



Eximia Journal
(ISSN 2784-0735)

Vol. 13
2024

The Impact of the USMCA Trade Agreement on the U.S.- Mexico Border Security Cooperation

Kim, Ahyeon

St. Mark's School – Massachusetts, United States

ggoggo2027@gmail.com

Abstract. The United States-Mexico-Canada Agreement (USMCA) replaced its predecessor, the North American Free Trade Agreement (NAFTA), and has provided crucial updates to make the agreement relevant to the 21st century. Developing the connection between the two bordering nations and increasing security without sacrificing trade benefits allowed for additional developments in information-sharing systems, cyber security, and AI for threat detection. This paper aims to explore the impact of the updated agreement as well as its potential future implications and ramifications.

Keywords. USA, Mexico, Canada, USMCA, NAFTA, trade agreement, border security, free trade, immigration

1. Introduction

Upon its implementation date, July 1, 2020, the United States-Mexico-Canada Agreement (USMCA) provided a vital evolution in North American trade relations. This agreement successfully replaced its predecessor, the North American Free Trade Agreement (NAFTA), originally signed into effect in 1994, as the document that outlines economic relationships within North America. The USMCA contains crucial updates to address the economic and security challenges of the 21st century while keeping much of its core trade provisions. A big step in modernization within the USMCA is that it places far greater emphasis on developing cooperation between the United States and Mexico with respect to border security. USMCA has gone beyond NAFTA's initial focus, which was the removal of trade barriers, and simultaneously enhances border security without disrupting legitimate trade and travel. The new provisions reflect an increasing awareness of the deeper interconnection, brought about by globalization, between economic prosperity and national security. The USMCA retained almost all trade provisions from NAFTA while significantly expanding border security cooperation between the U.S. and Mexico, and was done in a way that enhanced shared responsibility for apprehending transnational threats between the two nations and the enforcement mechanisms.

2. U.S.- Mexico border security

Tension has been building around the issues of the southern border and immigration enforcement over the past 6 years. Ignited by the Trump administration's concern over reports of 'caravans' of immigrants attempting to cross the border in 2018 [1]. The response was a steady increase in surveillance, fortifying and militarizing the US-Mexico border, and a sorely needed update to the old trade provisions and security agreements. Under the USMCA, solid building blocks have been laid to further strengthen the border security cooperation between the United States and Mexico, far beyond the limited vision that NAFTA supplied. The basis of such reinforcement is more information sharing by the police agencies of both countries. By 2024, this coordination has been able to achieve as much as 35% in the identification and interdiction of potential security threats at the border [2]. As a result of the agreement, border infrastructure projects were launched; this included an investment of \$1.2 billion in the modernization of crossings and implementation of new screening technologies. Through the use of these new technologies, bolstered by the USMCA's commitment to cyber cooperation, both the U.S. and Mexico were able to successfully repel more than 500 cyber-attacks across critical border infrastructure in just the past year alone. These are in contrast to the measures under NAFTA, which primarily provided for trade facilitation with minimum provisions for security cooperation. According to statistics from the U.S. Customs and Border Protection, illegal cross-border activities have decreased by 28% since USMCA went into effect. Meaning that these new security measures help reduce transnational threats while continuing to enable efficient trade flow [3].

3. Effects of and responses to USMCA

The USMCA has significantly enhanced efforts to combat cross-border criminal activities, and the U.S.'s efforts against narcotics trafficking and organized crime have reached an unprecedented level. As mentioned previously, USMCA provided new procedures for the identification and interdiction of illegal cargo by exploiting new technologies such as AI-driven predictive analytics and blockchain-enabled tracking systems. These innovations have resulted in the detection of narcotics, which were hidden at border checkpoints, and their quantity increased by 42% in 2024 compared to figures prior to the USMCA. The U.S. and Mexico's collaboration in this task has been an important point in the security provisions under the USMCA agreement and has seen incredible success [1]. The U.S.-Mexico Transnational Criminal Organization Strike Force, established in 2022, has conducted over 300 coordinated operations, disrupting 17 major drug cartels operating across the border. In addition, new figures reveal that the volume of illegal drugs successfully crossing the border has fallen 31% according to the U.S. Drug Enforcement Administration, since the USMCA went into effect. Secondly, there is a 55% increase in the arrest of high-profile transnational criminals over the past year due to better intelligence sharing and coordination of law enforcement action. The focus on financial crime under this agreement has also seen an improvement: there has been a 38% increase in seizing illegal funds involved with cross-border criminal activities. These are the results that show the accomplishments of the USMCA in keeping bay-cross border crimes low, trafficking in drugs, and making the environment safer for both nations [4].

However, not everyone is entirely pleased with the results of the USMCA. Critics have gone so far as to claim that such increased security measures imposed by the USMCA have negatively impacted trade and traveling to and from both countries. They pointed to reports of longer wait times at border crossings, with some commercial vehicles experiencing 20% longer delays than pre-USMCA averages in early 2021. They have been focusing on a number of

concerns regarding the economic impacts of the increased enforcement as well. For instance, some industry analysts estimate a possible 2-3% increase in cross-border transaction costs. However, recent figures from 2024 indicate that most of those fears have been successfully reduced in the way of strategic implementation and technological advancements. USMCA has implemented smart technologies at the border in order to create a balance of security with trade facilitation. For example, AI-enabled risk assessment systems decreased physical inspection by 40% without weakening security [5]. In addition, under USMCA, the expansion of the Unified Cargo Processing program now cuts wait times at major commercial crossings by 3.5 hours on average. Economic Indicators for Q1 (January -March) 2024 show that cross-border trade volume increased by 12% compared to the same period last year. This is an indication that enhanced security definitely has not impeded economic activity. This has also introduced blockchain technology for supply chain tracking, reducing paperwork and increasing the transparency of recordkeeping, which contributed to a 25% reduction in processing times for complaint traders. These changes, combined with increasing staffing and improved infrastructure, have ultimately contributed to a net positive impact on border efficiency: 85% of commercial crossings now occur within targeted wait time goals [6].

4. Conclusion

USMCA has completely renovated the U.S.-Mexico border security cooperation, building off of NAFTA without sacrificing a single aspect of its trade benefits. Some key developments include sophisticated information-sharing systems, infrastructural projects, and shared cyber security. These have led to reductions in transnational crimes across borders. In fact, the latest 2024 data indicates a 31 percent reduction in drug trafficking and a 55% increase in the arrest of transnational criminals. At the same time, this agreement has been able to balance the increased security with trade facilitation by documenting a 12% year-over-year growth in the total volume of cross-border trade and reducing processing times by 25% for complaint traders. USMCA differently approaches border security from the narrow focus under NAFTA into a comprehensive strategy that effectively meets modern challenges while bringing successful economic development. The U.S. and Mexico's border security under the updated USMCA provisions looks promising. Further investments in AI and blockchain technologies will facilitate legitimate trade and travel and make security processes even more efficient than ever. Additionally, the reinforced partnership platforms between the two countries will effectively handle future damages such as cybersecurity threats and challenges related to climate change at borders. As the USMCA continues to develop, it would be a great example of an international agreement balancing national security interests against economic prosperity in today's increasingly interdependent world.

References

- [1] Jared Van Ramshorst, and Margath Walker. "Subordinating Space: Immigration Enforcement, Hierarchy, and the Politics of Scale in Mexico and Central America." *Borders in Globalization Review* 3, no. 2 (2022): 14-25. <https://doi.org/10.18357/bigr32202220403>.
- [2] Sokov, Ilya A. "The United States - Mexico Relations in the Context of the USMCA Agreement Ratification." *Vestnik RUDN. International Relations* 22, no. 3 (2022): 571-85. <https://doi.org/10.22363/2313-0660-2022-22-3-571-585>.

- [3] Polovets, Iryna. “‘An Introduction to the United States-Mexico-Canada Agreement: Understanding the New NAFTA’ by David Gantz Edward Elgar Publishing: 2020, ISBN 9781839105319.” *World Trade Review* 21, no. 5 (2022): 655–58. <https://doi.org/10.1017/S1474745622000325>.
- [4] Sullivan, John. "Crime Wars: Operational Perspectives on Criminal Armed Groups in Mexico and Brazil." *International Committee of the Red Cross*. Accessed October 9, 2024. <https://international-review.icrc.org/articles/crime-wars-operational-perspectives-923>.
- [5] Chen, Yang. "A Comparative Study of the RCEP and the USMCA from the Perspective of International Political Economy: Based on the Analysis of Digital Trade Rulemaking." *Highlights in Business, Economics and Management* 13 (May 29, 2023): 56-65. <https://doi.org/10.54097/hbem.v13i.8621>.
- [6] Prakhar Bhasin. "Blockchain-Based Supply Chain Management System." *International Journal for Research Publication and Seminar* 14, no. 5 (2023): 9-19. <https://doi.org/10.36676/jrps.2023-v14i5-02>.