

# When North American integration is reduced to a snail's pace: Three strategic areas for future cooperation

## NORTH AMERICAN INTEGRATION AT THE CROSSROADS

The election of Barack Obama has generated widespread euphoria about change. This phenomenon is not restricted to the United States; it is shared around the world, especially in Canada and Mexico. His administration is focused on the triple crisis that the United States faces: security and the war against terrorism, the unprecedented economic recession and job loss, and the growth of global anti-Americanism under Bush. During the next four years, the Obama administration will face the difficult challenge of solving these crises. For North America, this preoccupation with rescuing the domestic economy from the grips of the worst recession since the Great Depression will reduce to a snail's pace the dynamics of North American integration as Canada and Mexico have experienced it.

The most important bilateral relation for Canada and Mexico, in terms of international affairs, is the United States. In fact, the vast majority of Canada's and Mexico's foreign policy issues are bound, directly or indirectly, to their relation with the United States. The United States is their most important export market, the primary source of imports and foreign direct investment, and the preferred country for emigration for millions of Mexicans. Since the signing of NAFTA in 1994, the intensity of this relationship has increased dramatically, and thus, currently, the single international factor that most decisively affects Canada's and Mexico's economic, political, and foreign policies is US domestic and foreign policies. Therefore, whatever happens during the Obama administration will have a considerable effect north and south of the border.

BY JORGE A. SCHIAVON

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### THREE AREAS FOR STRATEGIC COOPERATION

Solving the triple crisis is the highest priority for President Obama. Yet, Canada and Mexico, given the enormous asymmetry of power vis-à-vis the United States, have foreign policy priorities that are strikingly similar. They need to contain, as far as possible, the negative effects of US hegemony, and to juggle this, as much as possible, to benefit from sharing a border, with privileged access to the world's biggest market.

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US crisis, they will be on the receiving end of Obama's huge public policy agenda for sweeping change. This might jeopardize both their privileged relationship with the United States and disrupt the process of integration in North America. Regionalization has to be perceived as part of the solution to the triple crisis. Because the incentive in the United States toward isolation and unilateral action will increase as domestic pressures intensify to solve the US economic crisis quickly, innovation and change have to come from Mexico and Canada in the three areas of strategic cooperation.

### SECURITY

First, in terms of security, the Canadian and Mexican borders are being depicted in the media as areas of high concern. However, with the right strategy, they can be presented as spaces of cooperation to achieve much-needed regional security in North America. After 9/11, the highest priority of US foreign policy was defined in terms of maintaining the security of its borders. However, the United States is unable to achieve this objective unilaterally. Only the Canadian and Mexican governments have the capacity to guarantee stability and security on the territories and borders they share with the United States. This requires strengthening government institutions in the fight against organized crime and terrorism, especially in Mexico, and improving state capacity in the areas of information, organization, technology, and infrastructure. Stronger neighbours and allies in North America are indispensable for achieving increased security on US borders, and this can be accomplished through strengthening regional security cooperation.

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## THE ECONOMIC CRISIS

Second, regarding the economic crisis, many US members of congress and senators are advocating protectionism, and pressures for the renegotiation of NAFTA will undoubtedly increase. Obama so far has spoken out against the protectionist lobby in Congress and the media. The free flow of goods, services, and capital is a reality in North America in most but not all areas of the economy. A reversal of this commitment to remove the last barriers and to deepen the benefits from an open economy would be catastrophic to the economies of all three countries.

Other lobby groups in the United States are demanding that Obama tighten environmental and labour standards, particularly in the case of Mexico. Rather than opposing these demands for higher environmental and labour standards, Mexico should modify its strategy and benefit from these demands for fundamental change in Mexico's domestic policies. Instead of concentrating exclusively on migratory reform in the United States, Mexico should advocate for labour market standards that are complementary to the aims and objectives of the Obama administration in this critical policy area. In addition, Mexico would increase its credibility in the area of climate change by strengthening the regional institutions in North America that promote more efficient and environmentally friendly production processes. This initiative would be received positively in both Canada and the United States.

## INTERNATIONAL IMAGE


Finally, in terms of polishing the international image of the United States, the Obama presidency has its work cut out for itself in Europe, the Middle East, and the Arab world. But there is much to do right in its own backyard. The intensity of the US relationship with Canada and Mexico justifies starting right here in North America. This has to be highlighted in a coordinated way through all

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available government bureaucracies, every ministry, and every branch of government, as well as in civil society—for example, in unions, academia, NGOs, and business associations.

The integration of the economies and societies of North America is deepening every day, and there appears to be no turning back. The policies implemented by the governments of Canada, Mexico, and the United States can only affect the speed of integration, making it faster or

slower. Because of the need for the Obama administration to provide concrete results, much will be different in the way that North American integration occurs, whatever its final goals.

Canada and Mexico must be innovative in their approach to regional diplomacy to ensure that the new North America is part of the solution and not part of the problem of the current security, economic, and international crises of the United States. 

## The North American Center for Transborder Studies

The North American Center for Transborder Studies works to promote a safer, more prosperous, more competitive, more cooperative, and more sustainable North American region.

Arizona State University has a vision to be a New American University, promoting excellence in its research and among its students and faculty, increasing access to its educational resources and working with communities to positively impact social and economic development.

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