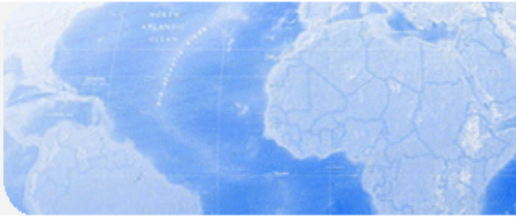




UNITED NATIONS  
UNIVERSITY

UNU - CRIS

COMPARATIVE REGIONAL INTEGRATION STUDIES



# UNU-CRIS Working Papers

W-2009/19

POST-NAFTA NORTH AMERICA:  
THREE SCENARIOS FOR THE NEAR FUTURE

**Author:**

Isidro Morales

## **The author**

### **Isidro Morales**

Instituto Tecnológico de Estudios Superiores de Monterrey, Campus Santa Fe;  
[Isidro.morales@itesm.mx](mailto:Isidro.morales@itesm.mx)

United Nations University - Comparative Regional Integration Studies  
Potterierei 72, 8000 Brugge, BE-Belgium  
Tel.: +32 50 47 11 00 / Fax.: +32 50 47 13 09  
[www.cris.unu.edu](http://www.cris.unu.edu)

## Abstract

### Post-NAFTA North America: Three Scenarios for the Near Future

As Henry Kissinger correctly stated, the major difference between Europe and the United States (US) in terms of the scope and vision of their respective foreign policies is that Washington has traditionally neglected the balance of power as a normative principle for grounding its action in the international arena. By contrast, since the signature of the Treaty of Westphalia at the end of the 17<sup>th</sup> century, a balance of power amongst the principal European nations, understood as no single nation-state dominating the European landscape, has remained a major strategic objective in European international affairs (Kissinger, 2001:25; 32-82). Protected by two vast oceans, and with no major power counterweight north or south of its borders, the US has positioned itself, since the early stages of its nationhood, to accomplish a so-called “manifest destiny” to protect and expand democratic values as a condition for guaranteeing international peace. This American exceptionalism was translated into territorial expansionism at the turn of the 19<sup>th</sup> century, and in periods of either isolationism or unilateralism during the 20<sup>th</sup> century. Moreover, since the Monroe Doctrine at the beginning of the 19<sup>th</sup> century, one strategic tenet of US foreign policy has been to sustain its leadership in the Western Hemisphere by neutralizing the influence of out-of-area powers in the region.

This historical difference in the tenets of foreign policy interests between Europe and the US explains, in my opinion, the current differences existing between the European integration project and Washington’s commercial and political initiatives for its two neighbors and the rest of the Americas. In contrast with Europe, where there has been no “natural hegemon” since the creation of the integrative experiment but rather a shifting power “balance” and a coalition of interests between “big” and “small” members (i.e. the Benelux), in North America (NA) this balance and coalition of interests has been almost impossible since the early stages of what we could call a process of regional integration. This integration started perhaps in the mid sixties when Washington signed bilateral deals with two of its neighbors for stimulating the integration of its automotive industry with Canada and establishing in-bond industries (maquiladora) along the Mexican border in order to benefit from cost advantages. The regionalization process became a regionalism project<sup>1</sup> when the three NA countries moved towards the creation of an integrated economic space through the North American Free Trade Agreement, or NAFTA.

Even though Canada and Mexico share the same challenge of being neighbors of a powerful country, their respective bilateral agendas with Washington do not necessarily converge, and have thus far avoided building up temporal coalitions for balancing US positions. On sensitive issues such as migration and border security, Canadians and Mexicans have different perspectives and priorities, which have prevented them from coalescing and heading a common agenda vis-a-vis Washington. This pervasive asymmetric imbalance existing in the NA space explains why the regionalism experience in the northern part of the Western Hemisphere has remained subordinated to the changing strategic interests of Washington at the global and regional levels.

This major difference explains the origins, nature, and evolution of the respective integrative projects taking place on the two sides of the Atlantic. Stemming from this structural difference, the purpose of this paper is to assess three possible scenarios for the future of NA now that the creation of a free trade area among the participants is a reality. Each of the scenarios will analyze the intertwining of politics, policies

---

<sup>1</sup> I understand by regionalization the process by which different types of flows are geographically concentrated by two or more countries. Regionalism involves the policy and political aspects which shape or give a certain direction to the process of regionalization.

and politics which are currently at stake in each of them and will highlight the differences or analogies, where possible, with the European project.

## Introduction

**Centrifugal forces dominate North America:** The common ground of this scenario is that of fragmentation due to the following reasons: a) the economic advantages of NAFTA becoming diminished by unilateral extension –mainly by the US - of NAFTA-like treatment granted to third parties; b) and the primacy of domestic politics, mainly in the US, for dealing with the economic crisis which is compelling Washington, under a new Democrat administration, to follow inward looking policies that could neglect or subordinate prior North American commitments.

### The fading of NAFTA’s advantages

Another major difference between the European Union (EU) integration process and that of NA is precisely the way in which the NAFTA venture was envisioned by its founding members. Contrary to the rationale for creating the Europe of Six: i.e. a common economic project leading to an evolving future, NAFTA was, since its origins, a specific and targeted project, at least for the US, with no commitment to creating a sort of common public good or what Europeans have called an “acquis communautaire”. This difference proves to be fundamental at present, as no NAFTA country feels obliged to enhance or protect what has been agreed upon on a collective-bargaining basis.

In fact, contrary to the European experience, each one of the NAFTA members has unilaterally extended NAFTA-like treatment (although most of the time less than this) to third parties. Although there is a clause for an eventual common widening of NAFTA, a “hub and spoke” approach has dominated so far, and a de facto expansion of NAFTA. The best example of this practice is perhaps the free trade area (FTA) created by the US and the Dominican Republic and six Central American (CA) countries –the so-called DR-CAFTA. Under this agreement, the US granted similar NAFTA concessions to DR-CAFTA members but at the same time introduced or severed disciplinary measures, which are badly enforced or non-existent within NAFTA<sup>2</sup>. DR-CAFTA even permits the accumulation of rules of origin with Mexico in some industrial sectors, such as textiles and apparel. At the same time, since Mexico and Canada have

---

<sup>2</sup> DR-CAFTA includes environment and labor dispositions as part of the overall agreement (which was not the case in NAFTA); it includes new disciplinary areas, such as e-commerce, not included in NAFTA. Nonetheless, a chapter on dumping and countervailing duties (CVDs), which is included in NAFTA with an ad hoc arbitration mechanism, is non-existent within DR-CAFTA, see World Bank, 2005.

signed bilateral agreements with each of the CA countries participating in the US agreement, a sort of “hub and spoke” enlargement of NAFTA has already been fulfilled.

Yet, as previously noted, in contrast with the European experience, the widening of NAFTA has been done unilaterally and with no coordination among the three original founding members. Apart from creating regulatory and administrative costs for policing what the IDB has called the “spaghetti bowl” prevailing within the Western Hemisphere (IDB, 2002), the major consequence of this unilateral and non-coordinated NAFTA-like expansion has been the fading of the original advantages obtained by the first movers. This is not only happening on a Western Hemisphere basis, but also on a global one.

Out of the countries that have already signed an FTA agreement with the US, South Korea is an example of an economy whose exports are the most similar to Mexican sales in the US market. This similarity ranges from textiles, to auto-parts and chemical products. Exports competing against Mexican products in the same market also come from Colombia, Guatemala, the Dominican Republic, Peru, Costa Rica and Honduras, that is, countries surrounding the NA economic space (Zabludovski, 2008). However, the major competitor for intraregional trade in NA comes from China, a country that joined the World Trade Organization (WTO) in 2001 and that became in 2007 the first trading partner of the US, taking over the traditional seat of Canada as the major commercial partner of the latter. (Zabludovski, 2008) China has become the de facto fourth partner of NA without engaging in any type of institutional or diplomatic agreement with the three NAFTA countries.

The entry of China in the NA market has reversed the regionalization process that NAFTA accelerated and made the fading of NAFTA privileges more resilient. Furthermore, though China could represent direct competition for Mexico’s products in the US and in Canada, this is not necessarily the case for the latter countries. For them, China is a growing market in which their export shares and investments could be enhanced regardless of the Chinese competition in NA markets. This is not the case with Mexico, whose export shares to China have remained modest and still remains a net importer of capital. Such a scenario has prompted certain specialists to suggest that NA regionalism does not in fact exist, as what was agreed under NAFTA has been superseded by unilateral deals made by the very NAFTA countries and by the pressures of globalization (See Clarkson, 2007).

## The primacy of politics over trilateral commitments

National politics or “preferences” have played an important role in explaining the dynamics of integrative experiences. The European Union (EU) model is full of those experiences, in spite of the existence of supranational institutions. National dynamics became crucial in explaining the enactment of the Single European Act, for example, and for the launching of the Euro zone (as well as for its rejection), and the defeat of the European Constitution. National preferences or politics also count for explaining the stagnation, and even the reversal, of integrative processes. This could become the case for NA under this scenario.

Within NA, the role of national politics should be explained by taking into consideration the political asymmetries prevailing among NAFTA members, and the differences in their respective political systems. As stated in the introduction of this essay, the time and rhythm of NA regionalism has remained heavily dominated by Washington’s interests and calculations. Neither Canada nor Mexico together could counterbalance the disproportional weight of the US economy and of Washington’s politics. Even though Canada and Mexico share the same challenge of being neighbors of the world’s main super power, their respective bilateral agendas with Washington do not necessarily converge. On sensitive issues such as migration and border security, Canadians and Mexicans have different problems and priorities with regard to their common neighbor.

Following 9/11 continental and border security became, for instance, a particular issue of concern within US-Canada relations. This is so because traditionally, and in contrast with the US’s southern border, the line at the 49<sup>th</sup> parallel was considered a business-friendly, tourist-oriented “thin” border (Ackleson, 2008). For corporate Canada and those sectors that benefited from trade and production chains located on the two sides of the borderline, the creation of a borderless economic space was an anticipated goal devised by NAFTA.

Once the Department of Homeland Security (DHS) was created and a progressive securitization of the northern border became unavoidable, Canadians realized that border security could become a new and expensive non-tariff barrier that could compromise its competitiveness, both regionally and globally. Canadians were thus prompted to agree to a so-called 30 point action plan in order to “internalize” the costs of having a safe and open border. At the foundation of this action plan was the establishment of the so-called “smart borders” approach, transforming borders into check points using information technologies (IT) assessing and detecting levels of risk on human and material cross-border flows. Smart

borders were at the foundation of what thereafter evolved into a trilateral alliance called the Security and Prosperity Partnership (SPP). At any rate, Canadians moved into shared governance practices with US agencies for ensuring border operations in order to reduce transactions costs generated for US security concerns. In spite of all this, delays crossing south or north bound the 49<sup>th</sup> parallel are still significantly higher than pre-September 11 activities (Pastor, 2008). The fact that security trumps trade has become a source of criticism and irritation in Canada-US relations.

Apart from strong political asymmetries and priorities existing among NAFTA partners, the excessive fragmentation of the US political and regulatory system could also become a barrier for coordinating and enhancing integrative initiatives. This is in contrast to the Canadian parliamentary system, in which a majority (as it was during the negotiations of NAFTA) or a coalition government (as it is today) could facilitate the convergence of domestic interests towards regional or international issues. In the case of the US the role of Capitol Hill becomes crucial for articulating national constituencies whose interests could play against the international commitments/interests of the Executive. This is particularly true in trade policies and politics, as witnessed by the latest presidential campaign, during which NAFTA became the target of easy criticism from both Barack Obama and Hillary Clinton. In the midst of a severe economic recession, the Democratic candidates running for the presidency had to gain the support of labor and trade unions, their constituencies, by displaying a campaign in which the protection of jobs and wages become a priority in relation to trade openness and regional commitments.

While the criticisms against NAFTA during the presidential campaign seemed to be rhetorical for obtaining the support of electors from the rust belt, the early days of the Obama administration has stuck to some of the promises made to constituents. The passing of the Buy America Act –giving preference to national industries over imports- has caused concern and uncertainty both in Ottawa and Mexico City, even though the Senate had made it consistent with the US's international trade agreements. Nonetheless, the two neighbors remain alert to the possibility of an escalated protectionism coming from the US Congress in case the economic downturn becomes worse or protracted. It is well known that in periods of recession US trade agencies are more deferent to domestic pressures for establishing anti-dumping and CVDs against trade partners.

In parallel to mounting protectionist pressures coming from Congress, Canada and Mexico have to deal with powerful lobbies able to bend the rule-based commitments signed by the Executive. The case of softwood lumber trade between Canada and the US is an example of this. A more recent one has strained and damaged Mexico-US relations. This is the case of Mexican trucks transporting goods to the



borderline. Though NAFTA liberalized cross-border trucking services between the two countries, the teamsters, the powerful union of US carriers, have traditionally opposed the entrance of Mexican trucks, arguing safety and regulatory concerns. Similar to Canada's lumber conflict, Mexicans asked for a bilateral panel under chapter 20 of NAFTA in order to settle the problem, having a positive award for its claims. In spite of this, US agencies stuck to their protectionist positions until a pilot program was established in March 2008 in order to allow 55 Mexican trucks to enter the country<sup>3</sup>. During the first days of the Obama Presidency, this pilot program was canceled, by barring the funding that made it possible. Mexicans counterattacked by imposing tariffs on 90 American products that were already liberalized under NAFTA. This is the first time that Mexico has invoked tit for tat measures –accepted under NAFTA- since the agreement came into force. However symbolic these measures may be, they demonstrate the limits for market access governance under NAFTA. If security trumps trade, teamsters and other powerful lobbies do the same.

## **Integration moves into a process featuring different speeds of collaborative/integrative ventures**

Similar to the manner in which European integration has evolved, this scenario portrays the future of North American integration as evolving at different speeds. However, a major caveat must be highlighted. In North America there is not yet scope for envisioning the creation of European-like supranational institutions. Institution-building will be accomplished on an ad-hoc basis, member states remaining very cautious about being involved in any “sovereignty bargain”, as the Canada-US relationship has shown in certain security aspects. Nonetheless, within this scenario policy goals –either in the short or long term- prevail over political preferences –either national or province-based.

### **A first speed North America**

The US-Canada axis has remained, and will continue to be, the core and motor of any continental proposal for NA. It must not be forgotten that the core and the spirit of NAFTA were crafted in the 1988 US-Canada FTA. At the time, this agreement became the blueprint of future US trade negotiations within

---

<sup>3</sup> As an illustration, it is estimated that 4.2 million Mexican trucks bring their products to the border each year. This unfair barrier is costly and highly inefficient. Mexican carriers bring the produce up to the borderline, where it is downloaded just to become uploaded by American carriers. At some points of entry, as in Arizona, the Mexican products are transported to a warehouse from which other carriers once again upload the products in order to be distributed to their final destinations. See Pastor, 2008.

the GATT-WTO and successive bilateral, or “minilateral”, trade agreements. Within the US-Canada FTA the total liberalization of manufacturing trade was framed, as well as that of services and investments. NAFTA simply added certain chapters, making a more accurate liberalization of the two latter sectors. The US-Canada FTA also envisaged a partial liberalization of the agricultural sector (and NAFTA made it complete in the case of Mexico) and incepted the arbitration mechanisms for resolving disputes (on a general and ad-hoc basis).

Similar to what happened in the trade arena, the US-Canada axis became crucial for articulating the “smart-borders”, which is at the foundation of SPP. If national politics do not prevail in shaping the future of continental cooperation, most probably this Ottawa-Washington axis will remain the agenda setter for NA in the coming years. Below are enumerated some of the possible fields in which the new policy agenda for NA could evolve:

- i) *Security*. For Canadians, the US-Canada border regime would ideally evolve into a Shengen-type security regime. Commercial interests, corporate strategies from both sides of the border, government and consumer interests play against a “thickening” or further securitization of the US northern borderline. Although Canadians are aware that to move back to the status-quo ante is almost impossible, they will attempt to move into new institutional architectures that will ensure the existence of a “thin” border where security and competitiveness will remain grounded. The key action for doing so is to expand and improve pre-clearance customs activities, to build “smarter” rather than more barricaded borders, and to scale shared-management on border and security-related issues. This is what is in fact currently happening, although unilateral moves coming from Washington threaten to “thicken” the border regime<sup>4</sup>.

Since the US DHS will remain committed to the “War on Terror” initiated by the George W. Bush administration –although perhaps based on a less muscular device- the Canadian borderline will remain fragile and unsafe unless the two countries strike a comprehensive security regime in which shared governance of a so-called “continental perimeter” is at stake. This continental perimeter encompasses the defense of a continental space, including its territory, the borderlines, and airborne, sea-borne and cyber-borne mobility and flows. Canadians have some institutions, such as the North American Air Defense (NORAD), and participate in the US North Command (based in Colorado), demonstrating that the two countries have moved into shared governance architectures for ensuring continental security. Though “sovereignty bargains” have been at stake in this type of collaboration (see Ackelson, 2208), each country maintains the full command of its security forces

---

<sup>4</sup> For a more complete discussion on the Canadian challenges for dealing with border security issues see The Senate, 2003.

in their respective territories and spaces. It is not yet clear whether the Obama administration will attempt to move forward in this type of collaboration into an integrated High Command. In all events, any attempt to move the security regime into a Shengen-type model will raise “sovereignty” concerns up and below the 49<sup>th</sup> parallel.

- ii) Other items on the US-Canada agenda include the possibility to move into a Customs Union, to deepen energy integration and collaboration in the energy domain, and to strike sectoral deals in order to deal with sensitive trade issues concerning steel and natural resources.

### **The second speed: US-Mexico relations**

Security is also at the top of the agenda in US-Mexico relations, although its goal and content differs from that of Canada. The US-Mexico borderline is far from moving to a Shengen-type security regime. The opposite is in fact the case. What prevails is rather a barricaded border, heavily securitized by patrols, fences, armed men, technological devices and many other mechanisms –including the role played by the “minute men”- the goal of which is to deter and curtail the trespassing of illicit flows –either human or material, such as drugs and narcotics.

This is not new, since security concerns linked to the trespassing of illegal aliens and products stem from the seventies, when operation “Interception” was established in order to reduce the smuggling of narcotics into the US. In parallel with the running of NAFTA, the US thickened its southwest border in order to deter illegal migration, which, ironically, increased in parallel to the phasing out of tariffs. Operations such as “ Gate Keeper “ or “Hold the Line”, and the construction of fences in the Tijuana-San Ysidro corridor were undertaken in order to abate the entrance of illegal migrants. Though these types of measures have proven to be highly inefficient in deterring migrants from trespassing illegally, they were reinforced after the September 11 attacks in New York City. The rationale for this was the yet-to-be-proved linkage between smugglers and terrorists.

The reinforcement of the barricaded border after 9/11 ruined any attempt on the part of Mexico to set the agenda for deepening continental collaboration. President Fox put forward the possibility of striking a guest workers programs for Mexicans in parallel to a legalization of current unauthorized people living in the US (around 12 million, of which half are Mexican). Such an ambitious proposal was frustrated when

security dominated the overall American foreign policy agenda and when a new fence began to be constructed at the end of the Bush administration.

With the incoming of the Obama administration the securitization of the southwestern border witnessed a new phase. The problem is not only the trespassing of illegal flows, nor the activities of smugglers, but also the violence triggered by organized crime embedded in all kinds of illegal trade. The emergence of “lawlessness spaces” in Mexico has in fact become a major security concern for the US. If civil government fails to rule such spaces the governance goes to the hands of organized crime. This explains the perceptions coming from corporate interests and strategic analyses commanded by the Department of State, in the sense that Mexico could become a “failed state” (See USJFC, 2008).

In all events, according to the terms used by current Secretary of the DHS, Janet Napolitano, Mexico’s violence and security problems have become “intermestic” for the US; that is, Mexico’s security problems are both an international and a domestic threat for US security standards. Mexico’s current violence has thus become a homeland security problem at such a magnitude that The Department of Justice (DOJ) has already considered Mexican drug cartels’ activities as the “the greatest organized crime threat to the US” (DHS, 2009).

The current policy is thus to go beyond a muscular-barricaded approach to a “shared-governance” strategy. In fact, some of the mechanisms already put into place along the Canadian borderline will also be transplanted onto the southwestern line, as witnessed by the “border enforcement security teams” (BEST), already functioning and whose target is to seize and arrest criminal offenders and illegal merchandise (DHS, 2009a).

This does not mean, however, that the US-Mexico borderline will move into a thinner Canadian- Shengen style regime. In fact just the opposite: shared intelligence mechanisms will reinforce the barricaded line in order to make it more efficient and effective. Furthermore, shared governance mechanisms will function differently to those on the northern borderline, due to Mexico’s army and intelligence agencies’ lack of institutional strength, as is not the case in Canada, and especially, since Mexican security agencies witness corruption and infiltration in some cases by the very drug dealers. Security concerns along the southwest border are thus evolving differently from that of the 49<sup>th</sup> parallel. The policy and governance approach is rather similar to the model of the Plan Colombia, whose goal is to provide for US financial, technological, military and intelligence support in order to reduce the violence associated with the activities of organized crime and to avoid Mexican political elites becoming its hostages. Though the

Mexican case is not as serious as that witnessed by Colombia (plighted by a civil war and guerilla groups funded by drug barons), what the DHS attempts to deter is the extension and consolidation of “lawlessness spaces” in Mexico’s territory controlled by organized crime, similar to that in Colombia. Thus, rather than a failed state, what Washington aims is to deter is the proliferation/expansion of failed cities, such as the current case of Cd. Juárez, practically besieged by the Mexican army. The proliferation of these failed spaces will be the indication of the strength and control gained by organized crime organizations, from which violence could spill over into the US and create serious governance challenges to Mexico’s political system.

Thus the security policy of the US towards Mexico is a combined effort of strengthening and modernizing Mexican military forces with a myriad of shared counternarcotics and intelligence operations, involving many specialized agencies on both sides of the border. The Merida Initiative (MI) has been supported by the US Congress with a funding of 1.5 billion dollars for a six-year term. It is worth noting that the MI encompasses not only Mexico, but also Belize, Costa Rica, the Dominican Republic, El Salvador, Guatemala, Haiti, Honduras, Nicaragua, and Panama, that is, some of the countries which currently participate in DR-CAFTA, confirming what was stated in the first part of this essay, that CA and the Caribbean have become an extension of NA. Interesting to highlight is that the MI provides funding not only for the training and modernization of the armed forces of the countries involved, but also for strengthening their law enforcement institutions. A euphemism for saying that Washington is also interested in combating corruption embedded in some key agencies of Mexico and other states involved.

In parallel with this Initiative, the Obama administration has launched a myriad of multiagency operations involving Mexican organizations at different levels. I herewith mention the most relevant for the argumentation of this essay. Through operation “Armas Cruzadas” American and Mexican agencies are joining efforts in order to deter the smuggling of illegal arms into Mexico. By putting in place such joint operation activities the US has finally recognized, a point raised for the first time by the Calderón administration, that illegal drug markets operate both northbound and southbound<sup>5</sup>. In fact, it is presumed that most of the guns and ammunition used by Mexican-based cartels are smuggled from the US. Through operation Firewall the US Treasury Department will attempt to prosecute money laundering from Mexican-based criminal organizations in the US. Through Operation Stonegarden the DHS is increasing the funding for enhancing current state, local and tribal law enforcement staff and operations all along the

---

<sup>5</sup> In fact, illicit drug trade between Mexico and the US is part of both a regional and global market, openly recognized by the DOJ (See DOJ, 2008). Thus efforts to combat/abate the illegal flows must include the reduction of illegal narcotics consumption in the US, a major health and security problem already recognized, although belatedly, by the US.

southern border. Through Operation Accelerator and Project Reckoning, both led by the DOJ, a multiagency and multinational effort, the mandate is to seize and confiscate illegal funding to Mexican-based organized crime organizations (For a summary of all these operations see, DHS, 2009aI).

What is, in fact, the policy goal pursued with these measures? Not to suppress the activities of organized crime, but to weaken them, to relocate them out of North America, the Caribbean and CA. They aim to avoid the scenario whereby Mexican political elites become hostages of these cartels, and pretend to restore the stability and predictability of Mexico's political system.

**The third speed features Mexico-Canada relations, within the framework of the so-called Mexico-Canada alliance.**

**A fourth speed involves the economic and political relationship of the three North American countries with Central America and the Caribbean.**

**Integration sets the ground for conforming new transnational polities throughout the region**

As some political scientists and sociologists have already suggested, individuals as well as social groups are loyal or pay obedience to different type of authorities, not necessarily and not only to the State. For some political philosophers such as Foucault, the state is simply a historical appropriation of various mechanisms of "governmentality" originated at the micro level (the family, the school, the church, the hospital, the army, etc.) through which individual and social behavior is being subjected to rules, regularities and normative patterns, i.e. the relationship between parents and children, between students and teachers, between ill people and health authorities, etc. (Foucault, 2004) In other words, at the basis of any social organization there is a polity, before and beyond the politics of the state.

If we understand a polity as an authority that has "...a capacity to mobilize persons and their resources for political purposes, that is, for value satisfaction; and a degree of institutionalization and hierarchy (leaders and constituents)" (Ferguson and Mansbach, 1996:34) we can explore a different type of scenario for NA

other than the two previous ones, heavily anchored on intergovernmental relations, economic gains and geopolitical imperatives.

Though it would not be difficult to identify the existence and agency of those polities in each of the NA members, this becomes much more difficult if we try to find them at the cross-border level. Most difficult, though, is to find whether a sort of transnational polity is leading (or not) a drive towards integration. Could we even talk about the existence of a NA polity committed to that purpose? In contrast with the EU experience, where supranational institutions such as the European Parliament or the European Court of Justice let us believe that there are cross-border constituencies supporting them or identified with them, the NA experience has remained heavily anchored in the national-based preferences/priorities of the US hegemon.

In spite of this major difference, I think it is possible to trace the emergence of some cross-border polities, which could eventually play an important role in the future of NA integration. I will explore two such polities, though it is possible that other authoritative organizations could exist and play a similar role in the region. The first one is led by publicists and academics, and aims to build-up of a broader sense of community in the region –a so-called North American Community- by transforming perceptions and introducing institutional changes. This line of thought has been slightly adopted by some top business organizations of the three countries in recent years –although we do not know to what extent they are fully identified with the idea- so we could consider it as an emerging polity working “from the top down”. The second one is much older than NAFTA itself and has a rooted tradition in the rural and unskilled Mexican population: it is a polity (or polities) of migrants, which we could consider as working from the bottom up. In the following lines I will provide some of their key features so as to explain their present and potential role for the future of the integrative trend.

### **Is it possible to build a North American Community?**

Certain publicists and academics have highlighted the need to create a sense of community throughout the NA region. A sort of NA identity will emerge if, for example, the citizens of the three countries share a common passport, trilateral institutions with a continental perception of common problems, and eventually a common currency, similar to that which prevails in the EU. Robert Pastor, a distinguished academic and founder of one of the pioneering Research Centers in the US concerning NA issues, is the ideologue that has best articulated this “great vision” for the region. His point goes to the backbone of the problem. For him, it will be impossible to forge a sense of Community as long as the great asymmetries

between Mexico and the two other partners continue to dominate. Though the three countries of NA share key social, economic and political values, argues Pastor, and have accomplished a successful first round of economic integration by abating barriers to trade, services and investments, the “development gap” existing between Mexico and the two other NAFTA members has become a major barrier for moving into real trilateral policy-making in the years to come. Thus far, Pastor argues, NA integration has become a dual-bilateral strategy (Canada-US and Mexico-US), which at the end of the day has exacerbated the debilitating asymmetries existing between the US and its neighbors (Pastor 2008).

Pastor has extensively argued on the means and policy options for reducing the economic gap between Mexico and its two other partners (Pastor, 2001 and 2005). His argumentation was so influential during the last Mexican administration, when President Fox devised a so-called “Partnership for Prosperity” with President George Bush, in order to curb and eliminate economic asymmetries between the two countries and within Mexico itself<sup>6</sup>. The possibility of creating structural and cohesive funds, similar to those put in place in the EU, became part of the academic debate of the time (Pastor, 2001). Unfortunately, the September 11 events securitized the NA agenda and Mexico-US relations deteriorated due to the bashing politics of migration and drug-trafficking that has prevailed in Washington in recent years.

Apart from bridging gaps, the creation of relatively autonomous institutions is heavily needed, according to Pastor, in order to draft and drive a common agenda addressing a panoply of issues ranging from the extremely technical –such as harmonization of standards or the creation of a Customs Union- to the very sensitive- such as liberalizing migration or building up a common security perimeter. This proposal was echoed by the Council of Foreign Relations, a US think tank with equivalent bodies in Canada and Mexico, which advocated for the creation of a North American Advisory Council whose goal would be to draft a white book for moving NA into a real Community (Council of Foreign Relations, 2005). Needless to say, for Pastor and the organizations that echo his ideas state leadership is needed in order to move the agenda into a trilateral, more balanced, policy making in NA.

A similar position was taken by top business groups operating in each of the three countries when they created a so-called North American Competitive Council (NACC) in order to craft and influence the SPP’s “prosperity” policy agenda. NACC’s agenda encompassed the interests of large corporate interests in the region and was successful in establishing technical working groups operating under the umbrella of SPP (See NACC, 2008). To what extent corporate interests and organizations working in NA form a

---

<sup>6</sup> In fact, since NAFTA came into effect, the northern states of Mexico have witnessed higher rates of economic growth than the states located in the south. In other words, gaps between the industrial north and the rural south have also deepened in Mexico. See Morales, 2008.



cross-border polity is difficult to say. Their concerns are rather global and not necessarily anchored in a strictly regional basis, with the exception of some specific sectors, such as automobile or steel.

### **Trans-migrants and Mexican-Hispanic polities operating in the North American space**

From more than a century, the Mexican territory has been a major reservoir of flexible, cheap labor for the American economy. This is the case especially for Mexico's southwest region, embracing traditional "pushing" states such as Jalisco, Michoacán, Zacatecas, and Guanajuato. Though the major trait of this trans-migrant circulation is that it is seasonal, depending on job opportunities existing in the US and on secular poor economic opportunities prevailing in Mexico, its pervasiveness and continuity along Mexico-US economic history has constantly nourished a social network of trans-boundary migration, which explains not only the growing population of Mexican origin in the US, but also a cyclical boom and bust of illegal, or as Americans prefer to call them "unauthorized", migrants to the US.

Sociologists, economists, anthropologists and other specialists have documented this "hidden" history of the NA economic space. Mine production in the US and Mexico's railroad construction at the end of the XIX century, linking the central plateau with the northern borderline, explains the first cohorts of these seasonal movements which have resulted in a real diaspora. The Great Depression years record the first massive deportation of unauthorized Mexicans (as well as some Mexican-American citizens), yet during the Second World War years Americans were again compelled to "demand" this cheap, unskilled labor force, principally for agricultural production and low-skilled manufacturing. This was the time when the US government signed a sort of guest workers program (bracero program), which began in 1942 and ended in 1964. In spite of this, illegal migration kept growing until it became, once again, a hot political issue in the US in the mid eighties, when it ended with the last amnesty granted by the US government (Santibáñez and Cruz, 2002 and SRE, 1997).

While in the nineties NAFTA promised to create job opportunities as a means to curb illegal migration in the mid to long term, the statistical estimates clearly show the opposite trend. Since the last amnesty illegal Mexican migration has severely increased during the nineties, that is, during the years where most tariffs were phased out by NAFTA, and jumped once again to the top of the bilateral agenda when President Fox pledged for a new guest worker program. This time, what Mexico got was highly disappointing: a growing "securitization" of Mexico's borderline and the build-up of different types of walls, the goal of which was not necessarily to deter illegal flows, but to displace them through more dangerous points of access.

What is important to highlight here is that apart from the economic fundamentals explaining this historical flow of people (the so-called push and pull factors), the structuring of this informal labor market rests in the different social networks supporting and nourishing it. This social network has at its origin a community base supporting the diaspora (either financially or by providing information of job opportunities in the US through relations of kinship or friendship). At the end destination, the network is led by “established migrants<sup>7</sup>” and by people who most of the time have the same geographical origin of trans-migrants (Munshi, 2003). This suggests that social networks feeding informal labor markets between the two countries could be considered as polities, in the sense that they are anchored in social communities and have a constituency; they certainly have a leadership, in principle “established” or “senior” migrants who may provide for contacts, information and sometimes job opportunities in the place of destination. Most importantly, these networks provide for great utility or “value” to the participants: reduction of transaction costs for migrants (job opportunities, location possibilities, sometimes housing or funding, and sometimes better paid jobs in the hospitality and construction sectors) and for employers in the US, as Mexicans are ready to enter into sectors where job turnover is high –and consequently uncertain- and to earn less than equivalent authorized workers (See Munshi, 2003). Consequently, trans-migrant communities conform to different types of polities structuring informal labor markets, at least, between the US and Mexico. However, their major goal is to provide valuable information for attaining jobs for their constituents, and not to become involved in the politics and policies of the migration agenda of the two countries.

Nonetheless these networks remain at the backbone of the complex interplay of the politics of migration in the US. Taking for example the perceptions and opinions of Latino or Hispanic populations in this country, that is, Americans whose origin (recent or remote) is from Latin America. According to a recent survey published by the Pew Hispanic Institute, most of this American minority opposed key immigration measures enforced by the US government, such as work place raids, criminal prosecution of immigrants working without authorization, or criminal prosecution of employers hiring undocumented migrants (López and Minushkin, 2008). Hispanics also recognize that there are many sorts of discrimination against them in the US (either in job hiring or because of physical traits) and consider these measures as a proof of an anti-migrant bias. A polity in their own, as they have a plurality of organizations, political

---

<sup>7</sup> Established migrants are not necessarily people having a permanent residence in the US. They could have from 4 to many more years (up to 15) living in the US (and not necessarily in the same place) with occasional trips back to their place of origin in Mexico. Eventually they return definitively to the country (See Munshi, 2003). This suggests that many Mexicans participating in this seasonal circulation do not migrate to the US because they pursue the “American dream”, that is, they do not pretend to remain there and look for a type of mobility. They hope to earn the money they cannot find in their place of origin and to return.

representatives and preferences, Hispanics are split in the identity strategies of differentiation, segregation and social classification prevailing in the US. When asked about their race identity, they are split between identifying themselves as white and as “another race”, that is different from the other four-race identity options offered by the standard American race mix (Asian, African, American Indian and Pacific Islander). According to specialists, this split shows how Hispanics feel integrated in the American system, their “whiteness” representing a better level (in terms of income and education) of integration. (See Tafoya, 2004). Another way to explain it, perhaps, is that some Hispanic populations, in spite of their level of integration to the American way of life, perceive their identity not in terms of race but in their belonging to the country of origin. This is remarkably the case in the five states where most of the Latino population is concentrated: California, Texas, New York, New Jersey and Florida. In each identification with their place of origin ranges from 55% (California) to 62% of the population (Florida and New Jersey). In all five states, with the exception of Florida, Hispanics prefer to identify themselves as Latino than as simply American. (Tafoya,2004).

This clearly suggests that Hispanics, and for this discussion’s purpose, Mexican-Americans, the most numerous community of the Latino population, also conform to a sort of transboundary polity, as their country of origin is so close and they remain attached to it, either by language exposure or Mexican information and values coming from the media. Since this community is an enfranchised polity – in contrast with trans-migrant networks- the multiple linkages they maintain or nourish with other principled or advocating polities, let alone with migrant networks, make of Hispanic networks the core group for pushing a pro-Latino migratory agenda in the NA space. The goal of this cluster of polities is to improve the working conditions and rights of illegal migrants in the US, and eventually, to push for the progressive liberalization of labor markets in the region.

## **Final remarks**

As long as economic and political asymmetries prevail in the region, and Washington remains stuck to its foreign policy of exceptionalism, it is most likely that NA politics, policies and polities will evolve between scenario one and two depicted in this paper. The blueprint for moving into a NA Community was (surprisingly) announced at the beginning of the Fox and Bush administration at the turn of the century by the two presidents, at an encounter that took place in the Mexican state of Guanajuato. It is doubtless an ambitious aspiration, and the two presidents only proved its difficulty for being attainable under present

conditions. Robert Pastor is right in highlighting that as long as deep economic and political asymmetries exist in the region, the project of moving into a cross-border regional polity will remain a blueprint. But this was precisely the vision and project of the founding fathers of the EU, a region which is much closer to a multicultural community than any other cross-border region in the world.

## References

- Ackelson, Jason, 2008, "From 'thin' to 'thick' (Anc Back Again?): The Politics and Policies of the Contemporary U.S.-Canada Border", paper presented at the Xisth Biennial Thomas Enders Symposium. Carleton University, Ottawa, October 22.
- Clarkson, Stephen, 2007, "Does North America Exist? Transborder Governance After NAFTA and the Security and Prosperity Partnership", *Norteamérica*, Year 2, Number 2, July-December, pp. 85-104.
- Council on Foreign Relations, 2005, *Building a North American Community. Report of the Independent Task Force on the Future of North America*. Sponsored by the Council on Foreign Relations in association with the Canadian Council of Chief Executives and the Consejo Mexicano de Asuntos Internacionales. New York.
- Department of Homeland Security (DHS), 2009, "Testimony of Secretary Janet Napolitano before Senate Homeland Security and Governmental Arrais Committee, Southern Border Violence: Homeland Security Threats, Vulnerabilities, and Responsibilities", [www.dhs.gov/](http://www.dhs.gov/) drawn on March 30<sup>th</sup>, 2009.
- , 2009a, "Press Briefing by Secretary of Homeland Security Janet Napolitano, Deputy Secretary of State Jim Steinberg and Deputy Attorney General David Ogden on U.S.-Mexico Border Security Policy" [www.dhs.gov/](http://www.dhs.gov/) drawn on March 30<sup>th</sup>, 2009.
- Department of Justice (DOJ), 2008, *National Drug Threat Assessment, 2009*. Washington, D.C., December.
- Ferguson, Yale H., and Mansbach, Richard W., 1996, *Politics. Authority, Identities, and Change*. Columbia, SC, University of South Carolina Press.
- Foucault, Michel, 2004, *Sécurité. Territoire, Population*. Paris, Gallimard/Seuil.
- Inter-American Development Bank , 2002, (IDB). *Beyond Borders. The New Regionalism in Latin America*. Washington D.C., The Johns Hopkins University Press.
- United States Joint Forces Command (USJFC), 2008, *The Joint Operating Environment*, Suffolk, Virginia, [www.jfcom.mil/newslink/storyarchive/2008/JOE2008.pdf](http://www.jfcom.mil/newslink/storyarchive/2008/JOE2008.pdf), downloaded on March 20<sup>th</sup>, 2009.
- Kissinger, Henry, 2001, *Does America Need a Foreign Policy? Toward a Diplomacy for the 21<sup>st</sup> Century*, New York, Simon and Schuster.
- López, Mark and Minushkin, Susan, 2008, "2008 National Survey of Latinos. Hispanics See Their Situation in U.S. Deteriorating; Oppose Key Immigration Enforcement Measures", Washington, D.C. Pew Hispanic Center, September.
- Tafoya, Sonya, 2004, "Shades of Belonging", Washington, D.C., Pew Hispanic Center. Report. December 6.
- Morales, Isidro, 2008, *Post-NAFTA North America. Reshaping the Economic and Political Governance of a Changing Region*, Palgrave-Macmillan.
- Munshi, Kaivan, 2003, "Networks in the Modern Economy: Mexican Migrants in the U.S. Labor Market", *The Quarterly Journal of Economics*, Vol. 118, No. 2, May, pp. 549-599.

North American Competitiveness Council (NACC), 2008, *Meeting the Global Challenge. Private Sector Priorities for the Security and Prosperity Partnership of North America*, April.

Pastor, Robert, 2001, *Toward a North American Community*. Washington D.C.: Institute for International Economics, 2001.

-----, 2005, *The Paramount Challenge for North America: Closing the Development Gap*. Washington D.C., March

-----, 2006, "A North American Community", *Norteamérica*, Year 1, number 1, January-June.

-----, 2008, "The Future of North America: Replacing a Bad Neighbor Policy", *Foreign Affairs*, Vol. 87, Iss. 4, Jul/Aug. pp 84-99.

Santibáñez, Jorge and Rodolfo Cruz, 2002, "Mercados laborales fronterizos" In *Migración México-Estados Unidos. Opciones de política*, ed. Rodolfo Tuirán, 64-129. México D.F.: Secretaría de Relaciones Exteriores, Secretaría de Gobernación and CONAPO.

Secretaría de Relaciones Exteriores (SRE), 1997, *Estudio binacional México-Estados Unidos sobre migración*. México D.F.

The Senate, 2003, *Uncertain Access: The Consequences of U.S. Security and Trade Actions for Canadian Trade Policy* (Volume 1). Report of the Standing Senate Committee on Foreign Affairs, June.

World Bank, 2005, *DR-CAFTA. Challenges and Opportunities for Central America*. Washington, D.C. Central America Department and Office of the Chief Economist. Latin America and the Caribbean Region. December 6.

