrés Manuel López Obrador has stated that the best foreign policy is domestic policy, he has demonstrated two undisputed international priorities: the relationship with the United States, and the relationship with Central America. As an avid reader of Mexican history, he is convinced that a conflict with the United States is not in Mexico's interest. Moreover, he has demonstrated through his support of the USMCA negotiations and his visit to Washington, D.C., in July 2020, that he is both capable of and willing to strengthen the relationship.

### Objectives and Outline

This white paper provides recommendations for managing the complicated and intense relationship between Mexico and the United States between 2021 and 2025. These four years, under the presidencies of López Obrador and Biden, offer a crucial opportunity to resolve conflicts and strengthen cooperation. The paper focuses on diplomacy, as it represents a singular mechanism for ensuring the bilateral relationship delivers on its promise. After explaining why the Biden presidency represents a window of opportunity, the second section explains the context of bilateral affairs at the time Biden was inaugurated. The third section provides guidance for implementing a sustainable, active, and multi-level diplomacy that will deepen cooperation between the two countries. A fourth section underscores the importance of improving the narrative of Mexico in the



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United States and offers a series of recommendations for public diplomacy activities. The fifth section discusses Mexico's relationship with its diaspora in the United States and suggests that this group is an asset for both countries. The fifth and final section examines how the global and regional context creates possibilities for Mexican diplomacy.

### Steps for Strengthening the Bilateral Relationship

There are three key steps necessary to strengthen the bilateral relationship.

First, Mexican diplomacy must take the initiative and begin with small steps, gradually building into more complicated issues. Asymmetry in the relationship compels Mexico to be proactive in setting the agenda and, more importantly, in proposing solutions. The Biden Administration faces tremendous domestic and international challenges and will not necessarily place the bilateral relationship at the top of its agenda: Mexico must work to ensure it is a priority. No matter how many conflicting issues there are in the relationship, Mexico should not abandon the objective of working on a comprehensive bilateral agenda.

Second, both AMLO's and Biden's teams should work to avoid an early crisis. For example, a large migrant caravan arriving at the U.S.-Mexico border would distract from the ambitious goals of the incoming administration to pass immigration reform. Another potential conflict challenge could arise from USMCA labor enforcement actions, as U.S. unions are likely to file complaints early in Biden's term. Other areas of possible conflict could be democracy and human rights in Mexico. Taking into consideration the assault of the U.S. Capitol on January 6, 2021, the United States should not pass judgment on the state of democracy and human rights in Mexico. In other words, the United States should return for some time to the historically effective formula of "don't disturb the neighbor."

Lastly, there are numerous areas of common interest where both governments can build trust and partnership. Here we call attention to three: the Comprehensive Development Plan for Central America, corruption, and binational supply chains.

In the case of Central America, López Obrador has repeatedly expressed his commitment to creating an unprecedented program for development in the region, especially to address the roots causes of immigration—an objective shared by Biden. Biden has proposed sending substantial resources to northern Central America. The Mexican government needs to present ECLAC's Comprehensive Development Plan (CDP) to the Biden Administration to find common objectives and strategies. Mexico and the United States should not limit their collaboration to the CDP, but it is certainly a very good starting point. What is most important, however, is that Mexico, the United States, and the Northern Triangle countries act together; there should not be bilateral relationships and agreements, but regional policies, agreed by all. Central America, Mexico, and the United States' perspective should be that of a regional system.

AMLO has made anti-corruption efforts a pillar of his

government, and in this he will find a solid partner in Washington. Biden has been vocal about the need to fight corruption, writing in *Foreign Affairs* magazine that "I will lead efforts internationally to bring transparency to the global financial system, go after illicit tax havens, seize stolen assets, and make it more difficult for leaders who steal from their people to hide behind anonymous front companies." This will allow bolder efforts, building on existing programs that trace money laundering, to create new initiatives like a program of zero tolerance for corruption in border enforcement and customs agencies.

Supply chains and reshoring offers another area where López Obrador and Biden share common interest. The COVID-19 pandemic revealed the need for Mexico and the United States to improve mechanisms for coordination in supply chains that both countries rely on. Privileging these binational economic connections offers advantages for both Mexico and the United States. The increase in tensions between Beijing and Washington underscores the strategic imperative to relocate production from China to Mexico, and the geographic advantages of such a shift would contribute to economic competitiveness, especially in the context of a post-pandemic economic recovery. Baja California is only 300 miles from Silicon Valley, and intellectual property rights are much more likely to be respected by Mexican manufacturers. The Mexican government needs to work hard to become a credible and reliable element in Biden's overall China strategy.

## II. Context: From NAFTA to USMCA

The signing of the North American Free Trade Agreement in 1994 was a watershed in U.S.-Mexico relations, and the continent. Out of the Cold War, the United States decided to create an in-depth economic region with its neighbors to the south and north. Mexico left behind its historical economic nationalism and embraced the largest market in the world. During the first ten years of the agreement, cooperation between Mexico and the U.S. reached unprecedented levels.

NAFTA had important spillovers into other areas of the U.S.-Mexico relationship. There were agreements and working groups for environmental and labor issues, and security cooperation was greatly enhanced in the aftermath of 9/11. While immigration and drug-trafficking remained contentious issues, some optimists anticipated that over time, North America would become an integrated region similar to the European Union.

Designed primarily as a trade and investment accelerator, NAFTA ultimately lacked the mechanisms to create deeper and wider economic integration between the three countries, or indeed to institutionalize other areas of the relationship. By 2014, the 20th anniversary of the accord, North America remained a region divided into two very strong bilateral relationships — U.S.-Canada and U.S.-Mexico — and a lesser relationship between Mexico and Canada.

The election of Donald Trump in 2016 as president put Mexico on the defensive. Mexico's position was a firm defense of NAFTA, as the agreement had been an

essential mechanism for keeping the U.S. market open to Mexico's dynamic exports. NAFTA's re-negotiation was well underway, but the landslide election of AMLO in July 2018 put it at a standstill. Nevertheless, López Obrador fully endorsed the process, which strengthened Mexico's position in the discussions. The U.S.-Mexico-Canada Agreement (USMCA) went into effect on July 1, 2020.

Yet the successful USMCA negotiations did not carry over to other dimensions of the bilateral relationship. Bilateral coordination surrounding the coming pandemic was almost nonexistent. Moreover, the pandemic caused a disruption of joint supply chains and production platforms. It took major efforts to improve bilateral coordination of strategic and essential sectors for production to resume.

### III. A Renewed and Comprehensive Diplomacy to Achieve the 2025 Goals

Mexico and the United States have deployed in each other's territory their most extensive and sophisticated diplomatic delegations. Close to half of Mexico's foreign diplomats are deployed in the U.S., either in the embassy in Washington D.C., or in the consular network—which with fifty consulates, makes it the largest of its kind in the world. The largest and most complex U.S. embassy in the world is the one in Mexico City. Close to forty different agencies are represented there. In addition, there are nine highly active U.S. consulates through Mexico's territory, including its largest consulate anywhere in the world in Ciudad Juarez. In short, the diplomatic and consular presence of Mexico in the U.S. and of the U.S. in Mexico are strategically located and experienced. Thus, AMLO and Biden have to make the best of these diplomatic corps.

Binational diplomacy has effectively operated along four tracks. First, it succeeded in facilitating direct presidential interactions. Major bilateral policy decisions have originated from recurrent presidential summits. Moreover, from George H. W. Bush to Barack H. Obama, U.S. presidents developed close and personalized relations with their Mexican counterparts (from Carlos Salinas to Enrique Peña Nieto). Under Biden, this personal relationship can be renewed. AMLO must seize the opportunity.

Second, the Mexican and U.S. diplomatic presence in Washington D.C. and Mexico City were greatly enhanced in the wake of the NAFTA negotiation. The Mexican embassy was moved in the early 1990s and is now three blocks from the White House. This allowed various ministries to send attaches and even small teams to the embassy. The U.S. embassy in Mexico is the only place outside Washington D.C. where almost all major U.S. federal agencies are represented. That is, both diplomatic teams have the capacity to reach out to the major centers of power in Mexico City and Washington D.C., especially the Presidency, the cabinet, and Congress.

Third, during the 1990s and early 2000s, the bilateral mechanisms of consultation were strengthened and expanded. The Binational Commission was broadened to include close to 20 cabinet officials from both governments. Interparliamentary meetings took place every year and the ten border governors also met yearly at the Border Governors Conference. Also, direct contacts between the Mexican and U.S. Ministries have increased substantially in the last 30 years.

Fourth, as mentioned, Mexico and the United States have expanded and strengthened their consular networks. Moreover, the Mexican consulates' mandates were expanded: they have become local diplomatic agencies that promote economic and political cooperation, while

continuing to provide documentation, protecting Mexicans' rights, and facilitating their integration to U.S. society. AMLO's diplomacy is ready to take advantage of the U.S. decentralized decision-making processes.

At the time Trump and López Obrador were elected, however, budget cuts had weakened binational mechanisms to manage the bilateral relationship. Moreover, the Trump and López Obrador administrations reduced their summity diplomacy and slowed down personalized relationships between presidents. Indeed, both Presidents Peña Nieto and López Obrador met with Trump only once each.

Moving forward, Mexico and the United States need to strengthen their diplomatic and consular networks in the other country, reinforce their coordination mechanisms and become proactive. A strategic relationship between Mexico and the United States requires a consolidated diplomatic infrastructure to manage effectively and efficiently the complex bilateral relationship.

#### Working Towards the 2025 Aspirations and Goals: A Renewed Diplomatic Strategy

To achieve these goals, Mexico and the United States need to implement a comprehensive multilevel and multi-actor diplomacy. They also need to use every diplomatic tool available for advancing bilateral cooperation and handling binational disputes.

**Institutionalization:** Strengthen the institutionalization of the U.S.-Mexico relationship and that of North America. The bilateral relationship should depend less on the heads of state and rely more on government officials and multi-agency working groups on specific issues. Establishing solid institutional channels serves to strengthen Mexico's position. To achieve this, three bilateral mechanisms of consultation must be revamped:

- *The High-Level Economic Dialogue:* This will strengthen the implementation of the USMCA and will put economic and trade affairs at the center of binational cooperation.
- *Interparliamentary Meetings:* Senators must attend the yearly meetings again. Moreover, the Mexican Congress must be embraced as an independent branch for these interactions, a process will be eased by the new law that allows for reelection to one additional legislative term.
- *Border Governors Conferences:* The U.S.-Mexico Border Governors Association should be restored. This platform will allow the participation of the four U.S. governors and their teams in a meeting with their six Mexican counterparts to attend to border issues.

**Executive Diplomacy:** Relations between the White House and Palacio Nacional must be boosted. With Biden in the White House, a personal diplomatic relationship is not only possible but desirable. López Obrador must make this a personal priority. Building a strong relationship between the two presidents, however, cannot be a substitute for enhancing U.S. engagement with and understanding of Mexico throughout the U.S. Executive Branch. It is, for example, imperative that the next U.S. Ambassador to Mexico combine a clear and close relationship with President Biden with a strong working relationship with the U.S. Congress, the political skills needed to engage the broad set of stakeholders in the relationship (in both countries), and the cultural and language competency to do the same. As the Biden Administration has clearly done with regard to China, it should also embed Mexico expertise across key national security leadership structures across the U.S. government. To that end, it should broaden the mandate of the U.S. border coordinator at the National

Security Council to that of a Coordinator for North America akin to the deputies-level coordinators that have been named for the Indo-Pacific and Middle East, underscoring the importance and complexity of the North American relationship that spans all aspects of national and homeland security.

**Administrative Diplomacy:** The cabinet members of both countries must build up the relationships between secretaries of homologous ministries on both sides of the border to attend to the everyday issues that arise in the different policy areas of the bilateral relationship. Ideally, the Binational Commission should be restored to facilitate cooperation and coordination between ministries within each country and with the other country to address the central issues of the bilateral relationship.

**Parliamentary and Judicial Diplomacy:** Now is the perfect time to relaunch the binational parliamentary meetings and incorporate Senators. Collaboration with the National Judges Association and with the states' attorneys association should also recommence.

**Local Diplomacy:** Mexico and the United States are federal countries. Therefore, both countries should take full advantage of their consular network to establish and strengthen relations with subnational authorities (both at the state and local levels along the border) and with relevant private, social, academic, religious, labor, and media actors at the local level, to generate alliances with those local actors which share an interest in promoting cooperation between both countries.

**Sub-State Governments:** If California and Texas were countries, they would be the second and third most important relationships for Mexico, ranking ahead of China, Canada, or Spain. The United States needs the support of Mexican state authorities to better administer the common border. A renewed effort should be made to encourage and facilitate the international activities of sub-state governments (state and local) to promote binational cooperation. Federalism affords significant economic and political autonomy for sub-State government in both countries; this decentralization is an advantage that both countries must leverage.

**Minilateral and Multilateral Diplomacy:** Mexico and the United States must take advantage of summits in which they both participate, such as the G20, Asia-Pacific Economic Cooperation (APEC), the Summit of the Americas, and the North American Leaders Summit, to strengthen their dialogue and coordination on global issues.

**Interest Group Diplomacy:** Besides reestablishing the High Level Economic Dialogue (HLED), the following initiatives should be revived: the U.S.-Mexico Bilateral Forum on Higher Education, Innovation, and Research (FOBESII) and the U.S.-Mexico CEO Dialogue, among others, to enhance communication, coordination, and cooperation between these relevant private and social actors in the binational relationship.

## IV. A New Mexican Narrative in the United States: Deploying Public Diplomacy

When domestic publics fail to understand the importance of our bilateral ties and fail to appreciate the benefits deeper bilateral collaboration can create, it puts a brake on what politicians and diplomats can achieve. This challenge points to an urgent need for a well-designed binational public

diplomacy strategy.

Geography has determined that Mexico and the United States are neighbors. But it is their choice to become closer and more trustworthy partners who aim to increase the joint prosperity and security of their societies. Mexicans and Americans should build on and acknowledge the vibrant symbiosis that we have developed. When an American family spends Saturday morning at a baseball game, eating hotdogs with guacamole and beer, they do not know that the bread, sausage, avocado, and beer are manufactured or produced in the United States and in Mexico, by Mexican multinationals (Bimbo, Sigma and Femsal) and Mexican farmers. On the other hand, when a Mexican family purchases their very first computer for their kids so that they can attend school via Zoom and can complete homework with word processors, they do not realize that the equipment and software were designed by U.S. multinationals. Americans love tacos as much as Mexicans enjoy hamburgers. Even more dramatic is when Americans and Mexicans drive their cars: very few know that the engine, chassis, and other parts are truly the result of binational integration: some vehicles are made and/or assembled in Mexico, others in the United States. North American integration is truly an example of "habits of the heart!"

And yet, while Americans generally like Mexico, many tend to see it as a vacation spot beset by a series of problems, from drugs, crime, and violence to immigration, poverty, and corruption.<sup>1</sup> They don't understand the depth and scope of our shared history, or equate Mexico with the democracy, economic development, and growing middle class that have characterized the country for the past quarter century. Put differently, there is a huge disconnect between U.S. perceptions of Mexico and the reality on the ground in Mexico.

### Using the Best Public Diplomacy Tools for Change

Changing these narratives to create a binational partnership grounded in trust and an appreciation of the opportunities and possibilities of the relationship requires a renewed public diplomacy strategy. As COVID-19 conditions permit, Mexico and the U.S. should take the following steps:

**Education Exchange:** More American university students should be encouraged to study abroad in Mexico, with a particular focus on students from the Mid-West and South who have limited contact with Mexico beyond Spring Break trips to Cancun. The López Obrador Administration should increase fellowships for study abroad as well.

**Non-Traditional Education Exchange:** University students are already predisposed to think positively about the bilateral relationship. More efforts, therefore, should focus on community college and high school students, especially those who may not be university-bound.

**University Programming:** Surprisingly few university programs in either country emphasize study of the bilateral relationship or the culture and politics of the other. Education diplomacy could also include efforts on both sides of the border to encourage such programs. This might include dissertation research grants or seed money for program development. One example of this kind of new education diplomacy is the Program for the Internationalization of Curricula U.S.-Mexico (PIC US-MX) which facilitates dialogue and exchange between academics and businesspeople with the goal of creating collaborative projects.

**City-to-City Diplomacy:** Focusing on localities that have

1. <https://www.theatlantic.com/politics/archive/2012/11/poll-most-americans-view-mexico-negatively/438498/>

little exposure to the other country needs to be emphasized to promote effective listening and understanding in the partner municipality. Professional and technical exchanges need to be emphasized more within this context. Sister city professional and technical exchanges that are tailored to benefit both partners will create the intense, iterated interactions that are key to socializing individuals and changing perceptions.

City-to-city diplomacy will improve the quality of each country's communication strategy. By working on a small scale, diplomats can tailor their message to the pre-existing beliefs of the target public, reducing the distance between these beliefs and the image of the other contained in their communications, another proven mechanism for shifting pre-established beliefs.

**Visit Diplomacy:** Politicians at all levels of government across the two countries should arrange visits for their counterparts. For Mexican representatives visiting the United States this would include meetings with other politicians but should also involve travels to parts of the country that they do not know and thus do not understand well. It might include visits to universities and businesses. Mexico should implement a similar strategy, as it did prior to the 1993 NAFTA vote in the U.S. Congress. It could also create a program for select young people of Mexican American heritage to experience Mexico, not unlike the Birthright program sponsored by the Israeli government. Given President Biden's interest in combating climate change, a visit of young Latino leaders in the field of clean energy to assess the great Mexican potential on renewables would have a very positive impact.

**Cultural Exchange:** This is possibly the most promising area for public diplomacy because it obviates the power differential that colors every other aspect of the bilateral relationship. Cultural exchange efforts should include a 2026 World Cup of Culture to coincide with the soccer World Cup to be held in North America. This effort should be jointly designed by U.S. and Mexican creative industries and focus on regions and cities with limited obvious exposure to the other country.

## V. Mexico's Relationship with its Diaspora

The dynamics of both countries with their diasporas, including binational citizens, are key in improving the bilateral relationship. Social integration is a must. The promotion of Mexican Americans in the United States to top government positions should make it easier to foster policies that help Mexicans living and working in the United States.

The Mexican diaspora is both huge and heterogeneous; out of the 60 million Latinos living on American soil, 38.5 million are of Mexican origin. Of these, 28 million are American citizens with Mexican ancestry, almost half being second-generation Mexican Americans meaning their parents were born in Mexico. The remaining 11 million are Mexican citizens that migrated to the United States, half of which are undocumented.

Currently, there are 10.5 million Mexicans in the United States, a decrease of 1.6 million from the peak in 2007. Since the U.S. economic downturn in 2008, net migration has been reduced to zero or negative with the flow of returnees, both voluntary and forced (deportees), equaling or exceeding Mexican arrivals. While this has allowed the Mexican consular network to focus more of its efforts on promoting the integration of Mexicans into U.S. society, the Mexican community is still a vulnerable one in need of consular assistance.

Broadly speaking, Latinos experience preexisting conditions such as obesity and diabetes at higher rates, lack access to preventive medical care, and endure more housing and food insecurity. The lack of access to government programs, often due to immigration status fears, makes their situation even more complicated. The factors have also been exacerbated because too many in the Mexican community live in crowded settings and cannot remain quarantined because they are so-called essential workers or because they live day-to-day and are thus forced to work to eat. This has made them especially vulnerable to the current pandemic. By October 2020, the rate of hospitalization for COVID-19 among Latinos was four times greater than that of non-Latino Whites according to CDC data and this population experienced disproportionately high infection and mortality rates.

### Recommendations Regarding the Mexican Diaspora 2021-2025

#### **Promote the Integration of Mexicans in the United States:**

The Mexican government needs to find points of agreement with the Biden Administration to encourage policies that will foster the social inclusion of Mexicans. Mexico also needs to work closely with state governments and use whatever leverage it has to press governors to strengthen public services that can address structural vulnerabilities in health, education, and finance.

These efforts must include programs to foster future Mexican American leadership as well. Latinos represent a growing percentage of undergraduate and graduate students. Once they finish their studies, they will become part of the U.S. workforce. Consulates should take advantage of this human capital and encourage the introduction of Latino-oriented programs at local universities that identify as Hispanic Serving Institutions. The consular network should also work to identify diaspora leadership and foster closer ties. One specific step in the right direction could be to relaunch the system of *jornadas* or group visits to Mexico for key leaders.

**Empower Grassroots Organizations:** During the pandemic, various organizations made significant contributions to the wellbeing of the diaspora in the United States. Some lost faith when they did not receive support from the consulate due to budget cuts. It is crucial to revamp the consulates' mission by increasing their budgets and ensuring all spending is efficient and transparent.

**Strengthen Relations with Natural Allies:** The consular network should build partnerships and alliances both locally and nationally with advocacy and service-providing groups. These include the ACLU and local sections of the League of United Latin American Citizens, the Mexican American Legal Defense and Educational Fund, as well as UNIDOS US. Mexican diplomacy should also recognize the pan-ethnic reorientation of national organizations such as the National Council of La Raza, the organization which preceded UNIDOS US. Specifically, Mexican consular diplomacy should cultivate relationships with Latino labor leaders; Latino leaders on issues of sustainability, professionals, civil society, and academics; and newly elected Latino legislators from Texas, California, Delaware, Georgia, and Tennessee.

**Implement Social Reintegration Return Policies:** Mexico's state and federal governments should further develop policies and programs that facilitate the social reintegration of nationals who return to Mexico, whether as deportees or of their own accord.

## VI. Global and Regional Recommendations

There is broad bipartisan agreement in Washington that China is a strategic rival to the United States and requires a comprehensive response across the full range of issues, including security, economy, and values. The new administration has signaled its intention to take a firm response to the challenge, by enhancing the United States' ability to compete successfully against China in each of those domains, while seeking to cooperate with China when possible on shared concerns, such as climate change.

The Biden Administration is likely to focus on building coalitions of "like-minded" states which share U.S. views about the international political and economic order, and to seek to embed these approaches in international institutions on issues ranging from health to technology regulation to trade. Although the Biden Administration is unlikely to pursue the more extreme forms of "de-coupling" advocated by some in the previous administration and Congress, the new administration will emphasize partnerships with countries that side with United States in key areas of dispute with China, particularly concerning trade and investment, technology, and political values.

In this environment, Mexico will be unable to insulate itself from Sino-U.S. competition and pursue close ties with both sides simultaneously. Especially on sensitive issues such as energy or telecommunications, Mexico's ability to build a stronger relationship with the United States will, to an important degree, depend on its willingness to cooperate with the United States in international institutions, and to be cautious in its bilateral dealings with China.

The growing confrontation between Washington and Beijing has important implications for the relationship between Mexico and the United States over the next four years. As it did during the cold war, Mexican diplomacy should navigate cautiously between the two great powers while acknowledging China's important role in international politics. Mexico might, for example, seek Chinese investment in transportation and port infrastructure, but not in telecommunications, an area where there is open conflict between China and the United States. López Obrador's administration could even play a constructive role, proposing a trilateral dialogue on fentanyl, an issue where all three countries share common interests.

Immigration was a key issue in U.S.-Mexico relations during Trump's presidency. Biden represents a new era on immigration affairs that opens a window of opportunity for binational collaboration. Mexico may restore its humanitarian narrative regarding immigration, but this cannot lead to another migrant crisis at the border. While Biden will change rhetoric surrounding immigration, and certain policies may change in ways that coincide with Mexico's interests, he is unlikely to relax border security strategies. As a result, Mexico has to make the most of Biden's new approach while protecting both the U.S. and its own security. The Mexican government needs to implement **domestic** policies that protect immigrants and borders in order to be considered a reliable partner by the United States. This is a huge first step that needs to take place sooner rather than later.

The López Obrador Administration's proposed Comprehensive Development Plan (CDP) for Central America has not yet received the resources necessary for success, nor has it received decisive support from Guatemala, El Salvador, and Honduras, who have instead engaged directly with the United States — by signing safe third country agreements, for example. The CDP however is a solid document that presents a diagnosis and public policy recommendations for the area. It is a long-term proposal for development, and recommends public policies

including macroeconomic policies for development, trade facilitation, infrastructure, fiscal policy, energy, poverty reduction, protecting the environment, reducing inequalities, and protection for immigrants.

The Mexican government needs to convince the United States of the benefits of joint action based on the CDP. Agreement is not automatic and both sides will have to adjust their positions. The Mexican government, for example, should accept and abide by the recommendations from the Economic Commission for Latin America regarding the CDP and the promotion of Central American democracy as a condition for attaining stability in the region.

In brief, the diplomatic challenge surrounding immigration is ensuring that the three parties work toward a regional (multilateral) economic and political plan, thinking of themselves as a regional system, committing U.S., Mexican, and international resources, and a good dose of political will.

Beyond Central America, Mexico, and the United States face two major foreign policy challenges in the region: Venezuela and Cuba. During his candidacy, Biden put democracy at the center of his foreign policy proposal to restore U.S. leadership in the democratic world. The Biden administration is therefore likely to restore the Obama approach toward Cuba by reversing Trump's measures to reinforce the embargo, while still insisting on political change on the island. In the case of Venezuela, Biden's government might be willing to negotiate with Maduro and the opposition an acceptable solution to both, either in the context of the OAS or as part of an ad-hoc multilateral effort.

A potential obstacle to U.S.-Mexico regional collaboration is López Obrador's foreign policy based on principles of non-intervention and self-determination which sends an unambiguous message that Mexico will not interfere in other countries' domestic political issues. If the United States encourages Mexico to play a role in the region, however, the Mexican government might reconsider. Nonintervention need not mean abdicating a regional leadership role. Mexican diplomacy could facilitate the resolution of conflicts in Venezuela and elsewhere, just as its cooperation with the United States helped bring an end to civil war in El Salvador in the 1990s.



## VII. WATER

Water and environmental issues may well be the poster child for bilateral cooperation between the United States and Mexico. For more than a century, they have successfully divided the waters of three transboundary watersheds. The legal and institutional foundations on which they have built the accomplishments are two bilateral treaties and the International Boundary and Water Commission (IBWC), a model institution spanning technical and diplomatic skill sets.

Several features inherent to the U.S.-Mexico border make the task of dividing the waters a greater challenge. It sits over a largely arid and semi-arid region, prone to drought and water scarcity, with a fast-growing population. Legal structures are also a factor, as water rights are viewed in stark contrast across the border. In Mexico, water is the property of the nation and within the purview of the federal government, whereas different water rights doctrines apply in each individual U.S. border state. These differences prevented the countries from reaching a formal agreement when it comes to handling transboundary aquifers.

Both federal governments have nevertheless begun to innovate and develop newer mechanisms of cooperation and drought contingency. The annual natural flow of the Colorado River is seeing unprecedented reductions as a result of hydrology and climate change. The structural deficit in the river's original allocation is threatening full delivery of the countries' annual supply of water. At the same time, uncertainties persist in the Texas agricultural community regarding the Rio Bravo's annual water deliveries from Mexico. The recent tensions across the border as well as internally in Mexico reflect the need to improve water governance in the watershed. Transboundary water pollution in Tijuana is a long-standing problem and has become a considerable irritant in the bilateral relation, with no clear pathway in sight for a lasting, sustainable solution.

The arrival of the new federal administration in the United States may be the best opportunity for both countries to buttress the collaborative achievements made in the past and preserve the issue of water as a positive factor in the bilateral agenda. The promise of reaping benefits through water conservation will imply accurate flow monitoring and control of all water users, agricultural and municipal. These and other measures are intended to prioritize the sustainability of the resource as an integral part of the binational water policy, and not as an afterthought.

Both federal governments need to acknowledge that dividing the waters of this arid region along the border, even with precise and respectful agreements, remains a zero-sum game. In the case of the Colorado River, the two countries have opted for innovation and resorted to adjusting annual deliveries, in accordance with water availability, creating a Binational Water Scarcity Contingency Plan, and engaging in joint water deliveries for delta restoration. The Rio Bravo basin could also benefit from actions that foster a more dynamic discussion on water efficiency measures and improve binational relations. In short, dealing with natural resources that straddle an international border may suggest that it will be wise to ponder the principles of sustainable ecosystem management, acknowledging natural boundaries rather than honoring a political line set arbitrarily.

## Conclusion

Over the past quarter century, Mexico and the U.S. have learned to cooperate and conduct bilateral business in a pragmatic fashion. Each country has deployed a highly sophisticated diplomatic machinery in the other, which provides the tools to manage a relationship that is complex, intense, and asymmetric.

The Biden presidency represents both a return to a normalcy in the bilateral relationship and a window of opportunity. Yet it is important that both countries avoid any potential early crisis, whether the result of immigration, trade, or international affairs. More importantly, the paper suggests that the path forward involves identifying clearly shared interests, such as addressing root causes of migration or stimulating economic development.

Both sides must work to rebuild and strengthen bilateral mechanisms of consultation, such as the High Level Economic Dialogue, the Interparliamentary Meetings, and the Border Governors conferences. Institutionalizing the management of U.S.-Mexico bilateral affairs will provide a solid foundation for future cooperation and ensure that conflicts are managed smoothly. The new USMCA trade agreement, the successor to NAFTA, is a prime example of how a North American trade regime will be central for structuring a deeper economic integration between the two countries.

Finally, establishing both a positive narrative of Mexico in its northern neighbor and a better narrative of the U.S. in its neighbor to the south will help policymakers deepen cooperation. There is a need to explain to audiences in both countries how products and traditions from the other country have enriched their lives and culture. Both administrations should take full advantage of their diplomatic machineries to carry out a public diplomacy campaign to achieve this.

Prosperity, security, and promise are shared between neighbors. This basic understanding should guide the next four years in which the presidencies of López Obrador and Biden coincide.

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*This paper has been developed through a collaborative process and does not necessarily reflect the views of any individual participant or the institutions where they work.*



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