

CanadaWatch

PRACTICAL AND AUTHORITATIVE ANALYSIS OF KEY NATIONAL ISSUES

SPECIAL ISSUE ON THE NEW MEXICO UNDER FOX: IS IT HAPPENING?

Mexico–Canada relations: The democratic deficit

The assertion that Mexico and Canada virtually discovered each other over the past few years is commonplace by now. As an unintended result of a similar strategy of seeking institutionalized cooperation to deal with their common foreign priority—the United States—Canada and Mexico came to realize that their parallels go well beyond their common neighbour. As a result, they became aware of the enormous potential for economic and political collaboration that had remained untapped but now explains the exponential development of the relationship since 1992.

BY JULIÁN CASTRO REA

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During the past decade, links between Mexico and Canada experienced an impressive quantitative leap forward measured in volumes of trade, investment, and technical, scientific, cultural, and educational cooperation. Some avenues for multilateral cooperation were
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Poverty: Mexico's overwhelming shadow

“Lack of money is the root of all evil.”
— *George Bernard Shaw*

In an era when Mexico has begun to rewrite its history according to “modern” values—that is, with the rationality imposed by the market economy—a gloomy shadow from the past continues to diminish the country’s expectations for a brighter future beyond poverty.

Certainly, the victory of civilian participation that made it possible to overthrow the 70-year ruling-party regime of the PRI has had an effect on people’s desires for major change in the political, economic, social, and cultural arenas.

BY SILVIA NÚÑEZ GARCÍA

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In view of recent Mexican experience, we will look at the challenges facing Vicente Fox’s mandate to strengthen the nation’s capabilities and democratize the economy. By focusing on the unprecedented number of Mexicans living in
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(Instituto Nacional Indigenista), combines three strategic roles: a former Náhuatl leader of his hometown, respected anthropologist, and an experienced civil servant with an international profile. Xóchilt Gálvez is an engineer who claims Nāhñu background. While unknown in academic and political circles, she is a successful businesswoman who is responsible for coordinating the interministerial policies for Indian peoples. Other influential analysts are lawyers of Oaxacan origin, the Mixteco Francisco López Bárcenas and Adelfo Regino, Mixe. Attention should

be paid to the new ideas these professionals of ethnic origin will bring to the formulation of policy for indigenous peoples. Their presence provides integral cultural and historical input to what has long been regarded as a poverty-only issue.

At present, indigenous affairs are entangled in a complicated web of interests. The legal framework is undergoing constructive debate to enhance its ability to provide rights and recognition, but this institutional effort often clashes with the long-held prejudices and suspicions of conservative and privileged

sectors of society, which cannot disguise their contempt for Mexico's indigenous inheritance. While an indigenous elite is now present to conduct their own affairs, signals of peace remain ambiguous in the southern frontier. The final word, of course, will lie with the Indian peoples themselves. Increasingly aware of their rights, they are by no means prepared to give them away. Commandant Esther has inaugurated a double discourse of recognition previously unknown in Mexico—"We are women and, on top of that, indigenous, and as such we are not recognized." ❁

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also exploited, as the joint rejection of the U.S. *Helms-Burton Act*, to unilaterally forbid trade with Cuba, witnesses.

However, quantitative development of this bilateral relation through trade transactions and traditional diplomatic instruments, even if it carries on, is not fresh news. What is new is its politicization. This traditionally non-conflictual and, ultimately, secondary bilateral relation is now part of the core international agenda for both Canada and Mexico. As a result, it is a factor to be pondered when designing other international strategies in both Ottawa and Mexico City, and a process increasingly open to public scrutiny. Besides, the bilateral relation can no longer be isolated from North American trilateral dynamics. This article illustrates these points through a review of the main events that took place in the first four months of the year 2001.

THE 2000 ELECTIONS

In 2000, elections to renew the federal executives were held in the three North American countries, a coincidence that last occurred in 1988, when NAFTA was not even a project. The result seemed business as usual in Canada, where the Liberal government was ratified for a third consecutive mandate. On the contrary, in Mexico and the United States,

the elections produced important changes. In Mexico, PAN opposition candidate Vicente Fox was able to cleanly break, at the polls, the 71-year-old monopoly of power held by the PRI. In the United States, after a messy electoral process decided by a tiny proportion of votes, the Republicans were able to dislodge the Democrats from the White House after eight years of rule. At the dawn of 2001, like-minded presi-

dents are leading Mexico and the United States. Both Fox and George W. Bush are business-oriented, strong believers in free trade, and supporters of market expansion and state reduction. Both are eager to frame their political thought within the pragmatic individualistic values of the respective "cowboy cultures" that exist on both sides of the

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border. What is more important, they share awareness of the central place relations between Mexico and the United States occupy in each country's external priorities, and they have repeatedly expressed their willingness to deepen those relations.

This is not good news for Canada. Bush's electoral victory confirms the trend of displacement of economic and political power in his country, from the northeast to the southwest. This means U.S. policy makers increasingly know less about Canada than their predecessors did, and tend to ignore (or take for granted) their northern neighbour when they design foreign policy strategies. That is why the new U.S. president put an end to the Washington tradition of giving special treatment to Canada at the beginning of a new administration, and opted instead to accept an invitation from President Fox to visit Mexico. Ottawa took umbrage at that decision and reacted with alarm. Canadian diplomats rushed to schedule an official visit to Washington on February 5, so that Prime Minister Chrétien could meet President Bush before he travelled to Mexico. Chrétien was able to gain assurances from Bush that he would not give Mexico priority over Canada, and that he would consult him, in the future, with regard to policy issues affecting Canada. In exchange, Bush asked Chrétien to help him promote free trade in the Americas, in particular to help him convince the U.S. Congress to grant fast-track authority to negotiate trade deals and to work together with that goal in mind at the Summit of the Americas. In other words, Bush asked Chrétien to cooperate, and not compete, with a key international priority the new administration defined, in which Mexico already plays a central role.

THE QUEBEC SUMMIT

The second important event to be considered is, of course, the Summit of the Americas itself, which was held in Quebec City on April 21 and 22 under the

Chrétien declared that Canada remains in control of its energy sources. However, when compared with Mexico, where oil and electricity are produced and managed by public corporations, the situation is clearly different for Canada, where oil is exploited by private companies that have together become a main supplier in the United States and worldwide.

auspices of the Canadian government. The Summit, and the state visit of the Mexican president right before this multilateral meeting, provided the opportunity for the second meeting between Fox and Chrétien (the first one took place in August 2000, when then president-elect Fox paid a visit to Prime Minister Chrétien) and the first trilateral meeting of the current North American leaders.

Fox was cheered by Canadian officials and the public as the representative of a "new" Mexico, in which democracy had finally won over authoritarianism. Winner of the first truly democratic elections in Mexico since 1911, Fox took this opportunity to boast, as no previous Mexican president could, about how Mexico shared with Canada a set of basic democratic principles that would ease dialogue and exchanges. During a dinner speech, Fox suggested that a new path for increased cooperation was opening that would inspire the reform of Mexican institutions on the Canadian example (April 18, 2001, www.presidencia.gob.mx). Some areas in which this new approach is be-

ing attempted are federalism, e-government, fiscal systems for tax returns for lower-income families, child benefit programs, and sustainable management of natural resources.

Fox expressed that "Mexico today offers the best return for investment" (April 20, 2001, www.presidencia.gob.mx) because, thanks to the newborn democracy, there are now clear rules and transparent conditions that have strengthened the rule of law. During his official visit, Fox also stressed Mexico's commonalities with Canada with regard to the search for prosperity and economic growth, suggesting their alliance could adopt a new concrete meaning in "strategic partners for prosperity" (April 18, 2001, www.presidencia.gob.mx).

The trilateral meeting held right after the Summit offered Fox and Chrétien an important opportunity to test their partnership. Both leaders teamed to reject President Bush's proposal for the creation of a North American common market on energy. They suggested instead the creation of a trilateral consulting group on energy, with no powers to

impose its opinions on governments. Chrétien declared that Canada remains in control of its energy sources (*Le Devoir*, April 23, 2001). However, when compared with Mexico, where oil and electricity are produced and managed by public corporations, the situation is clearly different for Canada, where oil is exploited by private companies that have together become a main supplier in the United States and worldwide.

For his part, Fox not only welcomed Canadian investment in Mexico in telecommunications and credit unions with open arms, he surprisingly announced a C\$2 billion Canadian investment in the energy sector in Mexico, which is constitutionally restricted to public investment. He also noted that Mexico and Canada would cooperate toward the completion of the free trade area of the Americas (FTAA).

Indeed, the FTAA seems to be, at this time, the most important issue for cooperation between Mexico and Canada. With Bush's hands currently tied by Congress, Canada and Mexico, aided somewhat by Chile, have become the main promoters of free trade in the Americas. Fox attended the Quebec City Summit as a strong supporter of the project, although he repeatedly insisted on the inclusion of three key elements in the agreement. First, different treatment for each participant country according to its level of development; the creation of a fund aimed at supporting underdeveloped regions in the hemisphere; and, finally, a program to ensure that the benefits of increased trade reach marginalized people in the Americas. Trade for the simple sake of profit is not enough, he insisted, and pleaded in favour of a free trade area with "plenty of humanism" (April 20, 2001, www.presidencia.gob.mx).

THE DEMOCRATIC DEFICIT

Plenty of humanism perhaps, but clearly not plenty of democracy. It became ironic that the first stated goal of the Summit, proudly announced by Jean Chrétien at the opening ceremony and repeated in the final declaration,

From the outset, elected members of parliaments throughout the hemisphere were not invited to participate in the Summit. Even an explicit demand sent by the Parliamentary Conference of the Americas to Prime Minister Chrétien requesting permission to participate was ignored.

was the reinforcement of democracy in the hemisphere. Meanwhile, outside the meeting, in Quebec City streets, at least 60,000 protesters, most of them Canadian but also including a Mexican delegation, were kept at bay by hundreds of policemen with the help of a three-metre-tall fence, huge amounts of tear gas, rubber bullets, pepper spray, and torrents of high-pressure water from water cannons.

Both Chrétien and Fox dismissed the protests. Fox declared that it is "very easy [for Canadians] to protest when you have a job and good food on your table." We have to think, he went on, of those 220 million Latin Americans who have nothing at all, no food on their tables, for whom the FTAA represents a hope. Chrétien mocked the protesters, declaring they were mainly tourists, there to have fun on the streets, "to protest and blah, blah, blah." Later on he accused them of trying to destroy "this very good democratic system" (*La Presse*, April 22, 2001).

Both leaders rejected the possibility of holding a referendum to ratify the agreement. Fox declared it was either unnecessary ("that is what we have parliaments and representative democracy for in all of our countries" (recorded by the author, April 20, 2001)) or at best premature. On a similar note, Chrétien considered that a referendum was not

necessary because, after all, one had not been used to approve NAFTA either. He also advised those who wanted to participate in the negotiations to run for office and get themselves elected. However, even this route did not seem to ensure access. From the outset, elected members of parliaments throughout the hemisphere were not invited to participate in the Summit. Even an explicit demand sent by the Parliamentary Conference of the Americas to Prime Minister Chrétien requesting permission to participate was ignored (*Le Devoir*, April 23, 2001).

Proposals for a different kind of trade agreement—one that regards social objectives—emerged from the People's Summit, a parallel gathering of NGOs and other social organizations in the hemisphere held in Quebec City at the same time. These proposals were equally ignored. Neither Fox nor Chrétien spoke in their favour or even mentioned them at the multilateral meeting. As it turns out, the paradox of this new era of deepening relations between Canada and Mexico is that, even when their leaders keep praising democratic values in the abstract, they are not willing to practise what they preach when it comes time to negotiate a hemispheric deal. There is clearly a democratic deficit that needs to be addressed in order to improve the quality of this bilateral relation. ❁