

# 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.

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# 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

BY MICHAEL ADAMS

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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

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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

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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?

## The new geography of power in the global economy has marginalized NAFTA as an export platform.

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. 

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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.

## MODERATION AND EXTREMES

The roots of these differences may certainly be debated, but it is hard to dispute that the United States has been the nation that has—for better and worse—tended more toward extremes, while Canada has tended more toward moderation. From its revolutionary roots to its contemporary culture, where moral values rule election day and what happens in Vegas stays in Vegas, America has not been known for timidity, hesitation, or going halfway. Canada has been spared some of the excesses of that culture—its murder rates are lower, its poor less destitute, and its middle class less anxious—but it has also been “spared” the prosperity, innovation, and global influence of its neighbour.

The rub of living in a nation where anything is possible is that the possibilities are not all good ones. Canadians, in their relatively stable—some would say mediocre—social and economic environment, have felt secure enough to become increasingly autonomous: they have moved away from traditional religion, questioned traditional family models, and generally become a less hierarchical, more flexible people. This “heterarchical” flexibility is manifested in many ways, from the increased acceptance of flexible gender identities (including homosexuality, non-traditional employment roles for men and women, parity in expectations about childrearing and domestic labour, and acceptance of immigrants) to the changes in workplace dynamics and the management of human resources.

In the United States, risk is greater in many spheres of life: less generous social assistance in the event of unemployment, less certain health insurance in the event of illness (even among those with coverage), and more unforgiving punishment in the event of social or criminal transgression. In the last half-century, Americans have tended to rely more heavily than Canadians on traditional institutions to provide security—whether social, financial, martial, or existential.

# Canadians and Americans remain on their own distinct trajectories in terms of their values, their outlook on world affairs, and their domestic policies.

## THE END OF DIFFERENCE?


Some will argue that as the Bush administration slouches into exile (perhaps replaced by less hubristic Republicans, perhaps by Democrats of moderate or progressive strain) and as Canada's Conservative party continues to hold power (albeit in the form of a minority government), differences between Canada and the United States are palpably evaporating. It is true that at the political level, cross-border values differences are less obvious than they were when Jean Chrétien's Liberals had a firm grip on Canadian government and the Bush administration was at the height of its post-9/11 popularity. But even as the characters in each national capital change, the character of the two nations' values will not change overnight.

The federal Conservative victory in January 2006 did not mark a change in our values trajectory. If anything, it suggested that Canadians were sufficiently autonomous in their thinking to ignore the scaremongering that characterized two consecutive Liberal campaigns and to trust their own understanding of the agenda that a new Conservative government would pursue. Of course, there are those who are deeply dissatisfied with the progressive path Canada has travelled over the past several decades and remain ready to lash back. For most Canadians, however, in January 2006 it was time for a change—not a change in their values, a change in Ottawa. The Conservatives have spent the past year or so letting slide the legalization of same-sex marriage, welcoming immigrants to our shores, stroking Canada's ethnic minority communities and promoting multiculturalism, wooing the

“nation” of Quebec, and generally behaving like Canadian governments do. For all the talk of “Canada's new government,” the change has hardly been revolutionary.

## THE PERSISTENCE OF VALUES

Americans may well elect a Democratic president in 2008. This will not imply a major change in Americans' underlying values either. Canadians and Americans remain on their own distinct trajectories in terms of their values, their outlook on world affairs, and their domestic policies. South of the border, a new person will occupy the Oval Office—and it is by no means a trivial thing that this person might be female or black—but that person will continue to serve a population with distinct values. Recall that Hillary Clinton, although reviled by religious conservatives, has spent the past several years attending prayer breakfasts in Washington: just a part of life in the halls of power in a country where, according to the Pew Center, half the electorate say they would not vote for an atheist. Health care reform is anything but a sure bet, immigration will remain as contentious as ever, same-sex marriage might not be constitutionally banned but nor will it be promoted by any candidate who knows what's good for them. The economy and Iraq are a pair of 800-pound gorillas that the winning candidate will have to wrestle using every ounce of his strength, and only George W. Bush's god knows how either will turn out.

It is an uncertain world, and values are not immutable, but nor will they be undone in a day or even a decade on either side of the border—whatever the future might bring. 

# North America's three-sided challenge

## NAFTA IN 2008

North America faces a raft of problems—security, immigration, transportation, development, infrastructure, energy, labour, the environment, and, not the least, a lack of institutions and a spirit of cooperation. All three countries are still groping for ways to respond to 9/11. None of these issues are mentioned in the North American Free Trade Agreement. Notwithstanding the complaints of the Democratic presidential candidates, the problem is not NAFTA, and the time for debating it is long past. The problem is that the three governments have failed to address the post-NAFTA agenda. Indeed, the three governments have been intimidated by parochial, anti-globalist forces, and they have sought protection in private meetings with CEOs, thereby provoking the very suspicion that the critics fear. The opposition parties in the three countries have joined in the criticism—much of it unsubstantiated—and have not offered constructive ideas.

Was NAFTA a failure? Leaving aside the excessive promises of its proponents, NAFTA's goals were to reduce and eventually eliminate trade and investment barriers. On January 1, 2008, the final trade barriers on agricultural products came down. And, as a result, trade among the three countries has nearly tripled—from \$289 billion in 1993 to \$846 billion in 2006. Foreign direct investment has quintupled, tying the economies closer together and forging continental firms. If one measures success by whether the agreement achieved its declared goals, it was a success.

But even on the issue of the effect on jobs, it would seem hard to make Ross Perot's case that the jobs all went south during the first seven years of NAFTA when trade increased the fastest because, in the United States, this was one of the most dynamic periods of job creation—22.7 million jobs, many in the relatively higher-paying export sector. And in the last eight years, since China

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The problem is that the three governments have failed to address the post-NAFTA agenda.

joined the World Trade Organization, Mexico's role as the second-largest trading partner for the United States has been overtaken by Asia's new giant. So NAFTA can hardly be blamed for the loss of jobs to China.

Some critics fear that the governments are secretly conspiring to merge the three countries into a North American union. There is no truth to that fear, but it disguises the real problem, which is that the governments are doing little, if anything, about the many issues confronting them. The three leaders meet annually for photo ops, as they did in New Orleans on April 21-22, 2008, but if they speak of substance, it is on bilateral issues. They rarely address—let alone try to solve—North American problems.

## THE IMPORTANCE OF THE POST-NAFTA AGENDA

Other than the need to enhance the competitive advantage of all three countries and to make our continent more secure, there are three separate reasons why the three governments of North America should march in a positive direction. Each reason corresponds to a challenge that is distinctive to each country or in which each country has a comparative advantage.

The next president of the United States faces many challenges, but few as

daunting as restoring America's prestige and leadership in the world. After nearly eight years of the Bush administration, the standing of the United States has plummeted. It will not rise until the United States actively seeks to earn the world's respect, and the first step on that road is to regain the trust of its closest friends, its neighbours. What that means in practice is that the United States should fulfill its commitments. The two Democratic candidates criticized its neighbours for not enforcing NAFTA, but the United States has been the least compliant. The United States, for example, does not allow Mexican trucks to travel to the United States and Canada and return with a full cargo. Mexican trucks carrying vegetables north from Hermosillo have to stop, unload their cargo in Nogales, Mexico, and load it onto another truck ("drayage") that crosses the border. That second truck stops a few miles into Arizona to transfer its vegetables to an American truck that takes them to their destination. It is hard to imagine a more inefficient way to trade.

The United States has treated Canada no better. After ignoring repeated complaints and binding court decisions, the United States finally accepted an agreement on softwood lumber, but many feel that it is not being implemented properly. This is not the way to demonstrate leadership; it is not the way to earn respect or trust. This is the principal challenge for the United States—not to threaten to withdraw from NAFTA, but to listen to its friendly neighbours and respond in a way that adapts its narrow definition of interests to accommodate its interests in a North American community.

## NAFTA'S BENEFITS TO MEXICO

Mexico's challenge is the most important—how to narrow the income gap between its people and its two neighbours. There are some who say that a sign that Mexico did not benefit from

NAFTA was that its average wages stagnated, but that assertion is misleading. The northern half of Mexico is connected to the North American market, and it has grown ten times faster than the southern half. At the same time, the export sector—connected to the North American market—has higher wages and better working conditions than the domestic sector. The problem can be located in the areas and sectors in Mexico that are not a part of NAFTA. NAFTA is the solution.

### **A SOLUTION FOR NORTH AMERICAN PROGRESS**

In the United States, it took more than 100 years for areas in the South to rise to the level of the North. Do we need to wait that long? The European Union demonstrated that it could be done in 15 years if there is a political will and resources. Adapting from that example, the three countries of North America should pledge a total of \$20 billion per year to a North American investment fund to invest in infrastructure connecting the southern part of Mexico to the North American market. Half of those funds should come from Mexico; 40 percent from the United States; and 10 percent from Canada. But if those funds are to be well spent, the World Bank should play a central administrative role, and Mexico needs to undertake the kinds of reforms—on energy and *Petróleos Mexicanos*, labour, taxes—that its leaders understand are needed but have difficulty getting approved. The United States and Canada should pledge to contribute to narrowing the income gap—a continental issue—with a significant infusion of aid and with the understanding that Mexico will also contribute by approving such reforms.

Such an investment fund could close the income gap by 20 percent in a decade, giving Mexicans a feeling that their economies could some day catch up to those of the North. Once such a perception grabs the minds of young Mexicans, they will begin investing in Mexico rather than in an effort to cross the border illegally into the United States.


So those are the three challenges—  
for the United States, to earn the respect  
of its neighbours; for Mexico, to take the  
lead in closing the income gap;  
and for Canada, to construct  
multilateral institutions.

### **CANADA'S ROLE**

The final challenge is for Canada, and it comes in an area that Canadians have long been among the most skilled—establishing and managing multilateral institutions. Canada establishes, maintains, and leads multilateral institutions worldwide on a wide gamut of topics. It practically defined peacekeeping operations for the United Nations and played a leading role in gaining acceptance of the Mine Ban Treaty and the International Criminal Court. Still, for the single most important relationship, Canadians continue to shy away from institutional mechanisms that could compel members to fulfill their duties and to work together in a peaceful and respectful way to forge a sense of community in North America.

Canada should propose a North American commission reflecting the diversity of the three countries. The commission would be lean and advisory—very different from Europe—and it would offer analyses of continental problems and proposals for solving them. This agenda would then be addressed at annual summits of the three leaders. Canada might also want to propose a permanent North American tribunal on trade and investment, and a North American parliamentary group to discuss common concerns among the three sets of legislators from North America.

So those are the three challenges—for the United States, to earn the respect of its neighbours; for Mexico, to take the lead in closing the income gap; and for Canada, to construct multilateral institu-

tions. If each of the governments designs a strategy to meet its challenges, and if each chooses to execute its design only after full consultation and cooperation with its neighbours, then the three nations will begin to forge a community that will make the continent unique and inspiring. 

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# The crisis in Mexico–US bilateral relations

## ANTI-US SENTIMENT

Since September 2001, the US-Mexico agenda has been on hold. The desire to find an answer to the migration crisis, and the attempt to bring prosperity to Mexico through integration hasn't worked. It has been almost eight years now, and it is not at all clear whether this delay will ever be reversed, or if the trust built with such difficulty between the two countries will be recovered. Not an easy task for either nation, but it is especially difficult for Mexico, which traditionally has had to deal with nationalist and anti-US sentiments that have directly influenced government decisions in recent years.

For the majority of Mexicans, George Bush is no longer a trustworthy partner for dialogue either domestically or abroad, and even his most faithful allies have their misgivings about him. His political position has weakened and his initiatives have been systematically rejected by broad sectors of society and the national and international political classes. Bush supported policies so extreme that he got burned by them, eliminating any possibility of governing effectively and with dignity. His skirmishes with Congress exemplify these difficulties and have trampled underfoot the already weak Mexico–US agenda. In other words, President Bush is drowning in a political shipwreck the likes of which neither Harry Truman nor Richard Nixon probably ever saw even in the worst of times.

## THE LAME DUCK PRESIDENT

Bush is the most powerful head of state in the history of the global village, who opted—and is paying for it now—to exercise hard power. As a result, his foreign policy, particularly in the Middle East and Iraq, has lost all semblance of rationality; he has lost sight of the rational centre that guaranteed the United States government equilibrium in local and international decision making. Domestically, the facts attest very eloquently to this

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crisis. His closest collaborators—Colin Powell, Paul Wolfowitz, Donald Rumsfeld, George Tenet, John Bolton, Karl Rove, Alberto Gonzales, and so on—abandoned him because they were either burned out or incompetent. The more principled resigned in light of the administration's enormous fiascos: Abu Ghraib, Guantanamo, the *Patriot Act*, immigration reform, and a \$160 billion deficit. His domestic and international approval ratings are at a historic low: fewer than 30 percent of Americans approve of how he runs the country. Internationally, the figures are similar: the lowest in the modern history of the imperial presidency.

This is a crisis of legitimacy reminiscent of the political crisis of the 1960s. Bush is practically a political liability, what is known in political parlance as a "lame duck," even for some Republicans, who avoid being associated with him. Bush's administration has atrophied, and he is left managing the remains of what could be a latent crisis of the state, with palpable consequences given the breakdown of the political consensus. Certainly, this crisis began when he took office in 2001, continued tragically with the September 2001 terrorist attacks, and

has increased dramatically since March 2003 when Washington decided illegally, illegitimately, and unilaterally to invade Iraq. Since then, something unprecedented in the history of the US presidency has occurred: Bush prematurely began the end of his own mandate. He no longer has the socio-political support that would allow him to govern credibly. To top it all off, his decisions lack a strategic vision that would, if not make it possible to avoid losing, at least allow him to extricate himself from the infernal maze that is the theatre of war in Iraq.

## THE TRI-NATIONAL ASPIRATION

As if that were not enough, tri-national relations among NAFTA signatories have become narrowly bilateral. As it had always done in the past, Canada prioritized its special relations with the United States above and beyond its expressly pro-Mexican will; and Mexico, hemmed in by its dependence on the United States, had no option but to maintain a forced, but conflicted, proximity to Washington. And throughout this whole process, Ottawa and Washington demonstrated an almost complete lack of political will for achieving anything more than the media joke that was the Security and Prosperity Partnership of North America (SPP). The SPP has been an ineffective scapegoat for guaranteeing both the trade partnership and Mexico any real equivalent to the prosperity that Washington has managed to guarantee itself by imposing a radical securitization agenda on NAFTA, its partners, and the world.

This scenario exacerbated the ongoing complications between the United States and Mexico. Above all, it fanned the flames of the Mexican perception that Washington was acting only in its own interests, and that once its aims were achieved, it would abandon Mexico to its fate. In addition, this radical securitization neglects the fact that grave shared problems stemming from the onslaught of organized crime are to a great extent the consequence of US



indolence. After all, the United States plays a role in both drug trafficking and black market high-power weapons, which supply organized crime in Mexico with enormous firepower. Mexico has been trapped domestically by the centrifugal forces of nationalism represented by certain radical sectors, both inside the Institutional Revolutionary Party (PRI) and inside the Party of the Democratic Revolution (PRD). It is understandable that, taking caution to the extreme, Tlatelolco (the Mexican Foreign Office) is not yet able to articulate any substantial strategic proposal for its international policy, whether it be to the north or to the south. Somewhere in this morass, Mexico has ended up alone, far from the United States, from Latin America, and even from God.

Although the historical antecedents of this virtual paralysis of the binational agenda are due mainly to 9/11, there exists the unprecedented situation of no clear strategic agenda for Mexico or the United States, either individually or jointly. It is surprising that two nations that share a long, complex border with such diverse problems have not realized that, given the post-2001 conditions of insecurity, they need to find a way to interact with each other that reinforces their ties, shores up the weakened diplomatic bridges, defines the central issues of their relationship, and strengthens the basis for cooperation. Only in this way will Mexico and the United States be able to achieve common goals and professionalize their relationship.

## THE CONSEQUENCES OF BILATERAL DISTANCING

The year 2001 brought enormous surprises for both countries. The US Supreme Court confirmed Bush's election, which had been plagued by the phantom of illegitimacy, and his presidency was born alongside the first serious constitutional and institutional conflict since the time of Richard Nixon's impeachment. As if that were not enough, Al-Qaeda struck brutally against the country and government with its September 2001 terrorist acts.

Although the historical antecedents of this virtual paralysis of the binational agenda are due mainly to 9/11, there exists the unprecedented situation of no clear strategic agenda for Mexico or the United States, either individually or jointly.

This event fractured the internal consensus, polarized US society, and translated into the beginning of the rapid decline of Bush's foreign policy, not to mention the bilateral agenda with Mexico. Bush and his retinue never forgave Mexico's belated expression of solidarity with its neighbour to the north. The cost has been very high, and it has not been clear how Mexico could repair the relationship. That framework defined both the international and North American policy of the Republican government, which is dying today as it leaves by the emergency exit.

For its part, in 2001 Mexico had its first democratic experience in 70 years. The first non-PRI government took office through a democratic process that offered Vicente Fox and his administration great opportunities to make the popular mandate weigh in with substantive reforms. The so-called democratic bonus, which was precisely that, a commitment, a debt to the majority of Mexicans, was frittered away on all fronts of domestic and foreign policy. It was not clear what Mexico wanted to do, or, in any case, it was not able to express itself clearly, as seems to be the case with the current government.

After the crises and confusion caused by September 11, the result was that foreign policy became no policy vis-à-vis the United States, Latin America, and the rest of the world. Mexico was orphaned, far away from almost everyone, and it remained alone and adrift for a long time. To make matters worse, Mexico was exposed to the inclemency of economic dependence on the United States,

to which it was subjected above all by its erratic integrationist policy with zero diversification. The foreign policy that Mexico could not articulate is demonstrated by the state's incapacity to respond with strategic intelligence to the challenges posed by an international crisis in enormous need of aid from its actors.

Very soon, it will be a little clearer—once the new chief executive is elected in November's historic election—whether the relationship will recover its lost equilibrium, whether the rational actor will be present, and whether the United States will return to the “rational centre” and recover its good judgment in defining its international and regional priorities. 🍀

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# Waking up from the American dream

## AN AMERICAN TEXT, A UNIVERSAL IDEA

"We hold these truths to be self-evident, that all men are created equal."

—*United States Declaration of Independence, 1776*

These famous words hold within them the keys to a national folk ideology justifying the perpetuation of the "American dream." In the midst of today's maelstrom regarding citizenship, national security, immigration, and international labour markets, this concept of "equality" is glaringly unequivocal. The US project of democracy becomes not only one of policy and government, but one of differentiating the rhetoric of simple dreams from an *intentional expression* of pragmatic and complicated scenarios begging for courageous and engaged leadership.

As early as 1777, slaves in Massachusetts petitioned for the right to share in the inalienable right to freedom. Today, 232 years after Thomas Jefferson worked on the wording of the Declaration, the assumption that equality is an inalienable human condition rather than the privilege of the select continues to impel and drive the efforts to influence the definition and administration of justice in US courts of law. Many of the attempts are waged not by legitimized residents or legal citizens of the United States, but by residents who find themselves as legally defined aliens without legitimate claim to be in the United States. Yet, the rhetorical claims of our founding fathers speak to them as well.

Although it might have been a declaration of independence for the British colonies calling themselves the United States of America, its opening lines invite a universal audience of concurrence with the underlying assumptions that founded this nation. And today, in 2008, our electorate is wooed by whichever candidate-siren can sing a song that addresses this deep yearning while avoiding too deep an awareness of our contradictions.

BY SARAH AMIRA DE LA GARZA  
AND DEBRA FOSSUM

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A challenge today facing the United States, Mexico, and Canada, all of us North Americans, is the invitation to open our public discourse to an acknowledgment of the ways that outdated modes of coexistence have moved us to subjugate residents within our borders, legal or not.

## THE DREAM VERSUS REALITY

The *Declaration of Independence* was an instrument of formalized communication using the medium of the age—pen and ink. It was a response to the times. Fortunately for us, copies of the rough draft, from its editing, through to the formal Declaration and to its acceptance by the first US Congress, have been preserved, helping us understand the nature of what tensions birthed this

country. Take, for example, the opening lines in Jefferson's first draft:

When in the course of human events it becomes necessary for a people to advance from that subordination in which they have hitherto remained, and to assume among powers of the earth the equal and independent station to which the laws of nature and of nature's god entitle them, a decent respect to the opinions of mankind requires that they should declare the causes which impel them to the change.

As a communication scholar, I would argue that it is the conditions of subjugation that the 18th-century US colonists were facing that led to the crystal clear awareness of the denial of inalienable rights; however, the assumptions of taken-for-granted stratification of race, gender, and the working classes were as yet not questioned.

Not having owned the manner by which our prosperity depends on the abuses of those silently taken for granted as the labour forces for our food, housing, childcare, and support services, the formal rhetoric of our candidates today barely touches the nature of the deep structural inequalities that support our country. The immigration "problem" with Mexico is a reflection of a similar and insidious form of harsh socio-economic standards of living. The class-stratified culture of Mexico has long motivated mass migration from Mexico to the United States, a nation whose official policy enabled hard-working migrants (legal or not) to elevate their standard of living. A challenge today facing the United States, Mexico, and Canada, all of us North Americans, is the invitation to open our public discourse to an acknowledgment of the ways that outdated modes of coexistence have moved us to subjugate residents within our borders, legal or not.

The US founding fathers hid their tensions over social class and race by simply editing out Jefferson's acknowledgment of the dirty stain of slavery. Had

it remained there, perhaps the United States could have grappled more publicly with the contradiction of decrying certain practices while simultaneously benefiting from them, as Jefferson did through his ownership of slaves. Today, we must grapple with the hypocrisy of a standard of living to which we have become accustomed because of the existence of an enormous North American populace who through their labour have supported our lifestyle. Slavery may have been abolished, but the appetite for labour to accommodate tea parties, from the harvest to the dishwashing, remains unsated.

## THE PUBLIC SCREEN

In the fortunate absence of totalitarianism, the United States cannot avoid “the elephant in the room,” the glaring presence of the contradictions between rhetoric and reality. The constitutive language of the United States’ inception has become part of the worldwide vocabulary for judging the country. It is widely disseminated and popularized in today’s media not only through such recent films as *National Treasure*, but also in the public speeches of US leaders and the equally public radical critiques from both the conservative right and the liberal left. These messages today no longer speak just to US citizens or an educated populace, but to the mediated global public.

Through print, image, and digitized representation, they function to create the public screen upon which people’s “home movies” of the world’s realities can be created. This public screen through which intensely media-bred publics come to understand their world(s) is the screen upon which we must today wield human influence and inspire the courage for real change. It is time for a candidate for president to have the courage not just to “speak pretty,” but to speak forthrightly and incisively, and to aim for collaborative discourse. What would we learn if we watched the candidates attempting to *collaborate* through discourse rather than one-up each other with no substantive support for their

It is time for a candidate for president to have the courage not just to “speak pretty,” but to speak forthrightly and incisively, and to aim for collaborative discourse.


sound bites? Might we not be able to better choose whom we would vote for if given a chance to witness this?

The campaign teams of this year’s presidential candidates know how to use the public screen to get votes and attention through skilled use of the media machine and its games. We have been inundated with talk about the election facing us and find ourselves arguing about whether words are being plagiarized or whether photographs were “leaked,” but we have yet to hear anything of substance in the discourse. Today, as in 1776, the media is effective in rallying a disgruntled public toward *change*. In many ways, the US public has always preferred the pretty language over the harsh articulation of the realities. We seem to find it easy to critique the candidates who say things that are difficult to hear, preferring instead to “feel good” after we’ve heard a candidate speak. In 1776, many were ready to engage in a difficult and bloody war to guarantee change. Today, we allow only the most idealistic and socioeconomically needy to die for us in battle.

## WAKING FROM THE AMERICAN DREAM

The immigration discourse forces Americans to face what has been avoided for a very long time. A tri-national effort to approach these problems as North Americans might be beneficial, if the alliance can empower the United States to face, not back away from, the difficult realities. The American dream has been a fanciful way to make success a magical construct devoid of an awareness of the structural realities that allow for some to “make it” and others not. If it were simply about hard work, the United States would

be rewarding the large majority of illegal immigrants with honorary citizenship; but the dream is much more complicated.

Can we choose to wake up enough not to be lulled by the hypnotic cadence of pleasant campaign rhetoric or habituated “us versus them” debate? Our role, as scholars serious about these issues, is to provide substance as often as possible and in concerted effort to those creating public policy and seeking public office. There are no more Thomas Jeffersons; today we must muster the authority together, rapidly and with an awareness of how little of what we say will actually make it into the official discourse. Perhaps today we should worry less about the American dream and more about setting our alarm clocks to ensure we are wide awake and ready to contribute. 

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# Brain mobility: Highly skilled migration in North America

## CONTEMPORARY IMMIGRATION POLICIES IN NORTH AMERICA

Historically, developed countries have used immigration policies to balance the needs of economic development through foreign labour and to control the type and flow of immigrants in terms of who to “keep out” and who to “let in.” Prior to the 9/11 terrorist attacks, the United States tried to implement immigration policies that balanced the need for a diverse labour force and family reunification with nativists’ concerns and protectionism. Post-9/11, the question of who can immigrate to the United States has grown in importance. Immigration debates, and the subject of illegal/undocumented immigration, have been framed under homeland security and the prevention of terrorism. Increasingly, US immigration policies have become a heated, at times emotionally charged, topic in academia, the media, and politics, as well as among the general public. As the American general election looms large in November 2008, the paths that immigration reform may take will not only be important in the minds of Americans, but also have great impacts on Canada and Mexico.

## GLOBALIZATION AND THE HIGHLY SKILLED WORKFORCE

Globalization has accelerated in recent decades with the cross-border flow of goods, information, services, financial capital, and people. One of the paradoxes of the current economic globalization process is the cross-border movement of goods and financial capital and the simultaneous restriction of human flow by nation-states. However, such restrictions are not imposed on all types of human movement. As economies have become increasingly knowledge-based, a global crusade has arisen to compete for highly skilled immigrants and temporary migrants.

BY WEI LI AND DAN WANG

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Many developed countries have shifted their immigration admission policies to actively recruit highly skilled migrants, whereas developing countries remain largely suppliers of such immigrants. In North America, the United States and Canada fit such profiles of developed economies whereas Mexico is a country supplying both skilled and unskilled labour to the other two. Although issues relating to Mexican undocumented/illegal immigrants dominate the current immigration debates in the United States, what has been largely overlooked is the highly skilled immigration within North America: the brain mobility (or brain drain) in addition to labour mobility.

## SELECTIVE IMMIGRATION POLICIES IN THE UNITED STATES AND CANADA

In order to tackle the challenges of global competition for economic and geopolitical power, the United States and Canada have implemented increasingly selective immigration policies to facilitate the influx of international migrants possessing investment capital and/or human capital. For example, since 1967, Canada has adopted a points system by admitting immigrants primarily on the basis of their human capital, such as level of education, ability to speak English and/or French, and prior working experiences. In addition, a business immigrants program has been installed, with an entrepreneur stream introduced in 1978 and an investor stream introduced in 1986.

In the United States, landmark 1965 immigration legislation set aside the third and sixth preferences for employment-based visas, including, respectively, “members of the professions and scientists and artists of exceptional ability” and “skilled and unskilled workers in occupations for which labour is in short supply.” Both of these two preferences require US Department of Labor certification ensuring that no qualified Americans are available for such positions. The 1990 *Immigration Act* roughly tripled the ceiling on employment-based visas from the pre-1990 cap of 54,000 to 140,000. L-1 and H-1B non-immigrant visas were introduced to facilitate managerial personnel migration and resolve shortages of highly skilled professionals. The H-1B visa is designated for “specialty occupations” that require the equivalent of a bachelor’s degree. Its annual quotas were increased twice by Congress in 1998 and 2000 and peaked at 190,000 per year in the early 2000s. Moreover, academic institutions and non-profit organizations are exempted

from these annual caps. Two important provisions of the H-1B visa stipulation are that during the two three-year terms of their stay, H-1B visa holders (1) are eligible to bring their immediate family members under H-4 visas (although H-4 visa holders cannot work in the United States) and (2) can apply for permanent residency.

### THE INFLUENCE OF NAFTA

Additionally, NAFTA extends to the citizens of Mexico (with certain stipulations) and Canada the non-immigrant class of admission exclusively for business people entering the United States to engage in activities at a “professional” level. It facilitates entry for Mexican as well as Canadian citizens seeking temporary visas as visitors for business, treaty traders, and treaty investors, as well as intercompany transferees (*Fiscal Year 2002 Yearbook of Immigration Statistics*). A new non-immigrant visa type, TN, allows citizens of Canada and Mexico to work in the United States as NAFTA professionals. Spouses and children (unmarried and under the age of 21) accompanying or following to join TN visa holders may receive a derivative TD visa and are not subject to citizenship requirements, although they cannot work while in the United States ([http://travel.state.gov/visa/temp/types/types\\_1274.html](http://travel.state.gov/visa/temp/types/types_1274.html)). In both H-4 and TD cases, there are concerns of either “brain waste,” should these spouses be professionals themselves living in the United States, or family separation, should they decide to not accompany their spouse to come to the United States.

### CANADIANS AND MEXICANS IN THE UNITED STATES

While Canada’s total numbers and shares in world totals of employment-based visa holders have been relatively stable from 1998 to 2006, those from Mexico have grown steadily since NAFTA. In the last four fiscal years, Mexicans not only surpassed Canadians as employment-based visa holders in the United States, but also counted for more than 20 percent of the world total. Can-

## The scope of brain mobility across the three countries is growing fast but primarily in one direction: from Canada and Mexico to the United States.

ada and Mexico rank no. 3 and no. 5 as origin countries for employment-based immigrants to the United States, counting for 6.9 percent and 6.4 percent, respectively, in the 2005 fiscal year. In the H-1B non-immigrant categories, both Canada and Mexico have increased, jumping from approximately 20,000 in 2003 to over 24,000 afterward, and from approximately 16,000 to over 17,000, respectively. For the NAFTA TN visas, Canadians have dominated the category but Mexicans are quickly increasing in recent years. Counting H-1B and TN visas alone (data includes only principal applicants), about 90,000 skilled Canadians and 27,000 skilled Mexicans entered the United States in the 2006 fiscal year. Looking at the data for TD visas further reveals that Canadian TN visa holders are more likely to bring their immediate family members with them than are their Mexican counterparts.


### THE ASYMMETRY OF NORTH AMERICAN BRAIN MOBILITY

The scope of brain mobility across the three countries is growing fast but primarily in one direction: from Canada and Mexico to the United States. Issues arising from this asymmetry include:

- The selectivity of “brain drain” from Canada to the United States in certain sectors; for example, the *Toronto Star* reported in 2007 that 12,040 Canadian-educated physicians live in the United States, and one in nine Canadian-trained medical doctors is treating Americans.
- Moreso, the brain drain from Mexico as a developing country to the United States would result in

greater impacts on the nation’s economic development than the typical global South to North unidirectional brain drain. It is difficult to examine the extent to which Mexican highly skilled return migration has occurred and, hence, what the positive impacts of brain circulation have been, if any.

- The issue of split or transnational families among Mexican TN visas holders also needs further exploration for its impact on Mexican family stability and social structure. Unlike the issue of transnational families among Asian immigrants or undocumented Mexican families, the issues faced by legal Mexican professional families have yet to draw adequate attention.

Therefore, it remains to be seen whether the incoming US administration will take into account the brain drain or brain circulation issue among the three North American countries in its ongoing debates about comprehensive immigration reform. It also remains to be seen whether the new US government will attempt to achieve more multilateral consensus in the population flow arena beyond the issues of free trade and border control. 

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# The American poverty trap

## DOES POVERTY MATTER?

In view of the ongoing presidential campaign in the United States, it is clear that the human factor has been placed at the centre of the political debate. Recognition that a healthy and strong economy should be reflected in people's quality of life and respond to their expectations is a key issue to the platform of Democratic candidate Barack Obama and is also stated as a frequent concern for Republican John McCain.

Poverty, health coverage, and low income are intertwined, thus becoming visible concerns to a large number of voters who believe that federal government intervention is necessary to promote personal well-being. Official figures show that, by 2006, 36.5 million Americans were living in poverty. The US Census Bureau categorizes poverty by combining objective measurements of before-tax income with the amount of money needed to meet an agreed-upon minimal standard of living, resulting in a current threshold of \$21,027 for a family of four. Many experts consider this criterion inaccurate, as it only includes cash income and cash welfare benefits, leaving out such things as food stamps, education, training, medical care, and public housing. Despite these criticisms, it is important to realize that American government agencies remain the most reliable sources for poverty data.

In a demographic universe of 301 million people, 12.3 percent of Americans face poverty, and this average has been oscillating over the last three decades, between 11.1 percent in 1973 and a peak at 15.2 percent in 1983. The dimension of deprivation can be perceived by focusing on particular groups, with children, women, and senior adults being the most vulnerable. In 2005, children under 18 represented 17.6 percent of the poor, compared with people between the ages of 18 and 64 (11.1 percent) and those 65 years and older (10.1 percent). According to UNICEF, the

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Poverty, health coverage, and low income are intertwined, thus becoming visible concerns to a large number of voters who believe that federal government intervention is necessary to promote personal well-being.

United States ranks 20th among the world's richest countries in terms of providing for its children's well-being, while Canada is ranked 12th.

In the United States there were 7.7 million families in poverty in 2006. Female-headed families outnumbered all others with an average of 28.3 percent, while male householders with no wife present constituted 13.2 percent, and married couples accounted for 4.9 percent of the total. Persistent poverty in real numbers for the same year among racial and ethnic minorities placed Hispanics at the top of the list with 9.2 million; closely followed by African Americans with 9.0 million; and followed next by Asian Americans with 1.3 million. Translating these figures into percentages, the rate of non-Hispanic whites in poverty (8.2 percent) was much lower than that

for African Americans (24.3 percent) or Asian Americans (10.3 percent).

Other factors such as geographical location and region also have an impact on people's lives. In metropolitan areas, there's a heavy contrast between suburbs and inner cities, with 9.1 percent and 16.1 percent poverty rates, respectively. In rural areas poverty figures are 15.2 percent. According to the US Census Bureau, the South continues to have the highest proportion of people in poverty (13.8 percent), while the West was the only region in which poverty decreased in the last year (from 12.6 percent in 2005 to 11.6 percent in 2006).

## WELFARE IN PUBLIC POLICY

In 1996, President Bill Clinton signed the *Personal Responsibility and Work Opportunity Reconciliation Act* (PRWORA), with the aim of transforming a 60-year-old welfare system originally created in 1935. Surrounded by myths such as "welfare recipients are idle and don't want to work," or "welfare encourages people to stay poor," the former system was based on a federal direct subsidy for children and needy families. In contrast, PRWORA shifted responsibility from the federal government to the states, giving them the power to establish eligibility criteria.

Welfare recipients today are forced to find work within two years and face many restrictions. For example, these restrictions include the refusal of welfare subsidies to unmarried parents under the age of 18, unless they can prove they live with an adult and have not dropped out of school. Although these changes have been celebrated by US policy-makers who focus on enforcing "workfare" as the primary means of income support for the poor, their implementation takes place in a global economy characterized by technological innovations, deindustrialization, trade competition, and the decline of unions.

The amount of federal funds spent on anti-poverty programs has been rising

## The particular circumstances of the United States help demonstrate that economic affluence does not necessarily result in people's well-being.

consistently since 1970. Starting at 4.3 percent, and growing to 9.1 percent in 1990, it reached a record 16.3 percent in 2004. Ironically, in that same year, the US Department of Health and Human Services acknowledged that the country's welfare caseloads decreased over 50 percent. The current policy regime has been considered a success from a neo-liberal standpoint. Nevertheless, it has forced its recipients to exercise an enormous pressure on institutions such as community-based organizations looking for the "support of last resort." According to Michael Reisch, from the University of Michigan, School of Social Work, the fact that PRWORA increases competition for unskilled jobs and drives down the wage scale has become a sensitive issue. Not surprisingly, 25 percent of American workers today are making less than \$8.70 an hour, and even working full time year-round is not enough to escape poverty for a family of four. In contrast, data from the Census Bureau show that the real median household income per year is \$48,201.

It is important to point out that the federal minimum wage has practically stagnated in the last decade, going from \$5.15 in 1997 to \$5.85 in 2007 for all covered, non-exempt workers. There is also a subminimum wage of \$4.25 per hour, for employees under 20 years old during their first 90 consecutive days of employment. The experience of poverty is not homogeneous in America. Aside

from the "working poor," there are those categorized as "underclass" who experience chronic deprivation. This particular group confronts the crudest consequences of an individual-focused ideology, because they not only are characterized as ill-equipped in education and working skills, but are culturally stigmatized. Among them are those experiencing homelessness or addiction (the National Alliance to End Homelessness reported a point-in-time estimate of 744,313 homeless people in January 2005).

### A COMPARATIVE PERSPECTIVE

The particular circumstances of the United States help demonstrate that economic affluence does not necessarily result in people's well-being. By looking at data from the United Nation's Human Development Index (HDI) and the Human Poverty Index (HPI-2), it is possible to find out where and how the American dream meets other realities. The HDI measures life expectancy, education, and income. The combination of these factors placed the United States no. 8 among 177 countries during 2004, and no. 12 in the latest report. Meanwhile, Canada is currently no. 4. Reviewing the standards of the HPI-2 that apply to OECD countries reveals that the United States ranks 17th, while Canada occupies the 8th place. The unemployment rate in 2006 for the United States within OECD countries was 4.6 percent of the workforce. This variable is particularly interesting because Canada appeared worse off with 6.3 percent.

Examining income inequality shows the concrete dimension of social mobility within a country's economic structure. According to the HDI, the share of income of the poorest 10 percent of the US population in the year 2000 was 1.9 percent, while 29.9 percent of the country's income belonged to the richest 10 percent (General Inequality Index 40.8). In Canada, the proportion of income for the poorest 10 percent and richest 10 percent was 2.6 and 32.6, respectively (General Inequality Index 24.8).

### FINAL COMMENT

Although America's founding myth of a land of unlimited opportunities still remains a key element of the political rhetoric, the consequences of the globalization model that the United States has struggled to impose on others are now being felt at home. On the basis of greed and a self-pretentious attitude, the traditional scheme of promoting war in order to reinvigorate the US domestic economy has proven to be ineffective. In such a fragile scenario, many Americans are showing frustration and disenchantment.

## Poverty and politics do not exist independent from one another, and it is only with an active citizenry that we can expect things will change for the better.

This is precisely what Barack Obama is particularly profiting from, through an unprecedented campaign. Poverty and politics do not exist independent from one another, and it is only with an active citizenry that we can expect things will change for the better. Whatever the end of the story will be, we hope that the 2008 election will reinvigorate America's democracy. 🍁

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# Unreliable data: A serious obstacle for evaluating NAFTA

## POVERTY INCIDENCE EVOLUTION TAKING INCOME DATA AT FACE VALUE

If an analyst disregards the reliability and comparability problems of household income data and takes the data at face value, the story of poverty incidence (defined as  $H=q/n$  where  $q$  is the number of poor persons and  $n$  the population, usually expressed as a percentage) in Mexico since NAFTA would be as follows. First,  $H$  was at a similar level in 2000 as it was in 1992. Official poverty figures on patrimonial poverty were 53.1 percent in 1992 and 53.6 percent in 2000. "Patrimonial poverty" was defined by the Mexican government as the condition of those households whose income per capita was below the necessary level to meet the basic requirements for food, clothing, housing, health services, public transportation, and education.

According to the Integrated Poverty Measurement Method (IPMM) (which combines income poverty—the only dimension considered in the official method—with unsatisfied basic needs and a longitudinal timeline of poverty trends), the figures were 75.4 percent and 75.3 percent in 2006. Both data sets rely on the National Survey of Household Income and Expenditures (ENIGH), carried out by the National Institute of Statistics and Geography (INEGI). In both cases, the biannual evolution of  $H$  shows stability between 1992 and 1994, a huge increase between 1994 and 1996, a decrease from 1996 to 1998, and a more rapid decrease from 1998 to 2000.

In 2006, patrimonial poverty was 42.6 percent, ten percentage points lower than in 2000, according to the Mexican government, and five percentage points lower than its 2000 levels, according to the IPMM. Finally, in the official calculation,  $H$  during the whole NAFTA period shows a decrease from 53.1 percent in

BY JULIO BOLTVINIK

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An optimistic (or apologetic) interpretation of the above figures would focus on the period from 1996 to 2006 and on official calculations, suggesting that NAFTA is rapidly reducing poverty

1992 to 42.6 percent in 2006, while the IPMM calculation shows a decrease from 75.4 percent in 1992 to 70.9 percent in 2006.

An optimistic (or apologetic) interpretation of the above figures would focus on the period from 1996 to 2006 and on official calculations, suggesting that NAFTA is rapidly reducing poverty (from 69 percent in 1996 to 42.6 percent in 2006). On the other hand, a pessimistic (or critical) view would focus on the IPMM and the entire 1992 to 2006 period and would state that NAFTA is associated with a very slow decrease in  $H$ .

Neither interpretation would be accurate because both of them would be based on taking ENIGH's data at face value.

## A CRITICAL LOOK AT MEXICO'S SURVEY OF HOUSEHOLD INCOME AND EXPENDITURE (ENIGH)

Mistrust of ENIGH began in 2002, when ENIGH data for that year indicated, in comparison with ENIGH data for 2000, a substantial decrease in  $H$  (3.6 percentage points) in a period when the economy was in a recession (GDP per capita decreased by 2.2 percent) and despite evidence of a growing polarization of income during the same time period. Changes in sample size and design, as well as important changes to the questionnaire, were made in the 2002 ENIGH and maintained in subsequent surveys.

These changes made data from the 1992 to 2000 and 2002 to 2006 ENIGHs noncomparable. In fact, a detailed analysis of the 2002 to 2006 ENIGHs, shows the following problems, inconsistencies, and biases.

**Underestimation of income.** In the 2004 ENIGH, total household income represented only 51.6 percent of the net disposable income in the household account (HA) of national economic accounts. In 1994, 1996, and 1998 these proportions were 57.3 percent, 46.9 percent, and 46.0 percent, respectively. These figures imply an overestimation of the extent of income poverty and also that the evolution of poverty can be biased through the use of non-adjusted ENIGH income data.

**Overestimation of the decrease in household size.** Because poverty is measured officially only by per capita income, poverty incidence would decrease over time if the decrease over time in household size (HS) was overestimated. Also, in any given year,  $H$  tends to be underestimated if HS is underestimated.

This is the case in the ENIGHs. National average HS in the 2000 and 2006 ENIGHs was 4.15 and 3.95 persons,



respectively, yet in the 2000 and 2005 Census/Conteo, the figures were 4.38 and 4.04. In addition to providing a general underestimation of household size, the ENIGH's figures indicate inconsistencies by area. The ENIGH's observed HS decrease from 2000 to 2006 was only 4.9 percent at the national level but 10.4 percent in rural settlements (RS) (settlements smaller than 2,500 persons), and more than 14 percent in the most impoverished groups within RS. This is significant for two reasons: (1) 70 percent of the reduction in absolute terms of patrimonial poverty was concentrated in localities with fewer than 15,000 persons, and all of it took place in RS and (2) according to the ENIGHs, HS increased in localities with 2,500 to 15,000 persons (which can be called semi-urban), so that the impact of HS reduction on poverty is only applicable in RS.

**Inconsistencies in the evolution of income.** The period 2000 to 2006 saw a low growth rate in GDP per capita (a 7 percent increase in the period), but according to the ENIGH, households increased their current total income per capita (CTIPC) twice as much (15.3 percent). Furthermore, although primary sector GDP (not per capita but total) grew 14.9 percent in the same period, the CTIPC of households, according to the ENIGH, grew 62.6 percent in RS, decreased 20.9 percent in semi-urban settlements, and grew only 13.9 percent in urban settlements (settlements with more than 15,000 inhabitants). In addition, the ENIGH reported that RS per capita income from wages grew 83.4 percent, contributing much more to the now-apparent "rural miracle" than family remittances.

**Increasing overestimation of occupied population.** Partly explaining the overestimation of income and wage growth is the fact that the ENIGH overestimated occupied population (OP) in 2000 by a bit more than 0.50 million persons compared with the National Occupation Survey (ENOE): the ENIGH estimated OP at 39.48 million while the ENOE estimated OP at 38.96 million. This overestimation increased almost

**TABLE 1 Changes in living conditions in rural, semi-urban, and urban areas: Percentage change in availability or use of the specified item, 2000 to 2006**

Item	Rural	Semi-urban	Urban
Fridge	48.4	-6.8	3.5
Washing machine	83.9	14.3	14.7
Gas for cooking	66.7	-1.9	0.01
Wood for cooking	-58.3	22.2	-33.0
Piped water inside the dwelling	108.8	-13.6	7.2
Toilet connected to drainage	127.1	-27.5	4.3
No sanitary service	-51.3	2.5	-54.6
Drainage	246.6	-6.9	5.4
Burns garbage	-42.8	-12.1	-52.8
Garbage pick-up service	161.3	1.8	-2.2

*Source: Own calculations using the ENIGH's 2000 and 2006 databases.*


sixfold in 2006, when it reached 2.85 million (45.45 million versus 42.60 million).

**Increasing underestimation of the rate of dependency (RD).** As a consequence of the downward bias in HS and the upward bias in OP, RD is highly underestimated by the ENIGH for the period 2000 to 2006. At the national level, RD decreased from 1.77 to 1.52 dependants per occupied person, while in RS the corresponding figures were 1.97 and 1.66. In this case, while HS diminished from 4.61 to 4.13, the number of occupied persons per household remained the same (1.55) and dependants per household decreased from 3.05 to 2.58. The total number of occupied persons in RS grew because of the increase in the number of households (460,000).

**Overestimation of living conditions in RS.** Table 1 shows the percentage change in living conditions in rural, semi-urban, and urban settlements for the period 2000 to 2006. According to these figures, living conditions in RS are improving at very high rates (e.g., up to 246.6 percent for drainage). In contrast, urban rates of improvement are very moderate, and semi-urban areas seem to be taking a turn for the worse. In semi-

urban areas, negative indicators such as the use of wood for cooking or lack of sanitary services are increasing, and positive indicators such as fridge availability, indoor plumbing, and sewage facilities, are decreasing. Although these figures depict stagnation in urban areas and regression in semi-urban areas, the rural picture is one of radical positive transformation. This "rural miracle" is not supported by any other evidence.

## NECESSARY CHANGE IN SOURCES FOR EVALUATING NAFTA

It is difficult to argue that, despite all the problems and biases of the ENIGHs, the reported drop in patrimonial poverty during the 2000 to 2006 period is accurate. Once the figures of this period are challenged, the optimistic post-NAFTA view no longer holds water. Under this framework, it is necessary to evaluate the impact of NAFTA on the basis of different sources and sets of variables such as real wages, formal employment, emigration, GDP, and private consumption, to name a few. On all these counts, the pessimistic (or critical) view is much more probable. 

# Confronting inequality: North American solutions to a North American problem

## A KINDER, GENTLER CANADA

An enduring Canadian myth is that we have embraced a “kinder, gentler” version of capitalism, tilting closer to European social democratic programs and values than our more Darwinian “free market” neighbours. Like all myths, this has elements of truth. Canada still has a flagship social program—medicare—to boast about, a somewhat stronger welfare state, and an avowedly social democratic party (or two, if we count the Bloc Québécois). Canadian nationalism is deeply bound up with the perception that we have built a different and more progressive social model than that of the United States.

But the fact of the matter is that deep cuts to government spending in Canada in the 1990s—combined with modest increases in the United States under Bill Clinton—markedly reduced the once huge differences between the two countries in terms of the size and scope of the welfare state. After slashing social spending more deeply than any other advanced industrial country in the 1990s, Canadian governments now collectively spend just 5 percent more of national income on non-defence spending than does the United States.

## THE GAP NARROWS

Although this is not an inconsiderable difference, it is sharply down from the 16 percent gap in the early 1990s. Our once more-generous employment insurance program has been cut to near US levels and provincial welfare benefits have been deeply slashed in real terms in almost all provinces, reducing equalizing transfers to lower-income working-age families. Public and social services, including health care, have been increasingly “marketized,” and our once strong unions have lost ground. Lower private sector union density, now below 20 percent, and a shrinking base of secure

BY ANDREW JACKSON

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Exposed to essentially the same big “neo-liberal” economic forces of globalization and unregulated domestic capitalism, income growth in Canada has, as in the United States, become remarkably concentrated at the very top of the distribution.

middle-income jobs have brought greater US-style inequality and insecurity.

Remarkably, total public social expenditures are now only marginally higher in Canada than in the United States as a share of national income (17.3 percent versus 16.2 percent, both little more than half the Swedish level of 31 percent). The United States actually spends relatively more than Canada on government transfers to persons because US social security provides more to the middle class than Canada’s public pensions, and because the United States is markedly more generous when it comes to income transfers to the working poor. The US Earned Income Tax

Credit provides up to \$4,700 per year to lower-income working families, with benefits phased out at \$40,000, while the Canadian Working Income Tax Benefit provides a miserly maximum benefit of just \$1,000 and is fully phased out at a family income of just \$20,000. The United States also issues food stamps to its poor—a degrading program, but arguably better than nothing.

## INCOME DISTRIBUTION AND TAXES: THE NORTH AMERICAN PARADIGM

Exposed to essentially the same big “neo-liberal” economic forces of globalization and unregulated domestic capitalism, income growth in Canada has, as in the United States, become remarkably concentrated at the very top of the distribution. Only the top 20 percent of earners have experienced significant real income gains since the early 1990s, with much of that taking place at the very top. The 1 percent of Canadians with the very highest incomes collected 12.2 percent of all taxable income in 2004, up from 8.6 percent in 1992, and their incomes averaged \$429,000 in 2002, massively up from \$268,000 in 1992.

In Canada, as in the United States under Ronald Reagan and the two Bushes, tax cuts for the very affluent—elimination of the high income surtax and much lighter taxation of capital gains income—have further undermined the once powerful redistributive effects of the combined tax/transfer system. This is important because progressive income taxes have long played a more important redistributive role in North America than in Europe, which has mainly equalized through generous social programs financed from flat payroll and consumption taxes.

The key point is that Canada has decisively moved from being intermediate between the United States and “social

Europe” to being little more than a regional variant of the US model. Like the United States, we have a big and ever-increasing inequality problem, and, like the United States, we are finally starting to talk about it. Research by the inequality project of the Canadian Centre for Policy Alternatives (see [www.growing-gap.ca](http://www.growing-gap.ca)) has been widely publicized in the mainstream media, drawing attention to the huge and rising gap between CEO and average worker pay, the exploding income share of the most affluent, the stagnation of average family incomes, and the chronic persistence of poverty despite falling unemployment. Inequality has become a major political issue, especially in our big cities, where low income has, as in the United States, become increasingly racialized and geographically concentrated.

### MYTH VERSUS REALITY

The myth of a “kinder, gentler” Canada was more descriptive of our reality in the 1970s and 1980s, but it always obscured the fact that a quasi social-democratic Canada was a relatively recent and fragile creation, dating back only to the Pearson minority government era, which brought us medicare, the CPP/QPP, and a much more generous unemployment insurance program, to mention only the highlights. American redistributive politics were more progressive during the long Democratic ascendancy from the New Deal until the demise of Lyndon Johnson’s War on Poverty and the sharp turn to the right under Reagan.

Arguably, Clinton was more of a progressive than Jean Chrétien. Although this does not say a lot, he worked with a Democratic Congress to attack the US deficit, partly by raising taxes on the affluent rather than just by cutting social spending, raised the minimum wage, and considerably expanded income supports for the working poor through the Earned Income Tax Credit (albeit slashing “welfare as we know it”). In the Chrétien-Martin period, the only really notable social policy achievement was higher child benefits for lower income families.

Like the United States, we have a big and ever-increasing inequality problem, and, like the United States, we are finally starting to talk about it.


### A COMMON OPPORTUNITY

With the prospect of a wholesale repudiation of the deeply inegalitarian Republican legacy now very much on the US horizon, the question arises as to whether we can reverse our common slide into ever more unequal and insecure societies. Deep social and economic reform is not on the US agenda today. Among Democrats, that cause was principally championed by the John Edwards campaign. But even Robert Rubin and his fellow Wall Street Democrats who will heavily influence a Barack Obama presidency see a need to deal with inequality, calling cautiously through the “Hamilton Project” for more progressive income taxes and selective social investments and transfers.

Progressive tax reform should be high on the policy agenda on both sides of the border. Higher taxes on the most affluent to fund higher income transfers and citizen entitlement programs are fundamental to a more egalitarian agenda, and any moves in that direction in the United States will make it far easier for us to follow suit. For once, tax

harmonization might come to mean harmonization up rather than down, and we can learn from the recent US experience of improving the lot of the working poor through living wages and earned income tax credits.

The issue of good jobs is also central. Part of the great North America-wide shift of income to the very rich is to be explained by relentless low wage/low social standard global competition, and Canada no less than the United States now confronts huge job-killing trade deficits with Asia. Beyond new trade models, we should be launching a North American green jobs strategy linked to a North American plan to deal seriously with global warming. It is difficult to talk sensibly about trade, industrial, and environmental policies—all of which link closely to good jobs—in a purely domestic Canadian context.

It has been a long time since Canadian progressives could think of making common cause with political movements south of the border, but a welcome whiff of change is in the air. 

### MULTICULTURALISM AND ITS DISCONTENTS: WHERE DO WE GO FROM HERE?

Conference organized by the Robarts Centre for Canadian Studies  
with the Support of the York University 50th Anniversary Committee  
September 25–26, 2009

Multiculturalism, once the crumb thrown to those not born into one of the “founding peoples,” has evolved into one of the cornerstones of what it means to be Canadian. In a broader sense it has come to encompass not only ethnicity but also gender, class, and regionalism. It is held together by a curiosity about the other and an exposure to many different ways of living and knowing. To address these changes and their future implications, “Multiculturalism and Its Discontents” is designed as a public event

featuring a wide selection of Canada’s best known social commentators, journalists, pollsters, scholars, artists and representatives of “multicultural” groups. They will, in a set of lively, open discussions address multiculturalism’s legal and social conundrums, its flashpoints, its successes, failures, as well as the unprecedented creativity of the many diasporas housed in Canada.

Check out [www.yorku.ca/robarts](http://www.yorku.ca/robarts) for details as they become available or contact Laura Taman ([llt@yorku.ca](mailto:llt@yorku.ca)).

# Can the United States learn anything from Canada about government debt and deficits?

## RECORD SURPLUSES

The fiscal balances for all governments in Canada are in surplus. In the United States, fiscal deficits have been occurring since 2001. In the 1980s and 1990s, the United States lectured Canada repeatedly to get “its fiscal house in order.” The temptation to lecture the United States is too great to pass up, with large US deficits and large surpluses in Canada.

BY MICHAEL McCracken

Michael McCracken is the Founder of Infometrica.

The outlook assumes that the world oil price stays relatively high.

A comparison of the government debt relative to GDP strengthens the case, with the debt ratio in Canada below that of the United States since 2004. The choice of a measure across all levels of government is important, because each level of government has different responsibilities in the two countries. Social security is consolidated into the federal numbers in the United States, but kept separate in Canada; unemployment insurance is federal in Canada, but mixed jurisdiction in the United States, and so forth.

It takes a while to get under the US skin. Is it worthwhile taking them on if the situation is likely to reverse in a few years?

## THE NEXT DECADE

### Canada

The prospect is for continuing surpluses at all levels of government, with declining debt ratios in Canada. The energy-rich provinces are doing particularly well, with large surpluses in Alberta, Saskatchewan, British Columbia, and Newfoundland and Labrador. The Canada Pension Plan is in surplus and likely to remain so over the next decade.

### United States

Deficits will eventually stabilize at the federal level in the United States. State and local governments collectively will be in surplus: some as required by their law, others because of good management or good luck.

## WILDCARDS

### Global projections

The outlook assumes that the world oil price stays relatively high—above \$80 per barrel over the next decade. This helps the Canadian provinces through royalty income and the Canadian federal government through corporate taxes. These high prices, however, are a damper on

FIGURE 1 Net fiscal balances (all levels of government)

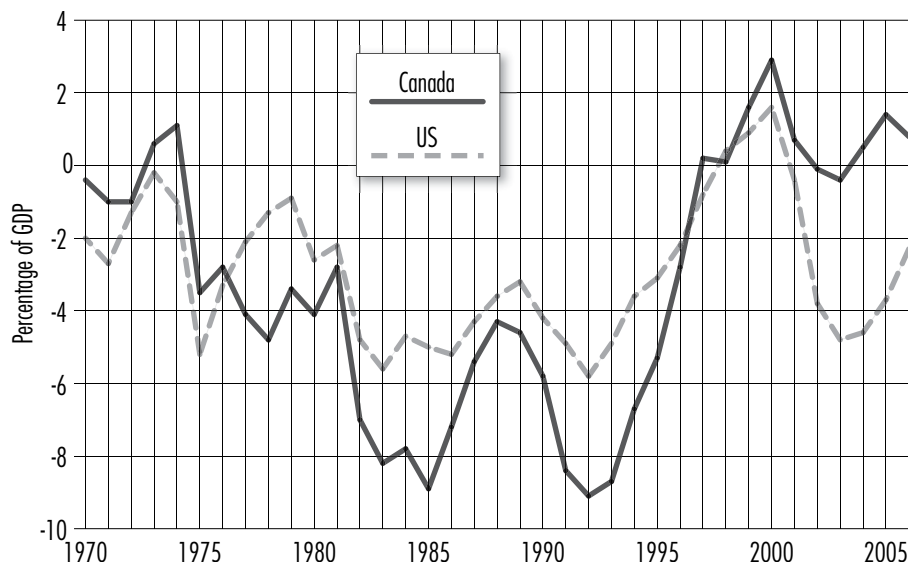
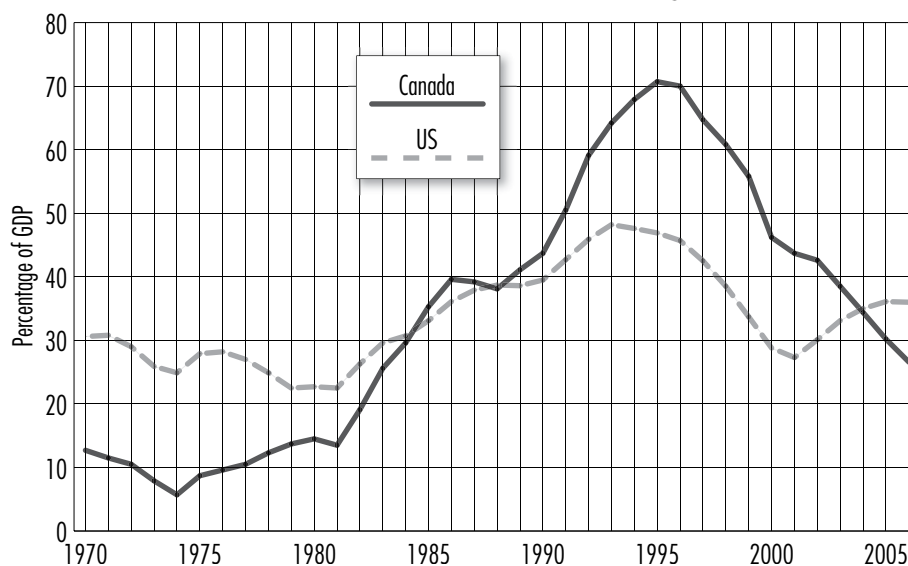


FIGURE 2 Net financial liabilities (all levels of government)



economic activity in the United States, making a full recovery more difficult there. At the same time, the high prices hit Ontario and Quebec directly and through the appreciating currency. Lower exports to the United States hurt Canada across the board.

The wildcard is a substantial drop in world oil prices and other commodity prices. This would hit the royalty income in Canada and could reduce the fiscal balances for all levels of government. It would be the same as a big tax cut by those external to the United States, helping its relative fiscal position.

### **Global depression**

The expectation is that the global financial system will weather the current volatility, and the two countries can return to a stable economic and financial system. However, the system could come unravelling. If so, all bets are off, with government revenues in both countries in jeopardy and unknown requirements for expenditures to prop up the system. In such an environment, governments will have other things to focus on than trying to score points on relative fiscal outcomes.

### **IS REDUCING GOVERNMENT DEBT GOOD POLICY?**

Answering this question requires an assessment of which sector is best at debt financing. Borrowing rates by governments are almost always lower than corporate borrowing rates. Personal borrowing is usually more expensive than corporate or government borrowing costs. This suggests that governments should be the last to reduce their borrowing, particularly if their steps to reduce their borrowing force other sectors to borrow more. Government surpluses lead to personal sector deficits and corporate sector deficits. Does this make sense?

However, it is possible for all domestic sectors to be in surplus. This would be reflected in a deficit on non-resident borrowing, with a reduction in debt owed to foreigners or an increase in foreign assets. In this world, would the

## **The wildcard is a substantial drop in world oil prices and other commodity prices.**

bankers be happy? Or would they find themselves having to place net debt abroad, something they may not be so skilled at (see early 1980s)?

Another role of debt is to allocate the costs to the appropriate generation benefiting from an investment. Infrastructure financing uses debt accumulation to spread costs to using generations. In such a world, there is likely to be government debt. It could be offset by financial assets owned by governments because it is the “net debt” that is usually the focus of concern. In the United States, government ownership of assets may be more difficult than in Canada with our nation’s history of Crown corporations.


### **WHAT CAN GO WRONG WITH A DEBT REDUCTION TARGET?**

It is possible that there will be a major North American recession. What should governments do? Do they keep focusing on running surpluses, “come hell or high water”? Or do they take steps to stop the freefall and invigorate the economy with new spending or income? At the moment, the United States is stimulating the

economy even though it faces a larger deficit as a result. In Canada, there were some tax cuts last year that are belatedly being labelled as fighting the economic weakness. However, the surpluses continue and the current federal government and the main opposition say they will not go into deficit.

Another disturbing shock would occur if there were a substantial jump in inflation rates, with large increases in interest rates. If interest rates are greater than economic growth, then this destabilizes debt ratios, forcing governments to move to primary balance surpluses. Such fiscal restraint is likely to slow the economy, making pressures on the fiscal situation greater while interest rates remain high. Eventually the inflation spike will end, usually with a recession. Inflation falls and interest rates decline. In the aftermath, however, there is a higher debt ratio, larger fiscal deficits, and economic slack.

### **LESSONS LEARNED**

Although the proximate objective is often stated as the lowest debt ratio consistent with a fully employed economy, the focus is on deficits and debts while ignoring the performance of the overall economy. It makes more sense to focus on the overall economic performance and its stability—full employment, stable inflation, viable exchange rate, and rising incomes. Commitments to certain ratios at all costs, while easy to understand, are likely to be difficult to achieve without undue harm to the economy and its people. 

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# Dealing with the challenges of ethnocultural diversity: Quebec and the conundrum of reasonable accommodation

## QUESTIONING REASONABLE ACCOMMODATION

By most accounts, Quebec is a good place to live for members of ethnocultural minorities. A recent survey revealed that nearly eight in ten immigrants feel that the francophone majority is open-minded toward them and the diversity of their cultures. The Quebec state has designed and implemented over time an extensive array of diversity management policies aimed at protecting the fundamental rights of ethnocultural minority groups, facilitating their integration, and curtailing all forms of socioeconomic discrimination that target them specifically. Practices of accommodation allowing individuals and groups to live by their own cultural and religious standards in the public sphere—the so-called reasonable accommodation—have been an intrinsic part of Quebec's socio-institutional landscape for more than two decades. They have been largely unproblematic and are generally hailed as an exemplary illustration of Quebec's eager openness to pluralism and ethnocultural diversity.

## TESTING ATTITUDES TOWARD DIVERSITY

This image of successful diversity management and harmonious integrative policy has been severely put to the test in the past two years. In the wake of a string of sensational news reports relating examples of purported abuses of the principle of accommodation of cultural and religious difference, calls to restrict manifestations of otherness in public spaces, limit the extent of socio-cultural diversity, and impose on minorities stricter conditions of social integration have multiplied. They reached a fever pitch in January 2007 when the small,

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The debate over reasonable accommodation simply echoes the fundamental ambivalence of liberal democracies vis-à-vis otherness and their unwillingness to assume the full consequences of their theoretical commitment to individual freedom, particularly when it calls for the reconfiguration of the existing structures of power and exclusion.

rural town of Hérouxville, 160 kilometres northeast of Montreal, attracted worldwide attention with its code of behaviour designed for prospective immigrants: its proponents unequivocally meant to prevent public displays of cultural, reli-

gious, and social attitudes that did not conform to the liberal, Judeo-Christian norms of the Euro-descendant francophone majority. Quebec's model of ethnocultural diversity management, for all its apparent merits, was under attack.

The intense public malaise that ensued prompted the government to launch in February 2007 a vast process of public consultation, headed by high-profile academics Gérard Bouchard and Charles Taylor, to feel the pulse of the population about existing practices of accommodation related to cultural and religious difference. The Bouchard-Taylor Commission, as it became known, visited 17 regions and towns of Quebec through the fall, holding heavily attended, televised public hearings and inviting all citizens and civil society organizations to express their views freely, either orally or in a written brief, on the management of cultural and religious diversity, the integration of immigrants, and the fundamental values and rights that should inform Quebec society. The co-chairs completed their tour in mid-December and delivered their report at the end of March 2008.

Overall, the whole enterprise proved to be a commendable and noteworthy exercise in open democracy. The unpleasant spleen-venting and immigrant/minority-bashing that some commentators dreaded did not really occur as the co-chairs were quick to discourage and deflect any hint of disrespectful or ill-informed comments. Still, 335 written briefs and 20 public meetings later, the end result essentially confirmed what numerous letters to the editor, web logs, and public opinion polls had widely indicated during the months before the commissioners began their work: large segments of the Quebec population—as many as three in four Quebecers,

according to some polls—have serious misgivings about the accommodation of cultural and religious differences in public spaces and would rather do away with it. A deep, collective anxiety about the possible, negative impact of reasonable accommodation on the maintenance of Quebec's dominant culture and social norms emerged as a strong narrative thread that ran through a majority of briefs and interventions made during the hearings.

## THE BIGGER PICTURE

This apparent decline of public support for reasonable accommodation in Quebec has deep-seated roots, which superficial, ready-made answers to this question fail to address: “The media blew everything out of proportion”; fear and ignorance of the other; post-9/11 Islamophobia and Arabophobia; Quebecers' frustration at the unwillingness of immigrants to endorse their nationalist aspirations, etc. Although contemporary mainstream Quebec society has never been, strictly speaking, a colonial or imperial power like Europe or the United States, it nevertheless exists as an offshoot of the history of rule and domination that the latter have imposed on the world. As such, Quebec's social and cultural hierarchies are intimately informed by the exclusionary patterns of power that Euro-American hegemony has developed in its relation with non-Western cultures and ethnic groups and by the West's deeply ingrained sense of superiority vis-à-vis all that does not originate from its sociocultural framework. Furthermore, one must not forget that the process of defining the boundaries of citizenship, the conditions of inclusion in a political community, and the contents of the nation is an act of power whereby dominant groups determine unilaterally what the criteria of belonging will be. The current reluctance of Quebec's Euro-descendant franco-phone majority to assent to further socio-institutional accommodation must be understood as a reaction to perceived threats to the legitimacy of its historically determined social power, and

**Real, transformative social change that is unequivocally meant to strengthen and enhance democracy requires that we think outside the box—that is, outside hegemonic, Western categories, notions, and goals of unitary nationhood.**

therefore as an attempt to reconfirm its social ascendancy.

Quebec is certainly not unique in this regard. The debate over reasonable accommodation simply echoes the fundamental ambivalence of liberal democracies vis-à-vis otherness and their unwillingness to assume the full consequences of their theoretical commitment to individual freedom, particularly when it calls for the reconfiguration of the existing structures of power and exclusion. This reading of the situation will seem offensive and inappropriate to those who think that the history of French-speaking Quebecers within Canada has been marked to this day by social and political processes of minorization and inferiorization. Be that as it may, it does not take away the fact that Quebec's state and society are firmly rooted in a profoundly Western understanding of social and cultural hierarchies that obliterates all non-Western traditions.

## RETHINKING ETHNOCULTURAL DIVERSITY

Quebec's saga over reasonable accommodation is instructive. It speaks to the growing difficulty that contemporary liberal democracies experience in coming to grips with issues of social cohesion and questions related to the integration of ethnically and culturally diverse populations that increasingly expect to enjoy the benefits of citizenship on their own terms, according to parameters differing often considerably from mainstream social and cultural norms of membership in the political community. Can Quebec rise to the challenge? Clearly, to those who think that our dem-

ocracy is fine as it is, and that it must be preserved at all costs in its current form, the special identity claims of immigrants and otherized communities will always appear as a threat, and should not be accommodated.

## THINKING OUTSIDE THE BOX

If, on the contrary, one thinks that our democracy could use improvement when it comes to dealing with the recognition of otherness, the challenge may be much more demanding than it seems. Simple institutional tweaking and well-intended exhortations to respect others will no longer do, for they never deal with the roots of the problem. Real, transformative social change that is unequivocally meant to strengthen and enhance democracy requires that we think outside the box—that is, outside hegemonic, Western categories, notions, and goals of unitary nationhood.

This implies a radical rejection of the social and cultural ascendancy that Euro-descendants have imposed and maintained on immigrants, racialized minorities, and First Peoples. It implies as well that a real intercultural dialogue be initiated. Not a dialogue of the kind that calls for the convergence of minority cultures toward the hub of the majority culture, as the official Quebec government policy would have it, but one where “us” and “them” congregate on a totally new, level playing field to draw the parameters of community, citizenship, and nationhood together. This is the challenge for Mr. Bouchard and Mr. Taylor and it is unclear whether the government will welcome this more unsettling route. Surely, though, there is no harm in hoping. 

# Detroit's demise and the security-first agenda

## CANADA'S BORDER POLITICS

Canada is often characterized as a border nation with much of its population located within a geographic region that lies within 100 kilometres of the US border; however, in spite of our proximity to the United States, we are relative newcomers to border politics. Many of Canada's land crossings are in rural or sparsely populated regions and thus the border as a territorial limit has had little effect on the Canadian imagination until recently. However, we are quickly recognizing new realities emerging from the mandates of the US Department of Homeland Security since its formation in 2002. The steady militarization of the Mexico–US border is the most obvious manifestation of the new “security-first” mandate. San Diego-based architect Teddy Cruz suggests that the changes in the conception of the border are serving to carve up the continent by forming a “political equator” that has emerged in the last decade. Similarly, we are witnessing the steady thickening of the border on the Canadian side after a long historical period when the United States and Canada shared the world's longest undefended boundary.

## WINDSOR–DETROIT HISTORY

The Windsor–Detroit region is exceptional in this border geography because it is the largest metropolitan area that straddles the 49th parallel. These twin cities occupy a unique position in North America, and the complications arising from the increasingly bifurcated, post-industrial urban fabric serve as a pretext for thinking about the geopolitics of North America as it is braced between the conflicting mandates of trade and security. These two cities are saddled with the burden of the border as their infrastructure ages and wait times increase. This, coupled with the US subprime lending crisis and the long, slow death of the American auto industry, has led to a growing sense of despondency

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[W]e are witnessing the steady thickening of the border on the Canadian side after a long historical period when the United States and Canada shared the world's longest undefended boundary.

not seen in the region since the late 1960s.

To suggest that Windsor is dependent on Detroit is to underestimate the relation between the two cities. Windsor became amalgamated as a city in 1930 after the completion of the Ambassador Bridge (1929) and the Detroit–Windsor tunnel (1930). Prior to this time it was a collection of border communities along the shores of the Detroit River. The city of Windsor was founded initially because of the imperial trade advantages that could be gained by locating auto production on the Canadian side in the early part of the 20th century. Hence, Windsor was primarily a manufacturing outpost—Detroit's annex in Canada. The trade infrastructure established by the 1930s still serves as the lifeline connecting these two regions. As a result, this region can be described as both binational and bipolar, heavily dependent on the fluctuations of a single industry and

hence susceptible to cycles of depression and mania.

A vision of the twin cities as a paradigm of modern postwar international relations was put forward in the urban planning schemes of the 1950s and 1960s: a proposed gondola crossing connecting the commercial centres of Windsor and Detroit serves as a poignant reminder of an earlier era and the historical connections of an urban community whose identity often overrides its respective national agendas. However, much of the modern imprint of Windsor–Detroit has been neglected or abandoned in favour of newer suburban communities that skirt the periphery of this sprawling region where the city gives way to a hybrid “rurbanism,” constantly gnawing away at the rural landscape in a long, slow bid to escape the political and economic problems that began in the 1940s.

## MODERN SUBURBANIZATION

Close to 5 million people currently live in the Windsor–Detroit metropolitan region (a region that covers approximately 142 square miles). However, most of the population occupies the suburban and exurban towns and cities that form networks around the inner city, whose population has just recently dipped under 1 million. Detroit is often said to be shrinking, but as architect and urbanist Kyong Park points out, Detroit is more accurately moving, pushing outward toward its peripheries. This exurban expansion that is taking place on both sides of the border contributes to the fragmentation of the region. On the Canadian side, new suburban developments quietly mimic the American disdain for urban culture. A relatively wealthy international suburban doughnut extends from Bloomfield Hills, Michigan to LaSalle, Ontario.

At the centre of the doughnut are the two international border crossings that seem to reinforce this centrifugal **Detroit's demise, security-first agenda, page 27**



# No documents, no entry: The Canada–US border transformed

## HOMELAND SECURITY AND THE CANADA–US BORDER

As of January 31, 2008, every individual travelling to the United States by car or boat is required to hold a valid passport or driver's licence plus a birth certificate or citizenship card. For those under 18, a birth certificate is mandatory. Canada had hoped for an exemption from the sweeping consequences of the new legal requirements passed by the United States Congress, but none was obtained. If a Canadian citizen does not have the required documents, he or she will be turned back at the border. The new stringent requirements transformed the management of North America's borders overnight and effectively established a new border regime for Canadians.

In theory, the model of border management should be one of cooperation and close coordination. Canada and the United States, as well as Mexico and the United States, have a long history of formal and informal cooperation among law enforcement, intelligence, and the bureaucracies charged with protecting their country's national sovereignty and national security. Each year, over 300 million cross-border visits occur, and it remains to be seen how the dramatic increase in workload will be handled by the US Customs and Border Protection Agency (CBPA) and the Canada Border Services Agency (CBSA).

Already, many problems have arisen. Document verification at heavily used border crossings is a logistical nightmare. Papers for every occupant in each car have to be verified by the border official. It is maddeningly slow and time-consuming work. Imagine a vehicle arriving at the Ambassador Bridge with four individuals—one born in Canada, the other three, naturalized citizens. The car pulls up and stops; the individuals fumble around looking for their papers (first delay). They hand their papers to

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Since 9/11, Canadian governments have invested over 10 billion in enhancing border security, behind and at the thickening border, with respect to passport issuance, port inspection, and air and land traffic.

the border official (second delay); the passports are scanned (third delay). These are then returned to the car occupants and further questioning and verification occurs (more delays). Should an individual be born in one of the 20 or so countries on the US watch list, the individual will be asked to leave the car for further verification, including fingerprint and document scanning, as well as a photograph (another even longer delay).

Compare the typical major land border-crossing experience to Pearson International Airport's pre-US customs clearance security process. Pearson has 30 agents on duty processing between 10,000 and 20,000 visitors daily during heavily travelled periods. Passengers are required to fill out customs forms and

have their passports at the ready. The pre-clearance area is well lit, indoors, and secure. Even so, wait times vary from 10 to 30 minutes during peak periods. Border-crossing customs processing zones are never a good environment; they are places of delay, irritation, and inefficiency. The hope is that a return to a heavily bureaucratized and policed, Central European-style border will not occur between Canada and the United States, but it is difficult to see how this scenario will be avoided. The Department of Homeland Security expects a high standard of document verification and leaves it to the front-line officers to enforce the rules.

## THE PUBLIC POLICY CHALLENGE

Given the magnitude of the new procedures and the volume of work for Canadian and American border officials on the northern border, the questions are: Are the existing financial resources adequate to cope with the intensity of these changes? How many more agents do the CBSA and the CBPA require? Do Ottawa and Washington have a full-fledged management strategy to address the legal and administrative challenges that will inevitably arise? How are the rights of Canadian citizens to be protected from intrusive and arbitrary decisions at the border by officials? Is there a consensus between the American and Canadian publics on the need for more and heightened security measures?

Since 9/11, Canadian governments have invested over \$10 billion in enhancing border security, behind and at the thickening border, with respect to passport issuance, port inspection, and air and land traffic. At the Cabinet level, both the Paul Martin and Stephen Harper governments appointed high-level ministers to coordinate public safety and security policy across the face of government. The current minister, Stockwell

**No documents, no entry, page 26**

Day, and his predecessor Anne McLellan, liaised with their American counterparts on a regular basis. As well, there is a vast ongoing administrative network across the face of both governments between officials charged with transportation, food security, immigration, commerce, justice, and intelligence gathering. Despite the ideal scenario where cooperation provides the framework of management of the Canada-US border, Canadian politicians and bureaucrats face three major challenges.

First, only 15 percent of Americans have passports, compared with 35 percent of Canadians; as a result, the border will be seen increasingly as a zone of bureaucratic inefficiency, frustration, and delay. It is expected that the number of those refused entry into the United States and Canada will rise dramatically, due primarily to individuals lacking the proper documentation. It is predicted that there will be a strong backlash by both individuals and commercial establishments in both countries against the new inflexible requirements of cross-border travel that will reduce visits, cross-border shopping, and other kinds of commercial activity.

Second, although the new documentation requirements are not in themselves onerous, they nonetheless harken back to the kind of borders that existed in the 1960s and 1970s when border officials were slow and methodical and the queues were long and trying. The staffing levels required to inspect the travel documents of millions of visitors will require massive investments from both Canadian and American governments. The number of border officials during peak times will have to be doubled or tripled. Border crossings are very difficult to manage because, even with modern scanners, much of the work is labour intensive and cannot be automated.

The question is: Do Ottawa and Washington have contingency plans for dramatically expanding, improving, and enhancing border management practices at the same time as the processing

[T]he border will be seen increasingly as a zone of bureaucratic inefficiency, frustration, and delay.

of individuals becomes more time consuming and labour intensive? Experts now acknowledge that most of the delays and bottlenecks at the Peace Bridge crossing between Buffalo, New York and Fort Erie, Ontario and the Rainbow Bridge between Niagara Falls, Ontario and New York—the two bridges responsible for three-quarters of all cross-border movement—are due to financial cutbacks and staff shortages.

Third, increased security practices require increased protection of citizen rights, particularly with respect to naturalized Canadians who were born in many parts of the world that American authorities consider high risk, such as Pakistan, India, and the Middle East. In 2006, 80,000 Americans were refused the right to board airplanes for flights they had purchased because they were on the no-fly list. The bureaucratic process for removing one's name from the list is slow, costly, and time consuming because US authorities have been overwhelmed by the workload. Both in terms of privacy issues and constitutional guarantees, the Canadian government requires a means of protecting its own citizens from the arbitrary and discriminatory actions of border officials block-

The prospects for disaccord and clashes of national sovereignty have never been more imminent.

ing access to the United States. As yet, no mechanism or tribunal has been established to protect Canadian and American citizens from perceived prejudicial behaviour on the part of customs agents.

## NEW CONSTITUTIONAL ANXIETIES

The unilateral decision on border crossings by the Bush administration under the *Homeland Security Act* will continue to challenge the legal responsibility of Canadian authorities to manage borders in accordance with Canadian law and the *Charter of Rights and Freedoms*. American authorities are equally charged with implementing the *Homeland Security Act* and protecting American national interests through the laws of Congress and the US constitution. The prospects for disaccord and clashes of national sovereignty have never been more imminent.

In the Strategic Council poll published in *The Globe and Mail* on January 15, 2008, only 4 percent of those surveyed indicated that security was a primary concern. By contrast, the economy trumps terrorism and government leadership as a source of worry. The dissimilarity with the United States could not be starker. In an October 2007 *Wall Street Journal* poll, Americans responded that terrorism, health care, and immigration were their primary concerns. Why is the Canadian public offside on the importance of security while the American public is dramatically onside?

One key factor is that the Maher Arar inquiry in Canada left Canadians deeply skeptical of the Homeland Security doctrine of rendition and alarmed at the role of the RCMP in providing false information to US authorities. This information resulted in Arar being sent to Syria where he was imprisoned and tortured for a year. In the public inquiry, headed by a Superior Court judge, Arar was vindicated and the government apologized to Arar and his family and paid \$10 million in compensation. Canadians were told that the RCMP wrongly acted against an

innocent Canadian citizen. Significantly, Arar remains on the US security watch list; no apology has been offered by the Bush administration, and he remains barred from any travel to the United States. The fallout from the Arar inquiry focused Canadian attention once again on very deep problems between the two countries on the management of the Canada-US security file.

These anxieties were heightened further in late December 2006 when the Canadian Supreme Court struck down the use of security certificates to hold suspects indefinitely without trial, access

to a lawyer, or constitutional protections and required the government to provide new legislation. The court gave the government one year to change the law and more legal challenges to the new legislation are anticipated. Many legal experts believe that the rights of the accused are not adequately protected. There is a growing consensus among human rights activists, legal activists, and key opinion makers in the mass media that Canadian governments have gone too far with intrusive security measures and have neglected due process and the rule of law guaranteed by the *Charter of Rights*

*and Freedoms*. As Ottawa continues to struggle to find the right balance between security and individual rights, the new border regime adds a whole new layer of complexity and urgency to Canada-US security relations. Finding adequate solutions to the new border regime will take the better part of the next decade as costs, delays, and diplomatic conflicts inevitably multiply and spin out of political control without the proper oversight and regulatory mechanisms in place. ❁

## Detroit's demise, security-first agenda continued from page 24

movement toward the suburban periphery. The separation of this border region began as communities on both sides plotted their exit from the city, and the current border problems have been a long time coming. As a relic from an earlier industrial era, the border crossings traverse their respective inner cities, which have become legendary dead zones where one waits to cross between the two countries. The closing of the pedestrian lane of the Ambassador Bridge many years ago sealed off any casual contact between the two cities. Today, the picturesque order of the Windsor waterfront serves as a temporary viewing platform to gaze out at the spectacle of Detroit's impressive collection of glass towers and art deco skyscrapers without the supposed dangers of an encounter with inner city Detroit. But behind these waterfront facades, the urban centres have hollowed out. Traveling by car is a precondition to crossing, and this has affected the downtown regions; as a result of this cultural and geographic fragmentation, communities on both sides are less connected than at any point in the last 80 years.

### SECURITY AND HISTORY

This steady suburbanization is by no means unique; however, in looking to Detroit's history we might read a series of population movements and urban planning events that laid the groundwork

The Cold War legacy that underwrites the development of a suburban nation has hardened into an ideology that will take generations to challenge.

for the security-first agenda. The prioritization of security in recent years was not solely born of the events surrounding 9/11. Detroit's legacy of racial segregation coupled with its wartime role as the "arsenal of democracy" made it the first American city to self-destruct, and its decentralization and sprawl became a model for suburban development in the United States from the 1950s onward. Detroit's downfall began long before the 1967 riots. In the late 1940s and 1950s decentralized planning schemes were set in motion first by the Federal Housing Administration, which moved to block financing of new urban housing in favour of suburban planning, and then by the *National Defense and Interstate Highway Act* of 1956, which financed the construction of freeways that effectively moved affluent white urban populations out to the suburbs, as southern black immigrants moved in as Detroit's wartime economy boomed. The strategy of decentralization that took place in these years was military in essence: the United States wished to avoid centralized urban

concentrations in order to be less susceptible to foreign bombing campaigns like those carried out by the US forces that devastated the cities of Hiroshima and Nagasaki. However, the legacy of a bunker mentality emerged as Detroit became increasingly decentralized.

The Cold War legacy that underwrites the development of a suburban nation has hardened into an ideology that will take generations to challenge. No change of administration, however drastic, could possibly counter the bunker mentality that began long before the Department of Homeland Security was established. The erosion of the public sphere that had been fully achieved by the 1970s has only recently been challenged by the substitution of virtual communities in the last decade; however, the kinds of sequestered spaces that are the mainstay of American life show no signs of changing anytime soon. The kind of thin or porous borders anticipated in the 1990s after the fall of the Berlin Wall now seem like utopian visions for a transnational future that never arrived. ❁

# Exploitation or fair treatment: Migrant agricultural workers in North America

## ONE VIEW OF MIGRATION

Migration can be understood as a process that balances two needs: the need for income among families living in regions with an insufficient supply of jobs, and the need for a labour force in regions with a scarcity of workers. In this view, easy circulation of mobile labouring men and women benefits both workers and employers. In some economic sectors and family economies, seasonal labour is preferred; in others, long-term employment is preferred. Agriculture, in particular, has seasonal peaks of labour demand and family members are seasonally un- or under-employed.

## NORTH AMERICAN MIGRANTS AND THE SEARCH FOR EMPLOYMENT

In North America, the Mexican economy—that is, both the state and the elites that may invest in the economy or fail to do so—has not succeeded in developing jobs adequate to the (growing) population. In contrast, both the United States and Canada need additional workers, whether seasonally, multi-annually, or permanently. In recent decades, the lack of income-providing opportunities as well as oppression from right-wing, US-government-supported dictatorships beyond Mexico's southern border have also led to northward labour and refugee migrations. Thus, Mexico, the emigration country, has become a transit country. Because refugees, in general, have to earn a living, they often enter labour markets parallel to labour migrants. However, because their departure was unwilling, unplanned, and unprepared, they often come with less social capital than voluntary migrants, who consider departure in the frame of economic constraints, and who rely on established information flows, familial or friendship networks—usually gendered—and remit-

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For more than a century, migrants from Mexico and, recently, from other Latin American economies have sought seasonal agricultural or railroad, mining, and industrial labour in the United States and Canada.

tances from earlier migrants to finance the trip.

For more than a century, migrants from Mexico and, recently, from other Latin American economies have sought seasonal agricultural or railroad, mining, and industrial labour in the United States and Canada. Less well known, Guatemalan migrants cross Mexico's southern border to find jobs in the southern states. Depending on legal frames, societal practices, and employer attitudes, such migrants may be exploited, may be protected by legislation and social security provisions, or may enjoy freedom of movement in, at least partially, a mutualist border economy. Options for choice and frames of exploitation also depend on traditional societal hierarchies. Daniel Drache, in *Borders Matter: Homeland*

*Security and the Search for North America* (2004), notes that in 2000 the inequality index of the three North American societies—that is, the ratio of income of the top 10 percent of the population to the bottom 10 percent—stood at 8.5 for Canada, 16.6 for the United States, and 32.6 for Mexico. In other words, socioeconomic and political structures in Mexico disadvantage large segments of the population and act as push factors.

A migration or immigration policy that does not content itself with pushing people out, as in Mexico, or with racist exclusion, as in the United States since the 1990s, would need to assess both the goals and needs of potential migrant workers as well as those of potential employers and might have to question socioeconomic and political structures that support migrant-generating inequalities or that permit racialization and discrimination.

## CANADA'S IMMIGRATION PARADIGM

Canadian society, in the decades since the policy of multiculturalism was introduced, has developed a sense of fairness to migrants. Accordingly, the government has passed regulations protecting migrant workers. From the mid-1950s, female domestic and caregiver workers from the Caribbean have been admitted, notwithstanding some early racist opposition. Under the program, women have to work in a household for one year and are then treated as immigrants: They can choose their employment, get citizenship, and—once citizens—sponsor relatives in the frame of the laws. Thus, what was intended by some to be a rotating “guest-worker” group actually became part of Canadian citizenry.

Canada also began to admit seasonal agricultural workers from the Caribbean (then “British West Indies”) in 1966 and

from Mexico in 1974. The numbers are small: some 20,000 were admitted in 2004. These workers stay on average for four months and have to depart after a maximum stay of eight months. Employer–employee relationships lead to the regular return of workers in each season. Since 1987 the program has been administered, under some government supervision, by a private non-profit organization basically under the control of the employers. The migrant workers must be guaranteed a minimum of six weeks of employment at or above prevailing wage rates. Although labour relations are not free from conflict and from abuse of workers, Canada's Seasonal Agricultural Workers Program, with the backing of society, has established a frame that prevents wholesale exploitation and discrimination. The regular return of many workers indicates that working conditions are acceptable to them and that the wage income transferred to their societies and communities of origin plays an important role in family economies.

## THE US IMMIGRATION PARADIGM

The United States, with a history of Mexican northbound labour migration dating back to the 1880s, has a far more problem-laden policy regulating migration and immigration. After the Asian exclusion in the 1880s, from 1917 eastern and southern Europeans, considered “dark,” “olive,” or “swarthy,” were nearly excluded from immigration into what was considered an Anglo, white country. From 1917 to 1924, the US state kept the “back door”—the land border to Mexico—ajar. Research done in the 1920s and 1930s by Mexican anthropologist Manuel Gamio and US economist Paul S. Taylor, and photography by Dorothea Lange documented that Mexico and the United States were one integrated migration region in the interest of both migrants and employers. Then the border patrol was institutionalized from 1924, racist exclusion of “greasers” was advocated, and massive deportations were initiated. The politico-racist positions

Open borders increase circulation, allowing seasonal workers to return to their families. Closed borders raise the costs of re-entry so that temporary return to families is no longer economically feasible.


were countered by employers' continued need for (exploitable) mobile workers and working families. Thus, under wartime labour shortages, government intervention into the labour markets resulted in the “*Bracero* program”—the hiring of “arms” rather than an admission of full human beings—which remained in operation until 1964. It provided a legal frame, if not satisfactory working conditions. The Mexican middle classes' failure to establish job-providing economic sectors made migration unavoidable for many despite the poor conditions in the receiving society.

Employers, who already before 1964 had attempted to avoid formal recruitment centres and legal frames, increasingly resorted to the hiring of undocumented or “illegal” individual and family labour. Under the conservative Republican administration of Ronald Reagan, the *Immigration Reform and Control Act*, which permitted regularization, was a step toward a more efficient policy. Thereafter, the political climate and public discourse deteriorated rapidly, and by the late 1990s and early 2000s a racist “illegal immigrants” campaign had been unleashed that targeted mainly Mexicans but also Latinos in general. To circumvent sanctions, employers no

longer hired directly but through subcontractors who would incur the fines if caught. The subcontractors' cut came out of the workers' wages. Thus, US immigration non-policy resulted in an across-the-board wage reduction for native-born and immigrant workers in the sectors of strong migrant labour market participation.

## MOVING FORWARD: POLITICAL SOLUTIONS

In comparison, the political culture in Canada and proactive governmental measures have resulted in a structured, beneficial program that is in general acceptable to both sides—although it is not without weaknesses. In the United States, government inaction and racist public discourse have led to a criminalization of a “brown” labour force that is needed in specific sectors of the economy, whose migration was partly forced by support of US administrations for murderous regimes in Latin America. The migration intensity of this labour force has been increased by NAFTA-framed exports of agricultural products from the United States to Mexico, which undercut local peasant economies.

A post-George Bush/Dick Cheney solution has to be a political one. Open borders increase circulation, allowing seasonal workers to return to their families. Closed borders raise the costs of re-entry so that temporary return to families is no longer economically feasible. Undocumented workers in the United States and truncated families in the migrants' countries of origin are the result. An EU-style program for infrastructural and investment improvements in economically lagging regions might provide a solution to the intense pressure to depart but would, on the Mexican side, require an income equalization policy. Such policies are also debated in Europe and Australia. A post-Bush United States might become part of international human rights–framed migration policies. 

# North America's forgotten agenda: Getting development back on track

## NORTH AMERICA'S POVERTY ISSUE

If one remembers, or is told for the first time, that the income of 40 million Mexicans falls below the poverty level, it might sound as if Mexico has a significant poverty issue. Seen another way, it is actually North America that has a significant poverty issue—one out of ten North Americans is poor! North America can scarcely rise with the “tide” if Mexico remains impoverished. And in light of climate change and its tendency to affect the global South more directly than industrialized nations, we may have indeed been somewhat “lucky” that only a half million Mexicans immigrate without correct documentation to the United States annually.

What happened to the conversation about developing the poorest parts of Mexico (the central and southern states)? Where is the policy discussion, or the public debate, and how do the two overlap and interact? During the next US presidential administration, how might these two discussions come together in positive ways to jump-start the productive intersection of competitiveness and quality of life in North America?

## NAFTA'S PROMISE VERSUS THE REALITY

NAFTA, although a limited document, seemed to promise or hold the hope of much more than mere tariff removal. Some claim a modest success. For example, as recently as January 2008 *The Economist* stated:

Since 1994 Mexico's non-oil exports have grown four-fold while the stock of foreign direct investment has expanded by 14 times. Even the country's farm exports to its NAFTA partners have risen threefold.

Others might argue that the industrialized north and other maquiladora sectors paid the price of the development

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[I]t is actually North America that has a significant poverty issue—one out of ten North Americans is poor!

by creating jobs and employing some skilled labour, but local development lagged. Many on the border cite the negative cost of NAFTA traffic, congested ports of entry, and their associated air and water pollution loads.

The wide and still-diverging wage differential, rather than unemployment, is the force that continues to drive Mexican immigration to the United States. Mexico continues to have one of the most unequal distributions of wealth within Latin America; wage convergence has not occurred and so the tax coffers do not have the funds necessary to finance many of the basic infrastructure needs. Those who track progress on meta-indicators such as Kuznet's curve and the General Inequality Index state a lack of progress over the decade and a half since NAFTA took effect.

The reality is even worse for other measures. NAFTA was passed on the swing votes of a handful of Texas legislators who were promised a North American Development Bank (NADBank) and the loans and grants necessary to finance it. The United States committed to a Border Environment Infrastructure Fund (BEIF) of \$100 million per year.

Funding for the BEIF has declined steadily since its initial promise under NAFTA and dropped precipitously under the Bush administration. This is converse to what many expected when the Texas governor with good relations with Mexico became president.

The impact of not funding Mexico's needed development is significant. A recent report by the Border Environment Cooperation Commission identifies the funding as inadequate to address even 5 percent of the documented infrastructure deficit in the border region. Although infrastructure needs assessments vary widely, especially when used as propaganda or to motivate change, they can be used to get a sense of progress on promises made. A meta-analysis by author Van Schoik in 2001 tried to determine the environmental infrastructure needs for just water, wastewater, and solid and municipal waste. “Estimates of current need reached by this method ranged from around US\$6 billion to over US\$10 billion, with a mean of US\$8.5 billion and standard deviation of US\$1.8 billion” and an anticipated additional deficit of the same amount by 2020 (due to population increase).

## PERCEPTIONS VERSUS THE REALITY OF US DEVELOPMENT AID

The Program on International Policy Attitudes and others have polled US citizens about US development aid. Results showed that regardless of the survey, the question, or the constituent being asked, survey respondents consistently think that foreign assistance is a significant portion of the overall budget (as high as 20 percent with a median of 15 percent) and that foreign aid should be higher (as high as 10 percent) than it actually is (less than 1 percent).

Respondents also indicated their personal willingness to pay from their own pockets for such foreign develop-

ment. A full 75 percent would pay an additional \$50 if they knew it was going to foreign assistance. United States foreign aid is stingy at best. The Congressional Research Service of the Library of Congress shows that, when aid is measured as a percentage of gross national income, the United States ranks last of the 22 developed nation donors and has since 1993. Aid has averaged around \$20 billion for the last dozen years (Iraq reconstruction excluded) or about 0.13 percent of gross national income, 0.20 percent of gross domestic product, and 0.90 percent of budget outlays. Canada gave \$2.01 billion or 0.28 percent of gross national income in 2002.

Mexico, the United States' closest neighbour to the south and long-time partner, is traditionally not even in the top 20 nations for foreign aid. The majority of Americans do not even appreciate that most of our aid goes to just two nations (Israel and Egypt), that the larger Middle East dominates the top ten, that Africa accounts for the next ten, and that assistance to fastest-developing or Second World nations is found in the middle of the list.

However, one recent and significant investment in Mexico has been the Merida Initiative, a new paradigm for security cooperation. Under it, Mexico promises \$2.5 billion annually to seven security and safety agencies, a 24 percent increase over the previous administration's 2006 levels prompted by a "grant" of \$500 million from the US government. Foreign aid is foreign aid no matter the focus, and this assistance, although aimed at drug trafficking and cross-border crime, will be used to bolster basic infrastructure including justice, police, and anti-corruption investigations.

The Merida Initiative funds are primarily for transnational security, drugs, and fighting crime and only secondarily to invest in infrastructure and other social development goals. Although the \$500 million is welcomed by Mexico, some suspect its underlying intent and intended effect. The Mexican ambassador to the United States, Arturo

Sarukhan, very diplomatically recasts the situation, stating:

Our strategies for expanded cooperation are based upon full respect for the sovereignty, territorial jurisdiction, and legal frameworks for each country, and are guided by principles of mutual trust, shared responsibility, and reciprocity.

## THE POST-BUSH CONVERSATION ON DEVELOPMENT IN NORTH AMERICA

The lack of a clear purpose and therefore leadership in the continental relationship allows and even encourages these unhelpful methods of non-communication to fester and the North American development agenda to languish. A new US administration allows us an opportunity to pause and ask ourselves whether the current methods of research and action, cut off from a larger public anxious about the globalized future, are the most productive ways forward.

Conventional wisdom holds that comprehensive immigration reform efforts will be restarted following the upcoming presidential elections (but not prior, despite the fact that the pressure emanating from states such as Arizona is ratcheting up almost daily). Might a new Congress and Executive Branch be inclined to take a more holistic approach to the topic of immigration in a way that takes development in Mexico into account in a more intelligent and comprehensive manner?

Congress and the Executive Branch could start by heeding the key initial recommendations for the three nations that emerged from the recent North American Center for Transborder Studies' Cross Talk between academics and government officials:

- Implement a common North American security perimeter.
- Include civil society involvement in the Security and Prosperity Partnership.
- Improve the north-south transportation infrastructure in North America.
- Implement tri-national customs teams.

- Implement trilateral, multi-agency risk assessment.
- Find support for a North American investment fund at the level of \$20 billion per year for ten years as proposed by Robert Pastor of American University.

But it's not all about government. Citizens and the private sector can begin working to overcome tension starting "from the bottom up" by seeking new and stronger connections on the personal level. Neither increased funding nor increased federal government involvement is the answer, but rather civil society, including the private sector, must play a leadership role and then decide how to bring government into the process. Government officials tend not to think about the private sector until long after its involvement would have been most effective.

And finally, it will be difficult to build consensus on North American development without the full engagement of the continent's universities, which need to inform both policy-makers and the public more effectively. University-based expertise, when deployed effectively and thoughtfully, can enrich practitioners' existing institutional knowledge, build important new institutional and civil society linkages, and deepen existing linkages. Academic institutions need to be challenged to develop more robust teaching and "policy-transfer" models in order to more effectively and comprehensively inform public debates and educate key constituencies. 🌻



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# The future of North American integration post-Bush

## NORTH AMERICA RUNNING OUT OF STEAM

North American integration is an economic, not political, challenge; no one wants to integrate the three countries into one. But since NAFTA-induced economic growth ran out of steam around 2000, political issues have taken the forefront, casting a new light on the future of this process. Since 2001, a series of bilateral security measures have taken root. To the degree that these local security agreements have an economic justification—keeping the US–Canadian and US–Mexican borders open to trade—they have been well received. However, any suggestion of support for Bush’s war in Iraq has already been rejected. Canada and Mexico are extremely wary of becoming too closely associated with the United States for fear of becoming surrogate targets for terrorism.

Yet George Bush’s departure isn’t enough to put North American integration back on track. If John McCain wins the presidency, as a supporter of the Iraq war he would be unable to provide the kind of leadership that could dissolve the hesitancy felt by other countries toward association with the United States. And even though the Democratic candidates’ anti-war stand is more palatable, they are unfortunately riding the anti-trade wave in the United States.

## HILLARY’S SPRINT

Hillary Clinton inherited economic advisers, such as ex-Treasury Secretary Robert Rubin and ex-Deputy Secretary Roger Altman, but she seems to be increasingly influenced by her additional consultations with AFL-CIO union officials. Hence, she began to promote “smart trade” and a “time out” before any new trade agreements are made, until these “can be made to raise the living-standards of average Americans.” Furthermore, as Senator, Clinton maintained that

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George Bush’s departure isn’t enough to put North American integration back on track.

the United States should be just as protectionist as other countries. For example, with regard to Mexican long-haul trucking entering the United States, as agreed to under NAFTA, Clinton co-sponsored an amendment refusing to fund the pilot program that would attest to its safety. Were it just tough enforcement of environmental and labour regulations, it would be one thing, but violating the NAFTA agreement seems to preclude further regional integration. In the end, Clinton did not win the majority of delegates.

## OBAMA’S MARATHON

Barack Obama might be more in support of free trade, because his top economic adviser is Austin Goolsbee from the University of Chicago, who espouses the free movement of both capital and labour as the best means for promoting social justice. Hence, even when speaking before workers at the General Motors factory in Janesville, Wisconsin, Obama said, “I won’t stand here and tell you that we can—or should—stop free trade. We can’t stop every job from going overseas. ... I don’t know about a ‘time-out,’ but ... I will not sign another trade agreement unless it has protections for our environment and protections for American

workers. And I’ll pass the Patriot Employer Act that ... will end the tax breaks for companies who ship our jobs overseas.” Although it’s true that, as Senator, Obama defended the interests of the Illinois Corn Growers and Soybean associations, as president he has promised to “work with the leaders of Canada and Mexico to fix NAFTA so that it works for American workers,” which sounds more promising than having the three countries back out of the parts of the agreement that are disagreeable to their special interests.

## NAFTA CHALLENGES

The big question is whether fixing NAFTA means deepening North American integration or letting it stay at its present levels. As a regional agreement, NAFTA was originally intended to give certain preferences to its members; but the World Trade Organization, which was created one year afterward, extended most of the regional concessions to WTO member countries and at the same time put China and other countries on a schedule for WTO admission. In addition the United States has, since NAFTA, signed many other new bilateral trade agreements, forcing Canada and Mexico to follow suit. As a result, NAFTA has lost its specificity, changing from a regional to a globalizing free trade agreement. This hits Mexico especially hard because its place as the low-cost North American partner was quickly supplanted by newcomers to the WTO. Under NAFTA, the United States was expected to relocate a large share of its labour-intensive industrial processes in Mexico, as a result of which, industrial activity would increase to the extent where it could absorb the rural population displaced by increased agricultural imports. Even though there was significant maquiladora growth at the beginning of the NAFTA period, Mexico has

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# The immigration debacle

## POST-9/11 BORDER SECURITY

The Bush administration has been implementing increasingly restrictive policies toward undocumented or irregular immigration since the 9/11 terrorist attacks. It responds to the negative perception of a still-porous and dangerous US–Mexico border and a public opinion constantly pressing to get more control over the country’s fragile national security. In response, the federal government and Congress approved unprecedented amounts of funds assigned to intensify the process of “rebordering the borders,” which has brought more institutionalized and sophisticated technology to border surveillance.

To get an idea of scale, in 1992, before the border operations were established by the Clinton administration, there were nearly 5,000 Border Patrol (BP) employees. By 2007, according to the Department of Homeland Security (DHS), around 15,000 BP agents were listed and for 2008 there are expected to be 18,000 employees. Recently, US President George W. Bush proposed raising the DHS budget even more, up 19 percent from last year, for border security. It will be assigned to build more fencing along the southern border and install high-tech surveillance equipment and other infrastructure.

The border security measures have changed the direction of migrant flows to unpopulated, inhospitable, and dangerous places in an effort to ensure easy detection. Every year, immigration officials apprehend a large number of migrants—some of them several times. In 1994, almost a million people were apprehended at the border; and 1,700,000 migrants were apprehended at the peak of the 2000 economic boom, the highest number in the last 15 years. Nevertheless, since 9/11, detentions of undocumented migrants have dropped substantially every year. For example, 1,206,457 migrants were detained or removed during 2006, and 85 percent of them were Mexican.

BY MÓNICA VEREA

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The border security measures have changed the direction of migrant flows to unpopulated, inhospitable, and dangerous places in an effort to ensure easy detection.

## SECURITY AND THE CHANGING FACE OF MIGRATION

Crossing the border into the United States has become increasingly difficult, expensive, and dangerous. It has transformed the Mexican migration pattern from a circular movement of workers into a more permanent one. Many are reluctant to return to their places of origin, even temporarily, because going back and forth is too dangerous and costly. It has also raised the cost of migration. Several people are willing to pay expensive traffickers whatever sum is necessary to cross to “the other side.” Thus, human smuggling has become a very complex and lucrative business, from an estimate of US\$500 during the 1980s to nearly US\$3,000 today. And it has driven up human rights violations, injuries, and the rate of deaths during border crossing. The death rate has risen from 30 to 60 deaths at the beginning of the 1980s to more than 500 deaths annually in 2007. The attempt to make the border impermeable and resistant to the movement

of persons has not deterred Mexican immigrants from entering without documents to the United States, but it has kept them from going back home. It has dramatically accelerated the rate of Mexican population growth in the United States, while exacerbating the social and economic marginalization of the population.

Besides the impressive federal policy of enhancing border enforcement, the Bush administration has recently proposed that employer sanctions must be applied in a stricter way, as a response to the frozen *Immigration Reform and Immigrant Responsibility Act* by Congress. The DHS has been implementing a program to enforce immigration rules at worksites by exposing undocumented workers with fake or stolen social security numbers to their employers. Their intention is not necessarily sanctioning employers, but deporting undocumented workers, which often is carried out through violent and inhumane raids. Dramatic situations are taking place in different states that receive migrants. Virtually every state legislature in the United States is discussing, and in some cases approving, tough new immigration control measures against the presence of undocumented migrants, creating a subsequent increase in anti-immigrant sentiment.

Consequently, the “enforcement-only policy” applied by the Bush administration with the support of some states has made life much more difficult for the 12 million undocumented immigrants. They are in a worse situation than before, and their contribution to the US economy has been poorly recognized. The fact that they are working and earning wages, paying taxes, and spending a good part of their salaries on goods and services is seldom mentioned.

## THE BENEFITS OF MIGRATION

Even though Mexicans are aware that the US economy is slowing, and that

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# The unwelcoming nation: The paradox of the open society

## THE UNWELCOMING UNITED STATES

The United States entered the 21st century as it had the 20th, wrestling with the question of immigration. Although illegal status had no role 100 years ago, nor did a single ethnic group concern the public as Mexicans do today, the core issues were the same: money and culture. The hostility that arose then, and has arisen again today, is an intensification of the American public's persistent inhospitality to immigrants, an unease apparent since the 18th century. Rather than welcoming immigrants, Americans have generally viewed foreigners with suspicion. Nonetheless, those who benefit directly from immigration—employers, politicians, immigrants and their American-born co-ethnics—have nearly always prevailed in maintaining policies quite tolerant of new entries.

## FROM INHOSPITALITY TO OPEN HOSTILITY

At times the conventional state of inhospitality turns to open hostility. Sheer

BY BRIAN GRATTON AND  
CATHERINE O'DONNELL

Brian Gratton is a professor of history and Catherine O'Donnell is an associate professor of history at Arizona State University.

Rather than welcoming immigrants, Americans have generally viewed foreigners with suspicion.

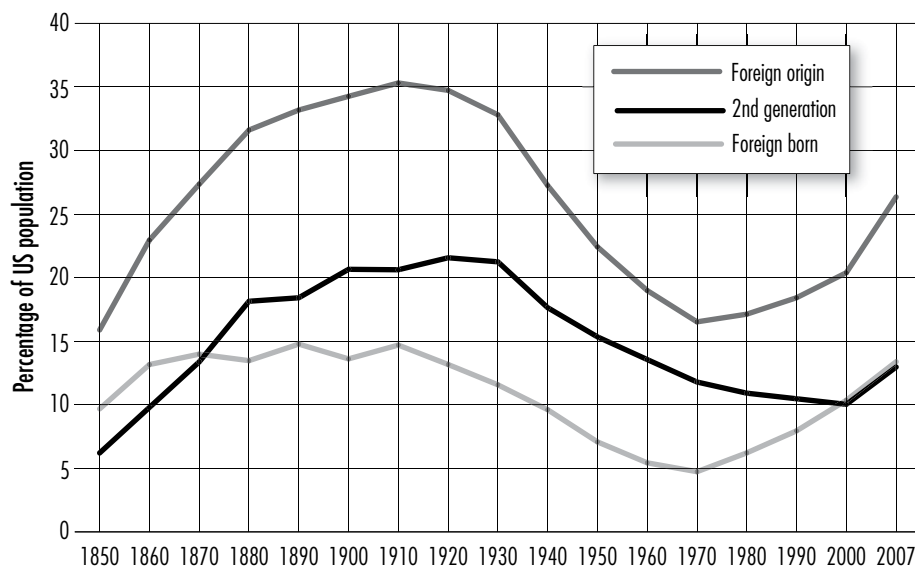
demographic pressures combined with sharp cultural challenges are necessary and near-sufficient explanations for such nativism. In fact, these pressures and challenges are more important than conventional scholarly explanations of xenophobia, which generally point to

religious bigotry, racism, reactionary impulses, and political manipulation. The major outbreaks of xenophobia in the United States occurred in the 1850s and in the early 20th century, and continue in the present. Figure 1 shows that these nativist periods correspond with sheer demographic pressure.

There are four impressive features in the display:

- the sudden arrival of an immigrant-based demographic regime in the 1850s following very low immigration rates until the 1840s;
- the still greater force of immigrants and their children in the late 19th century, reaching peaks exceeding one-third of the American population by the early 20th century;
- the drastic decline in immigrant-based demographic pressure after the 1920s, and a somewhat delayed second-generation decline, reaching a common low point in the late 1960s;
- the unmistakable return to immigrant and second-generation demographic pressures after 1970, with trajectories pointing toward the previous peaks.

FIGURE 1 Immigrants and their children, 1850–2007



## THE CHANGING MIX OF ETHNICITY

Although the sheer size of immigrant flow matters, most studies of nativist movements point to the salience of new ethnicities and cultural conflict. As we have shown in previous work, the American colonies and the Early Republic experienced remarkable ethnic homogeneity among the free population. Even after relatively high immigration in the 1750s, more than 80 percent of free persons were of British Protestant background in the 1790s, and the subsequent 30 years produced little change. But the 1840s saw striking shifts not only in flow

but also in the ethnic background of foreigners. Figure 2 illustrates the changing mix of ethnicity. Immigrants are divided into three groups based upon national birthplace, and the years in which such nations were most important in the flow of immigrants: (a) those regions that dominated the streams in the period before 1895, primarily German, Irish, and Scandinavian immigrants; (b) those who dominated in the period from 1895 to 1921, primarily Italians, Jews, Slavs, and other groups from southern and eastern Europe; (c) those who arrived after the Second World War, the largest contingent from Mexico, but others primarily from Latin American and Asian countries.

Figure 2 shows that the pressing cultural question in the 19th century was the capacity of the American population to accept immigrants from northwestern Europe, many of them Catholic. By 1910, different sources began to crowd out these immigrants, with Poles, Russians, Italians, and Jews making up about one-third of arrivals. In 1880, only 4 percent of the immigrant population were drawn from southern and eastern Europe. By 1920, over 40 percent were. This cultural “contamination” sparked the restrictionist movement of the early 20th century. A shift of even greater magnitude can be seen by 1980. In 1920, less than 10 per-

Despite the consistent antipathy to immigration, and the intermittent rise of intensely hostile movements, politicians and policy-makers have kept the doors relatively open.

cent of all immigrants hailed from Latin American and Asian nations—in 1990, over 70 percent came from those regions. These immigrants, and undocumented Mexican immigrants in particular, provided the targets for the nativist movements of the late 20th century.

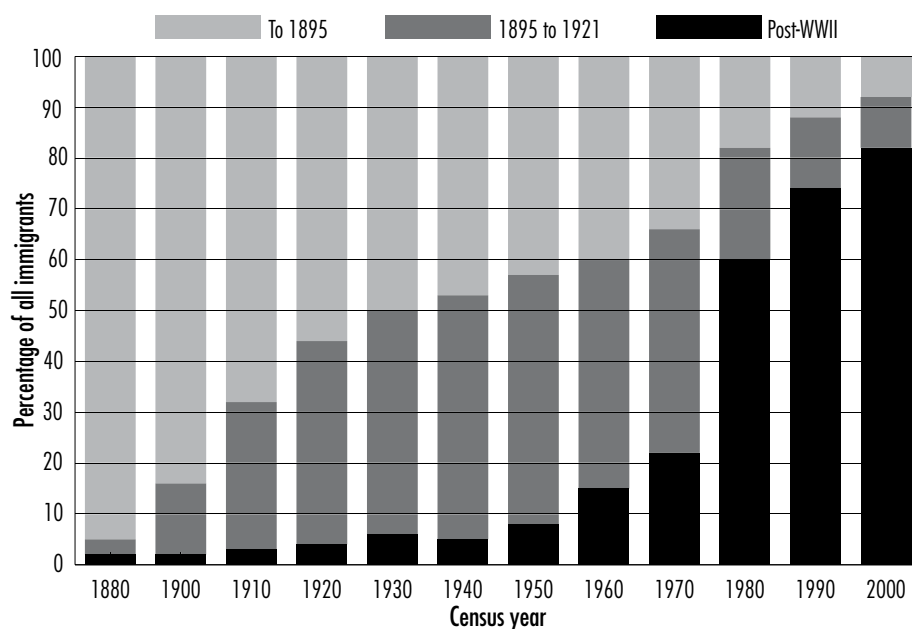
### NATIVIST CAMPAIGNS AND AMERICAN INHOSPITALITY

Nativist campaigns have been sparked by unusual demographic forces, but they rely on a permanent foundation of inhospitality that belies the reputation of the United States as a welcoming nation.

Animosity can be found at almost any point in American history and in a variety of forms. Reaction to the immigration of Germans in the 1750s sparked famous remonstrances by Benjamin Franklin and less-well-known anxieties on the part of leading figures such as Thomas Jefferson. Well before the massive onslaught of poor Irish immigrants, Samuel F.B. Morse and others decried the arrival of Catholics into the Protestant republic. Hostility toward Catholics was a regular feature in American life throughout the 19th century, leading to the American Protective Association and other organizations designed to reduce the impact of this immigrant religion. Racism helped the well-known, violent reaction to the Chinese on the West Coast to succeed where other movements failed, but antagonism toward immigrants in general was broad. Telling evidence for widespread antipathy can be found in an unusual survey taken in the mid-1890s. In 1895, 1896, and 1897, the Kansas Bureau of Labour and Industry asked wage earners whether they favoured or did not favour the restriction or absolute suppression of immigration. About 95 percent of the workers supported restriction or outright elimination of immigration, a percentage that barely changed even if the respondents were themselves immigrants. Some 60 percent of immigrant workers favoured restriction and 40 percent full suppression.

In the 1890s, immigration from southern and eastern Europe rose sharply, and the middle and upper classes began to take a more and more hostile view toward the newcomers. Congressional votes on immigration measures in the early 20th century reflect strong popular opposition, and the National Origins Acts of the 1920s clearly enjoyed overwhelming support. By the 1930s, when opinion polls first became available, the unanimity of public opinion was manifest. Americans rejected by more than 70 percent even the most compelling cases, refugee children fleeing from Nazi Germany. Currently, polls show Americans strongly opposed to any increase

FIGURE 2 Immigrants by period of origin



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in immigration, with about 50 percent favouring a decrease in the numbers allowed to enter the country.


## OPEN DOORS AND CLOSED MINDS?

Despite the consistent antipathy to immigration, and the intermittent rise of intensely hostile movements, politicians and policy-makers have kept the doors relatively open. How can this contradiction in a democracy be explained? Gary Freeman offers a model for the contemporary period that we think works admirably throughout American history. Freeman argues that the benefits of tolerant policy are highly concentrated: they accrue almost entirely to employers, to the immigrants and their co-ethnics, and to political parties who rely on these ethnic constituencies. The first two clients have good reason to pay the necessary costs to pressure politicians vigorously. The politicians who accede to their requests have good reason to expect cash from one and votes from the

## The costs of tolerant immigration policy are diffuse.

other. America's 18th-century founders refused to accept the possibility of permanent interest groups and so created a winner-take-all system and a national, elected executive. The combination consistently produces two national parties. Each competes for all votes, in a competition that has broadened the suffrage and has, except in unusual cases, prevented high barriers to immigration because parties are reluctant to antagonize business owners or alienate voters of immigrant origin.

The costs of tolerant immigration policy are diffuse, felt indirectly in lower wages for workers and increased taxes to pay for the public services that immigrants use, and directly by the cultural threat in every society into which im-

migrants arrive. The cultural reaction becomes intense only when the probability of encounter is high (when immigration levels rise rapidly) and the cultural distinctiveness acute (when ethnicities change). Both costs are felt locally, rather than nationally. However, not only is immigration policy set at the federal rather than the local level, but the American party system is vertically integrated. Parties must succeed at a national level in order to persist at a local level. National platforms and coordinated party efforts in Congress thus normally do not include immigration restriction. In the 1850s, the early 20th century, and the current period, anti-immigration sentiment and thought became unusually intense and widespread, and the two major parties were still reluctant to respond. The result in each era has been third-party movements, initiatives, and radical proposals that circumvent the party system. This may be the past waiting to happen again. 

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been having trouble keeping investors in the country since 2001, when China came aboard.

In theory, industrial salaries should also have risen as a result of NAFTA. Even though they did, slightly, in the maquiladora industry after 1994 when NAFTA went into effect, they started to drop again after 2001. In the manufacturing industry, salaries suffered sharp declines after the 1982 crisis, and again in 1995, never recovering their former levels. What this means for the United States and Canada is that, in lieu of growing industrial employment and salaries in Mexico, the excess population migrates north, competing directly with northern workers. There is, however, a solution to this regional conundrum that would benefit the entire region: returning to the original NAFTA proposal to create a regional subcontracting system that would go beyond the assembly of goods

in Mexico, helping certain branches of the Mexican manufacturing sector reconvert into producers of some of the parts for the maquiladora industry, thereby stimulating both employment growth and salary gains.

NAFTA discourages imports from non-member countries by charging tariffs on them, while allowing duty-free entry of North American goods. Under NAFTA rules, this was supposed to be the case in the maquiladora industry as well, but things changed. Mexico was supposed to start charging its general tariff on temporary imports from "third parties" for assembly in the maquiladoras and re-export to the United States. This would have represented a significant change from the old system in which maquiladoras imported duty-free and only paid duties in the United States when the final consumer goods were imported. The obligation to pay extra

tariffs could have stimulated production of intermediary goods in Mexico; however, the transition period before duties would have to be paid ended January 1, 2001. As it turned out, this was too short a time span for substitute production to get under way in Mexico, especially considering the context of Mexico's 1995 financial crisis, which dried up all credit and threw the manufacturing industry into a downward spiral.

Therefore, the maquiladora industry was faced with paying additional Mexican tariffs on imported "third-party" intermediary goods or with importing through the United States, where tariffs are low but additional transport costs would incur. The end result of either option compromised the industry's competitiveness, which led Mexico to a different strategy: reducing its general tariffs on all these "third-party" intermediary imports to the same level as the US tariff,

thereby making it feasible to import directly into the country of assembly with no extra duties on the way through. Hence, Mexico was able to keep its maquiladora industry but lost the opportunity it had bargained for under NAFTA to turn Mexico into the manufacturing hub of parts for the maquiladora industry. This is not just Mexico's misfortune; it is a North American problem to the degree it has caused the exodus of Mexican migrants fleeing the consequences of a failed NAFTA.

## The solution to this regional conundrum is to recreate the original NAFTA proposal.

### A POST-BUSH SOLUTION

The solution to this regional conundrum is to recreate the original NAFTA proposal. This could be accomplished by means of a combination of cooperative measures: for example, pledges on the part of companies to source their intermediary goods in North America; proactive regional industrial policies to promote regional production of intermediary goods; and time-frames within which Mexico would re-establish its general tariff on select "third-party" intermediary goods, which would not entail breaking any trade agreements because these tariffs were lowered unilaterally within the context of temporary programs. Taken as a whole, this would be a practical policy to solve a tandem of regional problems: production would be encouraged to return to North America, with Mexico as its preferred low-cost alternative site. Such a strategy would enable Mexican employment to grow to the point where, eventually, salaries for Mexico's hard-pressed millions would rise, and immigration would finally start to fall. There is no other logic that would address Mexico's deep-seated structural problems. ❀

## The immigration debacle continued from page 33

sectors that rely on undocumented labour will be affected, the incentives to migrate and the demand for cheap labour still exist. In other words, there are some US states, in real need of labour, considering temporary worker bills. In agriculture, for example, the Bush administration is now taking action to streamline the existing guest agricultural worker program, through H-2A visas. With respect to non-agricultural low-skilled labour, some lawmakers are under growing pressure to increase the supply of 66,000 seasonal-worker H-2B visas annually. Different local legislatures are working with employers to provide a legal mechanism to deal with labour shortages. Simultaneously and contradictorily, authorities are conducting violent raids in suspected workplaces in order to detect illegal immigrants. This situation reflects the inefficient program that exists for hiring agricultural guest workers and the need for more visas for non-agricultural low-skilled labour in construction, hotel and hospital services, agriculture, and mining industries, to name a few. Migrant labour with or without documents has been important for keeping these industries healthy and competitive.

### THE 2008 PRESIDENTIAL CAMPAIGN

Immigration has become a divisive issue in this year's presidential campaign. Nevertheless, the two main candidates support immigration reform with a path to legalization. Both of them seem to understand the urgency of reforming the immigration system. They also support the establishment of a verification system for employment. Individually, their positions are:

- Barack Obama promises to push for immigration reform during his first year in office. He is in favour of a guest worker program and is in favour of tougher worksite enforcement. He would like more visas for highly skilled workers, but

thinks family ties should remain the basis of legal immigration. He supports driver's licences for illegal immigrants.

- John McCain, the likely Republican presidential nominee and architect of the Senate's failed "McCain-Kennedy" Comprehensive Immigration Reform bill, has supported a guest worker program and a legalization process. Lately in his campaign, he has shifted the emphasis, promising to control the borders before implementing measures that were part of his reform bill.

### THE EMPOWERED HISPANIC VOTER

In the middle of this rancorous immigration debate and almost a year after the immigration reform failure, most lawmakers at Congress are discussing different measures to improve border security and the enforcement of immigration laws. Some are also concerned about business demands for more foreign workers. Few are working on the challenge of what to do with undocumented migrants already living in the country.

More than ever before, US citizens of Mexican origin have an opportunity to make their vote count and support a candidate who would try to really push comprehensive immigration reform, including more visas and a path to legalization. An increasingly institutionalized and organized Mexican American community must lobby—with the support of the Mexican government—local governments and legislatures, in order to diminish the anti-immigrant initiatives and change the growing harassment and negative sentiments toward Mexican migrants. ❀

**From Polity Press September 2008,  
*Defiant Publics: The Unprecedented  
Reach of the Global Citizen*  
by Daniel Drache**

# Mexico's national security equation: Adding up the variables

## MEXICO'S INTERNAL AND EXTERNAL CHALLENGES

Mexico's national security depends on two fundamental factors. The first is Mexico's capacity to achieve its own political, economic, and social objectives, in order to minimize its vulnerability. Mexico, a country with grave social deficits, is also facing the political conflicts that accompany any new democracy on its way to consolidation. But, above all, it suffers from a grave institutional weakness when faced with making the rule of law prevail nationwide. The second factor is that Mexico is an inseparable part of the North American security equation. The complex human and trade interests linking it to its North American partners make Mexico a direct part of the regional security agenda.

Unfortunately, balancing these two factors is not always easy. Attempting to harmonize the internal and external security agendas means that Mexico suffers relatively frequently from domestic—and sometimes external—political frictions with different stakeholders. Internally, the nationalist ideology that views with suspicion any kind of cooperation with the American security agenda continues to hold sway among a very large sector of the Mexican political class. For example, in the first weeks of 2008, social and peasant organizations that wanted a renegotiation of the agricultural chapter of the North American Free Trade Agreement included among their demands the abrogation of the Security and Prosperity Partnership (SPP) and the cancellation of the so-called Merida Initiative. Although these mechanisms have nothing to do with agriculture, they have become, for some sectors, a political banner for resistance.

## PRAGMATISM WITHOUT A PROJECT

Looking beyond protests, the central issue is the absence of strategic clarity

BY LEONARDO CURZIO

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A lot of things can be said about a fence along the border, and one of them is that it is not a friendly gesture between two neighbours who share the same security paradigm.

about the kind of relationship that Mexico can have with its northern neighbour and trade partner. Mexico does not have a strategic political proposal—nor does the United States—for the kind of long-term security cooperation that would be desirable. Until now, both countries have opted for pragmatic cooperation, following general Homeland Security guidelines in matters of border and aeronautical security, and operational coordination with anti-drug agencies. But there is no overarching plan that specifies objectives and commitments for the two governments over the coming years. There are also no guidelines about whether security issues should or should not be made trilateral matters, or whether they should remain bilateral questions that Mexico and Canada manage separately with the United States.

For political and ideological reasons, Mexico also has not managed to link up its migratory priorities (the naturalization of 12 million undocumented persons in

the United States) with the security issues that have developed in recent years. This has been very frustrating for Mexicans, who hope for a more equitable kind of integration. The Mexican request for a migratory accord was answered with the political offensive of fence construction along the US–Mexico border. A lot of things can be said about a fence along the border, and one of them is that it is not a friendly gesture between two neighbours who share the same security paradigm.

Externally, the Bush administration's unilateralism, which reached its zenith with the invasion of Iraq, put Mexico in a very tense position. As a non-permanent member of the UN Security Council, Mexico was forced to decide whether or not to support the United States. The flimsy proof of Iraq's possession of weapons of mass destruction did not prevent political pressure from being exerted on the Mexican government. Like few other moments in its history, Mexico experienced the tension between the bilateral security agenda with which it cooperated unreservedly and an international policy fostering multilateralism and condemning the use of force without the approval of the Security Council.

## DRUGS AND BORDER SECURITY

Another element that has fed this great tension is the drug-trafficking-related violence along the common border. The number of people assassinated in the last three years has been scandalous. Mexican authorities responded to US officials' criticisms of the Mexican state's weakness in dealing with this level of violence by suggesting the principle of co-responsibility for both countries. The principle of co-responsibility in dealing with the drug problem has been embodied in four major issues. The first is the Merida Initiative, which, among other things, includes earmarking resources

and US assistance to improve the capabilities of different security and law enforcement agencies. The US Congress has still not approved the resources requested to make this support a reality.

The second issue is the widespread availability of arms. Hundreds of thousands of light weapons, mostly from the United States, circulate in Mexico with absolutely no control. Mexico has systematically denounced this situation; the US response on a diplomatic level has been understanding, but always with the caveat that in the United States the right to bear arms is one of the basic, founding rights of the republic (Second Amendment) and an internal political problem because of the influence of the National Rifle Association. This continues to be an open question, while Mexican criminal gangs have a continuing supply of firearms and ammunition via the United States.

The third issue is economics. The figures on criminal financial operations are only approximations because of their covert nature, but Mexico's Attorney General's Office argues that the volume of cash-based operations using illicit money in the United States runs into the billions of dollars. John Walters, the US anti-drug czar, concurs, saying recently that the earnings of Mexican drug kingpins in the United States come to nearly US\$14 billion.

The fourth issue is linked to the cooperation between the American and Mexican judiciary systems working to prevent national jurisdictions from becoming spaces for criminals to enjoy impunity. Along these lines, the Calderón administration has moved ahead with an aggressive agenda for extraditions of Mexican citizens wanted by the US justice system.

Co-responsibility can be handled on a conceptual level or on the level of a political statement. However, firearms continue to enter into Mexico seemingly without restriction, thus strengthening criminal groups' firepower, which surpasses that of the police forces in border states. In addition, the cash flow into money-laundering and illegitimate busi-

## A minimal alignment of both countries' national interests in the international arena is the basis for reducing political conflicts and mistrust.


nesses continues to fuel the activities of organized crime. There is also still a lot of work to be done to ensure that Mexican customs officials have the capacity to secure the borders.

### TOUGH CHOICES AHEAD

In the medium term, the upcoming change in administrations in the United States is likely to open up space for moderating the excesses of Bush's unilateralism and, as a result, decrease frictions with Mexico. Ideally, this will lead to cooperation between the trade partners in multilateral forums. A minimal alignment of both countries' national interests in the international arena is the basis for

reducing political conflicts and mistrust. Similarly, it is to be expected that the issue of migration, so sensitive for Mexico, can be dealt with from a broader perspective than just security. Though migration has a security component, it is fundamentally an expression of the labour markets of two highly integrated economies.

The degree of co-responsibility that the United States will assume in the fight against drugs waged by the Mexican government will be determined in the short term. The amount of resources that is finally approved and the conditions under which they are approved will show that level of commitment. But the urgent issue will continue to be cooperation to reduce the flow of arms and cash that strengthen the groups defying the Mexican state.

Mexico will have to do its job of internal reconceptualization, and, in the coming years, its security program will have to harmonize a domestic security agenda with an external security agenda. It will also have to adjust the plans of all the bodies involved in national security to fit in with national priorities and those derived from our inevitable belonging to the geostrategic space called North America. 

## "DEATH ON A PAINTED LAKE: THE TOM THOMSON TRAGEDY"

**On July 18, 1917 the great Canadian painter Tom Thomson went out alone for a fishing trip in Algonquin Park and never returned. What happened to Thomson?**

**Robarts Centre Research Associate Gregory Klages provides student investigators with a wealth of online information in one of the newest mysteries in the Great Unsolved Mysteries in Canadian History Project.**

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# Happy third birthday to the SPP! But will there be a fourth?

## HAPPY BIRTHDAY, SPP

In March 2008, the North American Security and Prosperity Partnership (SPP) marked its third birthday. In April, President George Bush, President Felipe Calderón, and Prime Minister Stephen Harper will organize something of a birthday party for the SPP in New Orleans. There will be no shortage of issues for possible discussion at New Orleans. However, at the top of the agenda ought to be whether the SPP should celebrate a fourth birthday at all.

Those who see the SPP as part of a secret plot to construct a NAFTA super-highway through the middle of the continent will instinctively shout “No!” Yet, there are more constructive reasons for questioning whether the SPP is the proper vehicle for dealing with the pressing issues on the North American agenda. It is an important agenda, but one that has been dramatically reshaped by the terrorist attacks on the United States in September 2001.

## OPPOSITES ATTRACT?

The debate over trade liberalization and integration in North America has nearly always been filled with controversy. Even as NAFTA’s final implementation was completed on January 1, 2008, Mexican farmers protested NAFTA’s effects by blocking roadways around border crossings. As the ink was drying on the completed NAFTA in 1992, the debate over the Agreement turned to what might come next. For the most part, that debate has swirled around the merits of deepening versus widening. Should NAFTA become a customs or monetary union, or should it first admit new members, perhaps in the Caribbean or Central America? Some, of course, thought NAFTA should be scrapped altogether.

September 11 dramatically altered this debate by entrenching security as

BY GREG ANDERSON

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Since NAFTA was signed in 1994, the politics of international trade have become more and more poisonous in all three countries.

an overriding imperative. Officials in all three NAFTA countries have since been confronted with two seemingly contradictory goals: enhancing security while advancing toward the greater openness that facilitates economic growth. In March 2005, these two agendas were merged into the Security and Prosperity Partnership. Officials might argue that security and prosperity are merely two sides of the same coin in our post-9/11 world. Yet, on many dimensions, the two agendas, together comprising over 300 individual issue areas, have become an awkward compromise that might be best thought of in terms of a relationship in which opposites attract; partners might see themselves as passionately intertwined and obviously made for each other, but they so frequently clash over divergent interests that stalemate and conflict threaten to pull them apart.

## TIME FOR A DIVORCE?

The SPP is an imperfect mechanism for dealing with real issues on the North American agenda. The 300-plus items on the SPP agenda are both impressive and daunting. Among the conspiracy

minded, the SPP agenda looks like “deep integration” and signals the incremental, non-democratic erosion of sovereignty. Yet, many others, including students of contemporary trade politics and bureaucratic politics, look at the SPP structure and see a recipe for paralysis rather than progress.

Since NAFTA was signed in 1994, the politics of international trade have become more and more poisonous in all three countries. When compared with the relative inactivity of the Clinton administration, the Bush administration’s list of trade policy accomplishments looks impressive: the launch of the Doha Round of the World Trade Organization, a hard-fought victory in Congress over “fast-track” negotiating authority, and numerous free trade deals. Yet, these evident successes mask the fundamental splits in the US polity over the merits of trade liberalization that arguably emerged in the debate over NAFTA from 1992 to 1993. This split cost the Clinton administration its own “fast-track” authority after 1994, contributed to the infamous “Battle in Seattle” in November 1999, and has contributed to a broader malaise about globalization that has undermined a number of other initiatives, including the Free Trade Area of the Americas (FTAA) negotiations and the Multilateral Agreement on Investment (MAI). Even where the Bush administration has been “successful,” the bitterness of the US debate and the narrowness of those victories are telling.

This has been felt acutely in the North American context where public officials have become allergic to anything associated with NAFTA. President Bill Clinton, having spent considerable political capital on winning congressional approval of NAFTA, never mentioned the Agreement again publicly for the remainder of his presidency. For government officials charged with exploring “next steps” in North American integration, or



reinvigorating NAFTA, this has meant doing so without going near NAFTA itself. In practice, this has meant trying to deal with a relatively large number of “leftovers” in a piecemeal fashion without the necessity of new legislative authority to do so.

The sudden closure of North American airspace and border crossings on September 11, and the shopping list of new security imperatives, instantly provided a rationale for combining them with many of the economic initiatives that had been on the shelf for several years. After a few years of fits and starts in combining these two imperatives, including the two Smart Border accords (Canada–US and US–Mexico), the SPP was born. Security has arguably become the principal driver of Canada–US relations generally, and the North American economic agenda specifically.

The SPP process has several features that suggest its utility for future negotiations in North America. First and foremost, the SPP process cleverly attempts to facilitate cooperation on a complicated post-9/11 agenda. The overwhelming majority of the 300-plus agenda items are smallish, technocratic matters that do not merit the expense of political capital that a large negotiation would entail and are arguably dealt with most effectively by experts in the respective bureaucracies. The SPP design is also a response to the contemporary politics of trade liberalization, which dictates that no new legislative authority is sought. Finally, whereas NAFTA has no mechanism for bringing North America’s leaders together (except at the ministerial level), the annual leaders’ summits enshrined in the SPP may be one of the main benefits of the whole process.

Yet, the merits of the SPP are also some of its greatest liabilities. The addition of security to the North American agenda has arguably facilitated action on numerous items on the Prosperity Agenda that had languished for years. But this particular marriage has also complicated the Agenda because hardly any economic discussions can now take

## Instead of being afraid of the bruising political battles inherent in talking about North American integration, public policy officials need to engage the debate directly and begin remaking the case for increased cooperation.

place apart from those about security, and vice versa. However, it may be the actual structure of the SPP process that proves most problematic of all.

Given that the SPP has no underlying legislative mandate by design, each of the three national bureaucracies is limited in what it can achieve under existing national legislation covering each of the 300-plus agenda items. This structure should alleviate concerns among those worried about backroom deals or the lack of legislative oversight eroding national sovereignty and instead lead us to question what can realistically be achieved under such a structure. Cooperation and coordination within a single bureaucracy is challenging enough; doing so within and between all three is daunting in the absence of new legislative support.

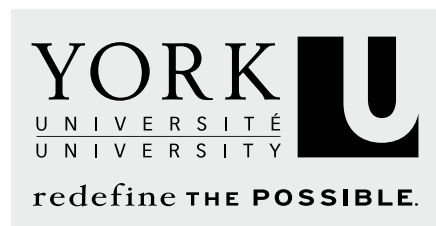
### OR JUST A BIT OF MARRIAGE COUNSELLING?

The SPP process may be most revealing as a barometer of the politics of North American integration. The barometric pressure on these issues has been falling for years, signalling stormy economic relations ahead. Trade liberalization is front and centre in the US presidential contest, with NAFTA itself being a prime target of the populist rhetoric of the main Democratic candidates. Yet, even among traditionally pro-trade Republicans, support for additional liberalization has fallen apart. Canadians and Mexicans, for whom access to the US market is so critical to their respective economies, should be worried.

The nervousness of public officials over North American integration is largely responsible for an SPP structure

that avoids new legislative authority, is heavily leadership driven, and tasks the respective bureaucracies with looking for ways to make incremental progress. Unlike the NAFTA process that included extensive public consultations and a bruising political battle, the SPP seeks to avoid all of this. Although structuring the SPP this way ostensibly allows for progress on the Agenda without the bruising political battles of NAFTA, it actually undermines prospects for progress on any of it.

Instead of being afraid of the bruising political battles inherent in talking about North American integration, public policy officials need to engage the debate directly and begin remaking the case for increased cooperation. The SPP has important merits in the context of the marriage of security and economics. Linking the two issue areas has complicated the North American agenda, but may have generated opportunities as well. The unwillingness of officials to vigorously defend NAFTA, or make the case for the SPP, has largely ceded the intellectual and political debate over the merits of cooperation and liberalization in North America to xenophobes who fear fictitious NAFTA superhighways. If the SPP is going to celebrate its fourth and fifth birthdays, North America’s leadership needs to begin the transformation of the debate in New Orleans. 🍁



# Knowingly employing sanctions: Arizona's regulation of migration through employer sanctions

## ARIZONA'S CHALLENGES

In the summer of 2007, Arizona's legislature passed the *Fair and Legal Employment Act*, a bold measure aimed at regulating the employment of informally authorized (that is, "undocumented") migrants in the state. The Republican majority garnered the support of four out of five legislators and forwarded the bill to the governor. After noting the "flaws" in the bill, Democratic Governor Janet Napolitano enacted the law on July 2, 2007. The *Fair and Legal Employment Act*, later renamed the *Legal Arizona Workers Act* (LAWA), was set to take effect on January 1, 2008. However, suits filed by business interests and migrant and civil-rights groups challenging the Act delayed its implementation. On February 7, 2008, Federal District Court Judge Neil V. Wake dismissed the challenges to the law; the plaintiffs plan to appeal the ruling. The Act was due to be implemented in March. Although empirically not much can yet be said about the effects of its implementation, the process and issues of the case are indicative of salient political and public policy debates regarding migrants and migration in Arizona and beyond.

## US MIGRATION POLICIES AND THE IMPACT ON ARIZONA

Arizona's effort to regulate migration is a common strategy that has over the past two decades resurfaced across states and municipal governments. According to the National Conference of State Legislatures, in 2007 there were over 1,500 proposed laws related to migrants and migration among the 50 state legislatures. Of these proposals, 244 were enacted in 46 states. This number does not include the large number of local ordinances that have been enacted or are being considered across the nation—the Hazleton,

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Migrants, however, had a different assessment: they were willing to take great risks to enter the United States.

Pennsylvania ordinance is one that has received considerable attention.

Migration, particularly Mexican migration, emerged as a major political concern in Arizona in the aftermath of President Bill Clinton's implementation of Operation Gatekeeper on the Tijuana-San Ysidro border. The border measure had the aim of "regaining control of our border" (a phrase often used by President Ronald Reagan) through a policy of "prevention through deterrence." The goal was to deter migrants from entering the United States without formal authorization by placing a high number of Border Patrol agents in what was at the time the busiest border crossing point and shift the migration flow to areas so difficult to traverse that migrants would stop trying. Migrants, however, had a different assessment: they were willing to take great risks to enter the United States. The annual number of deaths among those choosing this option has ranged from about 90 in 1996 to a peak of close to 500 in 2005, and then to about 230 in 2007 crossing from Mexico into Arizona.

## ARIZONA'S RESPONSE

In the aftermath of Operation Gatekeeper, a significant number of migrants shifted their migration route to the Sonoran desert and sought to enter through Arizona. The year 1995 would mark the beginning of Arizona's "problem" or "crisis." Since 1995, Arizona's elected and law enforcement officials, as well as voters through voting initiatives, have sought to regulate migrants and migration through multiple legislative and regulatory practices. Some of the actions taken include: the 1996 restriction of driver's licences to formally authorized migrants and US citizens; the 1997 "Chandler Roundup," an effort by local police and immigration officials that led to the questioning and/or arrest of Latino/Mexican American citizens, permanent residents, and Latino informally authorized migrants; the 2004 passage of Proposition 200, which added requirements for voting and began a process for restricting public benefits; a 2006 English-Only measure; and the 2006 passage of Proposition 300, which excluded informally authorized students from in-state tuition in public higher education institutions. The current 2008 session of the legislature is considering several bills to correct the "illegal immigration crisis," as well as measures to alleviate the "labour shortage" faced by Arizona employers in agriculture, construction, hotels, landscaping, and other sectors, through a state-based temporary worker program to bring in Mexican workers.

Arizona's employer-sanctions law contains the following four provisions. One, it makes it a felony to use the identification of an actual or fictitious person—a provision intended to reduce document fraud in obtaining employment. Two, it mandates that all employers use the federal E-Verify electronic system in the hiring process. Three, it

provides that the business “licence” of employers be suspended for ten days or longer for a first offence when the employer “intentionally” or “knowingly” employs an “unauthorized alien.” Four, it states that a second offence on the part of an employer could lead to the revocation of the employer’s licence in the specific site, or multiple sites if the employer operates multiple sites with a single licence.

## ARIZONA IN COURT

Shortly after the enactment of the employer-sanctions law, state and national business interests, and a small number of pro-migrant groups, brought independent suits to prevent the law’s implementation; the two suits were later consolidated into one. The business interests named in the suit include not only the Arizona Chamber of Commerce, Arizona Hispanic Chamber of Commerce, Arizona Employers for Immigration Reform, Wake Up Arizona!, and those representing roofing, landscape, and restaurant firms, but also the US Chamber of Commerce and the National Roofing Contractors Association. Three Latino/Mexican American groups also sued state officials: Chicanos Por La Causa, Somos America, and Valle del Sol. The principal challenge to the law centred on whether the state was taking action preserved for the federal government under its pre-emptive powers over “immigration,” particularly under the 1986 *Immigration Reform and Control Act* (IRCA).


The core of the juridical debate between plaintiffs and defendants, and the one that Judge Wake needed to rule on, was the meaning of the IRCA provision regarding “Pre-emption.” The plaintiffs argued that the law contradicted the federal pre-emptive power over migration and that it was engaging in actions reserved for the federal government and so was in violation of the constitution. The state argued that the provision authorized the state to formulate a law that could punish employers who hired “unauthorized aliens” if it did it through “licensing and similar laws.” Judge Wake

It has become clear that the timing of the law in conjunction with the deepening housing problems, the apparent recession, budget deficits, lower than expected retail revenues in the last quarter of 2007, and related problems in the state economy has created a difficult economic and political scenario.

adopted a broad interpretation, took into account a pre-IRCA case regarding California’s employer-sanctions law (*De Canas et al. v. Bica et al.*, 424 U.S. 351), and interpreted the law as standing separate from state intentions to regulate migration. In his final order he ruled in favour of the defendants.

## POTENTIAL IMPACTS OF THE ARIZONA LAW

Although not much can yet be concretely asserted about the law’s impact, multiple anecdotal accounts by local organizations, businesses, and the media have been reported. Some of the accounts report that Latino/Mexican workers have left the state and moved to places such as Utah and Texas, and some have returned to Mexico. Other accounts assert that some small businesses also have left, or plan to leave, the state. A recent news article reported a rise in the apartment vacancy rate for the Phoenix metropolitan area: from 9 percent in the fourth quarter of 2006 to 11.2 percent in the same quarter in 2007. In neighbourhoods with greater numbers of Latinos, it was reported that the rate may be 15 percent or higher. Some property owners have noted that families have moved out with very little notice, or none. Also, school districts have reported declines in student enrollments when compared with previous years.

It has become clear that the timing of the law in conjunction with the deepening housing problems, the apparent recession, budget deficits, lower than expected retail revenues in the last quarter of 2007, and related problems in the state economy have created a difficult economic and political scenario. What is less clear is how the acrimonious debate on the impact of migrants will be negotiated between the contradictory positions. A war of positions is being waged between those who assert that “unauthorized aliens” are “taking our jobs,” are a net drain on the economy and are damaging the social fabric, and those who argue that there is a serious “labour shortage” and thus we need to encourage the migration of individuals to fill the “vacant” jobs that “Americans” are not willing to do. 

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# The anti-immigrant backlash post-9/11

## ANTI-IMMIGRANT LEGISLATION ACROSS THE UNITED STATES

Many movements fuelled with strong nativism and anti-immigrant sentiments have been steadily pushing for the exclusion of immigrants from participating economically and politically in US society. In 1994, California initiated Proposition 187, an initiative that aimed to deny undocumented immigrants social services, health services, and public education, and required local law enforcement to work closely with immigration law enforcement. Under the banner of "Save Our State," proponents of Proposition 187 successfully campaigned and inspired anti-immigrant groups in other states to use similar nativist strategies and draft initiatives that closed avenues of integration.

The list of state legislative reforms under consideration or already passed include the requirement that all official business be conducted in English, and the elimination of access to driver's licences, housing, employment, health care, and education for unauthorized migrants. Initiatives have built on previous race-based nativist messages that show Third-World immigrants (namely, Mexicans) invading the United States and establishing Spanish as the primary language. In addition, immigrants of colour are blamed for all social problems, including unemployment, overcrowding, lower standards in education, and violent crime.

## ARIZONA AND PROPOSITION 200

In Arizona, the home state of numerous nativist anti-immigration groups, a number of anti-immigrant initiatives have passed. With the financial assistance of an anti-immigration organization, the Federation for American Immigration Reform, Arizona Proposition 200 was placed on the ballot and passed in November 2004. The major provisions included the following:

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[I]mmigrants of colour are blamed for all social problems, including unemployment, overcrowding, lower standards in education, and violent crime.

- voters must present identification before being allowed to vote;
- persons registering to vote in the state need to show proof of citizenship;
- illegal immigrants are banned from receiving state-mandated public benefits;
- government agencies must verify the legal status of applicants; and
- state residents are permitted to sue a government employee or agency for failing to carry out the above provisions.

Although claims that illegal immigrants were voting was used as the rallying point for passing Proposition 200, investigations have yet to uncover evidence of this. Instead of negatively affecting immigrants in Arizona, the new voting restrictions have affected citizens who failed to change their address when moving to Arizona and citizens who were unable to afford the approved Arizona ID credentials.

## THE ARIZONA EMPLOYER-SANCTIONS BILL

In November 2006, Proposition 100 was passed. This law denies suspected immigrants access to bail and incarcerates suspected criminals instead of turning them over to federal immigration officials for immediate deportation. In addition, Governor Janet Napolitano signed a bill imposing employer sanctions that went into effect January 2008. The bill imposes a 10-day suspension of the employer's business licence for a first offence and a possible loss of their licence for a second offence. Proponents of the employer-sanctions bill predict that there will be an increase in available jobs and social services when this law takes effect. However, immigrant advocates, business groups, and analysts predict an increase to the already tight labour market and a negative impact on the state's economy. Even the governor called the bill flawed and voiced concern that under the law, hospitals and nursing homes could be closed if their licences were revoked or suspended. She further acknowledged that the bill did not provide adequate funding for investigating complaints made to the state attorney's office.

A study conducted by the University of Arizona's Udall Center for Studies in Public Policy concludes that "economic output would drop annually by at least \$29 million or 8.2 percent, if all non-citizens, which include undocumented workers, were removed from Arizona's workforce." The key industries to be hit the hardest would be construction, manufacturing, and agriculture. In response to the employer-sanctions bill, business groups have joined in filing a motion for preliminary injunction on the basis that House Bill 2770 violates the right of substantive due process guaranteed by the US and Arizona constitutions and violates the separation of powers required under Arizona's constitution. A similar lawsuit was filed by a civil rights coalition. The first lawsuit was dismissed

in December 2007 and both employers and civil rights coalitions refiled a few days later. After several more dismissals, Judge Neil Wake determined that the procedural due process arguments used by the plaintiffs to attack the Arizona state law as unconstitutional were not well taken and were overruled.

## IMMIGRATION AND 9/11

Of course, the growing popularity of recent initiatives emerging at the state level must be considered within the federal context of government responses to the 9/11 attacks, which have conflated the terms “alien immigrant” and “criminal.” Exclusion, detention, and surveillance of non-citizens all became the concern of counterterrorism legislation, which included the *Patriot Act*, the *Homeland Security Act* and the *Enhanced Border Security and Visa Entry Reform Act*. Consequently, the distinctions among criminal aliens (deportable for their post-entry criminal conduct), illegal aliens (deportable for their surreptitious crossing of the US border), and terrorists (deportable for the grave risk they pose to national security) are blurred and all are treated as dangerous. Having depoliticized and delegitimized terrorist attacks, the White House constructed them as criminal acts rather than acts of war. Consequently, connecting the War on Terror and the War on Drugs provided a smooth transition to a campaign against narco-terrorism in 2002.

Combining the traditional domains of immigration and criminal law enforcement under the Department of Homeland Security has obscured differences between immigrants who are simply working illegally in the United States and immigrants and non-immigrants engaged in murder, human smuggling, money laundering, or child pornography. Prior to the 1996 *Anti-Terrorism and Effective Death Penalty Act* and the *Illegal Immigration Reform and Immigrant Responsibility Act*, only specifically identified felony convictions, such as murder or drug and firearms trafficking, resulted in detention and deportation.

[A] consistent pattern of policies are being implemented that will ensure the complete exclusion of immigrants from mainstream America.

These draconian measures have resulted in the mandatory deportation of legal permanent immigrant residents for almost any criminal conviction, including misdemeanours.


## LEGAL DETENTION AND PUNITIVE REMOVAL

In 2003, the Department of Homeland Security released a ten-year detention and removal strategy. As a mission slogan, the Office of Detention and Removal (DRO) selected the following:

Promote the public safety and national security by ensuring the departure from the United States of all removable aliens through the fair and effective enforcement of the nation's immigration laws.

In framing the mission solely on the basis of public safety and national security, the DRO defined all unauthorized immigrants as security threats. Traditionally, immigration raids have been conducted at worksites and have affected immigrants as workers. However, since the beginning of the immigration program Operation Return to Sender, news accounts have reported an unusually high number of immigration raids targeting families. Reports of immigration law enforcement agents entering residences without warrants or unannounced, particularly at pre-dawn, have increased over the last two years. Concerns about the civil rights violations of family members, particularly children, have emerged.

Seven-year-old Kebin Reyes became the poster child for the citizens caught in immigration sweeps and of the disregard for breaking up families in immigration enforcement. In this case, Immigration and Customs Enforcement officers denied his father's request to call a family member or family friend to take care of Kebin. Even though the father showed the officers his son's US passport, he was instructed to wake the child, and both were taken into forced custody. The child was held in a locked room all day and was only given bread and water. Even though family members arrived that afternoon for the child, Kebin was not released until the evening. Along with Kebin's story from the Bay Area, similar accounts have been reported in East Hampton, South Bend, Los Angeles, Chicago, Fresno, Long Island, and Santa Fe.

The move toward harsher restrictions against immigration at federal and state levels has reinforced the notion that US citizenship is limited to a white-monolingual-monocultural standard. At the same time, proposed legislative reforms against immigration are cutting off former avenues that immigrants had toward integration and assimilation into the dominant culture. Instead, a consistent pattern of policies is being implemented that will ensure the complete exclusion of immigrants from mainstream America. 

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# Chain-link fences and border security

## BORDER SECURITY AND NAFTA

At the turn of the 21st century, the United States' land borders with Mexico and Canada have become increasingly closed to human movement. The systematic militarization of the 2,000-mile Mexico-US border with long stretches of chain-link fencing began during the economic downturn of the 1970s. In the 1990s, under President Bill Clinton, enforcement took a larger-scale form. In the context of California's economic recession, undocumented immigration began to be characterized as a threat to social services, employment, and the racial composition of the United States. Because these discussions identified the porosity of the Mexico-US border as the main reason for the growth in undocumented immigration, this site was also thought to be the most appropriate locale for enforcing the increasing criminalization of "illegal" entry, exemplified in California's Proposition 187.

The replacement of chain-link fences with wall-like steel structures and the implementation of intensified patrolling activity, exemplified in California's 1994 Operation Gatekeeper, dramatically transformed popular border crossing points in California, Texas, and eventually in Arizona. These changes coincided with the eradication of trade tariffs under the North American Free Trade Agreement, which accelerated the creation of maquiladora assembly factories in Mexican border towns. Even though the trade agreement was sold to the US public as a way to minimize immigration through job creation in Mexico, the opposite happened. Job opportunities in the maquiladoras attracted Mexicans from the interior of the country and led to a massive growth of border towns and their transformation into gateways for larger numbers of would-be migrants to the United States. Border enforcement did not stop these movements, but only shifted them to more dangerous parts of the border. Since the mid-1990s, propor-

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There are indications, however, that in the last years of the Bush administration, the threat of terrorism may be beginning to lose its force as a major justification for US border militarization.

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tionately more immigrants have died from exposure, particularly in the Arizona desert, than perished in the mid-1980s from drowning (mostly in the Rio Grande) or from homicide and auto-pedestrian accidents in the late 1980s.

## TERRORISM AND THE US BORDER

Under George W. Bush, the militarization of the Mexico-US border with new fences, additional Border Patrol officers, and National Guard troops that routinely assist in border patrol operations has been justified by linking undocumented immigration to the ever-present threat of terrorism since the attacks of September 11, 2001. The emphasis on terrorism has also brought into renewed focus the 5,000-mile Canada-US border. This site had virtually disappeared from public attention in the 1940s when undocumented immigration across the Mexico-

US border increased as a side effect of the temporary guest worker "Bracero" program.

Today, both US land borders are viewed through a lens that often blurs the lines between terrorism, immigration, and cross-border smuggling. Even though the Palestinian Gazi Ibrahim Abu Mezer had as early as 1997 been caught at the Canada-US border with bomb-making material, it took 9/11 to change prevailing views of this boundary as "the world's longest undefended border" to one foregrounding its function as a potential entry point for terrorists. Early investigative reports suggested that some of the terrorists involved in the 9/11 attacks illegally entered the United States via Canada.

Although all of the 19 terrorists arrived legally on a variety of visas, these often-repeated allegations served to attack Canada's more liberal refugee laws and visa-free agreements with other countries. Under pressure from the United States, the Canadian government soon "harmonized" their policies with similar US provisions and also deployed the Royal Canadian Mounted Police to border-patrol and counterterrorism tasks. US enforcement included a tripling of US border agents stationed at the Canada-US border, the installation of new surveillance equipment, and (plans for) the erection of fences along particularly "sensitive" portions of the northern border. For example, the "Seaway Corridor" that bisects Cornwall Island on the transnational Akwesasne Mohawk reservation now sports a ten-foot chain-link fence topped with barbed wire, and plans exist to build fences separating the towns of Derby, Vermont and Stanstead, Quebec, which share an opera house and a library that are literally bisected by the border.

There are indications, however, that in the last years of the Bush administration, the threat of terrorism may be beginning to lose its force as a major justification for US border militarization. When

Congress authorized \$1.2 billion for the erection of an additional 700 miles of “virtual” and steel fencing along the Mexico–US border in 2007, it did so to control undocumented immigrants and drug smuggling. The shift from terrorism as a major reason for border militarization to undocumented immigration and drug smuggling may indicate a return to long-standing practices in the United States that have associated the dominant fears of a particular time period, such as alcohol during Prohibition and drug trafficking in the 1980s, with cross-border human movement to justify increased border enforcement.

### **HISTORIC BORDER ENFORCEMENT FAILURES**

Perhaps the next president of the United States can learn a lesson about the futility of border enforcement from the last great migration (1870 to 1914), which far surpassed the current rate of immigration relative to population size. The passage of restrictive immigration legislation in the 1870s and 1880s and its enforcement at US land borders did not prevent migration. Instead, immigrants continued to arrive in the United States “illegally” and on more circuitous routes. Following the 1882 *Chinese Exclusion Act*, which was passed in the context of a recession after the completion of the railroads, Chinese immigrants entered at official US ports with fraudulent documents or travelled to Canada and then traversed the unsupervised border into the United States.

After the passage of the 1885 *Foran Act*, large numbers of Europeans now fearing to be excluded as “contract labour” also used the Canadian boundary as a back door into the United States. The stationing of US inspectors at Canadian seaports, where they inspected immigrants destined for the United States, and the creation of Canadian border checkpoints in the 1890s exemplified the increasing enforcement of the Canada–US border to human movement. At the United States’ southern boundary, US enforcement personnel were charged with preventing immigration from China

Every time the United States enters some form of recession, “illegal” movements by people or goods across US national borders surge to national attention, while the underlying structural reasons for the economic decline are seldom discussed.

and, since the 1920s, with controlling the much larger number of immigrants from Europe who defied exclusionary quota legislation passed in the context of yet another recession.

It took the Great Depression and the First World War to slow immigration from Europe and Asia to a trickle. By the 1930s, these changes also led to the decline of immigration from Mexico, whose growth during the 1910s and 1920s led to the creation of quarantine stations along the border and the application of existing immigration law to Mexican nationals.

### **THE ECONOMIC INFLUENCE**

What has historically minimized human border crossings, then, has not been US border enforcement, but economic and political developments on a global scale. We may be seeing similar developments today. Between the first quarter of 2006

and 2007, border apprehensions fell 26 percent. This decrease may correlate with a slowing of immigration in response to the ongoing economic downturn in the United States.

The past may be on the verge of repeating itself. Every time the United States enters some form of recession, “illegal” movements by people or goods across US national borders surge to national attention, while the underlying structural reasons for the economic decline are seldom discussed. But the end of the George W. Bush presidency may also mark the beginning of change. Perhaps we have now arrived at a time when the United States is no longer able to disguise its fall from sole superpower status through a focus on supposed external threats to the US nation, such as terrorism, undocumented immigration, and smuggling, against which national borders need to be fortified. 

### **THE CENTRE FOR RESEARCH ON NORTH AMERICA AT UNAM**

The CISAN’s objective is to produce multi- and interdisciplinary research to contribute to knowledge about the United States and Canada and their relations with Mexico, as well as to foster the rigorous study of all three countries using different focuses that will allow for a better understanding of the many aspects of the complex North American reality. The CISAN seeks to promote objective and pluralist knowledge about the region through broad dissemination efforts and university extension services, as well as to enrich teaching activities in different undergraduate and graduate programs linked to our field of study.

Given that part of the globalization process is the challenge of opening up the borders of knowledge, one basic premise of the CISAN’s activities is the creation of broad academic networks to allow for a continual exchange of ideas and the comparison of theoretical and methodological frameworks among the scientific communities of the three countries.

# North American integration post-Bush

## THE 2008 US PRESIDENTIAL CAMPAIGNS—THE STORY SO FAR

The winter 2007 musings of the candidates for the US Democratic Party nomination, to the effect that they would use the threat of withdrawal from NAFTA to force Mexico and Canada to attach stronger labour and environmental protection provisions to the 1992 pact, may have only been superficial political shots, fired in the bitter fight for the vote of blue-collar America. After all, neither Hillary Clinton nor Barack Obama really believes in abrogating the agreement. But these statements underscore the paucity of ideas in the political arena concerning the much-needed modernization of the NAFTA economic relationship. Even should a new US leadership attempt to return the now-antiquated NAFTA train to its original station, for a paint job or simply to scrap it, they would find the old station abandoned and surrounded by a ghost town of factories that are never to be revived, under any trade policy.

The vast majority of decision-makers realize, of course, that it is an illusion to think that one could return to a pre-NAFTA world or, more specifically, that lost jobs would return if we tried to abrogate that agreement. What, then, is the future of the mutually beneficial North American economic integration that the NAFTA was meant to herald?

## THE FUTURE OF NORTH AMERICAN FREE TRADE IN CANADA AND BEYOND

Even though they may harbour radically different feelings about where the voyage has taken them so far, the three passengers on the NAFTA train—Canada, the United States, and Mexico—all realize, or should by now, that this train is not taking them anywhere particularly fast. Indeed, there has been a significant drop in Canada's trade and investment flows within the NAFTA zone over the past five years, relative to Canada's trade and in-

BY DANIEL SCHWANEN

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The medium-term question for all three countries in this difficult economic context is: what do we make of opportunities that arise to strengthen our individual and joint global competitiveness?

vestment flows with the rest of the world.

Although we in Canada should rejoice in the rapid expansion of our trade and investment relationships with the rest of the world, especially at times when this trend protects us against the colder economic winds from the United States, it would be wrong to interpret this swing as a signal that it is now less important than before to work hard at our relationship with the United States, a country that remains by far Canada's most important export marketplace. Canada's manufacturing sector is certainly feeling an acute pain from both a softening of the US economy and a rapid rise in the value of the Canadian dollar relative to its US counterpart. Mexico's manufacturing sector has been similarly affected.

The medium-term question for all three countries in this difficult economic context is: what do we make of op-

portunities that arise to strengthen our individual and joint global competitiveness? The NAFTA economic relationship deeply affects each economy's success in other markets, particularly with respect to manufactured goods. This is because manufacturing production in all three countries has become increasingly dependent on fluid border crossings as a result of increased specialization in parts and other intermediate manufactured products among the three countries. It has also become increasingly hostile to what are now some of the most complex and restrictive rules of origin of any regional trading arrangement. Under the guise of encouraging the benefits of regional free trade to flow to producers of goods with minimum North American content, these rules stifle the import of intermediate imports from elsewhere that are needed to increase the competitiveness of businesses in North America.

## THE IMPORT(ANCE) OF IMPORTS AND THE THREAT TO SECURITY

Let us be clear about what the observations in the above paragraph imply: imports mean jobs. It is practically not possible any more to produce a good without some imported component being included in that good. Disruptions in land border crossings and restrictive rules concerning the purchase of machinery and intermediate inputs mean significant difficulty for Canadians and Mexicans, in particular—those at the periphery of the giant US market—to produce manufacturing goods, let alone find an alternative to the United States as an export outlet for that production.

Yet the highly integrated production apparatus is continuously threatened by schemes to address ever-present border security concerns and by the general indifference of politicians seemingly focused alternatively on internal issues and on problem areas overseas, with little attention paid to our own common backyard. Although security considerations



are paramount, there needs to be an overarching, systematic examination of how they can be addressed without harming the economic side of the relationship and the temporary movement of people that often underpin it.

Meanwhile, other regions of the world have made significant progress in liberalizing trade, investment, and the temporary movement of skilled people—key elements of economic well-being in the global economy—since the three North American countries signed NAFTA. The North American leadership on this question has clearly been falling behind global trends. Notwithstanding the Security and Prosperity Partnership (SPP) struck in 2005 between the three countries, so far the three NAFTA amigos have exhibited a greater proclivity to hang separately than to hang together in the face of both rising global competition and opportunities.

### **THE SPP AND THE SMART NORTH AMERICAN ECONOMY**

The SPP has been criticized—not altogether unfairly, at least from the point of view of optics—for being a top-down exercise subject to the stop-and-go vagaries of political calendars, yet one also captured by special interests working with the bureaucracy to introduce pro-integration measures falling below the radar screen of legislators. From another perspective, the SPP's list of initiatives aimed at facilitating freer and more secure flows of goods and people across North American borders does not give the impression of coherent progress

**... there is a need for a transparent body clearly answering to elected representatives in each of the three countries.**


toward truly enhancing the overall well-being of North Americans.

Canadian policy-makers responded intelligently and creatively to the security concerns at the border following 9/11 by providing much of the content behind the December 2001 Smart Border Declaration and have pushed many initiatives since then to keep the Canada-US border both secure and open. It has now become necessary for Canada to propose to our partners that we move forward on a "Smart North American Economy."

In this context, there is a need for a transparent body clearly answering to elected representatives in each of the three countries. Perhaps this role could be filled by a commission dedicated to advancing the Smart North American Economy and bringing a coherent approach to the relationship between cross-border commercial and investment issues and those affecting the environment, temporary migration, border security, and health and sanitation ques-

tions. In short, this commission would be charged with autonomously and robustly moving the process of modernizing the North American economic relationship to bring it on competitive par with others in the world.

This body would almost certainly look at harmonizing certain rules and practices among the three countries where the benefits in terms of reduced transaction costs and the costs in terms of lost policy autonomy are insignificant. But mainly, it would be charged by North American governments with making recommendations to the relevant agencies in the three countries toward ensuring economic relations in North America that are as open, fair, and secure as possible in spite of the legal, regulatory, and other differences, bearing in mind also the need to often deal with Canada-US issues and Mexican-US issues on different tracks.

Learning from the experience of the Canada-US International Joint Commission, which was set up under the 1909 Boundary Waters Treaty, such a body would give authoritative advice to governments and their agencies on critical issues such as lumber that require a mixture of public input, technical advice, and an ability to transcend different policy realms (for example, trade and environment) and regimes. Canada can and should lead in establishing such a transparent, responsive, and effective framework, intelligently using our existing room for manoeuvre to advance our national interests within a North America that badly needs rethinking. 

### **ROBARTS MANDATE**

The Robarts Centre for Canadian Studies supports interdisciplinary and discipline-specific research pertinent to the study of Canada and "Canada in the World." In practice, this has meant an orientation toward broader Canadian and international scholarly and policy-making communities, inquiries into comparative perspectives on the Canadian mosaic, and assistance to York scholars in working with their counterparts in other countries.

Faculty at the Robarts Centre, including the Director, the Robarts Chair, and other Robarts researchers, regularly teach courses and contribute to curriculum development in areas pertaining Canadian and North American as well as comparative studies. The Robarts Centre also provides supervised research and writing opportunities for graduate students from a wide range of York graduate programs.

The Robarts Centre offers a strong program of high-level seminars, workshops, and conferences on major issues focusing on Canadian perspectives on Communications, Culture, the Fine Arts, History, Political Economy, Public Policy, and International Relation. Participants include York faculty and students, Canadian and international scholars as well as the larger community of Metropolitan Toronto.

# The passion of NAFTA

## MEXICAN AND AMERICAN CRITIQUES OF NAFTA

In Mexico, after 14 years of NAFTA, the passionate debate continues. NAFTA has not always resulted in a win-win situation, but rather tended to create both winners and losers. Advocates of NAFTA view it as the fundamental factor behind the Mexican economic recovery after the crisis of 1995. According to the World Bank, without NAFTA, Mexico's total exports, foreign direct investment (FDI) inflows, and per capita income would have been much lower. NAFTA's opponents, on the other hand, claim that the benefits from the agreement have been concentrated in relatively few hands and are more than offset by adverse economic effects. Critiques of the World Bank analysis assert that NAFTA has reduced the average income growth per capita in Mexico and that its beneficial impact on exports has not compensated for its negative effects, particularly the erosion of Mexico's inter-industrial links and the increasing wage gap between skilled and unskilled labour.

As of January 1, 2008 all import tariffs on corn and beans were eliminated under NAFTA. This represents, according to the peasants' organizations, another blow to Mexico's precarious economy and might result in increased migration flows to the United States. Since the inception of NAFTA, the agricultural sector of the Mexican economy has experienced a loss of jobs—1.3 million in the period 1994-2002 alone—which is believed to be the main cause of emigration. To bring this to the public's attention, there was a huge demonstration by many peasants' organizations in Mexico City in January 2008, urging the federal government to revise NAFTA. The Mexican farmers also argue that trade in grains with the United States is not fair because Mexican farmers do not receive the same kind of subsidies from their government as the US farmers do.

Adverse reactions to NAFTA are also present in the United States. In all the

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... despite the last-minute inclusion of environmental regulations in NAFTA, people believe that its environmental agencies and programs are lacking government support, and as a result, big corporations are not actually regulated.

2008 presidential campaigns, for example, NAFTA is considered a hot issue. NAFTA's opponents in the United States believe that, so far, the trade agreement has failed to generate new jobs, has been detrimental to the environment, and is beneficial only to big corporations. They claim that there has been a loss of one million job opportunities nationwide; that the majority of jobs displaced were in the manufacturing sector, and that there is a downward pressure on general wages, caused by the trade deficit with Mexico. In addition, despite the last-minute inclusion of environmental regulations in NAFTA, people believe that its environmental agencies and programs are lacking government support, and as a result, big corporations are not actually regulated.

### MODEST GAINS

NAFTA increased Mexican exports on the North American market. Within a

few years, exports had become one-third of Mexico's gross domestic product. Also, NAFTA helped to change Mexico's exports from being highly concentrated in natural resources (oil) to including more than two-thirds manufactured products. A key element in this was the increased operation of maquiladoras (in-bond industries), which are now responsible for half of Mexico's total exports. This export growth, however, was not felt in all production sectors. The bulk of Mexico's exports originate in only 300 businesses, most of them linked to transnational corporations.

The increase in Mexican exports has been favourably reflected in the country's trade balance with its major partner; since 1995, Mexico has run growing trade surpluses with the United States. But such surpluses have been offset by Mexico's mounting trade deficit with the rest of the world. This is because trade liberalization has been accompanied by a massive increase of imports into Mexico. Imports now represent one-third of Mexico's GDP. Such import demand mirrors the strong relationship between the exporting sector and foreign suppliers, accompanied by the breakdown of some internal linkages in Mexico's domestic production structure. Many local producers have been put out of business by foreign competition. Thus, in the NAFTA period, the Mexican economy has significantly increased its structural dependence on imports. This imposes a well-known restriction on economic growth in an underdeveloped country. In other words, trade liberalization and NAFTA did not place Mexico on a path to real export-led growth.

### FALLING SHORT OF EXPECTATIONS

Another favourable development associated with NAFTA is the increase in the flow of foreign direct investment, most of it coming from the United States. In 2007, FDI flows in Mexico were around

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# The long road of transportation post-Bush

## THE DEBATE CONTINUES

As the Bush administration draws to a close, issues involving the US transportation system, especially freight transportation, still need to be addressed. As with so much else in the George W. Bush presidency, transportation policy has been heavily influenced by the 9/11 attacks, the Iraq war, and the conservative ideology of the president and his advisers. In addition, the politics of North America around immigration, and continued economic anxiety have resulted in political standoffs that will colour the starting point for the new administration, whoever it may be.

This article will give readers an idea of the various cross-currents that are likely to frame the continuing debates about industry regulation and structure, infrastructure, and resource allocation that are at the heart of the question about how to maintain and upgrade the US transportation network that supports the nation's commerce.

## INDUSTRY STRUCTURE AND REGULATION

The vast majority of freight in the United States moves by truck and rail; trucks handle 70 percent of the tonnage, but rail handles close to 5 percent of the ton-miles (that is, longer haul traffic). The trucking/motor carrier business is subject to state and federal safety regulations and operates on the same right-of-way as passenger vehicles, while rail carriers own their own tracks and have a different safety system.

### Trucking

The US trucking industry faces huge challenges. Trucking is widely perceived by the average US driver as unsafe and a disproportionately heavy source of congestion. Furthermore, the current chairman of the House Transportation and Infrastructure Committee, James Oberstar, is opposed to many of the industry's proposals such as longer trucks.

BY ARNOLD MALTZ

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Thus, politically, many of the most visible changes proposed under this administration have been repeatedly challenged. For example, a new hours-of-service regulation (the first since 1939) has been revised twice in response to court orders. Congress even attempted to stop Mexican carriers from handling international freight to and from the United States, an explicit requirement of NAFTA that has been upheld through numerous arbitration sessions. So far the Bush administration has evaded the ban.

In short, if Congress remains firmly Democratic, whoever the president is, the trucking industry will likely face even stricter safety and environmental regulation, and the scheduled tightening of engine pollution requirements will also go into effect in 2010. Proposed improvements in carrier efficiency through longer vehicles or the use of Mexican drivers are unlikely to be considered, let alone implemented. Finally, the need to reduce greenhouse gases, especially at

congestion points such as ports, will continue to drive higher equipment requirements and lower profits. Although a potential recession will lessen the pressure on carrier capacity, the political climate will probably contribute to continuing consolidation among carriers, the shifting of more traffic to rail (but see below), and the tightening of overall capacity over the medium to long term.

### Rail

Thanks to a different cost and ownership structure, the railroad industry serving the US market has already undergone dramatic consolidation. In addition, with the growing importance of containerized imports, rail is seen as a key way to service inland markets and maximize the productivity of scarce seaport resources. Finally, the fact that railroads own their rights-of-way gives them more freedom to make decisions on expanding capacity. The downside to that situation is that they face the need to raise capital as a private entity.

However, the railroads are not immune to politics. Recent rail projects to expand service around Yuma, Arizona foundered on public opposition, and Union Pacific's efforts to expand its "Sunshine Line" (Los Angeles to El Paso) and build additional yard capacity have provoked attempts (clearly illegal) to regulate rail activities at the state level. Furthermore, the railroads have asked for tax benefits to help offset what most groups agree is the necessary expansion of capacity to take trucks off the road and move imports in a more energy-efficient manner.

The railroads are likely to fare somewhat better than the trucking industry under a Democratic Congress, and the Republicans have already weighed in with rail support. Railroads are also seen as a source of economic development because a rail yard or rail connection is critical to the development of inland ports, which are on the drawing board

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# Security, civil liberties, and the 2008 US election

**SUPER TUESDAY, 2008**

On February 12, 2008, a number of events took place in the United States that offer conflicting clues about future directions that our southern neighbour may be taking and the implications for Canada. Three presidential primaries saw Democratic victories for Barack Obama over Hillary Clinton; for the Republicans, John McCain solidified his grip on the nomination. Obama is a charismatic young post-9/11 figure who opposed the Iraq war from the start and preaches the politics of hope. McCain is a Vietnam war hero who says the United States may have to stay in Iraq for a hundred years, and continues to promote the Bush-era politics of fear.

That same day, the Senate, despite its Democratic majority, gave a lopsided 68 to 29 sanction to President George W. Bush's warrantless surveillance of Americans, voting to broaden the government's spy powers and give legal protection to phone companies that cooperated in Bush's illegal eavesdropping program. Amendments that would have imposed greater civil liberties checks on the government's intrusive powers were rejected one after the other.

## THE POLITICS OF SECURITY

Canadians, who are predominantly pro-Democratic, were fascinated with the larger than life Obama-Clinton struggle. But what are the implications for the North American security agenda that Canada will face after the November elections? The Bush-Cheney White House will finally be gone, but the record of that administration in relation to the Canada-US border and security cooperation since 2001 may not disappear with Bush. Indeed, it may linger on and even take new virulent forms post-Bush. Obama offers the appeal of rhetoric that sounds compelling to Canadian ears but is untested by any experience of execu-

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The Bush-Cheney White House will finally be gone, but the record of that administration in relation to the Canada-US border and security cooperation since 2001 may not disappear with Bush.

tive power. As the Senate vote suggests, the mere fact of Democratic control over both White House and Congress may not signal any sharp change in direction. Senator Clinton has repeatedly alleged that the northern border represents a risk to American national security. McCain campaigned by singing "Bomb, bomb, bomb, bomb, bomb, Iran" to an old Beach Boys' tune.

## CANADIAN RESISTANCE TO THE SECURITY PERIMETER

In the wake of 9/11, serious consideration, in addition to public agitation, was being given to the idea of a North American security perimeter. This would have mirrored Schengen-era Europe, where internal European boundaries have virtually disappeared but have been replaced by a common set of controls on entry and exit from the European

continent. Unfortunately, there is one very big difference between North America and Europe: there are no common political institutions here to oversee economic integration under NAFTA. With a unilateralist White House and Congress dictating terms of a common set of immigration and security controls with no Canadian voice, "harmonization" would inevitably mean the direct imposition of American standards—in effect, taxation without representation. Despite powerful backing from business, the security perimeter idea was successfully resisted, but indirectly, by clever co-optation. The Smart Border agreements, initiated by Canada, took the US eye off the larger picture, instead concentrating attention on specifics to facilitate an efficient but secure cross-border relationship without requiring any overarching perimeter framework. Although some have criticized the Smart Border arrangements as diminishing Canadian sovereignty, they were really part of the second front: quietly limiting damage while publicly participating in the first front.

This small triumph of Canadian statecraft has, however, been increasingly called into question. The Security and Prosperity Partnership offers little concrete followup on the Smart Border plans. In practice, US Homeland Security has grown into an out-of-control bureaucratic monster. Even as the Bush administration has sunk to record lows in public approval, hyper-security thinking seems to have increased. Passport requirements at land crossings are only the tip of the iceberg. Demands for detailed advance passenger information for air travellers—even including flights that merely pass over corners of US airspace—have caused endless headaches for Canada, and raise questions about violations of Canadian privacy protection laws. Sensible proposals for facilitating border traffic, such as a new Windsor-

Detroit tunnel, languish in the face of a US obsession with security narrowly, and self-servingly, defined.

## THE ECONOMICS OF SECURITY

There is little prospect that post-Bush Washington will reverse these trends, even if some of the more egregious irritants are removed. Security is often a convenient cover for economic interests. The success of the US softwood lumber lobby in beating Canadian producers as well as successive Canadian governments is not unnoticed by politicians using protectionism to lure votes—especially in the Democratic Party, with its rustbelt working-class constituencies. Tough security measures that happen to impede Canadian competition pack a double electoral bonus.

Canada and Mexico, America's NAFTA partners, did declare political independence from the American agenda over Iraq. But in the longer run, the Bush doctrine ("fight the terrorists over there to avoid fighting them over here") has won out in Canada's Kandahar quagmire. The Paul Martin Liberals got the Canadian military into Kandahar, the roughest neighbourhood in Afghanistan, mainly as an attempt to balance the books with the Americans for Iraq. The Stephen Harper Conservatives are neither able nor willing to extricate the country from a commitment that has already taken 83 Canadian lives (the highest relative toll among all forces fighting in Afghanistan) and bizarrely turned this marginal Third World country into Canada's leading foreign policy priority. Yet even a Democrat in the White House committed to withdrawal from Iraq will likely increase the US presence in Afghanistan (the "good intervention") and increase pressure on allies for more, not less, commitment.

## THE CHALLENGE TO CANADIAN LIBERTIES

Another defensive battle Canada has had to fight on its second front is limiting the threat to Canadian liberties posed by American direction on the war on terror.

## Security is often a convenient cover for economic interests.

Vice-president Dick Cheney spoke about the United States having to go over to the "dark side" to combat terrorism, and in Guantanamo and Abu Ghraib, torture, extraordinary rendition, warrantless surveillance, etc., the rest of the world has seen just what the dark side may conceal. Canadians saw a chilling snapshot of this with the case of Maher Arar, the innocent Canadian kidnapped by the United States in New York and shipped to a nightmarish torture cell in Syria. The Arar affair raised serious issues of what intelligence Canada should share with a country that cannot be trusted to respect the human rights of those that fall, even innocently, into its blacklists. Yet the war on terror demands more, not less, sharing: a dilemma for this and future Canadian governments.


The United States expects its allies to do as it does with regard to fighting terrorism within their own borders. Canada has had to fight a defensive battle here as well. Special anti-terrorism legislation was rushed into law in the fall of 2001, including unprecedented powers of investigative hearings and preventive arrest. These have now lapsed, although probably only temporarily, but neither power has ever actually been invoked.

Similarly, a modest Canadian no-fly list has been implemented, pre-empting

the importation of the notorious US no-fly list that nabs two-year-old terrorists and the likes of Senator Edward Kennedy. Yet, to date, no one in Canada has actually been prevented from boarding a plane as a result. This Canadian reticence represents reasonable balance in fighting terrorism with due respect for civil liberties, rather than going overboard as the Americans have often done, with no better results. Yet, no doubt, Canada will continue to receive criticism in the future about being an alleged weak point in counterterrorism.

## TOWARD THE 2008 ELECTION

The politics of Canadian-American relations in Canada are unclear. The Harper Conservatives often sound like the Bush Republicans, and Stephen Harper stands to lose a close ideological ally when Bush steps down (he has already lost John Howard in Australia). Yet it is difficult to discern any striking difference in practice between the Conservatives and their Liberal predecessors in managing the North American security file. The Conservatives too have had to "stand up for Canada"—even against their ideological look-alikes—on Maher Arar, on the endless border irritants, and for Canadian economic interests trumped by "security."

Perhaps the prospect of a President Obama might offer glimmers of change. His "politics of hope" may subtly alter the narrative from the fear-driven story of the Bush agenda and begin to turn the page toward a post-9/11 era. That should certainly be Canada's hope. 

### THE NORTH AMERICAN CENTER FOR TRANSBORDER STUDIES AT ARIZONA STATE UNIVERSITY

The mission of the North American Center for Transborder Studies is to advance greater understanding of border and trilateral issues in North America by supporting scholars who contribute to the development of innovative theory and actionable policy analysis regarding these issues.

The North American Center for Transborder Studies strives to embody the New American University design aspirations of global engagement, social embeddedness, and societal transformation in all of its initiatives. NACTS is a university-wide research center with a trinational Board of Advisors, an ASU Faculty Advisory Council, and partner institutions in Canada and Mexico. The Center is supported by the College of Liberal Arts and Sciences and a number of additional offices at ASU.

# The more things stay the same: A Mexican perspective on the 2008 US election

## MOVING FORWARD OR JUST SPINNING OUR WHEELS?

The 2008 US presidential election has attracted international attention, but it has been particularly interesting for the United States' southern neighbour. Mexico is interested in the election results in the hopes that a new president will introduce policy changes that will benefit the Mexican people. However, this may be nothing more than wishful thinking. Although it is true that the president has the power to change US policy, it is actually rather absurd to think in terms of which candidate is better for Mexico. Even if a candidate seems to have a "favourable" position on one issue that affects Mexican life, such as immigration, it does not mean that this candidate will have a similarly desirable position on another, like drug trafficking or multilateral policy. In addition, courting Latino voters of Mexican origin is not the same as holding an election in Mexico; and candidates' campaign promises do not always result in changes to public policy.

Twice in the past, during the 1982 and 1995 financial crises, both Republican President Ronald Reagan and Democratic President Bill Clinton responded in similar ways when Mexico's financial problems threatened to seriously affect US interests. However, public policy is not only determined by the head of state, and presidential actions during those times of crisis provoked profound disagreements about Central American policy under President Reagan and about the militarization of the border under President Clinton. This shows that, despite the outcome of any election, the bilateral relationship that exists between Mexico and the United States has its own dynamic because of the millions of trade and financial transactions and daily social, cultural, and even criminal contacts that make up a complex network that is

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The institutions and laws that President Bush fostered may also long outlast his presidency.

independent of the individual or party who sits in the White House.

## THE 2008 CAMPAIGN CLIMATE

Heading into the 2008 election, the US government has some important global issues to deal with, including the slowdown of the world economy, the ups and downs in the oil market, and the security threat of different political "red lights" that are flashing from Kosovo to Iran. These issues are likely to come up in election platforms as alternatives to the Iraq war, proposals for economic revitalization, and new questions of national security and immigration. In addition to the questions of immigration and national security, both the economic slowdown and the performance of the oil market are crucial for Mexico's immediate future and continuing bilateral relations.

For US voters, the 2008 campaigns have a series of unprecedented characteristics. Barack Obama and Hillary Clinton have not been the usual presidential candidates. Their presence as Democratic hopefuls in this election has been part of a process that seems to herald a new era of social and political activism in response to eight years of the Bush administration.

But despite this appearance of change, a new president may not be enough to put an end to the political consequences of the Bush administration. With the changes that have occurred since September 11, 2001, such as the approval of the *Patriot Act* and the creation of the Department of Homeland Security, the US political system has gone through a transformation so great that fundamental aspects of the country's own constitution are brought into question. These institutional changes tend to perpetuate themselves. The changes that President Harry Truman made during the Cold War were never reversed. The institutions and laws that President Bush fostered may also long outlast his presidency.

## REASONS FOR CHANGE

These transformations—above all the security measures and the war on terror that have guided US policy since 2001—are the ones that most affect foreign policy toward Mexico. In a situation like this, seemingly, only the economic, financial, and bilateral trade agenda enjoys relative autonomy vis-à-vis the filter of security policy. This despite the fact that the issues of migration and drug trafficking, as well as a series of other issues, have been dealt with bilaterally for years by two neighbouring countries that have always, despite a few tensions, lived together in peace.

In this context, the challenges for the future are formidable and are linked to both countries' domestic policies as they face processes of profound social and political division. In Mexico, these divisions manifested themselves during and after the 2006 elections in the lack of an agreement on energy, agricultural, labour, and fiscal policies, the reform of the state, and growing social violence. In the United States, President Bush's low approval ratings, the Democratic victory in the mid-term elections, and the close

race between Senator Barack Obama and Senator Hillary Clinton clearly show that a large sector of US society is sick and tired of the current state of affairs.

### THE PRESIDENTIAL HOPEFULS

For the Republican Party, Senator John McCain's virtual presidential nomination may give him the time he needs to staunch the blood from his wounds and prepare himself for the general election in November. However, the fact that the Republicans need their more conservative ridings to get the vote out in November means that migration and, therefore, policy toward Mexico cannot be discussed reasonably within the party.

Inside the Democratic camp, the candidates competed for the African American vote, women's votes, the Latino vote, and the vote of young people of all ethnicities. For the Democrats, the best strategy is one that can attract voters from all groups because any constituency that does not feel sufficiently represented could stay at home in Novem-

## The 2008 US electoral process may open up the possibility of renegotiating the tone of relations between the two countries' chief executives and perhaps of reviewing a few isolated issues.

ber, which could cost either of the two hopefuls the presidency.

### THE MORE THINGS CHANGE ...

It is reasonable to think that US—Mexico relations could be better in 2009 simply because any change could make a new beginning possible. A Democratic administration might seek to change the tone of the relationship, but the complexity of the bilateral agenda will likely not permit a radical shift. Even if Senator Obama, who seems to favour inclusive immigration policies, won the elections, he would still have to deal with a Con-

gress that could slow down or dilute his proposals. Senator McCain would face constraints imposed by the more conservative sectors of his party on migratory issues and by a possible Democratic majority in Congress on other issues.

The 2008 US electoral process may open up the possibility of renegotiating the tone of relations between the two countries' chief executives and perhaps of reviewing a few isolated issues. However, the general dynamic of a relationship as complex as this will not change substantively no matter who wins in November. ❁

## The passion of NAFTA continued from page 50

\$25 billion. However, some of this FDI was not actual new productive investment but rather the acquisition of already existing local firms that felt unable to compete with foreign ones, preferring to sell to large US corporations.

One important failure of NAFTA was the expected increase in employment. The idea behind opening up the economy, in the first place, was to promote exports and, thereby, create jobs. In practice, NAFTA has resulted in a slightly different outcome. Total paid employment in Mexico, including under-employment, has been growing at an average annual rate of 2.6 percent, for the last 25 years. In the NAFTA period, the level of employment associated with exports increased at higher rates, so the percentage of employment generated by exports with respect to the total spiked in 1995 and reached the level of 15 percent in 2000. Considering that total employment has not increased to a signifi-

cant extent, and that in 1995, when export employment grew, the total level of employment actually diminished because of the economic crisis, it seems clear that export activities have been attracting workers from domestic market activities, especially those displaced by imports. As a result, the net creation of jobs by Mexican foreign trade has been actually very little.

### MOVING FORWARD

According to experts assessing NAFTA's future, the next step in the integration process would be to unify commercial and monetary policies, which means establishing a customs union and adopting a common currency. These two projects face many obstacles from different and opposing interest groups in the countries involved. In the case of Mexico, the next logical step would be to fill in the missing part in NAFTA regarding free factors mobility through a migration

agreement. This is urgently needed for regulating the unstoppable migrant flow from Mexico to the United States. In addition to this, there seems to be a need to revise and renegotiate some parts of NAFTA with the United States.

In the United States, most politicians seem to endorse the workers organizations' claim to revise NAFTA, believing that the lack of jobs comes from the US trade deficit with Mexico. This view somehow overlooks the gigantic trade deficit that the United States has with Japan, China, and the European Union. The next government in the White House, whether Democrat or Republican, may want to reopen NAFTA. Before implementing any changes or proposing steps forward, it would be prudent for the US government to evaluate existing asymmetries, especially those between Mexico and the United States, and to suggest actions that would close the gaps, for the sake of everybody. ❁

# The long road of transportation continued from page 51

across the country. But it's not clear that individual members of a Democratic Congress will ignore constituents who hate the idea of rail expansion, even along established rights-of-way. Intermodal movements are recognized as important and efficient, but longer wait times at train crossings will not be a political "win" for everybody. This situation is made more difficult because, as a recent report pointed out, the Department of Transportation is rigidly structured along modal lines, with any intermodal promotion efforts left to ad hoc programs.

## INFRASTRUCTURE AND FUNDING

There have been a litany of reports detailing the shortcomings of US transportation infrastructure, including Department of Transportation reports, American Association of State Highway and Transportation Officials reports, and consulting documents. Estimates to bring infrastructure in line with future needs envision costs of up to \$1 trillion. The collapse of the I-35 bridge in Minneapolis-St. Paul highlighted the previously documented need for maintenance on thousands of bridges.

Furthermore, the US network was planned and built long before the current influx of imports. Thus, there are potential bottlenecks at many ports of entry, and these are anticipated to get worse. Transportation needs are likely to increase, with freight volumes doubling in 15 years and total vehicle-miles travelled also increasing.

At the same time, funding mechanisms, primarily the fuel tax, have not kept pace with growing demands. In particular, the primary source of surface transportation funds, the Highway Trust Fund, is projected to be out of money as early as 2009, and thus the most recent surface transportation funding program, SAFETEA-LU, may fall short. Two recent National Commission reports have suggested the need to increase fuel tax rates sharply, although

[T]he Department of Transportation is rigidly structured along modal lines, with any intermodal promotion efforts left to ad hoc programs.

they have also supported an increase in tolls and further exploration of public-private partnerships.


## POLITICS AND TRANSPORT ISSUES GOING FORWARD

So the crux of the issue now is politics. Will the new president, the US Congress, and local politicians impose higher fuel taxes on automobile drivers and truck operators who have already experienced 80 percent price increases in 2007? Will the efforts at the state level to sell infrastructure such as the Pennsylvania Turnpike and the Chicago Skyway continue as public officials balance risks versus funding shortfalls? What will emerge from the next round of highway and transportation authorization negotiations to replace the current SAFETEA-LU initiative?

John McCain seems the likely Republican nominee, while Barack Obama has emerged as the presumptive Democratic nominee. Given the enormous power of incumbency, it appears that Congress will remain Democratic, although the Senate margin will still be slim.

If the Democrats sweep Congress and the presidency, transportation issues will not be a top priority. Their interests are in health care and social security, and they are not particularly friendly to transportation industry interests or would-be privatizers of infrastructure. At the same time, their core constituency will not

react well to major tax increases or, for example, the (perceived) widespread introduction of Mexican trucking companies and drivers into the United States. So I would expect continued modest experimentation with tolls, efforts to treat the worst bottlenecks with technology rather than infrastructure, and, in general, little real change initially in the slow decline of US infrastructure. Of course, if a real emergency or disaster strikes, there may be an attempt to raise taxes to provide the resources that appear to be necessary.

If McCain wins and Congress remains Democratic, things may get more interesting. McCain is sensitive to border and international issues. He may try to broker a change in transportation policy that is more accommodating to international trade and port issues, as well as extending the Bush administration's efforts to open the US-Mexico border. He is also likely to be more supportive of increased privatization, and he may try to get industry help with Congress on other initiatives. Whether he can accomplish these objectives in the face of a relatively hostile Congress and whether he will make transportation any kind of priority given his interest in foreign policy are open questions that can only be answered in the event of his successful campaign. 

**READ THE JUNE 2008  
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NORTH AMERICAN CENTER FOR  
TRANSBORDER STUDIES AT  
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# Renewing the border partnership

## THE CONTRADICTION LANDSCAPE

After a decade of integration and cooperation, communities along the US–Mexico border are facing contradictory times. On the one hand, their recent experience has confirmed that the economic health and the sustainability of the region's environment depend on a fluid border that facilitates the interaction of business, people, and ecosystems. On the other hand, US national priorities have transformed homeland security concerns into the driving force of policies that impede such interactions. The result is that, although border communities have accumulated important social capital in the form of collaboration and binational visioning, post-9/11 policies are reinstating the barriers that in the past made transborder planning impractical.

## THE CHANGING BORDER

Because of rapid social transformation during the last decades, as well as existing asymmetries, the US–Mexico border region is one of the most dynamic and complex regions in North America. Recent literature agrees on a number of facts that make the border region particularly challenging from a policy and planning perspective, including the deep ecological footprint of the border area; growing economic disparities between the two nations due to poverty; externally driven growth; transborder externalities; and limited local control and capacity.

Migration and industrialization have transformed the region into a highly urbanized space built on an extremely vulnerable semi-arid environment. In 2005, about 11.8 million people lived in the US–Mexico border area, which includes two of the fastest-growing metropolitan areas in the United States—Laredo and McAllen—and several of the most rapidly growing cities in Mexico, including Tijuana and Ciudad Juarez. Many border cities are challenged by

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## GROWING DISPARITIES AND POVERTY

The border area in the United States consists of 48 counties in four states, some of which have a high percentage of the population living below the poverty line with substandard housing and unsafe public drinking water and sanitation. On the Mexican side, the border area consists of 36 municipalities, which are generally better off than other municipalities in the country but also tend to have less access to basic water and sanitation services than other border

communities in the United States. Uncontrolled migration and lack of planning have resulted in incomplete cities in the region and have contributed to poor quality of life in most border cities.

Maquiladoras and other export-oriented industries are the most dynamic and frequently the most important economic sector in Mexican cities along the border. In 2004, a total of 2,800 maquiladoras operated in Mexico employing 1.1 million workers, 83 percent of which were located in the border region. Cities south and north of the border are in a constant state of flux because of increasing flows of capital and goods since the beginning of NAFTA in 1994. Cross-border surface trade with Mexico totalled just under \$225 billion in 2004, nearly double the \$115 billion in cross-border trade in 1998.

Interdependence and asymmetries across the border are an important source of uncertainty for local planners and policy-makers. Border towns frequently have to plan for services and infrastructure with local fiscal resources that are insufficient to match a demand that extends beyond jurisdictional boundaries, and many times have to comply with national standards in a setting plagued with transborder externalities.

## LIMITED LOCAL CONTROL AND CAPACITY

Distance and sovereignty issues, including national security and undocumented migration, make the border very susceptible to national political cycles, which often affect the continuity of local policies or overpower local efforts. Over the years, border communities have been forced to reinvent themselves every time Washington and Mexico City have decided to promote new policies or actions that close or open the border to trade, investment, or migration.

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## **COPING STRATEGIES: COLLABORATION AND NETWORKING**

Despite existing complexities and asymmetries, communities along the US–Mexico border frequently embrace collaborative approaches to deal with common problems. Mainly because of their geographical proximity and the strength of existing social and physical linkages, many people and organizations in the region tend to cooperate on a variety of issues ranging from emergency planning to management of shared water resources.

As has been suggested by a number of scholars, NAFTA's parallel agreements created conditions that heightened the incentives for transboundary initiatives. The governance structure embodied by the Border Environment Cooperation Commission, the Commission for Environmental Cooperation, the US–Mexico Border 2012 Program, and other binational initiatives was the catalyst for an explosion of cross-border efforts involving collaboration between public and private interests. In the San Diego–Tijuana region, for example, the period between 1991 and 1995 registered the highest incidence of cross-border partnerships, and in 2001 the rate of participation in binational activities among environmental organizations in San Diego was 93 percent, while in Tijuana it was 79 percent.

Indeed, the process of reform induced by NAFTA's parallel agreements unlocked a number of opportunities for local communities along the US–Mexico border resulting from (1) a greater level of decentralization and the ensuing

creation of new spaces for regional action; (2) the rise of institutional structures facilitating the intervention of local actors in transborder issues; (3) the acceptance of binational approaches to resolve shared problems and enhance complementarities; and (4) the emergence of optimistic visions embracing shared regional futures. In this scenario, some believed that stepped-up and more organic collaboration was a logical expectation for the border.

## **THE REBORDERING PROCESS**

The terrorist attacks on the United States on September 11th, however, marked the beginning of a major shift in border governance in North America. The post-9/11 border regime is, by definition, territorially defensive and dominated by centralized decision making. The focus on defence and control leaves no room for projects to preserve the environment or protect natural habitats using approaches that take into account the interaction among the various elements of cross-border ecosystems. Under the new mentality, the US–Mexico border has become the locus of unacceptable risks and vulnerabilities that require stricter controls to regulate the movement of people, vehicles, and goods.


The impact of hardened border controls on legitimate border traffic is not an actionable concern from the perspective of Washington even when traffic backups and prolonged wait times in most border ports of entry produce severe economic damage and exacerbate congestion and pollution problems in the region. The post-9/11 focus on security has been paralleled by a discursive emphasis on border crime, drug trafficking, and illegal immigration to the point where policy options other than policing and enforcement have lost legitimacy among large segments of the US population. The criminalization of the border is affecting the legitimate traffic of people and goods, and it is also undermining trust and reviving old animosities along the border. The

social costs of this disruption are being felt by border communities in the form of reduced job opportunities, the loss of tax revenue, an increase in traffic congestion and air pollution, and a growing sense of separation.

## **THE END OF AN IRRATIONAL BORDER**

In recent years there has been real progress in eliminating barriers to US–Mexico collaboration, which has resulted in the creation of social capital in the form of skills and resources for consensus building, innovation, and partnership formation. Since 9/11, however, that trend has started to reverse in favour of nationalism and border security. Protecting and advancing pre-9/11 social capital would require actions counteracting the rebordering effect of the post-9/11 regime.

A change in this direction would accomplish the following: It would provide an opportunity for border communities to work on urgent development issues and it would reduce the sense of separation that has been created by the fencing of the border and the disruption of legitimate cross-border interactions. Also, it would decrease the irrational and chaotic functioning of border crossings that have evolved into bottlenecks for trade, tourism, commuting, out-shopping, and other social and economic activities that are important for border communities.

The presumption that border control goes in the opposite direction to border cooperation is clearly wrong. A change in direction would eliminate many of the vulnerabilities to national security created by the post-9/11 regime, including massive concentrations of people and vehicles in protracted border crossings; economic incentives for criminal networks that traffic people and firearms, and a politically charged environment that impedes cooperation among local law enforcement authorities. This alone would benefit both the United States and Mexico, and should inspire a renewed border partnership. 

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# The “Goracle” factor: Politics and the environment

## BUSH AND THE ENVIRONMENT

George Bush, according to Robert F. Kennedy Jr., is “the worst environmental president we’ve had in American history.” It’s hard to dispute this claim. Bush has been on the anti-environment side of nearly every issue that has come up during his presidency. He came into office as a climate change skeptic and a determined opponent of the *Kyoto Protocol*, which, he declared, “would have cost our economy up to \$400 billion and we would have lost 4.9 million jobs.” He pandered to the interests of the worst environmental laggards in the oil industry and consistently relaxed restrictions on large polluters like coal-fired electricity-generating companies. Much of this he accomplished under the Orwellian banner of his “Clear Skies” initiative. Bush’s stance came as no surprise to those familiar with his environmental record as governor of Texas. In fact, it was Bush’s legendary anti-environmentalism that made his presidential candidacy attractive to many hard-core Republicans.

## CANADA AND THE ENVIRONMENT

During the Bush years, Canada has had three different governments representing two different parties. The Jean Chrétien Liberals ratified Kyoto in December 2002; and the fall 2005 budget introduced at the end of Paul Martin’s term had significant green measures, including an arrangement to provide a portion of the federal gas tax to cities and communities that came forward with an Integrated Community Sustainability Plan. Despite the ambitious “Action Plan 2000,” and the even broader “Climate Change for Canada” announced in 2002, neither of the two Liberal governments took effective action around climate change.

Instead of greenhouse gas (GHG) emissions dropping to 6 percent below 1990 levels (Canada’s Kyoto commit-

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ment), seven years after first signing the Kyoto treaty, Canadian emissions were on an upward trajectory that took them more than 25 percent above 1990 levels. In fact, at the UN climate change meetings in Ottawa in 2005 (chaired by then Environment Minister Stéphane Dion) the Americans repeatedly pointed out that despite their having refused to ratify Kyoto, US GHG emissions had risen less steeply since Kyoto than Canada’s.

Like George Bush, Stephen Harper was a climate change skeptic and a bitter critic of Kyoto. When it was negotiated in 1997, Harper denounced Kyoto as “a money-sucking socialist scheme.” Nine years later, judging that the environment was a non-issue for the Canadian public, the Harper Conservatives had almost nothing to say about it in their platform for the 2006 election in which they defeated the minority Martin government to win their own minority.

If it is true that political parties think when they are in opposition and act when they are in power (having neither the time nor the inclination to think and act simultaneously), the Harper Conservatives assumed the mantle of govern-

ment absent any serious thoughts about the environment. This made it difficult for them to know how to respond when the wave of growing environmental concern showed up in poll after poll during their first year in office.

## PUBLIC PRESSURE FOR ENVIRONMENTAL ACTION

The public demanded that the Harper Conservatives articulate a climate change policy. Their repeated response that the Liberals had allowed emissions to increase soon wore thin. In danger of losing control of the agenda in this troublesome file, Harper made several moves. He replaced Environment Minister Rona Ambrose with John Baird. He also attempted to shift the focus away from Canada’s Kyoto commitments, which called for significant GHG reductions by 2012. First (taking his cue from the Bush administration), Harper tried to replace absolute reduction targets with talk about “intensity” reduction targets. Then, somewhat more successfully, he began to refer to a longer-term strategy of achieving substantial reductions by mid-century. To some extent, concern over the Afghanistan mission and the woes of the American economy overtook the environment in public debate. But the environment remains a top-of-mind issue enjoying strong public support.

It’s impossible to predict how the environment will play as a federal election issue, especially with the Green Party now polling almost as much support as the NDP. One thing is very clear, however. The environment is no longer a solitary or isolated issue. Whether we are talking about climate change, deforestation, water quantity and quality, waste and conservation, the decline of the fisheries, biodiversity, invasive species, the threat to coral reefs, the problem of pesticides and the safety of the food supply, the spread of new diseases, or air

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quality and smog—in all instances these issues are strongly interlinked and have profound, significant implications for the economy and social well being. Appropriate policy responses require a horizontal, integrated, systems-based long-range perspective. This is the essence of what sustainability has to offer as a lens and a guide to policy formulation.

Efforts to graft the gene for sustainable development (SD) into the culture of the federal government have failed despite 1996 legislation establishing a federal Commissioner for the Environment and Sustainable Development and requiring all federal departments and key agencies to prepare a Sustainable Development Strategy (SDS) every three years with annual reports to Parliament (through the Commissioner) on progress toward meeting SDS goals.

Politicians largely don't seem to “get” SD, and the bureaucracy has marginalized the SDS exercise in most departments. Central agencies—particularly Treasury Board and Privy Council Office—have shown little leadership and have not yet risen to the challenge of establishing an overall government of Canada SDS. Canada's failures in this respect contrast sharply with the progress made by Norway, Sweden, Finland, Germany, and the United Kingdom, all of which have strong national SD strategies, with the president or prime minister playing a leading role as the SD champion.

## REASONS FOR OPTIMISM

Fear and hopelessness are very poor motivators, and the best climate change communicators are going beyond cataloguing the frightening consequences of climate change to identifying positive signs of change, and there are plenty. Some of them are outlined in *The Geography of Hope*, journalist and author Chris Turner's personal odyssey to find indications that his new daughter's future was not as bleak as many experts forecast.

Significant steps to address climate change and to embed sustainability com-


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mitments in their decision-making fabric have already been taken by hundreds of US cities, dozens of states (most notably California), most large municipalities in Canada, and some spectacularly impressive smaller ones like Whistler, BC. Leading businesses are getting serious (including Wal-Mart, which has 60,000 companies in its supply chain) in response to what author Bob Willard calls the “breaking wave” of concern for the environment and SD. The financial services industry and other key decision makers in both the private and public sectors have begun to pay attention to the Stern report, *The Economics of Climate Change*, which identified huge costs to inaction on climate change that far exceed the (not insignificant) costs of taking action now.

Some provinces are showing leadership. Quebec passed a far-reaching *Sustainable Development Act*, which promises to transform decision making across the board in the provincial government and to steer other public institutions (including all educational institutions from elementary to postsecondary) toward sustainability commitments. The Quebec Act (modelled to some extent on a similar Act passed nearly a decade ago in Manitoba) broke new ground by including a modest carbon tax provision.

With the British Columbia premier now a strong SD advocate, BC took this

several steps further in the recent budget, which introduced a carbon tax on consumers that will rise gradually each year. The new tax will be “revenue neutral” by channelling proceeds back to consumers in the form of other tax reductions or incentives for greater energy efficiency. The initial public response has been positive with a majority (55 percent) of British Columbians registering support for the new measure. Dr. Keith Neuman of Environics commented that this poll shows that the BC public “recognizes that tackling climate change requires concrete measures that go beyond setting targets and promoting voluntary efforts.”

According to a Leger poll conducted in February 2008, “[n]early two-thirds of Albertans say the government should limit greenhouse gas emissions produced by oils sands development, even if it means some projects would be delayed or cancelled.” We are beginning to see the emergence of a “culture of sustainability” (including Tupperware-like “Eco-Moms” parties) coinciding with the current UN Decade on Education for Sustainable Development, which began in 2005 and received an unplanned boost from the “Goracle factor” thanks to the popularity of Al Gore's movie, *An Inconvenient Truth* (2006). Although there is still a gap between public attitudes and behaviour, this third wave of public support for the environment and sustainability may change the landscape of politics and public policy for the foreseeable future. 

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# Red, white, blue, and green: High politics

## THE CLIMATE CHANGE CHALLENGE

There are already some signs of positive change around the reduction of greenhouse gas emissions. President George Bush himself, in the 2007 State of the Union address, recognized for the first time that climate change exists and is a problem. Of course, these are only words, but we must keep in mind that before this public admission, the very existence of climate change was in doubt. Conservative think tanks, such as the Heritage Foundation, the Cato Institute, and the Competitive Enterprise Institute (CEI), have spent a large amount of time and resources casting doubts on any scientific reports that supported the existence of climate change. Indeed, groups dominated by the Republicans, such as the CEI, lobbied against the *Kyoto Protocol*. Though they were not fully successful, *Kyoto* was never ratified by the United States.

## RETOOL AND RETHINK

The issue of climate change has become an icon of the United States' lacklustre global participation, in contrast to the lead role taken by the European Union in global affairs. This does not appear to be a major problem for the United States—it is not the first time that it has refused to cooperate, particularly within the context of the United Nations. But if we add to this the anti-American sentiments found in almost every country in the world, the fiasco in Iraq, the financial world's rejection of the dollar, and the looming recession, the United States' global reputation becomes an argument worth worrying about. Fortunately, through association with a series of related ideas, including energy conservation, energy independence, the rising price of oil, and the invasion of Iraq, climate change has now become a security issue for the United States.

There are already a few tentative steps that reflect a change. In Bali at the end

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of last year, the United States, despite initial resistance, agreed to a watered-down consensus for a new treaty to reduce carbon emissions. This treaty is intended to replace the *Kyoto Protocol* as of 2012, and it includes measures to preserve tropical forests and help poor countries adapt to a greener economy. This last-minute agreement—although “light” because it does not include tough limits on emission reduction or the carbon caps of climate change jargon and is based mainly on planting “sink” trees, which absorb carbon—can at least be seen as a step forward.

Another sign of change is the large number of climate change initiatives presented to the Senate and Congress. Of course, to date, few of them have passed in Bush's rarified milieu, but the post-electoral predictions for 2009 are

good. Due in part to the impetus of the Democratic leadership in the Senate and Congress following the legislative elections of November 2006, over 54 initiatives have been presented and there is a bit of everything among them: from lukewarm measures such as financing scientific research on alternative energy, through voluntary reduction measures, to imposing an obligatory cap and even more radical measures such as carbon taxes. Furthermore, these initiatives are originating not only from the Democratic Party but also from the Republican Party and cross-party support. For example, even Senator John McCain has proposed a bill to cut greenhouse gases. California provides further proof of shifting US attitudes toward climate change. Assembly Bill 32 passed in September 2006 and is the first law in the Americas to impose legal limits on carbon emissions. The law aims to reduce greenhouse gases by 25 percent by the year 2020 and 80 percent by the year 2050.

## INSPIRATION BEFORE PERSPIRATION

Shifting attitudes toward climate change have been an important factor for the introduction of climate change policies in the United States. The Stern report of 2006, *The Economics of Climate Change*, an essentially economic document, played a vital role in this: it demonstrated that without an immediate, minor effort (representing spending of perhaps only 1 percent of the GNP), future sacrifices would be enormous and could lead to a decline in the world economy of up to 20 percent.

Prior to this, the perception of climate change was determined by the damages to companies' bottom lines and high costs for industries, which had to exchange traditional technologies for others that used less-polluting energy sources. But a new vision is beginning to spread, which tends to see climate change as a business opportunity for

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clean technologies. This view no longer calculates the damages, either to the environment or to industries, but rather focuses on the benefits that could be gained from the new technologies on the world market. One example is biofuels, which, despite how controversial they are environmentally, are already produced and heavily subsidized in the United States. Other technologies being developed in the United States today include solar energy, wind energy, fuel cells powered by hydrogen, and new carbon-capturing technologies.

However, the new renewable technologies have little value if a price is not put on carbon. This relies on the creation of a carbon market, which itself requires a federal law to impose a cap on industrial CO<sub>2</sub> emissions. Nowadays, organizations and companies that used to be the main opponents of any regulation of emissions, such as Edison Electric Institute, US Climate Action Partnership, GM, GE, BP, Alcan, and Alcoa, are considering accepting federal policies of this kind. This gives rise to optimism regarding the promotion of regulation on climate change, starting in the United States, and extending all around the world.

## NIXING THE NAYSAYERS

The main argument of Kyoto naysayers is that the United States should not participate in any agreement that is not valid for all countries, including notorious polluters such as China, India, Brazil, and Mexico. This is at the very least a fallacy, but may also be deceiving. Those opposed to Kyoto claim that in a few years China will emit more greenhouse gases than the United States. What they do not take into account is that the main worry of climate change is the amount of emissions created by each person through his or her economic activity. Therefore, emissions must not be measured in total quantities, but rather per capita. If emissions are measured in this way, China is in 122nd place and India is in 164th on the list of the main greenhouse gas emitters in the world, while

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the United States heads every list of emitters: per capita, total quantity, and total throughout history. In addition, it would be illogical to ask India, where a large part of the population still lives without electricity, to make the same energy reduction sacrifices as the United States, the principal consumer in the world.

### RED, WHITE, BLUE, AND GREEN

The subject of climate change has become an important issue in the current presidential campaign, which is unusual for an environmental issue. All of the candidates with the greatest chances of becoming president of the United States are in favour of federal action to combat climate change, although with differences in scope. This is in response to a greater concern on the part of most citizens—Democrats, Republicans, or Independents—about climate change because of its close relationship to the increasing cost of imported oil from the Middle East and therefore the war in Iraq.

Hillary Clinton and Barack Obama support an 80 percent emission reduction by 2050 while John McCain supports a 65 percent reduction; Obama supports

an increase in the car fuel-economy standard to 40 mpg, Clinton sometimes supports this, and McCain only supports an increase to 35 mpg. Obama proposes to channel 50 percent of the health care savings to research clean technologies for cars. Clinton suggests the creation of a US\$50 billion fund for the research and development of alternative energy. McCain summed up the feelings of all election frontrunners when he stated during his campaign that the issue of climate change and fuel independence is a question of national interest.

There is no doubt that with the end of Bush's presidency, there will be some federal action on climate change. Whether or not the United States will take on the obligations of a future Kyoto 2 will depend in part on who becomes the next president. Obama is the most likely, followed by McCain. Because climate change is linked to international reputation, it is important for the future president of the United States to foster a favourable atmosphere with a focus on environmental action and solidarity with developing countries. 

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