Re-Building a Complex Partnership:
The Outlook for U.S.-Mexico Relations under the Biden Administration

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Fulfilling North America's Promise

Key Policy Recommendations

- Establish cooperative work agendas addressing key economic and security issues.
- Re-organize structures to take full advantage of the opportunities from North American cooperation, as well as to resolve problems.
- Reinitiate the North American Leaders' Summits, preferably once a year, but at least every two years.
- Make supply chains more resilient and less dependent on distant suppliers.
- Re-create and improve bilateral mechanisms to deal with homeland security and economic issues outside of USMCA.
- Establish a multi-layered approach to North America that effectively incorporates the many stakeholders in North America's success.
- In the short-term, agendas should include COVID-19 management and recovery; strengthening supply chains; implementing USMCA; revisiting border security; bolstering law enforcement coordination; and rethinking migration management and aid to Central America.
- The medium- and longer-term agendas should include creating a shared vision and structures that enhance mutual prosperity and security, and a focus on issues such as climate change, “green” energy futures, workforce development, the deployment of new technologies, and more cooperative approaches to cybersecurity.
North America must be a high priority for the new Biden Administration.\(^1\)

President Biden understands well the issues, having devoted considerable time to the region as Vice President.\(^2\) However, sadly, given the Trump administration’s approach, mutual trust has suffered badly with both neighbors.\(^3\)

President Joe Biden, Canada’s Prime Minister Justin Trudeau, and Mexican President Andrés Manuel López Obrador, known as AMLO, should take full advantage of Biden’s arrival to rebuild confidence and establish cooperative work agendas on key economic and security issues.

Looming challenges posed by Central American migrants heading north and Mexico’s decision to undermine cooperation against drug trafficking only make the case stronger for focused attention.\(^4,5\) The Biden team should re-organize structures to take full advantage of the opportunities from North American cooperation as well as to resolve problems.

The Biden team hopes to “build back better” at home. If it integrates well into its plans the roles that the United States’ two neighbors and the continent’s integrated production chains can play, the results will reinforce mutual prosperity. A collaborative approach will help bolster competitiveness against China and others in the global marketplace.

Relations with Canada and Mexico touch the daily lives of more Americans than do relationships with any other countries in the world. They remain the United States’ largest economic partners and those with the most citizen-to-citizen interaction.

The three North American countries have one of the strongest trading and production networks in the world. The United States, Canada, and Mexico share a population of over 493 million people, a GDP of almost $24.5 trillion dollars, and they represent the 1st, 10th, and 15th largest economies of the world.\(^6\)

Relations with the United States’ two neighbors are quintessentially “intermestic” – they embody challenges and opportunities that are simultaneously domestic and international. Whether one considers trade, investment, jobs, competitiveness, homeland security, the environment, migration, illegal drugs, pandemics, terrorism, or many other issues, Mexico and Canada are vital for the United States.

How the three governments engage on these issues has significant domestic impact for good and bad in all three countries. Mexico was the United States’ second largest trading partner in 2020, for example, and also the largest source of illegal drugs.\(^7,8\)

None of the three countries can ignore the effect of geographic location, but all can benefit by giving more priority attention to continental relationships. The three governments should define trilateral and bilateral action agendas and processes that deal more effectively with the important problems and openings. The arrival of a new U.S. team opens the door to revitalizing a trilateral action agenda and reimagining bilateral agendas.

"Relations with the United States’ two neighbors are quintessentially “intermestic” – they embody challenges and opportunities that are simultaneously domestic and international."
Biden, Trudeau, and AMLO should agree to convene a North America Leaders’ Summit in the year ahead. Biden may even want a less formal get-together sooner. Early on, they can task teams to establish mechanisms to set the agenda and begin to manage cooperation with a new forward-looking spirit.

The leaders will want to confirm their commitment to making the most out of the new U.S.-Mexico-Canada trade agreement (USMCA), which provides the legal framework for growing continental commerce and the shared production supports up to 13 million U.S. jobs. Implemented well, USMCA will allow settlement of the expected disputes and help North America’s value chains become more competitive against global competitors.

The COVID-19 pandemic made evident the interdependence of cross-continent production chains and the importance of making supply chains more resilient and less dependent on distant suppliers. It also highlighted the value of working with neighbors to prepare for and manage health emergencies.

Rebuilding cooperation with Canada and Mexico must include re-creating and improving bilateral mechanisms to deal with homeland security and economic issues outside of USMCA. In the case of Mexico, this means re-inventing bilateral coordination bodies that Trump set aside, such as the High-Level Economic Dialogue and the multi-agency Security Coordination Group, as well as a cooperative approach to migration and Central America. The need is highlighted by the current serious U.S.-Mexico differences over fighting drug trafficking and the danger of a new surge in Central American migrants. These challenges need priority attention.

The Biden Administration should act early to build North America into its organizational structure at the National Security Council, the State Department, Homeland Security, and other key agencies. This should include designating senior officials and interagency working groups to manage and coordinate North American relations, as part of a cohesive long-term strategy that integrates economics, homeland security, and domestic policies.

A revitalized effort will need a multi-layered approach that effectively incorporates the many stakeholders in North America’s success from the private sector, state and local governments, legislatures, and other parts of the three societies.

Revitalizing collaboration across North America will not be easy. The issues are complex and involve sensitive domestic politics. At present, for example, Mexico has stirred concern in the United States over energy and may differ with the Biden Administration over the environment. Its current approach to anti-crime cooperation is very problematic, underscoring the need to engage.

In the short-term, the agendas will include COVID-19 management and recovery; strengthening supply chains; implementing USMCA; revisiting border security; bolstering law enforcement coordination; and rethinking migration management and aid to Central America.

The medium- and longer-term agendas include creating a shared vision and structures that enhance mutual prosperity and security. This encompasses dealing with a host of cross-cutting issues such as climate change, “green” energy futures, workforce development, and the deployment of new technologies, e.g., 5G, AI, electric vehicles, as well as more cooperative approaches to cybersecurity. Internationally, the three should try to forge common economic approaches to China and Asia, for example.

The payoff of this hard work among the United States, Mexico, and Canada could be immense.
The Trump Legacy: USMCA, Migration, Borders, and Public Security

The Trump administration recognized the importance of North America by renegotiating the North America Free Trade Agreement (NAFTA) and forging USMCA, which took effect in July 2020.

USMCA incorporates valuable updates to NAFTA and provides stability for the private-sector-built $1.3 trillion annual trilateral trade across North America. But the Trump team achieved agreement by cajoling, sanctioning, and denigrating Canada and Mexico, and leaves a very large agenda for implementing USMCA to the Biden team, including provisions with potential to enhance mutual prosperity as well as potential disputes, over labor and energy, for example.

The COVID-19 pandemic slowed implementation. It highlighted the need to build more efficient and resilient supply chains across the continent and set up ways to effectively manage health/travel issues with Canada and Mexico. U.S.-Mexico and U.S.-Canadian cooperation in the face of COVID-19 kept essential border trade flowing, but the collaboration has not been of the same level as during earlier international health threats. And the supply chain and related border issues still need significant attention and the establishment of a regular collaboration mechanism that incorporates input from the private sector and border communities.

Improving efficiency for legitimate commerce at both borders is also a major issue set that was largely neglected over the last four years. Provisions of USMCA should help facilitate trade, but earlier goals to build a truly 21st Century Border were overshadowed by the Trump administration’s preoccupation with migration.26

With the exception of the new chapters in USMCA, that same holds true for environmental cooperation across the continent and along the borders, where many decry the environmental damage being done by border wall construction.

Similarly, the message on earlier goals of promoting energy security and the potential of renewables in North America remains a mixed bag with little progress evident. The AMLO government in Mexico has adopted a more statist attitude toward energy production and shown little interest in renewable energy.27

On the security front, the past four years have seen little trilateral collaboration. Nor have earlier hopes for closer collaboration on international, cybersecurity, or defense related measures born fruit.28 Finally, it is important to add that the building of people-to-people ties between the United States and its two neighbors was neglected by the Trump administration.29 Not surprisingly, Canadian and Mexican views of the U.S. administration became more negative.30

Strengthening Trade and Commerce

Unlike the European Union, the United States, Canada, and Mexico have opted for enhanced cooperation without yielding sovereignty on a wide range of issues. This means that cooperation across the continents is a mix of three-way agreements and bilateral cooperation in specific areas or on an ad hoc basis. Nevertheless, the most developed trilateral cooperation is in the domain of trade and commerce, built by the private sectors of all three countries under the umbrella of the NAFTA and now given new legal framework with USMCA.
North American trade in goods and services is four times larger than it was when NAFTA was concluded. That trade is valued at $1.3 trillion a year or $3.6 million a day.\textsuperscript{31} The United States trades more with its two neighbors that it does with all of the EU plus the UK and is almost twice as much as U.S. trade with China.\textsuperscript{32} Mexico and Canada were the United States’ largest trading partners in 2019 and have long been its largest export markets.\textsuperscript{33} The United States is by far the largest trading partner and export market for both Canada and Mexico.

This relationship is also about investment. As of 2019, Canada had investments worth $495.7bn in the United States and Mexico’s investments totaled $21.5bn. The U.S. investment of $503.2bn in Mexico and Canada is less than Canadian and Mexican investment in the United States ($517.2 billion).\textsuperscript{34,35}

Despite all of the debate about trade in North America costing jobs, the North American trade area supported an estimated 12.8 million jobs in 2019.\textsuperscript{36} Furthermore, an estimated 50 percent of trade is in “intermediate goods,” meaning that these goods are used in the production of final products in each of the three countries.\textsuperscript{37}

Mexico and Canada are the two countries in the world that use the most U.S. inputs in producing the finished goods they sell back to the United States. By some measures, up to 40 percent of the value of Mexican manufactured goods sold to the United States originally came from the United States and were used in the final production in Mexico.\textsuperscript{38}

This North America commercial relationship is not just about manufactured goods. Canada and Mexico were the number 1 and 2 export markets for U.S. agricultural goods, and both countries sell many food and agricultural products to the United States.\textsuperscript{39}

The Bush Center rates North America as the best example of regional economic cooperation in the world for Global Competitiveness, ahead of the EU.\textsuperscript{40} Building things together with U.S. neighbors helps U.S. companies compete against China and others.

Also, positive views of trade and NAFTA/USMCA among the U.S. public has grown in recent years.\textsuperscript{41,42}

Given the massive trade relationship within North America, there are serious problems to be addressed. Some of those were taken up in the USMCA negotiations. The new agreement has modern provisions for Intellectual Property Rights, Data flows, countering corruption, helping small and medium enterprises, promoting respect for labor rights, encouraging increased cooperation on the environment, and promoting regulatory cooperation.\textsuperscript{43,44}

The new labor chapter, a rapid action dispute settlement mechanism for complaints about labor violations and new rules of origin to favor more production in the auto sector in the United States are all designed to address complaints from U.S. unions about NAFTA and “unfair” Mexican practices.\textsuperscript{45,46} U.S. unions and some democratic lawmakers are eager to see USMCA’s labor chapter enforced and to have Mexico effectively implement labor reforms. This is likely to be a point of tension as implementation proceeds.
More broadly, there is much work to do to implement USMCA and to set up the mechanisms which open the door to further improvements in cooperation. The COVID-19 pandemic slowed implementation across the board by all parties despite high hopes when the agreement went into effect on July 1, 2020. The Biden team faces a very full USMCA agenda. A trilateral review of the agreement is set for 2026.

From a trilateral perspective, the North American partners could also coordinate more closely on international trade and economic policies such as on the approach to take vis-à-vis China, to the World Trade Organization, and to the agendas for multilateral lending institutions and gatherings such as the G20 and the Summit of the Americas. President Biden’s emphasis on working well with partners on such issues should open the door for collaboration. Canada will likely be an enthusiastic partner, while under AMLO Mexico has adopted a generally more Mexico-centric approach.

**Building an Agenda for Future Prosperity and Well Being**

In the near term, the Biden Administration will be building relationships with its Mexican and Canadian counterparts on key prosperity and security issues with the understanding that the two agendas overlap significantly. Much work will be done bilaterally, as Christopher Wilson discusses in his chapter regarding Mexico.

From a North America perspective, there is much that can be done. The three governments tried to regularize the work agenda in the early 2000s with the Security and Prosperity Partnership for North America under the Bush administration. The Obama administration turned its focus to the North American Leaders Summits as a way to channel high priority items. Those summits produced forward looking proposals in the 2014 and 2016 summits. The 2016 summit had a particularly robust agenda on the environment, climate change, and clean energy, which was not pursued under Trump.

Today, the demands for “whole of government” approaches to prosperity and competitiveness are matched by the enhanced opportunities collaborating among the United States, Canada, and Mexico, who are each other’s largest co-production and economic partners. All three governments should establish effective internal “whole of government” mechanisms to guide bilateral and trilateral cooperation.

The North American production platform can greatly benefit competition with China’s growing economic clout by drawing on the strengths of the entire continent and learning from each other in productively managing evolving technology in workplaces and markets.

President Biden has made clear a solid policy approach to “building back better,” which will bring needed domestic investments to strengthen economic performance and wellbeing. This policy cluster is consistent with an ambitious North America Agenda on such topics as workforce development, border-related infrastructure and trade facilitation, resilient supply chains, cybersecurity, and common approaches to key technologies like 5G, AI, and biotechnology, as well as on other important topics such as assuring the supply of critical minerals.
In the area of workforce development, for example, North America suffers from alarming skills “gaps” that harm economic performance in all three countries and impede North America from realizing the potential inherent in its powerful production and commerce networks. At the same time, accelerating technological changes of the “Fourth Industrial Revolution” are going to keep sweeping through workplaces across the continent, eliminating, redefining, and creating new classes of jobs, and increasing challenges for workers and businesses.

The pandemic has accelerated, exacerbated, and reshaped the transformative changes already in the ways production and business are conducted. The global pandemic is widely seen as speeding the application of certain technology to workplaces, to distance management, and to internet commerce.53 The World Economic Forum (WEF) calls this a “double disruption” for workers around the world.54,55

These trends underscore the importance for the United States, Canada, and Mexico to pay attention to their workforces, to worker skills, and to training opportunities as automation, technology, and algorithms continue to advance. The United States, Canada, and Mexico need to significantly increase quality investment in the development, adjustment, and training of their workforces and to collaborate in order that these investments reinforce and improve the economic strengths of North America.

As argued in depth elsewhere, a collaborative North American workforce agenda should focus on four areas: 1) work-based learning; 2) credentials transparency; 3) labor market data collection and transparency; and 4) creating mechanisms to help prepare for changes ahead.56 Success demands mutual learning and multi-stakeholder involvement among national and sub-national governments, businesses, academia, and other relevant groups, including unions and NGOs. This work could also include steps to improve worker mobility across North America. Sharing workforce solutions among the three countries will strengthen the continent’s valuable co-production and value chains as well as its ability to compete globally.

USMCA recognizes the importance of such future-oriented collaborative efforts by establishing a Committee on Competitiveness.57 The same logic for cooperation across the continent on the “Future of Work” holds for other key issues that affect competitiveness including policies toward sensitive technologies or the development of sectors incorporating new technology such as electric vehicles.

**Strengthening Efficiency and Prosperity Along the Borders**

USMCA does not deal with all of the important issues for making North America's marketplace more efficient, productive, and thus competitive for the three countries or its citizen consumers. The pandemic exposed weaknesses in the supply chains and government-to-government coordination for dealing with emergencies.

The border shutdowns reminded all that there are many chokepoints on both borders which add billions of dollars in costs to businesses shipping goods and to travelers.58,59 Some of the problems are related to poor or poorly coordinated infrastructure on one or the other side of the border. Some of the challenges relate to poor processes and backward technology for scanning goods and identifying border crossers.
Some of them are related to antiquated and poorly coordinated customs and travel requirements by the three governments.

Previous North American Leaders Summits and bilateral U.S.-Mexico and U.S.-Canada agreements attempted to address these border-related and supply chain issues. They supported processes to apply new technologies, processes, and infrastructure at the borders. They also began more coordinated consideration of transportation networks essential for commerce and for targeted regional development plans on both sides of the border. Little progress, however, has been made since 2016 on these issues, with the Trump administration focusing on migration and building border barriers. Business stakeholders have continued to highlight the need for action to achieve more efficient cross-border flows.

The economic gains could be substantial. A 2018 study, for example, found that enhancing economic integration on the U.S.-Mexico border could add 700,000 to 1.4 million jobs and $69 billion to $140 billion in border state economies, including powerhouse states like Texas, California, and Nuevo León.

Recall that the border state economies themselves are massive. In 2017, the GDP of the U.S.-Canada and the U.S.-Mexico Border States reached $6.25 trillion and $5.07 trillion, respectively. Grouping the GDPs of the Border States along the northern U.S. border or those along the southern U.S. border would each constitute the third largest economy in the world, after the United States and China respectively and surpassing Japan. It behooves the three countries to give more focus to improving the competitiveness and well-being of the Border States’ inter-connected economies. Federal, State, and local governments should join non-government stakeholders to define and take forward this work agenda.

In the immediate future, the three governments should identify an ambitious series of specific objectives and timetables on which they can take up immediately. This would include practical, near-term steps to reduce border crossing times and to establish a continental trusted traveler program and a customs single window program for North America. They should also agree to ambitious efforts to strive for regulatory convergence in high-priority sectors as well as to undertake effective programs to invest in modern infrastructure and technology at border crossings. This could include making better use of or transforming the North American Development Bank to provide financing. A number of stakeholders would also like to see expanded temporary visa programs in North America.

Cooperating on Energy and the Environment

Another cross-cutting set of issues that spans North America is energy and the environment. Canada and Mexico are two of the United States’ largest energy partners, and over the past decade, the continent made great progress towards assuring its energy security, including through unprecedented cooperation among energy ministers during the Obama Administration. The environment is a sensitive issue along both borders in addition to each country’s commitment to addressing climate change, including to expand the use of renewable energy. These were key items in the 2016 North American Leaders Summit that were not pursued by the Trump Administration, and Trump’s border wall was criticized for its environmental damage.

President Biden has committed to a vigorous agenda on the environment and climate change, including seeing renewable energy as one path for creating good new jobs. Canada’s Prime Minister Trudeau has announced similar priorities. Mexico’s President López Obrador has taken a more ambiguous approach.
He is more focused on reasserting the power of the state-owned oil and electricity monopolies than promoting green energy. AMLO’s approach to the energy sector has U.S., Canadian, and other companies concerned and could lead to USMCA disputes between the neighbors, as three U.S. cabinet members recently highlighted to their Mexican counterparts.

Divergences with Mexico on the environment and energy will pose challenges to a North American climate and environmental dialogue collaboration, but it is worth pursuing, while allowing U.S. and Canadian cooperation to move forward where Mexico does not join in.

It would be beneficial to see if energy ministers and related agencies could take up again earlier cooperation to promote data transparency, common approaches to safety, resiliency, interconnection, and the impacts of new technology. While the near-term agenda should include reaching mutual understanding on energy investment and USMCA, over the longer term it would be good to foster dialogues to build understanding of pressing future needs on energy and the environment.

**Improving Security: Terrorism, Health, Cyber, Drugs, and Migration**

In the wake of the September 11, 2001 terrorist attacks, the United States worked intensively with Canada and Mexico to enhance security at the borders and, through that cooperation, to extend that effort to identify threats from terrorists or others as far away from the homeland(s) as possible, e.g. at any point of entry into North America or even when individuals applied for visas to enter the United States, Canada, and Mexico. This was in essence an effort to enhance and extend “perimeter security” for the continent. It resulted in new and reinforced cooperation among intelligence services, immigration and homeland security agencies, and foreign ministries.

Most of this cooperation was handled bilaterally. The United States and Canada launched the Beyond the Border Action Plan in 2011, for example. U.S.-Mexico cooperation has had more ups and downs and moved from a broad-based effort to enhance collaboration to one focused on migration under President Trump. In recent months, U.S.-Mexico cooperation suffered a series of setbacks fueled by the U.S. arrest of a former Mexican Defense Minister and a subsequent Mexican reaction endangering law enforcement and justice cooperation.

Trilateral work to enhance security against bad actors and to stop them as far away and as early as possible should be taken up again, but again the bulk of the work will be done bilaterally and will be differentiated given the much stronger security relationships between the United States and Canada.

Cyber security is another area where the three need to deepen cooperation given cross-border connectivity that exists, especially in the private sector; however, it has not been a priority in the past. Again, it will likely be easier to move forward with Canada than with Mexico given relative development of each government’s cybersecurity institutions.

The COVID-19 pandemic underscores the need for effective health protocols and plans for cooperation at the borders and among experts going forward. The governments have cooperated effectively on health threats, including SARS and H1N1, in the past. This cooperation needs to be regularized.
North American defense cooperation is deep and longstanding, U.S.-Mexico defense cooperation has historically been very distant and probably reached an apex from 2012-14.\textsuperscript{96,97} At present, it is going through a very rough patch following the U.S. arrest of a former Mexican Defense Secretary on charges of aiding a drug smuggling group.\textsuperscript{98}

Perhaps the most daunting area for security cooperation is in the trafficking of lethal drugs. Cross-border drug trafficking and related crime continue to flourish despite decades of anti-drug efforts.\textsuperscript{99} This threat is especially evident in increased imports of synthetic opioids from China that arrive directly in all three countries and reach the United States from Mexico and Canada.\textsuperscript{100} However, the largest flows of illicit drugs arrive in the United States from Mexico and include heroin and synthetic opioids, methamphetamines, and marijuana.\textsuperscript{101} The costs for citizens of all three countries is high. The toll is clear in U.S. overdose deaths and record homicide deaths in Mexico for the last several years.\textsuperscript{102,103}

While most of the anti-drug work has been bilateral, there have been some trilateral efforts. In 2016, the North American leaders established an annual dialogue on drug policy, which survived through 2019.\textsuperscript{104} (The leaders also pledged to build cooperation against trafficking in persons, but there is little evidence that the effort bore fruit.)

While trilateral work should be continued, real improvements need to be made in U.S.-Mexico cooperation, as highlighted in the DEA National Drug Threat Assessment.\textsuperscript{105,106} The public security situation in Mexico deteriorated over the past year;\textsuperscript{107} A recently approved Mexican law seriously threatens bilateral cooperation against drug trafficking, as does the decision of Mexico’s president to publicly release information provided by the U.S. Department of Justice implicating Mexico’s former defense minister in aiding a drug trafficking group and calling the U.S. information “fabricated.”\textsuperscript{108,109}

A related tripartite challenge is how to handle the decriminalization of marijuana, which is already law in Canada and may move ahead in Mexico this year and has created a patchwork of approaches across U.S. states toward medicinal and recreational use, but remains illegal under federal law. There are a number of issues that could be taken up bilaterally or trilaterally, e.g., trade, research, health, security.\textsuperscript{110,111}

President Biden is moving quickly to adopt migration policies and practices much more consistent with those preferred by Mexico and Canada.\textsuperscript{112,113} The United States and Mexico (and Canada) cooperated very closely when Biden led U.S. efforts on Central America and migration during 2013-16.\textsuperscript{114} When AMLO came to power in late 2018, he argued for U.S.-Mexico efforts to deal with the root causes of migration from Central America, but Trump prioritized enforcement and leveraged Mexico’s cooperation.

Central Americans heading north may well provide early tests of whether Mexico and the United States can collaborate to avoid a new wave of migrants heading to the U.S. border.\textsuperscript{115,116} In any case, North American cooperation will be needed and beneficial for longer term management of migration. Biden recognized the importance of these issues by naming a new coordinator at the National Security Council for migration and southern border issues.
**International Affairs Collaboration**

The most likely area for international cooperation will be a longer-term strategy to help the three countries of the Central America’s Northern Triangle, El Salvador, Guatemala, and Honduras, to better manage the cluster of economic, security, governance, and climate issues that “push” their citizens to try to make the long, difficult journey to the United States. Biden proposes a four-year, $4 billion assistance strategy, which is consistent with AMLO’s suggestions.\(^{117,118}\) Canada would likely participate modestly along with other donors and institutions like the Inter-American Development Bank.\(^{119}\)

Beyond Central America, there is potential for trilateral cooperation in multilateral institutions and forums, including the G20 and the UN. All three are G20 members, and there has been some good cooperation in the past. Mexico also just began a two-year term on the UN Security Council in January 2021 after its election in June 2020.\(^{120}\) That could offer some opportunities for cooperation. However, the international agendas of Canada and the United States are much more aligned than that of Mexico.\(^{121}\) AMLO has not given priority to international issues beyond neighboring regions, nor has he enthusiastically embraced the opportunities for more global engagement created by USMCA.\(^{122,123}\) AMLO reflects a traditional Mexican approach of not interfering in the internal affairs of other countries and defending Mexico’s sovereignty, as represented by the Estrada Doctrine.\(^{124}\) This Mexico, unlike Canada, may well not join an effort by the Biden Administration to rally together democracies from around the world, for example.\(^{125}\)

In 2016, the North American leaders agreed to establish a North American Caucus to work more effectively together on regional and global issues by holding semi-annual coordination meetings, but it is not clear whether this process ever gained much traction.\(^{126}\) While it would be beneficial for the three to compare notes regularly, it may remain largely a U.S.-Canadian dialogue given Canada’s active involvement in a range of international issues. The one theme where some tripartite synergy might be possible would be in strengthening North America’s economic connections with Asia.

**Moving Forward**

The governments of Mexico, Canada, and the United States should move swiftly to reestablish the rhythms and mechanisms of close consultations and coordination across the vital issues that bind the three countries. A key factor will be whether the leaders and administration can rebuild the trust weakened under Trump.

The potential benefits of closer cooperation are immense. Trade across the U.S.-Mexico and U.S.-Canada borders amounts to about $2 million a minute. In addition, pre-pandemic, there were about 1 million border crossings a day just between the United States and Mexico.

Vital “inter-mestic” issues need to be managed. Important problems need to be solved, and synergies should be enhanced cooperatively. This demands efficient mechanisms that promote bilateral and trilateral solutions and opening doors. There should be regular cabinet interactions and leader engagements as well as fulsome bilateral and trilateral action agendas.
The three administrations should reinitiate North American Leader Summits, preferably once a year, but at least every two years. In between summits, there should be regular engagement among officials to monitor and assure progress on the agenda that leaders agree.

In the U.S. bureaucracy, the administration needs to reflect the importance of North America with new units at the NSC and in the State Department and other agencies, as well as interagency working groups that can more effectively coordinate and integrate the myriad of agencies and issues that need to be addressed well to get relations with Mexico and Canada right.\textsuperscript{127}

To his credit, Biden is moving in this direction by naming Ambassador Roberta Jacobson to manage border and migration issues with Mexico and Central America.

There should also be strong efforts to assure good Congressional attention to North America and exchanges with the legislatures of both neighbors.

Approaching North America has to be multilayered also, incorporating State and local governments connected to the borders and key production chains, as well as the private sector. Incorporating the many thousands of stakeholders will be key for more successful management of relations across the continent.

In the very short term, the three administrations need to tackle the most pressing issues, such as recovery from the pandemic, strengthening supply chain issues, implementation of the USMCA, and getting migration, border security, and cross-border crime issues back on track, especially with Mexico.

For the medium and longer term, the governments should forge agreement on priorities for managing the vast array of economic, security, environmental, energy, and other issues essential for the well-being of the continent. This will be hard, complicated work, and the time to re-initiate this vital continental cooperation is now.

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Endnotes


[34] “Mexico.” United States Trade Representative, ustr.gov/countries-regions/americas/mexico.


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[66] Mexico Institute’s calculations based on the US Bureau of Economic Analysis, 2018 and INEGI, 2018

[67] International Monetary Fund, “GDP, Current prices”, 2019, https://www.imf.org/external/datamapper/NGDPD@WEO/WEO/FRA/USA/JPN/CHN/DEU


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