



The Woodrow Wilson Center's Mexico Institute is pleased to share with you the following analysis on the implications of the 2012 U.S. Presidential Elections.

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U.S.-Mexico Relations Under President Obama's Second Term

Andrew Selee, Director, Mexico Institute; Vice President of Programs, Woodrow Wilson International Center for Scholars

President Obama won reelection handily last night with a majority in both the popular vote and the Electoral College that far exceeded most predictions. We can expect a continuation of Obama's generally gracious, measured, and gradual approach to relations with Mexico, continuing close but incremental collaboration on public security, border infrastructure, and other issues.

However, the real story of the 2012 election is the tectonic shift in the electorate itself with Latino voters for the first time playing an oversized role in deciding the direction of the outcome. Latino voters helped decide both the popular vote and key states like Florida, Virginia, Colorado, and Nevada for Obama. There will be a serious debate in the Republican Party about how to reverse this trend, recognizing that the party's demographic support base, which is overwhelmingly white, is no longer sufficient to win national elections. This will empower sectors of the Republican Party that have long argued for a greater focus on Latino voters and a more moderate tone on immigration. Democrats, in turn, will try not to cede the ground they have gained with Latino voters.

In the short-term, this is unlikely to lead to major policy changes, but in the long-term it is likely to increase U.S. foreign policy focus on Mexico and Latin America and to moderate the overall political tone on immigration issues.

Obama and Peña Nieto Under President Obama's Second Term

Duncan Wood, *Senior Advisor to the Mexico Institute and Senior Associate at the Center for Strategic and International Studies*

President Obama's re-election drew a palpable sigh of relief from many quarters in Mexico City last night as political commentators and opinion leaders welcomed continuity for the bilateral relationship.

For President-elect Peña Nieto, yesterday's U.S. election results provide the opportunity to rapidly establish an official and personal relationship with President Obama, and we are likely to see a meeting between the two in the near future, as well as an ongoing dialogue between members of the transition team in Mexico, and key members of the re-elected government in Washington. This opportunity to "hit the ground running" thanks to already-established relationships in the bilateral relationship should help to smooth the first few months of the Obama-Peña Nieto relationship.

The only reservations expressed in Mexico about the election results came from those who worry about President Obama's ability to work with the Republican-dominated House of Representatives: continued gridlock is seen here as a serious impediment to economic growth and legislative progress, neither of which do anything to advance Mexican national interests.

US-Mexico Trade Under President Obama's Second Term

Christopher E. Wilson, *Associate, Mexico Institute*

For businesses and investors, the re-election of President Obama provides a certain degree of assurance that positive trends in US-Mexico trade are likely to continue for the next few years and takes away at least one political risk factor (the election itself) that may have been incentivizing a wait-and-see attitude. The closeness of the election had caused worries that the results could be challenged in the courts, but the wide margin of victory by President Obama in the electoral college puts those concerns to rest.

Next up is the so-called "fiscal cliff," but if Democrats and Republicans are able to put in place the foundation for a responsible debt deal in their handling of the issue, the groundwork would be laid for economic growth in the United States, Mexico, and bilateral trade. In terms of US-Mexico economic policy, continuity seems the most likely course, which means, for example, continued slow-but-steady progress on improving the efficiency of border management in order to allow goods to flow between manufacturers on each side of the line.

Nonetheless, the fact that there is a new government taking office in Mexico next month does present an opportunity for some big new ideas, and the transition team of President-Elect Enrique Peña Nieto has signaled it would like to put a renewed emphasis on economic issues in US-Mexico relations. Deepened US-Mexico cooperation on a global trade agenda, starting with the completion of the TPP negotiations, but with an eye toward opening the still very protected BRIC economies, could be one area ripe for progress.

Immigration and the Latino Electorate Under President Obama's Second Term

Miguel R. Salazar, *Program Assistant, Mexico Institute*

Barack Obama was elected president for a second time last night. In his victory speech he referenced the importance of national diversity and renewed his commitment to move immigration reform forward.

Preliminary results indicate that Obama drew a significant bastion of support from the Latino electorate. This included states like Nevada, Colorado, and Florida with Hispanic populations of upwards of 20% and New Mexico with more than 45%. Of the total 2012 electorate, 10% were Latino. President Obama beat estimates for support among this group, garnering 72% of the Latino vote. These numbers are a call to action for Obama, and it gives him the opportunity to capitalize on overwhelming Latino support by redoubling his efforts to address immigration issues.

A number of rising stars in the both parties, such as Democratic Congressman-elect Joaquin Castro in Texas, rode into office on the coattails of monumental Latino support, and Ted Cruz, a Republican, became the first Latino Senator-elect from Texas, although in another high profile race, Democrat Richard Carmona lost the Senate election in Arizona. The 2012 election has helped solidify issues of central importance for Latinos on the national stage such as jobs, education, and immigration.

Given the significance of the Latino vote, it is likely that we'll see a more measured approach to immigration issues coming from members of both parties going forward. The Supreme Court's recent decision on SB 1070, Obama's deferred action plan, and the passage of a state Dream Act bill in Maryland, which also passed last night, will likely guarantee that the immigration debate will continue over the next several years.