

CanadaWatch

PRACTICAL AND AUTHORITATIVE ANALYSIS OF KEY NATIONAL ISSUES

EDITORIAL:

Deep integration post-Bush

AFTER DEEP INTEGRATION: THEN WHAT?

NAFTA promised North Americans a new future and an end to narrow, nationalist economic strategies. It was also bold in its vision of opening markets, reducing border hassles, and fostering closer cooperation among Canada, Mexico, and the United States. The events of 9/11 changed, dramatically and seemingly forever, the notion that there was a North American community waiting to happen.

For Mexicans who work in the United States but live on the Mexican side of the border, wait times hearken back to the bureaucratic orders of the 1960s. As in those days, it now takes three hours of

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queuing and administrative red tape to cross the border. The defining issue is not the movement of goods but immigration into Canada and the United States. Millions of undocumented workers have become a flashpoint for backlash against Mexican immigrants. In Canada, there has been a steady growth in the number of undocumented workers, although

nothing of the magnitude seen in the United States. In Spain, Prime Minister José Luis Rodríguez Zapatero has recently put 800,000 immigrants on the path to legalization; in North America, there is no equivalent end to the Cold War on immigrants in sight.

THE WEDGE ISSUES

Americans are deeply divided by the presence of millions of Mexicans without legal status. The bipartisan, compromise immigration bill sponsored by John McCain and Edward Kennedy will resurface because Mexican-American relations depend upon a resolution granting full legal rights to the Mexicans living, working, and paying taxes in the United States.

Deep integration post-Bush, page 3

Still different: Canada and the United States

COUNTERINTUITIVE DIFFERENCES

When my book on Canadian-American values divergence, *Fire and Ice: The United States, Canada and the Myth of Converging Values*, was first published in 2003, I was amazed at the number of people who approached me to enumerate the similarities between the two societies. They pointed quite rightly to language (with the obvious exception of Quebec), pop culture, commitment to democracy, seemingly identical suburbs, the ubiquity of McDonald's, and many other shared aspects of life in Canada and the United States. Some pointed to joint military projects of the

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past, or to the two countries' common European and Christian roots. These protestations surprised me, not because I disagreed with them, but rather because the two countries' similarities are so plain and so numerous that I wondered how anyone might imagine I was contesting them.

The argument was and is that despite the many similarities between the two countries—from common British origins right through to a shared curiosity about who will win the Superbowl—Canadians

and Americans are diverging on some very meaningful values.

THE IMPORTANCE OF VALUES

Some have referred to these findings as evidence of “the narcissism of small differences”: a bunch of insecure Canadians

Still different, page 4

The contents of this issue are listed
in the Features box on page 2.

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redefine THE POSSIBLE.

Deep integration post-Bush continued from page 1

There is a current of thought in Mexico that argues that the solution to this issue has to be a Mexican solution. Poverty eradication depends upon obtaining higher levels of growth, yet Mexico has one of the lowest growth levels in all of Latin America. Fifteen years of NAFTA has taught Mexicans a basic lesson—Mexico cannot export its way out of poverty; only domestically anchored policies can deliver fundamental change. Mexico's border has thickened and been securitized to a degree few imagined.

Equally, the change in status to the world's former longest undefended border in many ways reflects the new tough security regulations imposed by US homeland security and the *Patriot Act*. As of January 30, 2008, the undefended Canada-US border vanished into history. Thousands of border patrol officers guard it, and for the first time ever Canadians are required to have a passport or a birth certificate with one other document at all land crossings. Borders are always complex, tense, and bureaucratic; North America's borders are no exception. The new border regime is summed up in a single phrase: "No documents, no entry." Yet, despite all these post-9/11 security measures, trade among the three NAFTA partners has continued to experience record growth.

THICKER BORDERS BUT GROWING INTERDEPENDENCY

This is the paradox that North Americans are still trying to come to terms with, and certain facts are important to retain—such as the fact that 95 percent of all continental trucking is not inspected. Most delays are due to inadequate infrastructure at border-crossing points and manpower shortages in US border practices. Even the border was subject to neo-liberal cutbacks. Pearson International Airport is an example of highly efficient border practices—10,000 to 20,000 passengers are processed daily during heavily travelled periods. It requires a minimum of 30 officers during peak periods to undertake the labour

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intensive job of verifying documents. If we expect a seamless continent for people and goods, governments will have to develop a different management strategy.

NAFTA has also been a great source of confusion and anger. It is now a political football in the US presidential campaign; former Democratic candidate Hillary Clinton and Democratic candidate Barack Obama proposed reopening the agreement while shopping for votes during the Ohio primary. After 15 years, there are some rude truths to digest. NAFTA was a modest success for US industries in the 1990s, when the unbeatable combination of low interest rates coupled with strong domestic growth meant that hundreds of thousands more jobs were created than lost to NAFTA downsizing. But since 2000, as US companies have adopted supply chain strategies, hundreds of thousands of American jobs have been outsourced to China. Reopening NAFTA is not going to reverse this reality.

For Canadian exporters, NAFTA provided a psychological boost promising unlimited access to the US markets. But the truth is that for almost 15 years the 63-cent Canadian dollar drove Canadian exports, not the legal guarantees promised by the NAFTA text. With the Canadian dollar at par, 150,000 manufacturing jobs have been lost from Ontario- and Quebec-based industries, and,

unlike earlier job losses, these jobs are gone forever to low-cost sites in China and elsewhere. For four out of five Canadian regions, NAFTA is not a beacon on the hill because the booming economies of British Columbia, Newfoundland and Labrador, and Alberta are driven by record-high global prices for Canadian resources—hardly a recognizable NAFTA effect.

THE DARK SIDE OF NAFTA

For Mexico the story is more depressing. Cheap US grain exports have driven some two million Mexican peasants off their land according to experts. Many have joined the great exodus north to look for work in the United States as undocumented migrants. The contrast with northern Mexico could not be greater, where the industrial hub in and around Monterrey is brimming with energy from sales of manufactured goods and auto parts to US consumers and factories.

The new geography of power in the global economy has marginalized NAFTA as an export platform. In former presidential candidate Ross Perot's words, one can now hear the giant sucking sound of jobs leaving. Structurally, NAFTA remains integral to North America, but it was designed for a factory economy that exports goods, not information. The agreement needs to be re-examined, but politically there is no appetite to do so.

For the US Congress and presidency, 9/11 is the undisputable hinge moment that reframed the future of North America and ended a decade of the utopian economic thinking that free trade was a solid platform on which to build a North American community. What troubles North Americans is how the Bush revolution in foreign policy has changed the course of American history. In the public's mind, multilateralism is preferred to unilateralism, the rule of law to the amoral use of power, and cooperation to simplistic ultimatums like President

Deep integration post-Bush, page 4

Deep integration post-Bush continued from page 3

George W. Bush's dictum "you are either with us or against us."

FALSE BINARIES AND NEW POLICY SPACES

In a world dominated by false binary thinking, Canada, Mexico, and the United States have grown apart for good reason. Social diversity and the complex nature of life in North America require a more intellectual and level-headed response at the political and social levels. Transnational issues such as the environment, human rights, poverty, crime, guns, and drug smuggling cannot be addressed within a strictly Canadian, Mexican, or American framework. So North America needs to be rethought as the Bush presidency winds down and is pushed off the stage of history by anxious publics. As the policy space in the three countries is being redefined, the questions are: What do North Americans want? How will they effectively coordinate and address the things they share in common? How are we going to rebalance deep integration with the renewal of democratic politics triggered by the democratic primaries in the United States and new social movement actors throughout the continent?

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The contributors to this special issue of *Canada Watch* focus on many of the old continuities from the free trade era and some of the most prominent new initiatives in transborder problem solving. The new North America is framed by security, immigration, the environment, income inequality, and social diversity. There is no ready-made consensus on these tough policy battles. In this issue, three framing articles provide new points of departure. First, there is Robert Pastor's seminal idea of the need for common institutions and the need to pool sovereignty among the three countries. Second, for Michael Adams, North America cannot acquire the legs to move beyond deep economic integration with-

out recognition of the different values that shape each country. Finally, José Luis Valdés Ugalde makes the powerful case that cooperation and mending fences post-Bush will require a very different set of power relations among the three countries.

The experts, the public, and North America's political classes are all trying to get their heads into the game to strategize the next steps. The circumspect reader of this issue will discover that leading academics themselves disagree on many of the fundamentals about security and deep integration. More significantly, though, all find common ground around the urgency to put at the top of North America's public policy agenda human rights, immigration, and environment. Commercial integration has to be framed by the new context. The end of deterministic thinking teaches us that even if markets lead, people are no longer automatic followers. Divergence across North America is highly visible and no longer the exception. The continent is engaged in an unprecedented political U-turn creating new options and even larger policy challenges. 

Still different continued from page 1

trying desperately to show their specialness in the face of a richer, more powerful neighbour. The problem with the narcissism of small differences argument is that the differences between Canada and the United States are not small. Canadians and Americans articulate different values in areas such as patriarchy, gender, family organization, religion, tolerance, and greater acceptance of violence. These areas are anything but marginal to the way people live their lives.

Although Canadian acceptance of patriarchy and religion has registered a moderate increase during the past several years (driven primarily by the arrival of a quarter million new immigrants

a year, most of whom hail from countries with more traditional values than Canada's), Canadians remain much less likely than Americans to attend religious services regularly or to believe that "the father of the family must be master in his own house." Agreement with this statement in Canada reached 21 percent in our last binational measure in 2004, whereas in the United States more than twice the proportion of Americans (52 percent that year) agreed that Dad should be the boss.

The importance of family, and religion in particular, cannot be overstated: these are the crucibles of socialization, whose lessons—both explicit and im-

plied—we carry with us throughout our lives in all of our various roles and relationships. These are widely acknowledged to be crucial values dimensions, and they are used in the study of societies all over the world—not just pored over by anxious Canadian narcissists.

Indeed, the differences in Canadian and American values are all the more remarkable in light of the similar linguistic, pop-cultural, and consumer environments that Canadians and Americans navigate in their daily lives. The fact that differences in worldview underlie two cultures that are superficially alike makes those differences *more* interesting—not less.