


BILATERAL X-RAY

ANNUAL REPORT

2023

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BRIDGING PERSPECTIVES: FOSTERING BILATERAL BONDS FOR A SHARED FUTURE

EXECUTIVE SUMMARY

For the fourth consecutive year, the U.S.-Mexico Foundation (USMF) has collaborated with the Instituto Mexicano para la Competitividad (IMCO) to monitor the content and publications of leading think tanks in both Mexico and the United States. This ongoing partnership reflects a deep commitment to bring attention to the critical issues shaping the bilateral agenda. It serves as a testament to the collective endeavor to catalyze cooperative initiatives, promoting cross-border collaboration and highlighting the mutual benefits of joint efforts towards advancing the North American region.

Amidst the challenges faced throughout the year, the bond between the U.S. and Mexico has emerged stronger, underscored by the prevailing opportunities to fortify the ties that bind both nations. This year's theme, **"Bridging Perspectives: Fostering Bilateral Bonds for a Shared Future,"** encapsulates the mission to merge diverse viewpoints and strengthen bilateral relations, paving the way toward a future built on mutual understanding and shared goals.

This Bilateral X-Ray Annual Report presents a detailed analysis and thematic overview of the 2023 Bilateral X-Ray monthly reports. This compilation encompasses articles, research papers, reports, seminars, events, and other significant materials relevant to the agenda. With contributions from over 290 entries and the active participation of more than 30 think tanks from both sides of the border, this report offers unparalleled insights into the dynamics of the U.S.-Mexico bilateral relationship.

Through this work, the U.S.-Mexico Foundation and IMCO strive to bridge perspectives, fostering bilateral bonds that enhance the current collaboration and lay the foundation for a shared future. It is through understanding and addressing the complexities of the relationship that the full potential of the North American region can be unlocked, ensuring prosperity for generations to come.



ENRIQUE PERRET, MANAGING DIRECTOR AT THE U.S.-MEXICO FOUNDATION

In 2020, the Bilateral X-Ray was established as a comprehensive report, consolidating insights from over 30 Think Tanks and numerous experts on the U.S.-Mexico relationship. Since then, it has evolved into one of the most significant projects of the U.S.-Mexico Foundation, reaching over 1,800 people each month. Through its analysis, we discover the most important aspects within the multidimensional and intricate relationship between the United States and Mexico, uncovering crucial issues that may have been overlooked. Our objective is to raise awareness of these issues through our monthly and annual reports, providing valuable insights to policymakers, academics, and private sector decision-makers. Particularly during pivotal events such as the 2024 elections in both countries, we strive to underscore the significance of this relationship. I extend my gratitude to our partners in this initiative—IMCO, Rassini, Consejo Mexicano de Negocios, and the CRA—for their unwavering support and belief in us.

VALERIA MOY, DIRECTOR AT THE MEXICAN INSTITUTE FOR COMPETITIVENESS (IMCO)

The Bilateral X-Ray initiative is a collaborative effort between the US-Mexico Foundation and the Mexican Institute for Competitiveness (IMCO). This initiative is executed through a meticulous analysis of publications from think-tanks in both Mexico and the United States, in which we discern prevailing trends, identify opportunities, and pinpoint challenges within the bilateral relationship. Such insights allow us to have a better understanding of the principal topics that occupy the agendas of both countries, enabling think-tanks to respond adeptly to these issues. The monthly reports serve as a conduit for fostering closer collaboration between public policy think-tanks in the United States and Mexico, thereby facilitating a deeper engagement aimed at ensuring mutual benefits within the bilateral relationship.

In the context of the approaching presidential elections in both the United States and Mexico, the year 2024 emerges as a pivotal moment, poised to potentially reshape the political landscape of the region. Against the backdrop of ongoing challenges such as migration, security, and democratic governance, the bilateral relationship is under heightened scrutiny, creating the need for a joint effort to navigate and sustain the ties between the two nations. Looking ahead, the significance of the Bilateral X-Ray will increase, as it assumes an indispensable role as an instrument for detecting evolving trends, sentiments, and perceptions within both countries. This foresight will be of great help in effectively managing the transitions that accompany shifts in administration, ensuring a nuanced and adaptive approach to the evolving dynamics of the bilateral relationship.



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INTRODUCTION

The **Annual Bilateral X-Ray Report** represents the result of monthly efforts undertaken by the USMF and IMCO to monitor publications from Think Tanks in Mexico and the United States. Throughout 2023, twelve reports were published, one at the beginning of each month, with the primary objective of identifying prevalent topics within the context of the bilateral relationship. This document effectively compiles and thematically organizes 293 publications generated in 2023 by 11 Mexican Think Tanks and 23 institutions within the United States. The Annual Report provides a comprehensive analysis encompassing thematic distribution, country of origin, think tank affiliation, publication type, topical relevance, and the frequency of keyword mentions.

The Annual Bilateral X-Ray Report has the following objectives:

- 1. Analyze Think Tank Activity:** To research which think tanks are most active in the bilateral space and identify their areas of specialization, offering a comprehensive overview of the expertise available within the think tank community.
- 2. Provide Perspectives on Bilateral Issues:** To offer insights into the thematic focus and terminology prevalent in discussions on U.S.-Mexico relation through cataloging the keywords and phrases frequently used in think tank publications,
- 3. Uncover Unaddressed Issues and Research Opportunities:** To analyze and pinpoint the significant issues currently overlooked in publications, outlining potential research opportunities for think tanks to explore and contribute further to the bilateral dialogue.

It is essential to highlight that, in this instance, five out of the 34 think tanks accounted for 51% of the content generated in 2023. Esteemed authors such as Ryan Berg of the Center for Strategic and International Studies (CSIS), Lila Abed of the Wilson Center's Mexico Institute, Carin Zissis of AS/COA, and Tony Payan of the Baker Institute at Rice University stand out for their significant contributions to the discourse on bilateral relationships. Furthermore, a thorough analysis is conducted concerning the most recurrent themes: Economy and Commerce, Democracy and Institutions, and Migration and Labor Mobility. Additionally, a dedicated section is presented to underscore forthcoming opportunities stemming from the bilateral relationship in anticipation of 2024.



DESCRIPTIVE ANALYSIS

The analysis encompasses publications from January 6th to December 21st, 2023, capturing the agenda surrounding the bilateral relationship between Mexico and the United States. Within this monitoring period, 293 publications were recorded, with January emerging as the month with the highest volume of contributions, totaling 35. In the United States, the Think Tanks with the highest number of publications related to the bilateral relationship were the Wilson Center, followed closely by the Baker Institute and AS/COA. In Mexico, the leading institutions in terms of publications were IMCO, followed by Consejo Mexicano de Asuntos Internacionales (COMEXI) and Colegio de México.

Among these publications, it is essential to note that out of the over 290 entries, 184 were articles, surpassing other formats such as podcasts, webinars, or reports. It's worth emphasizing that the count excludes brief news items or recurring editorials, such as opinion columns authored by members of the observed institutions.

The publications most frequently addressed themes were Economy and Commerce, Democracy and Institutions, and Migration and Labor Mobility. A noteworthy pattern emerges when examining the interplay between publications on strategic topics versus short-term issues. The data reveals an almost 2-to-1 ratio, with short-term or ongoing issues accounting for 66% of the publications, while strategic topics constituted 34% of the discourse.

The descriptive analysis aims to provide a comprehensive overview of notable trends, patterns, and critical insights that have characterized the discourse surrounding the relationship between both countries during 2023. It illustrates the dynamic nature of the conversation and offers valuable insights into the focus areas and priorities while examining this crucial relationship.

We are pleased to share with you visual representations of the key findings and trends uncovered during our analysis. These graphics serve as a powerful tool to illustrate complex data in a clear and accessible manner, offering a concise yet comprehensive overview of our research. By enhancing understanding and facilitating further exploration of the data, these visuals enable stakeholders to delve deeper into the insights presented and derive valuable insights for informed decision-making.

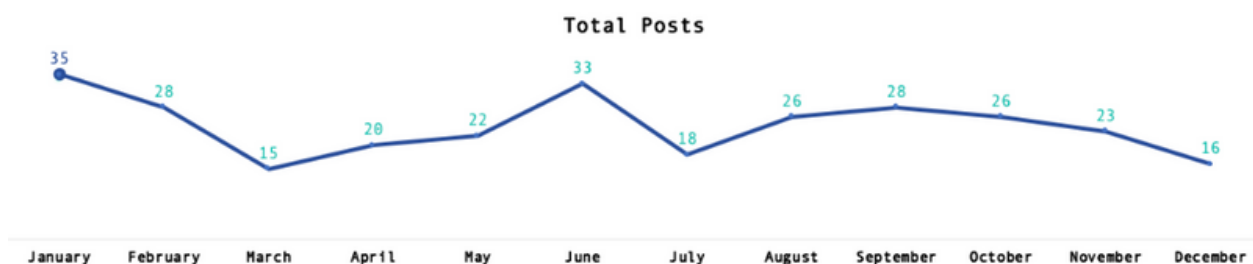


Figure 1. Number of Publications by Country



— Figure 1 illustrates the comparative number of publications produced by think tanks in Mexico and the U.S. during 2023, as this report captures. It displays a blue bar indicating that 249 publications, or 85% of the total, originated from the United States, while 44 documents, or 15% of the total, were produced in Mexico. It is essential to consider that the number of think tanks in the United States analyzed in this report is more than double that in Mexico. This context highlights a significant opportunity to incentivize and strengthen think tank activity in Mexico and the potential for Mexican think tanks to bolster their engagement and output in discussions about the bilateral agenda. It emphasizes the need for a more balanced contribution to the rich tapestry of dialogue and analysis that shapes the understanding of U.S.-Mexico relations.

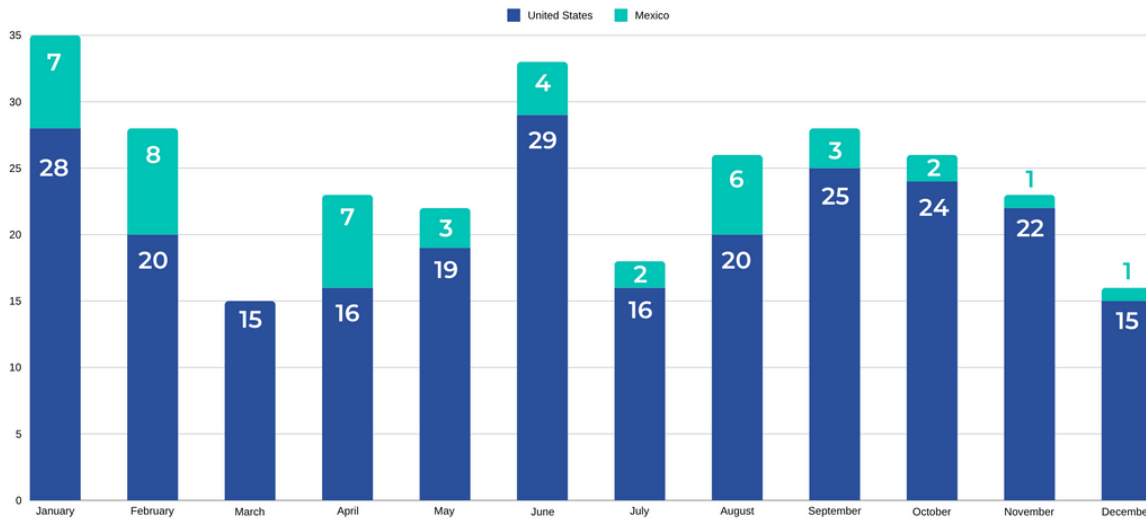
Figure 2. Number of Publications Per Report



— Figure 2 provides a month-by-month breakdown of the total number of publications by think tanks in both countries. January emerges as the most abundant month, with 35 publications, many of which correspond to analyses and commentaries surrounding the North American Leaders' Summit (NALS) held on January 9th and 10th. Conversely, March has the fewest publications, totaling just 15. This distribution highlights the influence of major political events on the productivity and focus of think tank publications.

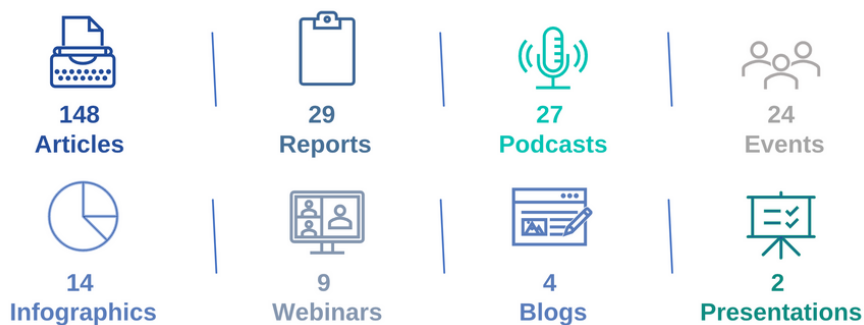


Figure 3. Number of Publications per Report/Country



— Figure 3 is a composite bar chart that delineates the monthly distribution of publications from think tanks in Mexico and the United States, offering a comparative insight into the productivity of each country's think tanks throughout the year. Each pair of bars represents the number of publications from each country per month, clearly comparing their output. This figure highlights the fluctuating trends in think tank publications and the bilateral dynamics in intellectual contributions towards shared agendas over the months.

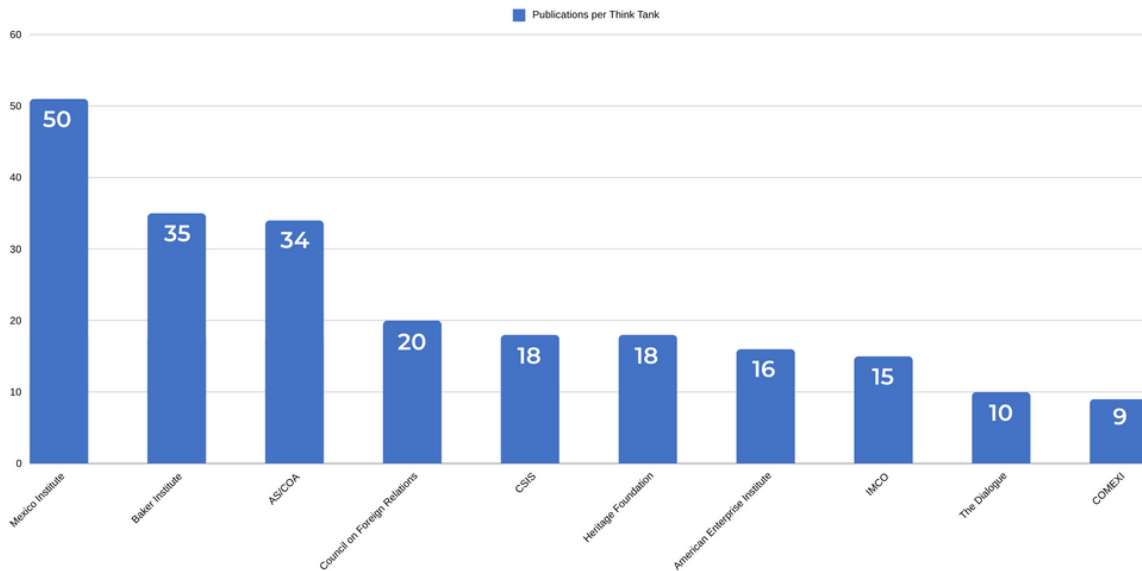
Figure 4. Type of publication



— Figure 4 illustrates the diversity of content types produced throughout the year, encompassing editorial articles, reports, podcasts, events, webinars, and more, totaling over 290 pieces related to the bilateral relationship. Written articles constitute the largest category, with 148 pieces accounting for approximately 50% of all content. This distribution underlines the significant role of traditional written analysis in shaping discussions and insights into bilateral issues while highlighting the variety of mediums through which individuals engage in these discussions.

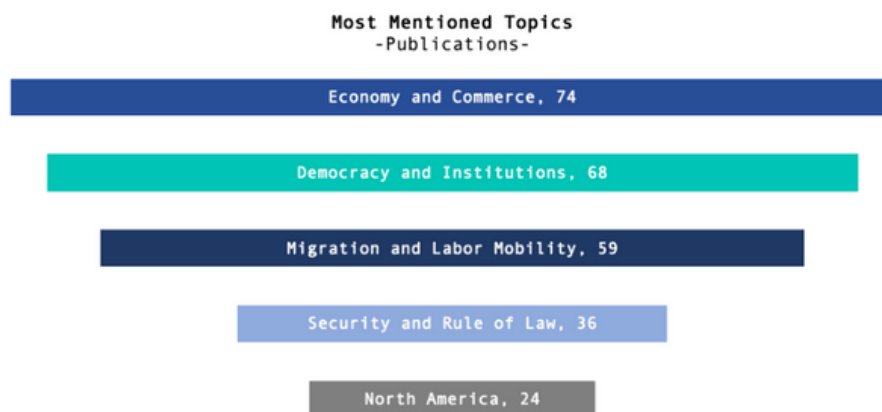


Figure 5. Publication by Think Tank



— Figure 5 showcases the top 10 think tanks regarding publication volume, revealing a significant concentration of intellectual output in these institutions. Leading the chart is the Mexico Institute with 51 entries, followed by the Baker Institute and AS/COA, all U.S. institutions. IMCO stands out as the foremost Mexican think tank, ranking eighth in this top 10. Collectively, these top 10 think tanks account for an impressive 77% of all publications produced over the year, underscoring their dominant role in shaping the bilateral dialogue. This visualization highlights the most active contributors and emphasizes the centralization of discourse within these institutions.

Figure 6. Publication distribution by topic



— Figure 6 delineates the thematic focus of the contents recorded in the monthly reports during 2023, where most of the publications were concentrated around five main areas. Economy and Commerce leads the chart, comprising 25.3% of the publications in 2023. Democracy and Institutions closely follow this at 23.2%. Migration and Labor Mobility



account for 20% of the content, ranking third, while Security and Rule of Law are fourth with 12%. Finally, North America as a category occupies the fifth position, representing 8% of the publications. The North American category represents issues related to the institutional bilateral relationship in areas different from the other categories.

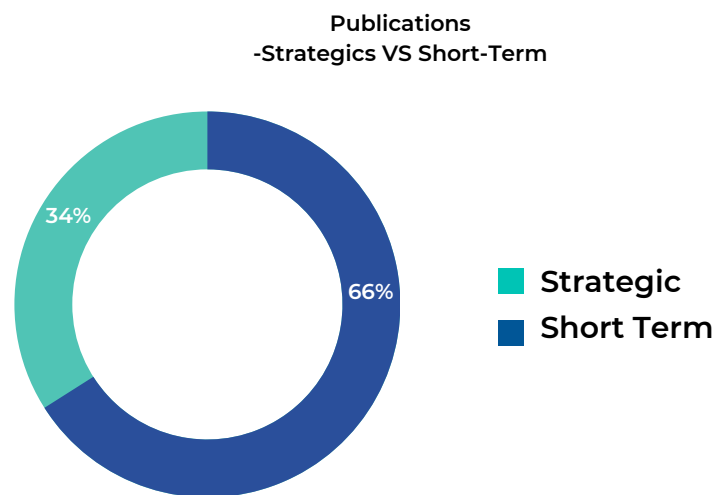
Figure 7. Publication distribution by centers and topics



— Figure 7 effectively highlights the varying thematic emphases of these leading institutions, clearly comparing their focus areas within the context of bilateral discussions. The treemap displays the three think tanks with the highest number of publications and the distribution of these publications according to thematic labels. Particularly, while the Mexico Institute and AS/COA predominantly focus on content related to Democracy and Institutions, the Baker Institute stands out for its publications on Migration and Labor Mobility.



Figure 8. Relevant short-term events for the bilateral relationship vs. percentage of publications of selected topics



— Figure 8 features a chart contrasting publications on Strategic Topics with those addressing Short-Term Issues. It reveals a notable distribution where only 34% of the publications focus on strategic, long-term subjects, while 66% cater to short-term or current topics. This near 2-to-1 ratio emphasizes a recurring theme in the bilateral agenda, where urgent issues often overshadow important long-term strategic considerations.



CONTENT ANALYSIS

This section delves into a comprehensive content analysis, examining over 240,000 words to unravel the Mexican-United States bilateral agenda's details and intricacies. While the thematic organization of the report encompasses broad categories, the content analysis zeroes in on three dominant themes that collectively represent 70% of the publications. These pivotal themes are 1) Economy and Commerce, 2) Democracy and Institutions, and 3) Migration and Labor Mobility. Additionally, the annual report now features a section titled "Considerations for 2024," emphasizing issues expected to become more significant in the coming months. This forward-looking section aims to provide insights and guidance on emerging topics that could shape the interactions between these two countries.

Figure 9. Number of publications for the top 3 topics



Throughout 2023, Economy and Commerce emerged as the predominant topic, given that multiple efforts have been made to demonstrate a commitment to joint work and enhance regional integration. Key dialogues and cooperation exercises such as the North American Leaders Summit (NALS), the High-Level Economic Dialogue (HLED), and the NASCO Continental Reunion underscore this collaboration. However, challenges in the bilateral relationship, particularly regarding the execution of USMCA and its implementation mechanisms, such as the Rapid Response Mechanism and multiple initiatives to start Dispute Panels in areas like energy and biotechnological foods (corn), remain. Despite encountering obstacles leading up to 2024, Mexico and the United States have shown a willingness to collaborate closely on relocating key industries, known as Nearshoring. Notably, this concept has seen the most significant growth in mentions since the second half of the year. The new "Considerations for 2024" section draws attention to the importance of strategizing for an election year and the 2026 Trade Agreement Review, known as the Sunset Clause, where the increase in foreign investments in Mexico, labor conditions, and energy policies will be critical topics.



The second most prominent theme is Democracy and Institutions. The topic of Democracy and Institutions in 2023 attracts attention, given the concerns over potential electoral reforms impacting electoral bodies in Mexico and the constant pressure on autonomous organizations. The internal processes for presidential candidate selection in both countries have been closely monitored, with a monthly tracking of approval levels, particularly for President López Obrador. In the U.S., the focus has been on the internal debates within the Republican Party and the potential nomination of former President Trump as the GOP candidate. The growing concern over arms and drug trafficking in both countries is evident, as seen in the increased mentions of the word 'fentanyl' in the last quarter of 2023. The "Considerations for 2024" section recommends monitoring the electoral processes in both countries, where bilateral relations will undoubtedly play a significant role in shaping the candidates' political platforms.

Lastly, the attention is turned to Migration and Labor Mobility. The focus on Migration and Labor Mobility in 2023 has been significantly shaped by the increasing migratory flows and migrant caravans, bringing to the forefront the necessity of securing and modernizing the Mexican-American border. Notably, the term 'border' emerged as the most frequently mentioned word in the analysis, underscoring its central importance in the bilateral discourse. The conclusion of Title 42 and the ensuing tensions, particularly the border closures at the Texan border, have further amplified the complexity of these issues. This section not only reflects the urgent challenges in managing migration but also emphasizes the vital role of the border in shaping policy and public perception. It highlights the need for continuous dialogue and innovative approaches to address the multifaceted aspects of migration and labor mobility in the bilateral context. It is essential to take into consideration that in the upcoming year, tensions could increase between the two countries due to the overwhelming number of migrants attempting to cross the U.S.-Mexico border. A historic peak in apprehensions of migrants during December 2023 emphasizes this trend, along with evident strains between the border states and the federal government. The "Considerations for 2024" section focuses on the implications of the end of Title 42 for the reformulation of migrant public policies, particularly considering the upcoming elections, where this topic will be a focal point of public debate.



• ECONOMY AND COMMERCE

As previously mentioned, in 2023, the topic of Economy and Commerce dominated the discourse, accounting for 74 articles, the highest number of publications throughout the year. These contributions meticulously analyzed the challenges for proper implementation of the USMCA, delved into the opportunities arising from nearshoring momentum, and explored potential involvement in the regional supply chain ecosystem of strategic industries, such as semiconductors. Think tanks predominantly focused on identifying proactive opportunities to strengthen the bilateral relationship and proposing viable approaches to the challenges anticipated for 2024. This concentrated effort reflects a keen interest in leveraging economic and trade dynamics to enhance cooperation and address emerging trends pivotal to the future of Mexico and the United States' economic partnership.

Relevant Events

- North American Leaders Summit
- High-Level Economic Dialogue
- NASCO Continental Reunion
- U.S.-Mexico CEO Dialogue
- Corn Dispute Settlement Panel
- Tesla announces its next Gigafactory will be in Mexico
- Second Edition of The North Capital Forum

Figure 10. 20% most mentioned words regarding Economy and Commerce



— Figure 10 illustrates the predominant vocabulary in Economy and Commerce discussions during 2023. Central to this visual representation are terms such as 'trade,' 'region,' 'USMCA,' and 'semiconductors,' each reflecting the intricate commercial ties between Mexico and the United States. The prominence of these words underscores the



critical focus areas and discussions shaping bilateral trade relations, highlighting the significance of the USMCA agreement and strategic industries like semiconductors in the economic discourse. In particular, the presence of terms associated with China's growing influence in the trade dynamics signals an area of increasing interest and concern. This inclusion points to a broader recognition of the shifting global trade landscape and the need for Mexico and the United States to navigate these changes collaboratively.

Other vital content sources were the dialogues and cooperative exercises at the forefront of the bilateral relationship between Mexico and the United States, signifying a solid commitment to collaborative progress. The North American Leaders Summit (NALS), the High-Level Economic Dialogue (HLED), and the NASCO Continental Reunion all served as pivotal platforms to enhance mutual understanding and cooperation. These gatherings have reinforced the partnership and provided valuable opportunities to address shared challenges and explore avenues for economic integration and growth.

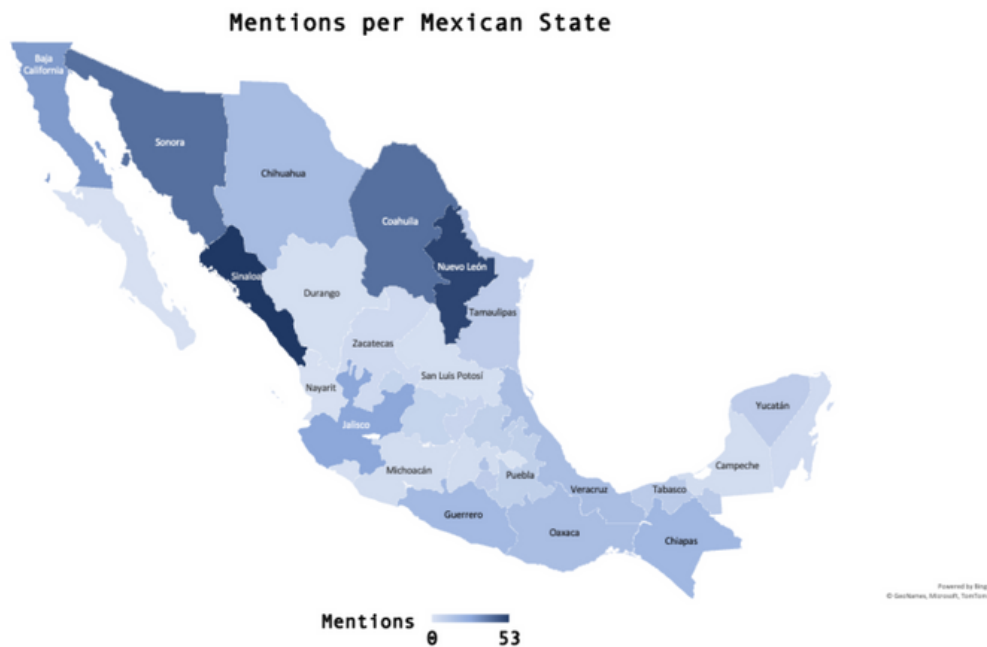
However, according to the different pieces and publications, the bilateral relationship has faced certain challenges, particularly concerning the implementation of the USMCA. The treaty's enforcement instruments, such as the Rapid Response Mechanism, reflect the complexities of aligning policies and practices between the two nations. Additionally, the initiation of Dispute Settlement Panels in sectors such as energy and biotechnological food (corn) emphasize ongoing tensions that require careful navigation. There has been a noticeable commitment from Mexico and the United States to navigate these challenges and work closely on strategic initiatives, such as nearshoring.

The nearshoring dynamic has notably favored certain regions within Mexico (as shown in Figure 11), with the northern states reaping substantial benefits, among which Nuevo León stands out as an example. This shift towards regional integration has not only spurred an increase in foreign direct investment flows into Mexico, but has also led to significant announcements and investments, such as Tesla's Gigafactory. The momentum of nearshoring presents an unprecedented opportunity for the country to bolster its role as a key manufacturing hub in North America and diversify its economic and production base.

Furthermore, there's a growing exploration of alternatives for Mexico to increase its participation in the supply chains of strategic industries, such as semiconductors and electric vehicle manufacturing. This involvement signifies Mexico's potential to integrate into high-tech and added-value sectors, highlighting the importance of developing internal capabilities and fostering innovation. The current nearshoring wave represents a unique chance for Mexico to position itself as a critical player in the global economy, leveraging its geographical proximity to the U.S. to enhance economic cooperation and expand its role in vital value chains.



Figure 11. Mexican States Mentions Related to Nearshoring



— Figure 11 offers a detailed visualization of mentions related to nearshoring across the Mexican states in the articles compiled within the annual report. The intensity of the color indicates the frequency of observations, with darker shades signifying a higher concentration of nearshoring discussions. The border states emerge as the most mentioned regions, with Nuevo León standing out as a primary focus. This pattern suggests a significant role of Mexico's northern states in the nearshoring narrative, stressing their strategic importance in the relocation of industries and the enhancement of the North American economic framework. The visualization serves as a tool to identify areas of nearshoring activity, illustrating the relation between economic development and cross-border collaboration in the face of shifting global supply chains.

Think tanks on both sides of the border have featured nearshoring as a unique opportunity, a strategic pivot that could redefine the region's economic landscape. By capitalizing on this moment, Mexico and the U.S. can leverage their geographical proximity, economic complementarities, and shared goals to foster a more integrated, innovative, and competitive North American region. This collaborative spirit paves the way for a future where bilateral cooperation lays the groundwork for sustained economic prosperity and resilience.



Figure 12. Growth of mentions of “Nearshoring”



— Figure 12 illustrates the number of times the term 'Nearshoring' has been mentioned across more than 290 publications documented in the annual report. The graph reveals a marked increase in interest regarding the phenomenon of industry relocation, particularly accentuated in the latter half of the year. This rising trend underscores the growing focus on nearshoring as a strategic initiative to bolster the North American economy by relocating strategic industries closer to their markets. The data visualized highlights the pivotal role nearshoring has played in shaping discussions and analyses among think tanks, reflecting its significance in the evolving landscape of bilateral economic relations.

ECONOMY AND COMMERCE CONSIDERATIONS FOR 2024:

2026 SUNSET CLAUSE

The USMCA's "sunset clause" introduces a critical review mechanism set for six years after the treaty's enforcement, marking a pivotal moment to assess and potentially realign the agreement based on the contemporary economic and trade needs of Mexico, the United States, and Canada. This scheduled review in 2026 is critical because of the opportunity to update the agreement's terms to reflect current trade conditions and its potential impact on investment climate confidence and stability across the region.

This review session represents an opportunity to address emerging challenges and deepen trilateral economic cooperation. Topics such as adapting to the digital economy, technological advancements, modern labor regulations, and integrating environmental sustainability criteria can be revisited to ensure the USMCA remains a catalyst for economic growth and collaboration. However, this process introduces an element of uncertainty, given the political dynamics that could affect negotiation dynamics. Reaching an agreement on the treaty's continuation and possible adjustments will be vital in maintaining economic stability and smooth trade flows between the member countries.



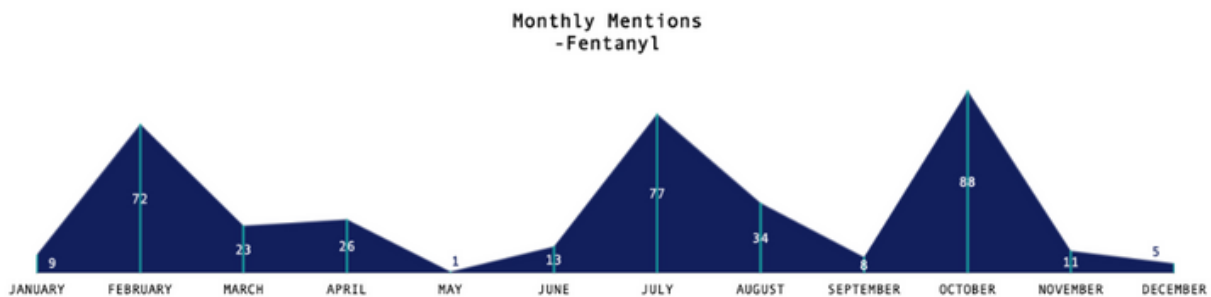
The inclusion of this sunset clause also acts as a prompt for ongoing engagement and cooperation among the parties. Preparing for this review in 2026, particularly in the context of an election year, highlights the necessity for well-crafted strategies that address the opportunities and potential challenges ahead. Anticipation and proactive management of these factors will ensure the USMCA continues to serve as a foundation for stability and economic progress in North America. As the review approaches, collaboration among government sectors, the business community, and the broader society will be indispensable in forging a unified stance that protects trade interests and promotes inclusive and sustainable economic development.



At the beginning of 2023, United States think tanks highlighted concerns about the strength of the Mexican institutions. This assessment stems from the concern about the debilitation of the National Electoral Institute a year before the presidential elections, as well as instances of violence towards journalists. These events could impact the rule of law in the country, thereby accumulating significant interest from the U.S.

One of the most significant challenges to democracy and institutional stability, as identified by the think tanks in the U.S. and Mexico, is the rising drug epidemic and the escalating levels of violence. The growing significance of fentanyl, as evidenced by the heightened attention it has garnered in the past year (Figure 14), has prompted experts to closely monitor and address the issue due to the implications for both countries. While the United States grapples with the drug epidemic, Mexico faces the need to exert greater control over drug carts to mitigate this issue. The illicit trade of fentanyl significantly impacts the United States and Mexico to the extent that both countries collaborated on the Merida Initiative from 2008-2021, which included a \$3.5 billion aid package for Mexico to combat drug production and drug cartels. However, cooperation between the U.S. and Mexico in this project has decreased, hindering its progress.¹

Figure 14. Growth of mentions of “Fentanyl”



The topic has attracted the attention of several political figures in the United States, including Secretary of State Antony Blinken. His visit to Mexico in December encompassed discussions on border relations and mutual security threats, reflecting the multifaceted nature of the bilateral relationship between the two governments.

Approximately midway through the year, publications began monitoring the advancement of the Mexican elections and the Republican Primaries in the U.S. This pattern is anticipated to persist in the upcoming year as the elections draw nearer. The incoming American and Mexican presidents will inherit many of these pressing issues, ensuring that topics surrounding security and democracy remain pertinent in public debates.

1. Claire Klobucista and Mariel Ferragamo, 2023, Fentanyl and the U.S. Opioid Epidemic, Council on Foreign Relations: <https://www.cfr.org/backgrounder/fentanyl-and-us-opioid-epidemic>



DEMOCRACY AND INSTITUTIONS CONSIDERATIONS FOR 2024:

Presidential Elections

In 2024, over 4 billion people across 64 countries will cast their votes, presenting a series of global challenges due to the political implications of new governments and the complex political landscapes and societal divisions in numerous nations. North America is no exception, as the United States and Mexico will hold presidential elections this year.

In the United States, citizens will participate in choosing their president, vice president, 345 members of the House of Representatives, and 34 out of the 100 Senate seats on November 5th. Meanwhile, Mexico is set to conduct approximately 19,000 national and local elections this year.

The incumbent president, Joe Biden, seeks to secure a second term in office, while former President Donald Trump is pursuing the republican candidacy. In Mexico, Claudia Sheinbaum, the former mayor of Mexico City, and Xóchitl Gálvez, a former senator from the opposition, are increasing the probability that Mexico will have its first female president. These two women are running against Jorge Álvarez Máynez, affiliated to Movimiento Ciudadano, the third political party running for the 2024 presidential election.

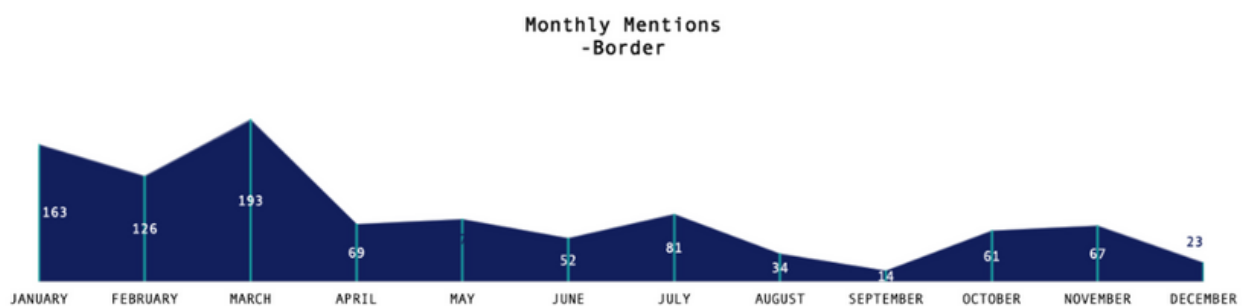
The stakes are high for both countries and the bilateral relationship. There are increasing concerns about the government changes and the implications this could have on the region and the international order. In Mexico, the debate focuses on political turnover, exacerbated by the ongoing assaults on constitutionally autonomous institutions, including the National Electoral Institute. In the United States, the discussions have revolved around the repercussions of a change in political party and the implications this could have on the region's stability. Consequently, this year's elections could significantly shape the future trajectories of both nations and impact the bilateral relationship between Mexico and the United States.



Regarding the first group, the influx of migrants entering the United States annually has strained the relationship between the U.S. and Mexico. This is evidenced in the most frequently mentioned words in publications regarding Migration, including border, immigration, asylum, and policy. With the end of Title 42, the Biden Administration collaborated with the Mexican government to impede the caravans of migrants from South American countries from crossing Mexico to enter the United States. Despite these efforts, a historic record of approximately 2.5 million² encounters with migrants occurred in the U.S.-Mexico Border in 2023. Around 51% of those 2.5 million migrants originate from regions outside of Mexico and Central America. This has created a new set of challenges as the government has had to negotiate the removal of non-Mexicans, such as Cubans, Haitians, Nicaraguans, and Venezuelans, into Mexico. With the end of Title 42, the Biden administration reinforced Title 8, which reinstated the policy that undocumented individuals who cross the border will face expulsion, a five-year ban, and legal repercussions upon reentry.

The second type of publication delves into the ramifications of migrants establishing themselves in the United States. Throughout the year, a focal point in the discourse of Migration and Labor Mobility was the impact on children, particularly due to the interest in analyzing the Trafficking Victims Protection Regurgitation Act. This act distinguishes between children from Mexico and Canada, who can be returned to their home country, and children from the rest of the world. The latter is entrusted to the Department of Health and Human Services and given special immigrant juvenile status. This has caused an influx of unaccompanied minors crossing the border to benefit the parents, promoting a call for a change in policy from many think tanks. Additionally, there is a focus on the broader consequences of migrants in American cities, posing challenges for governance and policy-making. These issues are expected to maintain their relevance in the coming year, especially with the presidential elections in the United States and Mexico.

Figure 16. Growth of mentions of the word “Border”



2. The Wilson Center, 2023, "Migration: This Time It's Different."



— Figure 16 presents a detailed analysis of the mentions of the term "border" across 2023, revealing a persistent engagement with the concept throughout the year, with a pronounced spike in mentions at the beginning of the year. This surge aligns with significant border policy events, notably highlighted by President Biden's visit to El Paso before attending a North American leaders' summit in Mexico City. The discussions during this period focused intensively on border security and the implications of Title 42, underscoring the critical nature of these issues.

MIGRATION AND LABOR MOBILITY CONSIDERATIONS FOR 2024:

End of Title 42 & Immigration Reform

On May 11th, 2023, the culmination of the COVID-era immigration policy, Title 42, marked a significant turning point. Originally instituted during the Trump Administration to safeguard against the potential spread of the Coronavirus by restricting migrant entry, Title 42 endured for three years. Its termination signaled a shift, granting migrants the opportunity to seek asylum and remain in the United States throughout the processing period.

To adapt this policy, the Biden administration introduced modifications to facilitate the admission of Venezuelans, Cubans, Nicaraguans, and family groups. Notably, the Department of Homeland Security (DHS) reported expelling 1,071,075 migrants in 2021 and 1,103,966 in 2022, as documented by the Heritage Foundation. These expulsions, facilitated by Title 42, led to the immediate return of migrants to Mexico.

With the cessation of Title 42, a pivotal change has occurred. Migrants are no longer subject to immediate expulsion, allowing them to reside in the United States upon asserting a credible fear of persecution. This shift represents a significant evolution in immigration policy, as it has sparked intense discussions regarding the United States' approach to handling the surge of migrants arriving in the aftermath. This development has heightened political debates by amplifying the divergent viewpoints within the U.S. on how to address immigration. In 2024, there is the possibility of a Bipartisan Immigration Bill in the U.S. Congress as a political tool from Republicans to allow aid for Ukraine. This Bill would condition asylum requests from land ports of entry at the border to the number of detentions at the border.

Therefore, in the context of an election year where immigration issues will undoubtedly play a significant role in the electoral platforms of both countries, it becomes crucial to monitor the dynamic surrounding a possible immigration reform that addresses the needs of an increasingly complex border dynamic. In this regard, it is essential to explore



alternatives that consider the challenges of the continuous migration flows to North America, modernize the border, and provide certainty to the authorities of both nations, thereby continuing to promote regional integration and Ally-shoring. This approach not only responds to the immediate challenges posed by the cessation of Title 42 but also aligns with the broader objectives of creating a more orderly, humane, and efficient immigration system.



OPPORTUNITIES

As the focus is turned to Opportunities, an invitation is extended to think tanks and policymakers to engage with the strategic themes that have dominated the agenda during the past year and will continue to shape the future of U.S.-Mexico relationship. This is a call to action to craft and debate strategies that foster a constructive dialogue that transcends traditional analysis and embarks on a path of proactive and innovative policy-making.

This year's report serves as a platform to dissect and understand the dynamics of trade, democracy, migration, and border policies—elements central to the bilateral fabric. It recounts the challenges and successes of the recent past while eagerly looking forward to future strategic directions and collaborative initiatives. In this sense, the following six strategic themes have been identified, where think tanks can make a significant impact with their insights and expertise shaping the bilateral agenda:

1. Migration: Towards a Comprehensive and Collaborative Migration Reform

In the closing months of 2023, tensions along the border escalated, underscoring the urgency for comprehensive immigration reform. Both countries must find incentives to collaborate and acknowledge the mutual necessity to address this crisis. Especially with the increase of non-Mexican immigrants entering the U.S. and being deported to Mexico, which creates new challenges for Mexico. Among the opportunities discussed, addressing the need for temporary workers in sectors like transportation and caregiving stands out. Proposed alternatives, such as temporary work visas or expansions on TN visas, could offer a viable solution, fostering a more organized and mutually beneficial migration framework. The USMCA grants Mexican citizens temporary entry to the United States to engage in professional-level commercial activities in different occupational categories³. Through this mechanism, workforce shortages could be addressed, resulting in an increased presence of skilled Mexican professionals, which would benefit both countries. This approach aligns with the broader goal of establishing a more humane, efficient, and mutually advantageous migration policy. (See [Labor Mobility](#)).

2. Border Modernization: Embracing Innovation for a Thriving Border Ecosystem

Efficient and reliable border operations are paramount for both countries to leverage their geographical proximity and deepen commercial regionalism. Initiatives that adhere to the principles of being secure, measurable, automated, risk management-based, and technology-driven should be explored. Proposing models that ensure faster, safer, and more efficient cross-border movement can transform the border into a conduit for enhanced economic interaction, fostering a more integrated and prosperous North American economic space. (See [Towards a true U.S.-Mexico Smart Border](#)).

3. Advancing Labor Mobility Español. (n.d.). Retrieved from <https://www.usmexicofoundation.org/labormobility>



3. Ally-shoring: Fostering Economic Realignment for Mutual Prosperity

Continued focus on content that illustrates the need to operate as regional allies is vital. Emphasizing the advantages of industry relocation and partnering with shared-values allies is crucial. Not just in the United States, but integrating processes considering the competitive strengths of each region. This narrative should emphasize the mutual benefits of nearshoring, showcasing how it can lead to a more robust, integrated, and competitive North American economy, benefiting all involved. (See [Ally-shoring](#) and [Nearshoring](#)).

4. Energy: Sustainable Growth Through Strategic Energy Policies

The agenda for promoting sustainable energy and a strategy for energy transition that encourages investment and supports major industries in their transition goals is imperative. As the world pivots towards greener energy solutions, think tanks can play a pivotal role in helping shape policies that facilitate this transition, ensuring that environmental sustainability and economic growth go hand in hand.

5. USMCA Implementation: Shaping a Trade Framework Fit for the Future

With the upcoming 2026 review of the USMCA, it is crucial to start preparations. The Congress elected in 2024 from both countries will be instrumental in negotiating and developing strategies to enhance the agreement. Think tanks have a crucial role in analyzing and suggesting improvements, ensuring that the USMCA continues to serve the economic interests of all parties effectively and equitably.

6. Presidential Elections: Elevating Policy Priorities in Political Platforms

The upcoming presidential elections in both countries will undoubtedly make all commented themes central to political-electoral platforms. Tracking these developments and proposing content that once again accentuates the importance of collaboration between both nations in the face of global challenges will be fundamental. Think tanks can provide insights and recommendations that may shape the electoral discourse, emphasizing the benefits of a strong bilateral partnership.

Each of these themes represents a critical area where think tanks can contribute significantly, providing insights and recommendations that drive positive change and strengthen bilateral relations.



CONCLUSION

To conclude this edition of the Annual Bilateral X-Ray Report 2023, it is indispensable to affirm the role think tanks have played in analyzing and documenting the multifaceted nature of the U.S.-Mexico relationship. The insights drawn from over 290 publications by more than 30 esteemed institutions have provided a panoramic view of the prevailing issues and underscored the commitment of these organizations to nurture and enhance bilateral ties.

The publications throughout the year reflected complex discussions on USMCA's challenges and opportunities, the nearshoring momentum, and the immigration crisis, among others. These dialogues unraveled the complexities of policy alignment and the promise of joint economic ventures. The report has spotlighted the spirited endeavor of think tanks to feed the bilateral conversation, fostering collaborative innovation and solution-oriented approaches.

Yet, there are challenges on the horizon, highlighted in the report's narrative. The escalation of border tensions, the imperative of migration reform, and the strategic implications of nearshoring—all demand efforts toward actionable strategies. As both nations approach crucial electoral milestones, think tanks bear the responsibility to elevate their role, champion objective analysis, and advance strategic proposals that will continually refine bilateral relations.

In anticipation of the 2024 presidential elections in both countries, think tanks are called upon to enhance their vigilance and advisory capacity. It will be pivotal to synthesize factual information and formulate progressive strategies. These efforts will not only shape the immediate bilateral discourse but also lay down the stepping stones for a future marked by mutual prosperity and shared challenges.

In conclusion, this year's report emphasizes the need for think tanks to persist in their critical function as architects of bilateral wisdom. It is a call to bridge gaps in long-term strategic thinking and to proactively engage with the evolving political, economic, and social currents that will define the U.S.-Mexico collaborative ties. As the events of 2023 have demonstrated, the need for in-depth, incisive analysis remains. The region's collective pursuit lies in forging a bilateral relationship that is resilient, adaptive, and visionary, ready to meet the exigencies of these times and the aspirations of a shared, brighter future.



ANNEX

Annex A: Think Tanks

Think Tanks Think Tanks consulted for the monthly reports: The Think Tanks included were chosen by the USMF and IMCO at the beginning of the project. A list was compiled, and based on their importance, focus, and affinity in terms of the bilateral relationship, it was decided which of these would be monitored. Some Think Tanks have been added throughout the year because the team considered it pertinent and optimal to the project.

United States: American Enterprise Institute (AEI), Americas Society/Council of the Americas (AS/COA), Atlantic Council AALAC, Baker Institute, BayArea Council Economic Institute, Brookings, Bush Center, Center for American Progress (CAP), Center for U.S.-Mexican Studies at UCSD (USMEX), Council on Foreign Relations (CFR), Center for Strategic and International Studies (CSIS), Foreign Affairs, Harvard Growth Lab, Heritage Foundation, Hudson Institute, International Republican Institute (IRI), Meridian, Mexico Institute, Milken Institute, New America, Peterson Institute for International Economics (PIIE), Pew Research Center, The Inter-American Dialogue, USC Schwarzenegger Institute.

Mexico: Aspen Institute México, Centro de Estudios Espinosa Yglesias (CEEY), Centro de Competitividad de México (CCMX), Centro de Investigación y Docencia Económicas (CIDE), Colegio de México (COLMEX), Consejo Mexicano de Asuntos Internacionales (COMEXI), Ethos Laboratorio de Política Públicas, Fundación Idea, Fundar, Instituto Mexicano para la Competitividad (IMCO), México Evalúa, México, ¿cómo vamos?, The Coppel-Intuit Center for Binational Institutions, Observatorio Nacional Ciudadano.

Annex B: Methodology

The compilation of publications was carried out from the Think Tanks main websites as well as the Think Tanks blog sites. The notes were classified into general topics based on their content. On each publication URL's, a web scraping was done of the HTML code, from where all the texts included in the portal were obtained. Graphics and text analysis were performed using Excel and R software.



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