

THE IMPACTS OF NAFTA ON NORTH AMERICA

Challenges outside the Box



Edited by Imtiaz Hussain



The Impacts of NAFTA on North America

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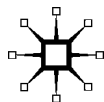
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*The Impacts of NAFTA
on North America*

*Challenges outside
the Box*

*Edited by
Imtiaz Hussain*

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Needless to say, I alone remain responsible for errors and lapses.

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May 2010

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XX en México (México: UIA and El Colegio de Historia de Tlaxcala, 2008); and *Historias Varias. Un viaje en el tiempo con los agricultores mexicanos* (México: UIA, CSIC-Sevilla, 2008).

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Chapter One

Introduction: Beneath, Beyond, or Within North America's Regional Box: Paradigm Indigestion?

Imtiaz Hussain

Background

What is the future of the North American Free Trade Agreement (NAFTA)? No official step was taken when its originally stipulated 15-years tenure expired on December 31, 2008. Nor was any underway at the end of 2009, leading one to expect any North American regionalism evaluation, whenever the time comes, to be hard-headed. It is not that NAFTA was a complete failure: trade and investment volumes and values expanded beyond wild expectations;¹ and the degree of already expanding human mobility across national boundaries reached unprecedented levels.² In short, for many of those 15 years, Canada and Mexico became the top two trading partners of the country with the world's largest economy—the United States.³ How NAFTA expanded Canada-Mexico economic transactions,⁴ literally from scratch, but more emphatically, how it virtually dissolved two generations of an import substitution culture inside Mexico,⁵ left irreversible prints—as well as emotional yet enlightening histories. In the absence of policy responses, extant literatures pitting regionalism against nationalism/statism/localism, on the one hand, and globalism/transnationalism, on the other, not only specify pitfalls for corrective purposes but also help project possible future pathways.⁶

Without desperately needed amendments, NAFTA's constitutional collapse was perhaps foretold. Consider the many obvious pitfalls: Opening borders to trade and investment automatically invited unwanted human flows without any collective measures to correct them;⁷ red environmental and labor flags flutter vigorously in spite of the side-agreements,⁸ which do not even touch today's other critical issues, such as water scarcity, or third-national workers from/through Central America;⁹ though dispute settlement measures were a gigantic step in the

right direction,¹⁰ they simply could not develop the much-needed supra-national anchors, therefore, could not dissipate embedded apprehensions of unevenness;¹¹ a number of sectors were liberalized too asymmetrically, such as agriculture,¹² to sustain meaningful integration (U.S. farmers continue to receive more support from the government than their Mexican counterparts and in spite of the phantom farm liberalization accomplished);¹³ and a number of alienated groups,¹⁴ such as Mexico's indigenous people,¹⁵ Canada's First Nations,¹⁶ social movements for various causes,¹⁷ even the unequal reward distribution for states within each country,¹⁸ never seriously embraced regional economic integration between those countries in a setting already known for enormous cultural differences,¹⁹ let alone find harmony within its aegis.

On the other hand, NAFTA simply did not adjust to multiple exogenous forces,²⁰ even if doing so might have enhanced NAFTA's own performances. Leading the exogenous forces in the post-9/11 era was security,²¹ which now took many varied forms as it mingled with legal and illegal immigration,²² spilling a variety of state-society considerations across national boundaries. The list could go on, but the central point should not be missed: With 15 years of experiences, since NAFTA did not take any meaningful step to accommodate them, could exogenous factors incrementally obstruct, if not the spirit behind NAFTA, then perhaps its future growth?

On balance, NAFTA made integration a respectable North American idea, especially when one considers the stark regional asymmetries,²³ not to mention the reluctance of a super power to accept other states as equal, or even to narrow the gap.²⁴ Yet integrative efforts did not sweep the entire economy away, thus opening room for unnecessary pressure and raising questions what the criteria of inclusion should be. By placing a cross-section of exogenous forces impacting NAFTA under the microscope, this book explores that space and those tensions: whether NAFTA continues or not, these issues are likely to interact with NAFTA arrangements or mind-set, and in one way or another either deepen extant integrative efforts, or emphasize alternative pathways.

Puzzle

Since North America has clearly shown that it can live with regionalism even when without regionalism being prioritized, the puzzle becomes as much theoretical as empirical: Have we, for example, sufficiently investigated the many disparate exogenous factors presently constraining NAFTA particularly, but regionalism broadly? If we have, then what theoretical framework would help us explain, and predict from, these motley dynamics, and especially as they relate to their counterparts from within the regional box?

Theoretical Relationship

Placing regionalism along a *spatial spectrum* helps:²⁵ It belongs somewhere between nationalism, statism, or localism, on the one hand, and globalism or transnationalism, on the other. The former created a tension with regionalism that Ernst B. Haas and others first recognized from the early 1950s when examining the European Coal and Steel Community (ECSC) and its follow-up institutional dynamics,²⁶ and aptly captured subsequently by the phrase *moving beyond the nation-state*.²⁷ The latter increasingly imposes itself with an ever more powerful punch than before owing to the unpredictable nature of the technological beast.²⁸ As endpoints on this spatial spectrum, both also convey rather different sentiments (and orientations): Nationalism/Statism/Localism, for example, convey a relatively more circumscribed mind-set, just as globalism continues to summon relatively more cosmopolitan beliefs, instincts, and responses, as evident in such forms of diffusive behavior as transnationalism (going “beyond the state” but not necessarily with the state), or interdependence (where the state is more robustly present in any regional arrangements than any supranational actor has thus far generally been).²⁹ While neither policymaking level needs to be put through a value litmus test, both obviously influence policy prescriptions, for example, should a failing domestic industry be protected or left to market competition—a consideration that might be as influenced by how other countries respond to the same question within their own domestic context (a more relaxed response) as traditional industry protectionist calls to merely preserve local jobs?

This spatial spectrum is not a theoretical novelty. Haas and other regional integrationists went beyond assuming it into analyzing it as some sort of a transmission belt, which Haas ultimately found was not necessarily a one-way route.³⁰ Robert O. Keohane and Joseph S. Nye, who pioneered transnational studies,³¹ could not ultimately abandon the state as an analytical anchor, thus retreating from utilizing the conceptually pure *transnational* label to simply finding the jagged *interdependence* alternative providing more intellectual and pragmatic policymaking stability.³² More recently, Andrew Moravcsik, among others, revived that spectrum through an intergovernmental-supranational prism,³³ the former highlighting state-driven institutions, the latter subtly/overtly promoting institutions driven by nonstate actors.

Perhaps the author capturing more slices of the puzzle than others may be James N. Rosenau. His theory of turbulence lends itself to the task we pursue in this volume.³⁴ He explicitly distinguishes between two contrasting domains—localization and globalization—specifying a number of comparable elements; and he clearly looks beyond the state without eliminating the state or even many elements at the local level. Although

he speaks less of regionalism in and of itself, our manuscript formalizes regionalism in his dichotomy and framework, since this helps us to view what's outside the regional box more specifically: We neither advance regional integration theory, as it currently means, nor reject it for an alternative model, but explore dynamics "outside the regional box" to fully understand their endogenous counterparts within a meaningful framework.

Rather than reify Rosenau's proposals, this book simply scopes the viability of a broader theoretical framework capable of capturing the innumerable dynamics within what is called the regional box. Since we cannot place every dynamic into his framework, nor can all of his framework speak to the dynamics we seem to be stirring, we invoke at least three analytical levels, including all crossovers, overlaps, and admixtures that those three analytical levels generate. Those three analytical levels hug the spatial spectrum previously indicated: statism/nationalism/localism, regionalism/security community/interdependence, and globalism/transnationalism. Treating it as some sort of a dependent variable, regionalism is interpreted here through its exogenous forces.

Outline of the Book

A variety of those exogenous forces have been chosen for this volume, hoping they broaden our North American perspectives and deepen our theoretical interpretations and policymaking analytical levels. Chronologically, as table 1.1 profiles, the next two chapters cover the environment. Marcela López Vallejo Olvera shows in chapter two how transbioeconomic regions override state-based regions, while Edit Antal and Camelia Tigau introduce in chapter three a *contextual* method to analyzing local/transnational biotechnological forces as they impact the state and the region (in this case, NAFTA).

Discursive circulation of anti-immigration rhetoric is also part of continental integration. Chapter four by Liette Gilbert examines the discursive overlapping of U.S. and Canadian immigration/refugee rhetoric and argues that an emerging discursive integration in the continental circulation of anti-immigration rhetoric fed by the larger themes of security and criminality, in the particular context of economic depression and media distribution and concentration. The production of hostile narratives does not recognize territorial boundaries, and the rhetoric used to delegitimize the claims and the claimants borrowed extensively from the immigration debate in the United States.

In chapter five, Ian McKinley argues that NAFTA's Chapter 11 investment provisions do not erode federalism (by incrementally hacking

Table 1.1 Overviewing the Volume

<i>Chapters</i>	<i>Authors</i>	<i>Topic of Discussion</i>
2	Marcela López- Vallejo Olvera	North America's transbioeconomic regions challenging states and state-based regions (reflecting intergovernmentalist integration)
3	Edit Antal and Camelia Tigau	A <i>contextual</i> analysis of local/transnational biotechnological forces impacting states/regions as policymaking levels
4	Liette Gilbert	Examination of <i>discursive integration</i> (anti-Mexican refugee rhetoric in Canada), exposing local and global constraints of regional policymaking
5	Ian McKinley	Strong defense of regional arrangements, arguing the postulated threat upon federalism and regionalism is false, even though his argument can be reversed to show regionalism itself being threatened
6	Daniel Drache	There are not only increasingly <i>thick</i> North American borders, but also borders pregnant with more political considerations (and thus constraints) than economic, implying weakening regional policy responses
7	Francisco Haro	China's political economic triggers contrasting interests: state (emphasizing Chinese interests) and global (production abroad to remain competitive) interests confront with regional counterparts (which face lower market priority)
8	Alba González Jácome	Agriculture might exemplify regional NAFTA goals, but breeds too many local (sociocultural) and global (competitiveness) dynamics to exclusively emphasize the region
9	Rebecka Villanueva Ulfgard	Gender introduces subnational dynamics carrying transnational capacities; and how it has been discounted within the NAFTA context profits from European comparisons, themselves invoking the intergovernmental-supranational theoretical debate.

Continued

Table 1.1 Continued

<i>Chapters</i>	<i>Authors</i>	<i>Topic of Discussion</i>
10	Frank Plantan, Jr.	A case study of the multicountry University as Sites of Citizenship (USC) project shows the lower region-level relevance than the subnational and transnational salience—a taste of dynamics and directions of many issues under democratization and liberalization today.
11	Imtiaz Hussain	The ongoing global recession not only exposes the vulnerabilities of regional arrangements, as exposed by home-grown solutions, but also hints at structural global political economic changes necessitating an outward shift from regionalism.
12	Tim Lynch and Paul Michael Cox	Impact of pandemics on governance presently, given the outbreak of H1N1 during mid-2009 in Mexico, and its subsequent global spread; based on historical gleanings.

away at federal legislations) and regionalism (since investments generally move beyond regions, that is, they can promote regionalism, but as regionalism succeeds, reformed investment may seek outlets outside the regional box).

McKinley's depiction of what might be called "thin" North American borders contrasts with Daniel Drache's evocation of the region's "thick" borders in chapter six: Whereas the former spoke of an era unleashed by NAFTA (through its Chapter 11 specifically), the latter speaks to a largely post-NAFTA audience on the basis of dynamics of the Bush era: While he is not out to test any NAFTA chapter, provisions, or expectations, what he does elevate is the slow shift from economic considerations toward political counterparts, shaking, in his view, the NAFTA boat.

Drache's observation of a "cycle of deindustrialization" in which the emergence of China "has further diminished the idea of joint North American decision-making" is reinforced by Francisco Haro's finding of China's *chopsticks* trade-policy orientation in chapter seven. He further argues, this makes China a fourth NAFTA element—broadening the geographical boundaries not just beyond the Americas (one recalls how, just when NAFTA was initiated, Chile was implicitly and explicitly seen as a fourth *amigo*³⁵), but globally.

The theoretical (and possibly empirical) havoc of China's emergence as a global political economic catalyzer is also matched *locally*, for example, by the reactions of farmers to neoliberalism—and particularly those of indigenous farmers. Alba González Jácome's anthropological/sociological appraisal of select rural Mexican communities in chapter eight, while de-emphasizing the role and relevance of the regional policymaking salience, also makes the case how the resultant emigration generates as many domestic concerns as international, for example, urban migration, or migration between provinces, reordering domestic society silently when attention rivets on the louder issue of migrant adjustments abroad—all illustrating how spiraling Mexican migration to the United States during the NAFTA era severely constrained NAFTA-based economic integration even before 9/11 would impose its own exogenous limits.

The theoretical (and possibly empirical) havoc of China's political economic ascendance is also matched *laterally* by the growth of innumerable movements of a transnational nature—social (identity searches), ecological (increasing consequences of climate change apprehensions), anthropological (indigenous cultures being streamlined with mainstream counterparts), political (introducing democracy in traditionally authoritarian/ascriptive societies), and so forth. Gender equality clearly belongs in these categories, and given how mankind's most extensive experimentation with democratization (underway today) also means women inclusion, and thereby elevation in policymaking priorities, since they also represent more than 50 percent of the population in many communities. An urgent rendezvous with the equality destiny seems to clearly be underway. Chapter nine explores North American *engenderment* within the context of perhaps the most comparable case—the European Union—only to find more pitfalls than prospects. Couching this study within the specific intergovernmental-supranational debate, Rebecka Villanueva Ulfsgard exposes even more light on why constraints riddle North America more than West Europe.

In chapter ten, Frank Plantan plucks out a transnational dynamic virtually independent of state-level policymaking and even more unencumbered by region-level arrangements. A study of the purposes, evolution, and particularly membership diffusion of the *Universities as Sites of Citizenship* (USC) project carries all the promises and pitfalls of democratization: It sets individual institutions (universities) as free as individual people under democracy to pursue whatever they choose in a market with multiple options; but in the process, both carry the risk of complicating the formation of collective action (just as Aristotle called the *perverted* form of democracy *mobocracy*, so too the amalgamation of universities as sites of citizenship also predicts increasing divergence, and thereby nonaction, since they remain as competitive as human individuals too).

Imtiaz Hussain's consideration of the ongoing recession in chapter eleven raises another kind of an issue not seriously considered by regional economic integration theories, if at all—and certainly where empirical considerations by policymakers invite more nationalistic solutions even though the symptoms (at least in 2009) have globally resonating structural bearings. Case studies of the malaise and bailouts of the automobile sector (representing the manufacturing sector) and Citibank (representing the service sector) suggests regional-level policymaking, much like national-level policymaking in the 1930s depression, may be too inadequate to combat the same disease today, thus opening global/multilateral policymaking possibilities, not as *the* solution today, but as *one* increasingly more relevant and possible sources of solution today, out of many. This multiple-level policymaking orientation seems to be the puzzle increasingly demanding attention—not just in this volume overall, but also in general.

Chapter twelve analyzes the evolving global consequences arising from the 2009 H1N1 pandemic influenza outbreak in Mexico. Building on a historic review of how disease with potential to turn into pandemics have been managed within, among, and between nation-states over the centuries and the consequences of not having in place a plan of action for such events occurring, the chapter highlights the need for countries to show compliance with United Nation's 2005 International Health Regulations (IHR 2005). The potential for NAFTA serving as a platform for promoting compliance with IHR 2005 following on the experience of the 2009 H1N1 outbreak is defined within the context of the North American tradition of voluntary accreditation; putting the emphasis on professionalism rather than authoritarianism to get the job done. The diverse economical, cultural, and historical disparities among the communities in NAFTA member countries are seen as a microcosm of global life. The establishment of benchmarks that test the effectiveness of IHR 2005 within the context of United States–Mexican border is proposed as providing voluntary performance targets that other equally diverse global regions could achieve.

Theoretical Fitting

Rosenau's model contrasts a state-centric world with a multi-centric counterpart along 15 dimensions.³⁶ In the first of these, the number of essential actors is limited to about 200 in a state-centric world, but becomes infinite in a multi-centric world as the number of nonstate actors multiply. Similarly, the dilemma of actors, his second dimension, shifts from security (state-centric) to autonomy (multi-centric), while the goals of actors change from the preservation of territorial integrity and security

(state) to increase world market shares (multi-centric). The fourth dimension specifies the ultimate instrument for obtaining these goals: the military versus withholding cooperation, respectively.

Normative priorities also change, as his fifth dimension articulates: from emphasizing processes to upholding outcomes, thus altering the modes of collaboration (sixth dimension) from formal alliances to coalitions. As one might expect, the scope of the agenda (seventh) expands, from the limited (state) to unlimited (multi-centric), displacing diplomatic rules governing interaction by ad hoc counterparts (eighth).

Ultimately, the power distribution shifts. Instead of a hierarchic configuration, relative equality cries for attention (ninth), reconfiguring interactive patterns from a symmetrical orientation toward asymmetry (tenth), leadership from great military powers to innovative actors (eleventh), institutions from formal to informal (twelfth), exposure to change from low to high (thirteenth), degrees of controlling outcomes from concentrated to diffused (fourteenth), and decision structures from formal authority to informal varieties (fifteenth).

Adding a regional-centric world to his schema is arguably sensible since it not only safeguards us from overarching arguments and observations, but also permits us to harness those dynamics more precisely for policymaking and predictive purposes. Nevertheless, the two domains it captures “outside” the regional box become more relevant because regional identity exists.

As evident, the state-centric model contains all the familiar elements: a finite number of possible states; their key dilemma remains (military) security, with the preservation of territorial sovereignty being the principal goal and the military being the ultimate instrument; processes become more important than outcomes, with alliances becoming a more reliable form of collaboration than temporary coalitions; without emphasizing outcomes, the scope is kept limited, and left more to diplomats than other professionals to unravel; the power distribution is hierarchical, riddled as it has been over the centuries with great or super powers, but since military considerations remains the be-all and end-all, there is still a sense of symmetry in interactional patterns; the state represents a well-established institution, with a low susceptibility to change, and with as much control over (policy) outcomes than any other actors; and finally, decisional structures find their well-springs in authority or low.

Of course, circumstances change with the multi-centric world: the number of actors multiplies, that is, their key dilemma is their identity, or preserving their autonomy; they seek welfare over warfare gains, utilizing the withholding of their cooperation or compliance as a lucrative instrument; being results-oriented, they seek collaboration through temporary coalitions, with an unlimited agenda; rather than diplomats, they rely on on-the-spot rules to govern interactions, thus bestowing a less

hierarchical approach in those interactions; yet, since each actor claims some comparative advantage over an issue or resource, the interactional setting is more asymmetrical; thus leaders are determined by innovative capacities; and since these change, so too the institutions, making control over outcomes diffuse; ultimately, all types of authority and leadership qualities dictate the decisional structures.

Adjusting Theories

Though regionalism is but one representation of a multi-centric world, some multi-centric characteristics clearly cannot connect with regionalism. For example, regional arrangements have some very clear and long-lasting institutions, their agendas are not often that unlimited, interactional patterns they seek may be more long-term than ad hoc, and they may also show interest in keeping control over their policy outcomes.

Clearly, the view of exogenous forces is as different when made from a regional standpoint as giving regionalism a multi-centric theoretical identity. Rosenau's framework, which equally identifies two domains—the state and global forces—as “outside the regional box” (both capable of being disaggregated into other forms for theoretical explanations), is further nuanced by extrapolating a region-centric world out of both.

In this *third* theoretical world, we propose that Rosenau's 15 dimensions would produce slightly different but arguably more critical expectations. The number of actors will be a lot fewer than in either the number of possible states or in a multi-centric world, thus changing negotiations configurations, for example; the prime dilemma will not be (military) security or autonomy as much as efficiency; the key goal, similarly, will have to be more collective action than individual, with economic sanctions more than armed forces or cooperation withheld as the ultimate instrument; normative priorities would have to emphasize institutions, especially supranational, in order to manage collective action. This would enhance the role of consensus as the mode of collaboration over alliances and coalitions; while the agenda scope would not be unlimited, it will certainly be larger than that of the state, meaning interaction would rely more on quid pro quo bargaining than diplomatic or situational approaches, though the distinctions may be less clear-cut than visible; power distributions would reflect more symmetry, as too the interactional patterns, even though these may not be the dominant analytical or relevant explanatory axes; leadership would probably be diffuse, reflecting issue-specific expertise; yet robust institutions might emerge as the critical variable; tendencies toward change would be discouraged, making control over outcomes the necessary condition of regionalism; and

finally, treaties would find a larger role in shaping decisional structures than authority or law.

Whereas Rosenau utilized 15 dimensions to get his message of turbulence across, our more simplified theoretical messages (arguments) are threefold: (1) there is a lot more happening outside the regional box and not adequately captured by regional theories; (2) there may be more order than Rosenau's postulated turbulence predicts; and (3) for all its pitfalls, the region cannot be abandoned from theoretical excursions (though empirically they can be stopped at any time), certainly not if explanatory clarity is the goal. Simply to conserve space and not create redundancies, not all 15 dimensions will always be invoked in the chapters to follow; but the case that a three-world approach may be more useful will still be made even when identifying, detailing, and theoretically accommodating exogenous forces.

Preview

What do the 11 chapters say in a nutshell? Table 1.2 summarizes the findings. Chapters two and three cover the environment. Whereas Chapter two examines how the Kyoto Protocol goal of reducing greenhouse gases (GHG) has been held hostage, not at the regional level but the local, chapter three, through a discursive analysis of the Web page of four institutions in Canada and Mexico, also finds the local level, combined with transnational forces, virtually ignore regional-level controls. By reaffirming the popular and pragmatic cliché *think locally, act globally*, López Olvera elaborates in chapter two the existence and continued emergence of transbioeconomic regions at local levels exerting greater policymaking influence than at the state-centric, region-centric, and global-centric worlds. Chapter three also plays with a cliché—*biotechnology in words*. Antal and Tigau show not just how words cannot be regulated by boundaries, but also why a contextual (discursive) methodology makes reading between the lines a more productive exercise. Local forces again remain behind the steering wheel, but unlike what we saw in chapter two, transnational forces join them in spearheading the biotechnology diffusion—and all its impacts on the state and the region (NAFTA). By comparing and contrasting Canada (the biotechnology research exporter) and Mexico (the biotechnology research importer), both authors add fresh light on the promises of, and pitfalls behind, two sets of biotechnology institutions in each country (Royal Society of Canada and the Mexican Academy of Sciences as well as the Canadian Biotechnology Advisory Committee and the Mexican Interministerial Commission for Biosafety of Genetically Modified Organisms).

Table 1.2 Key Findings in Theoretical Setting

<i>Chapters</i>	<i>Statism/Regionalism</i>	<i>Out-of-the-Box</i>
2	NAFTA not at all relevant, in fact many environmental dynamics not captured by NAFTA	<i>Think locally, act globally</i> aphorism upheld by emergence of transbioeconomic regions
3	State-level institutions not broadened to region; regional input dormant	<i>Biotechnology-in-words</i> motivates both subnational and transnational forces, though similar impulses do not necessarily produce identical outcomes
4	State-centric attitudes and sentiments strengthened, at the expense of regional counterparts	Rhetoric capable of transgressing state and regional boundaries, as too the triggering phenomenon of migration
5	Robust defense of NAFTA Chapter 11 arrangements on investment: federalism and regionalism not threatened	Paradox: Forces behind investment know no boundaries, and remain capable of going “beyond” the region just as they went beyond the state
6	Thickness of borders reaffirms traditional boundaries of state and state-generated regional arrangements	Thickness of borders also recognizes overloading of forces along the boundaries of traditional borders, suggesting the inherent pressures
7	Statism enhanced, but not in NAFTA region (augmenting Chinese national interests more than any other)	Many transnational forces invoked, some even critical to policymaking outcomes
8	State/region can be largely irrelevant to rural emigration	Subnational forces dominate, but transnational forces also stronger than state/region dynamics
9	Region found wanting: little or no gender-enhancing dynamic in NAFTA; on the contrary, multiple gender-diminishing dynamics present	Subnational and transnational forces speak louder than state or regional arrangements: they even challenge state/regional arrangements
10	State/region largely irrelevant in any movement to establish varsity networks the world over	Societal pressures (subnational) and transnational movements behind the varsity-based steering wheel
11	Region largely irrelevant, though state engagement increases in a recession (for supplying bailouts)	Subnational and global forces demand greater recognition in a recession owing to increasing relevance amid a structural sector shift from manufacturing to services
12	Bilateral approach recommended more than regional, but target is a global reach	Pandemics coming out of the blue and impacting NAFTA emerge as new fear

Gilbert's continuation of a discursive analysis exposes two faces of immigration: the *local* resentment, evident in the rhetorics articulated; and the *global* nature of this local resentment (with reference in this case to the Mexicans in the United States). While she highlights how Canada's refugee laws have been manipulated by largely Mexicans threatened by deportation in the United States, she also shows how Mexicans generally evoke a more positive Canadian receptivity.

Shifting from the environmental and both discursive emphases, McKinley's question (if NAFTA Chapter 11 provisions on investment have been threatening federalism and regionalism) highlights concerns outside the regional box about investment, reaffirms the strength of NAFTA's Chapter 11, but by doing so, also suggests how regionalism might even be swallowed by the expansiveness of the investment beast: It can devour state legislations as much as regional provisions, since NAFTA's investment provisions derive from multilateral agreements (United Nations Conference for International Trade and Law [UNCITRAL]; and the World Bank's International Convention for the Settlement of Investment Disputes [ICSID]). McKinley's inevitable analytical hierarchy (regionalism over both statism and globalism) is potentially threatened as globalism could eventually threaten regionalism as regionalism once threatened the state.

Addressing largely the Canada–United States border, Drache finds them increasingly “thicker” owing to new security-driven passport requirements. In turn, they impose further restrictions on the kind of economic integration NAFTA sought. Implications go deep: Drache shows security considerations were not exclusively American, and indeed, that they were autonomously Canadian simultaneously opens a bilateral identity at cross-purposes with NAFTA's trilateral (and symmetrical) vision.

Drache's reference to global competition touches the core of Haro's study of the political economic impact of China's emergence on the global scene. Finding China's state interests fueling local responses (in the form of protectionism),³⁷ and global (in the form of competition), Haro's analysis exposes how regionalism is underprepared to match the needs of this neoliberal era. Specifically, he points out how NAFTA is itself being undercut by new pressures, as its three members make different calculations how best to respond to global imperatives, such as China's emergence, within a local context, such as its permeation of Cuba's economy.

On the other end of the spatial spectrum, local forces also make a lot of noise, as González Jácome's treatment of agriculture under NAFTA reveals in Mexico. Both local and global forces, to be sure, demand greater policymaking attention than regional, the former owing to the socioeconomic and sociocultural consequences of shifting from indigenous to liberalized farming entails, and evident mostly in urban migration

(which finds few, if any, causal factors stemming from regional arrangements), the latter owing to market competition under a neoliberal market order. Interestingly, NAFTA initiated the changes explicitly, yet is completely overtaken by the consequences—a classic case of regional policy-making seeking to demonstrate the relative inefficiency of state-policy-making boomeranging upon itself against diffusive global forces and the strength of residual local forces.

Embedded in González Jácome's treatment of the vanishing case of indigenous farming is the mixed role of women, taking on more burdens—in the farms owing to the migration of men to cities or abroad, and in the cities owing to the new jobs available and better catered to by women. Picking up on the women theme in North America, particularly under NAFTA, Villanueva Ulfsgard's chapter points out the asymmetry women battle against in an integrative framework—the creation of more male jobs, feeding male-centric economic concerns, and demanding more male input than female. By comparison with the European Union, she shows how even rules and rights on behalf of women become more scarce, thus deepening those asymmetries and creating an even more uneven playing field for women. The issue cuts across all policymaking levels, and reveals how transborder issues and movements, such as on behalf of women, can intervene in a big way to undermine regional (or state) policymakers. Here is a solid case of regionalism spawning or encouraging issues that eventually boomerang against the causal factors.

Plantan's study of the USC project presents another such issue, showing the total irrelevance of regional arrangements, especially in NAFTA, in causing and consolidating any university-level integrative scheme. The state plays a greater role than the region, but most important are the roles of social factors, such as educational institutions acting autonomously of the state, as they often do in democracies.

Hussain's study again shows the irrelevant role of the region compared to that of the state and global factors: Here the state can easily dispense of the region, since voters will punish or reward governmental officials they have elected, of which there are none in NAFTA, based on how the recessionary bailouts perform. Ultimately, to put the state back behind the policymaking steering wheel necessitates resonating global dynamics: exports must expand, and they will only if global arrangements, such as reciprocity, exist; and reciprocity becomes greater in volume and value the more such partnerships exist, meaning the global setting offers more conducive circumstances for recovery than regional.

Finally, Lynch and Michael Cox expose the need to keep the *local* and the *global* interconnected under the increasingly complex dynamics of growth, development, travel, and all other manifestations of modernization. The state does not disappear, but must coadjust to narrower and broader forces as and when they appear.

Chapter-Specific Interpretational Format

As observed previously, the following chapters will not go through all 15 dimensions of the Rosenau framework to make the essential point. However, each chapter will comment formally to test each and every dimension at the various policymaking levels, but explore whether we need to go outside the regional box, or the regional box will suffice under the challenges and developments we face in a postregional recessionary era.

Notes

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Chapter Two

North America's Regionalisms Face Globalism: Integrating Climate Change Responses

Marcela López-Vallejo Olvera¹

Introduction

The proposal to face climate change drafted by global environmental governance institutions through the Kyoto Protocol has had no favorable results thus far: None of the “Annex I” countries—with specific commitments in specific times—has fully accomplished its goals for reducing greenhouse gases (GHG).² North America’s three countries have had different approaches and commitments to face climate change. Canada, as enhancer of the Protocol, ratified it in 2002, accepting a commitment of 6 percent GHG reduction by 2012. Mexico had ratified the Protocol in 1998, but as a nondeveloped country, was placed in the “Non-Annex I” list having only the goal of delivering annual reports of the state of GHG to the United Nations. In 2001, the U.S. Congress decided not to ratify the Protocol, a decision that implied that the country with most GHG emissions worldwide had no commitment within the global environmental governance institutions. Even after 13 years the Third Conference of Parties (COP3) in Kyoto, in which the protocol was drafted, and 5 years after its implementation began in 2005, the three countries of North America have produced unfavorable results. Canada has increased its GHG emissions by 30 percent and the United States by 15 percent from 1990 to 2006,³ while Mexico increased GHG emissions by 40 percent in the same period of time.⁴

This scenario could be explained in two possible ways. First, national governments have not had the political will to implement the Protocol; and second, the Protocol is a mechanism with an inadequate and rigid design, preventing implementation. Both arguments characterize North America. The U.S. Congress established that the Protocol was a mechanism that did not take into account the costs of GHG reduction and its impact on the national economies. On the other hand, the fact that potential pollutant

countries, such as fast-growing China and India carrying increasing amounts of GHG emissions, were not included in “Annex I.”⁵

The federal government of Canada also perceived the possible impact on the economy, especially in some provinces, like Alberta, that produces fossil fuels, or other that base their economic activities on the consumption of the former sources of energy. Besides, the fact that Canada’s main commercial partner (the United States) retreated from the Protocol, and thereby threatened the Canadian economy, provided another disincentive. Here is an early indication of North America’s inherent asymmetry undermining regional integration, a factor invisibly holding global norms at bay. Yet, this is not necessarily a regionalism-strengthening force.

Mexico belonged to the Non-Annex I list—a situation that favored the use of the Protocol’s mechanisms and made the federal government reinforce the environmental institutions for monitoring GHG and processing data. This resulted in the on-time delivery of the GHG reports. In spite of that, of the 189 projects submitted by Mexico to the Clean Development Mechanism of the Protocol—a mechanism that allows Annex I countries to exchange emissions for green bonds (for conservation and technology transfer) with Non-Annex I countries—106 have been registered successfully, but only 20 of them have been operable.⁶

It was expected that the Commission of Environmental Cooperation (CEC—an institution derived from the North American Agreement for Environmental Cooperation [NAAEC]) would draft strategies and programs for climate change. Yet, from the very start, NAAEC specified that the environment would remain under national competence and jurisdiction.⁷ Thus, regionalism succumbed to state-centric and local forces, in the language of the volume’s theoretical argument.

After the poor results in GHG reduction of North American countries and the failure of global and regional environmental governance, can we think of a future accord (a Kyoto Plus) designed under the same principles and mechanisms? Has GHG reduction been effective in the region? Which country leads, and what has been its strategies? The objective of this chapter is to respond to these questions and inquire why, when implementing tasks, regional climate governance schemes fail to live up to their global expectations, in turn weakening both regional and global governance. Both based their goals and mechanisms on state cooperation and through rigid targets, but used voluntary tools for implementation. Yet, global climate governance institutions, represented by the United Nations Framework Convention on Climate Change (UNFCCC), assumed air to be a global public good, expecting responses and solutions would also emanate from the same global institutional source.

The questions feed into the place of regionalism (NAFTA) amid globalization (UN-based rules) and national rule-making. They breed other questions, such as how open or closed NAFTA rules are for its members,

and thereby, the extent to which Canada, Mexico, and the United States can dispense with NAFTA arrangements if and when faced with global commitments (or against nationalistic pressures in the other direction, for instance, renege on external agreements to supply domestic jobs even if creating them impacts the environment negatively).

The first part questions the previous assumptions by presenting theoretical limits to the global climate governance approach and highlighting its virtues; in the second, I develop the concept of *transbioeconomic region*. Such a region is conceived as a social construct, with specific objectives, including integration and coherence in economic activities that sometimes are transnational.⁸ This coherence also means to design integrated sector and environmental policies,⁹ and strategies to agree with the natural vocation of the territory for conservancy.¹⁰ Some cases of such regions in North America that have achieved GHG reduction through the creation of a new set of institutions and governance links is also analyzed in the second section of the chapter. The third and last part concludes by summing up the elements of a *transbioeconomic* region, presenting the limits to and critics of the concept, and commenting on the theoretical puzzle of the larger book manuscript.

Global Climate Governance: Limits and Virtues

Martin Dornboos, Thomas Weiss, and Klaus Dingwerth, among others, distinguish between the two notions of “governance” generally used.¹¹ The first is an academic tool for analyzing the relation between structures and processes of emerging actors in different contexts. The second is oriented to politics and policy and based on the relations between states and markets, where state institutions should guarantee accountability and effectiveness of policies for the market to operate. In other words, the first notion of governance refers to a theoretical framework and the second to a political program. Theoretically, global governance is diversely critiqued for its universal and teleological pretenses,¹² as well as for its lack of mechanisms of participation, implementation, and enforcement that global governance institutions design.¹³ In spite of that, this approach carries some virtues. For environmental issues and climate change problems, global governance institutions have achieved an academic consensus, supplying important public information about climate change—a phenomenon legitimizing positions for or against climate policies.¹⁴ Another virtue of global governance situates localism not as the antithesis of globalism, but as one dimension of global processes and relations where newly created institutional arrangements engage different actors with different goals

based on different types and power relations, also with the participation of different levels of authority.¹⁵

This tallies with the spatial spectrum envisioned in the book: the localism→regionalism→globalism nexus. According to Sverker Jagers and Johannes Striiple, global climate governance should not be the object of national policies, but also of other authorities and actors.¹⁶ This argument leads to the second concept of global governance, understood as a political and policy program in which these new linkages develop in a context where global rules are internalized partially or completely by different actors in different ways. This “double-level” strategy has been used by actors of global governance, especially for climate change.¹⁷ Contrary to what was expected, for the North American countries the result of this strategy was the creation of new institutional regimes based on the local criterion that generally promote different goals and mechanisms from those originally proposed by global, regional, and national institutions. In this sense, “governance is defined by the fragmentation of authority among actors who may be located in or represent and regulate different geographical units across national and regional borders.”¹⁸

The next section presents some of these new regional schemes of diversified authority in North America, where some initiatives have been drafted for convergence in climate policies. The logic of these regions is quite different from the concept of region expressed in formal institutional agreements such as the NAAEC or NAFTA itself.

Climate Change Strategies and Regional Integration

Although air is undoubtedly a global public good circulating freely all over and incorporating GHG, impacts and adaptation capacities differ considerably, showing regional peculiarities.¹⁹ In spite of the “globalism” of air, responses show localism: territorial and administrative bases seek coherence within the same territory and activities developed. This argument rests on the existence of diversity within the three countries of North America regarding GHG emissions and activities that produce them, permitting the argument that North America’s different regions, integrated in different manners, have tried to deepen the convergence by also integrating climate and energy policies.

Morten Boas, Marianne Marchand, and Timothy Shaw argue that regions are always in the making—constructed, deconstructed, and reconstructed—through social practice and discourse. Not only states, but also nonstate actors, participate in the process of constructing regions and giving each its specific content and character.²⁰

We can understand, then, that a region is a dynamic social construct changing constantly. To derive policies within this conception of region, it would be necessary to aggregate the type of power relations and its institutional representation, specifically when we think about environmental and climate policies. Defining a region as an object of environmental policies also makes it a *subject* of this dynamic social construct and its implementation mechanisms. According to Etienne Balibar,

[t]erritories in our political tradition are not only associated with the “invention” of the border, they are also inseparable from the institution of power... they combine in a single unity the institutions of (absolute) sovereignty, the border, and the government of populations.²¹

Regions thus become territories in constant construction, articulating interests, goals, and practices of different actors and different levels of authority with legal and institutional constraints driven by the national policies that cope with them.

Transbioeconomic Region

In North America, different regions have developed joint strategies for climate governance and GHG reduction. These initiatives have linked three essential elements that aggregate contextual particularities. The first element deals with the transnational social and economic linkage, due to the fact that “regions in Canada are economically integrated not with some amorphous mass called the United States of America, but, rather, with particular American regions and states.”²² In the same sense, relations between transborder societies exist in U.S.-Canada and U.S.-Mexico borderlines, which perform through vertical links and are regionally differentiated.²³ This fact has historically influenced the type of economic activities in the region and enhanced the intraregional commerce. Productive relations have an important role in the definition of the transnational region because they produce specific environmental standards and integrate some sectors as industry, energy, or transport. Such a form of integration has also included pollution, environmental depletion, and GHG emissions, which allows locating these problems regionally and territorially. “Sub-federal environmental linkages develop because individual ‘states’ or ‘provinces’ shared geography makes them vulnerable to the behavior of their neighbors.”²⁴ Regions with clearly high levels of pollution and integrated by provinces or states, such as the Atlantic North-East Coast or the West Coast (including British Columbia, contiguous U.S. states, and even some cities of Baja California or Sonora in Mexico), prevail across North America.²⁵

This kind of transnational pollution clusters coincide generally with energy production or energy consumption required mainly for industry performance. In Canada, 82 percent of GHG emissions come from energy sector, which also has had an increasing demand, contrary to the strategies and goals committed in Kyoto.²⁶ In the United States, the energy sector emits 80 percent,²⁷ while in Mexico 61 percent GHG emissions come from energy.²⁸

The third element to complete the definition of the *transbioeconomic region* is the biological, geographical, and climate diversity in North America. Víctor Toledo and Patricia Moguel propose that it is necessary to understand the type of ecogeographic unit in which we live, its productive potential, and the vocation for conservation, which would lead to the optimization and better use of resources within the natural context.²⁹

The areas with rigorous environmental protection in North America generally coincide with zones of deserts and forests of the west coast.³⁰ In those places where the pollution clusters appear, environmental protection is weak, as in the Atlantic east coast pollutant cluster, where there are no relevant environmental restrictions within a natural context of mainly forests, which would be one of the main agents for capturing CO₂, lowering emissions, and regulating land use and land-use change and forestry.

Some Regional Strategies

For a region to design, manage, and implement climate strategies, it is necessary to take into account the type of jurisdiction over natural resources. In Canada there is *one* environmental national policy directed by the Ministry of Environment of the federal government, but provinces possess great administrative autonomy over the whole property of the resources within their territories—which implies decision-making power.³¹ Besides, “the provinces thus control the natural resources most relevant to climate policy: oil, gas, and coal on the one hand, and forest sinks and hydroelectric potential on the other.”³² On the other hand, U.S. states count with a regime in which the federal government designs and drafts national environmental standards.³³ In Mexico, the environmental regime allows climate action plans to be designed to mitigate and adapt to the subnational governments, but Article 27 of the Mexican Constitution establishes that the property of the natural resources belongs to the federal government.

Regional GHG reduction strategies below carry a subnational flavor. In other words, with the goal of performing authority and facilitate its implementation, the integration level of the transbioeconomic regions would be subnational governments, provinces, and states. Although these

units of authority fall within the “old” regionalism approach,³⁴ they offer new integrative mechanisms and innovation criteria for conceiving a climate policy administrative region—whether in harmony with national strategies or not. Subnational governments (SUNGs) in North America play an important role for achieving these environmental objectives.³⁵ They have demonstrated their capacity for adapting their institutions easily to guide and provide incentives to technological change as well as for articulating social and productive interests.³⁶ However, their performance has been critiqued by social environmental groups that perceive that local strategies generally tend to lower the environmental standards to attract investment.³⁷ This is certainly true in some cases, but if we analyze the real efforts of GHG reduction in some U.S. states, we find some of these provincial governments surpassing even the Kyoto national goals of uncommitted countries.³⁸ In some cases,

market or civil-society actors take responsibility for implementing the policies that are formulated in their sector. Here, the former hierarchical superiority of government has been replaced by a heterarchical relationship in which government interacts more cooperatively than authoritatively with other entities in the marketplace or civil society to generate governance.³⁹

Integration of regional groups of provinces and states has resulted in new schemes of climate governance that deserve a chance to show results. These schemes have indeed integrated some practical Kyoto mechanisms but defied the general logic behind the accord. They usually (1) take into account the cost-benefit factor for technological change; (2) combine market and state-led mechanisms; and (3) establish differentiated GHG reduction goals in specific times according to the regional capacities.

SUNGs, as a fundamental basis for the redefinition of global and regional climate agreements, carry some assumptions. First, other levels of authority and institutions at a regional scale have failed for GHG reduction. Second, global climate governance as a theoretical framework can be used for reterritorializing strategies at regional levels. Third, this approach combines government elements (authority and legitimacy) with governance mechanisms that facilitate the creation of specific norms for specific problems.

Structures and actors generally conceived within a *governance* context also contribute to the generation of governments’ norms, rules, goals, and processes of decision making, but the scope of governance is generally narrower and rarely territorially fixed—government has more permanence and stability, while governance is more transient.⁴⁰

Finally, the fact that the majority of the provinces and states in North America perform some actions regarding climate change on their own

implies that they, as administrative units, have recognized their own responsibility in GHG emissions.⁴¹ Brian Hocking and James Rosenau establish that

we are confronted by an ever widening “frontier” where domestic and foreign policy meshes into a seamless web and in which differing “spheres of authority” jostle one another for advantage, then NCGs [SUNGS] can, by virtue of their actorness, be seen as patrolling the edges of this territorially imagined and yet partially deterritorialized space.⁴²

In this regard, the SUNG territories appear as one of the last frontiers with capacities to instrument policies that can internalize global environmental problems, such as climate change. They perform regional strategies that integrate provinces and states, as well as policies of sectors such as climate change, energy, and transport.

These regional climate and energy initiatives integrate some U.S. states (or groups of states), some Canadian provinces, and some Mexican states. The leadership of these projects comes from U.S. states.⁴³ Barry Rabe notes that

some states have consciously chosen to be “first movers,” often taking bold steps with the explicit intent of trying to take national leadership roles on climate policy. In some instances, such as California’s legislation to restrict carbon emissions from vehicles and New York’s efforts in the northeast to establish a regional carbon emissions trading zone, states are also trying to establish models that will influence their neighbors to join them and possibly position themselves to influence any future federal policy.⁴⁴

The strategies are diverse and go from the design of action plans for climate change, establishment of specific GHG reduction targets in specific times, compulsory GHG inventories, public benefit funds (kind of a green tax to change to alternative sources of energy), green pricing systems, to the establishment of limits in vehicle emissions.⁴⁵ One of the most innovative strategies is the portfolio standards, in which states/provinces establish compulsory standards, for example, to ensure a certain percentage of electric energy consumption comes from renewable sources.⁴⁶ If combined with the public benefit fund, this strategy would change renewable energies in specific times with no impact on the economy, in fact, creating new research and technology as well as new green energy markets.

An example of this performance is the Western Governors Association (WGA) that integrates almost all the west coast of the United States, Canadian provinces like British Columbia and Alberta, as well as some Mexican border cities of Baja California. This association has the main

goal of integrating the electric energy system and starting the conversion to renewable energy through the project of Western Renewable Energy Zones, which started in July 2008.⁴⁷ In that same area, another initiative is the West Coast Governors' Global Warming Initiative (WCGGI) that was drafted in 2004 and recognizes the richness of renewable energies and technology for its regional development. Its seeks to (1) integrate policies of electric energy, vehicle emissions control, and transportation; (2) use and develop clean technologies; (3) develop mechanisms of measuring GHG in the region; and (4) integrate joint strategies to adapt and mitigate impacts of climate change.⁴⁸ On the other hand, Powering the Plains is an initiative that deals with energy for agriculture, counting with the participation of the U.S. Midwest states (North and South Dakota, Illinois, Iowa, Minnesota, Wisconsin) and the Canadian province of Manitoba.⁴⁹

Two initiatives along the Atlantic coast also link with each other. The New England Governors with the Eastern Canadian Premiers established their regional climate action plan in 2001 with the goal of reducing GHG in the region. The initiative hopes to reduce 2010 GHG levels to those of 1990, and by 10 percent for 2020.⁵⁰ To implement these goals, this regional association drafted the Regional Greenhouse Gas Initiative (RGGI), based on the creation of a regional market of carbon trading for reducing CO₂ emitted by the energy sector in 10 percent for 2018. Ten U.S. states and eastern Canadian provinces participated in this initiative.⁵¹ The approach of this initiative is that participation of SUNGs on *both* sides of the border is necessary for the success of GHG reduction and policy design.

Joint mechanisms to establish climate policies also prevail along the Mexico-U.S. border region. The Regional Initiative for Climate Change of Arizona-Sonora was established in 2005 with the goal of creating green, productive, and safe corridors.⁵² The strategy for this goal was drafted in the last meeting of its Committee of Environment and Ecology, in June 2008.⁵³ This same approach was taken up by the recently created Green Corridor Québec-New York in its November 2008 meeting.⁵⁴

To sum up, different regionalized efforts linking provinces and states recently open up transborder relations for analytical attention. This integration, besides being regional, is also sectoral since it drafts integrated policies for climate change within different levels of authority and taking into account the impact and capacities of the local economies—elements not present at Kyoto. Since it also evolves from an international compact, we see a peculiar combination of local, regional, and global forces seeking multilayered governance to grapple with a common problem—a phenomenon rarely appraised through such an analytical prism.

Conclusions

Global climate governance has failed on its own terms: the Kyoto Protocol established GHG reduction targets that no country has accomplished. It is necessary, then, to start thinking of new definitions of climate governance that take into account other actors, diversify responses and strategies, and link nature, society, and authority on a regional scale. In this context, the *transbioeconomic region* appears as a pertinent concept to deal with climate change across North America. This concept redefines the climate governance with the leadership of other level of authority, also linking elements of conservancy, productivity, and transnational relationships. Presenting this concept does not imply the need to exclude other elements and institutions of global climate governance, because the competencies of SUNGs are conditioned by global trends and transnational relations also.⁵⁵ That is the reason why the transbioeconomic regions should take into account the financial and informational opportunities given by the UNFCCC. They also need to work with North America's CEC information. Juncture analysis indicates climate change is at least set in the agenda of the new U.S. government of Barack Obama. Not as a priority, but present in the debate, the second tenure of the Conservative Stephen Harper also establishes that, in spite of not being able to accomplish Kyoto's goals, the government is expected to continue the trend in reforms for a climate national policy.⁵⁶ Felipe Calderón, president of Mexico, has been drafting programs for the creation of carbon sinks (such as Pro Árbol) and reinforcing climate institutions at the federal level.⁵⁷ Yet, the three governments continue to fail integrating productive policies with environmental goals.

The *transbioeconomic region* and its strategies have practical and theoretical limits. "Considered by themselves," according to one opinion, many state/local initiatives currently being contemplated "are unlikely to have a big effect upon global climate change, although they could contribute importantly to moving forward the overall politics of greenhouse gas regulation,"⁵⁸ in spite of the efforts underway. However, the region represents an alternative route for reterritorializing responses to global public goods, such as the air.

Another concluding comment conveys the most important critique of both the argument presented and the approaches generally drafted for dealing with climate change. In general, climate change analysis and proposals still elevate the relation of cost-benefit and consumption-production. One U.S. official, Gustave Speth, put it thus: solutions for climate change cannot provide any source other than to attack the lifestyle that we all have, which is based on the comfort and consumption, especially of the most pollutant societies.⁵⁹ Although it is a great challenge, strategies either regional or global should include this logic into their design.

Theoretical Puzzle

Even as global climate governance staggers to meet its goals, this chapter shows NAFTA's counterparts also fall short. In part, they were *unable* to do so: Too many subnational forces engage in these tasks; and though, through greater coordination, they could be streamlined to strengthen global governance, presently they show more gaps than promises. As a nondivisible object, the climate has been subjected to multiple layers of regulations and treatments; and unless these are brought under one set of governance strategies, the scope to defect from fulfilling roles remains high. North America's place in global climate governance vigorously shows this deficiency: It is too locally controlled to robustly boast regionalism.

Thus global climate governance paradoxically satisfies all the 15 characteristics postulated for the state-centric, region-centric, and multi-centric worlds in chapter one, but without coordinating them, even nominally, the much-expected clear-cut spatial spectrum that should emerge linking the local to the global does not, in fact, emerge; and for as long as it does not emerge, it demonstrates underlying problems with the state (jurisdictional disharmonies with subnational regimes, such as provinces), region (NAFTA rules lacking enforcement provisions), and the international community (theoretically perfect UN rules facing implementation/pragmatic constraints): Such is the nature of the problem that the state cannot alone solve it; shifting to a region is a step in the right direction, but also, through the implied competitiveness of creating regional economic blocs, becomes a source of problems, as other priorities (to find markets or become competitive) edge out environmental priorities from the policymaking arena; and eventually, the most practical global level to resolve a global problem becomes rudderless without the states, even working through regional arrangements, fully committed to the purposes. In short, there is plenty happening outside the regional box of NAFTA at the local level that is not firmly grounded at regional and global levels.

Notes

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2. International Panel of Climate Change 2008. Available from <http://www.ipcc.ch> (November 12, 2008).
3. EPA 2008. See also Paterson and Juillet 2009.
4. SEMARNAT 2009, November 20, 2009.
5. China contributes with 15 percent of GHG and India with 6 percent, almost the same as Russia (Annex I country). Both countries account for higher rates

- of GHG emissions than some of the Annex I countries, such as Japan, Canada, or United Kingdom. See United Nations Convention for Climate Change-Conference of Parties 13, 2007. See also WRI 2008.
6. SEMARNAT 2009, September 20, 2009. The Clean Development Mechanism is detailed in Article 12 of the Kyoto Protocol. For a deep analysis of the status of projects under the CDM, see “Gestión segura para la comercialización de bonos de carbón,” in EcoSecurities Group.
 7. CECNA 1994.
 8. Several authors argue regional integration to be an important part of economic coherence among social actors. See Clarkson 2008; Morales 2008; and Ramos 2002: 107–40.
 9. Rowlands 2008.
 10. Toledo and Moguel 1992: 7–22.
 11. Dingwerth and Pattberg 2006: 185–203; Dornboos 2004: 372–87; and Weiss 2000: 795–814.
 12. Krahmann 2003: 323–46; Mol 2002: 92–115; and Liftin 2000: 119–48.
 13. Jagers and Striiple 2003: 385–99.
 14. Liftin 2000: 119–48.
 15. Hocking 1999.
 16. Jagers and Striiple 2003.
 17. Agrawala and Steinar 2001: v–xi.
 18. Krahmann 2003: 333.
 19. Cohen et al. 2004.
 20. Boas, Marchand, and Shaw 2005: 1.
 21. Balibar 2004: 4.
 22. Van Nijnatten and Boychuk 2006: 487.
 23. Ramos 1993: 89–110.
 24. Clarkson 2008: 134.
 25. CECNA 2008.
 26. EC 2008.
 27. EPA-U.S. 2008.
 28. SEMARNAT 2008, November 13, 2008.
 29. Toledo and Moguel 1992: 7–22.
 30. CECNA 2008.
 31. Juillet 2005.
 32. Harrison 2007: 97.
 33. Ibid.: 92–117. See also Van Nijnatten and Gerard Boychuk 2006.
 34. Söderbaum and Shaw 2004.
 35. The term *subnational* generally includes territories and governments jurisdictionally minor to the state, without taking into account the type of political regime to which they belong. For a detailed discussion, see Aguirre 1999. In this chapter, I will situate my analysis at the provincial (for Canada) and state (for United States and Mexico) levels, taking into account that the three countries in North America have federal regimes.
 36. Capacity is defined in the sense of administrative legitimacy proposed by Ramos 2002: 107–40.
 37. Harrison 2003.
 38. ICLEI 2008. See also Bramley 2006.

39. Clarkson 2008: 23.
40. Ibid., 24.
41. Knigge and Bausch 2006.
42. Hocking 1997.
43. Bramley 2006.
44. Rabe 2008.
45. PCGCC 2008.
46. Ibid.
47. WGA 2008.
48. WCGGW 2006.
49. GPISD 2006. See also PCGCC 2008.
50. NEG/ECP 2001.
51. RGGI 2008.
52. CAS 2005
53. Ibid.
54. GCQNY 2008.
55. Aguirre 1999.
56. Paterson and Juillet 2009.
57. SEMARNAT 2008, November 13, 2008.
58. Engel 2006: 56.
59. Speth 2008.

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Chapter Three

Mexico-Canada Biotech Image: The Role of the Broader Scientific Community

Edit Antal and Camelia Tigau¹

The Discourse on Biotechnology

What is biotechnology to a diverse North America? While Mexico is a center of biodiversity that searches to protect and extend its genetic bank, the United States and Canada are world leaders in biotech production.

In general, biotechnology may be seen as a new issue that promotes a clear dynamics of change in the global agenda. It concerns our immediate future in basic aspects of our lives such as health and food, being, therefore, a genuine topic to study interactions between traditional and novel ways of doing politics. Braman (2002, 104) studies the role of genetic power as an effect of biotech discoveries and appreciates that the geographic flows of biological information for agricultural purposes are as old as human society. He says language itself may have arisen to serve the need to share knowledge on how to work with biological information.

In this new context, biotechnology needs to be integrated to new public policies, as much as Internet and oil do. Biotechnology communication responds to the struggle for change from a state-centric to a multi-centric world as conceived by Rosenau (1997, 66). It is also a matter of independence or interdependence to governments who become more responsible to collectivities and their public opinion.

This chapter analyzes biotech communication in Mexico and Canada in four steps: (1) biotech in the North American Free Trade Agreement (NAFTA) context; (2) basics of scientific communication (theoretical approach and hypothesis); (3) comparative case studies of four institutions in Mexico and Canada, which includes a pragmatic analysis of their discourses and a formal analysis of their Web sites; and (4) final discussion and conclusions, including placement in this volume's paradigmatic puzzle.

Some of the key empirical problems to be addressed here include the following: (1) What is biotech communication like, and what should it be

like if it is to make a difference between policies and discourses? (2) What is the importance of biotech image creation for the four analyzed institutions? (3) How much significance do they give to discourse, and what is the impact it may have on the society? (4) Is there any common background for biotech cooperation between Canada and Mexico? Their theoretical counterparts boil down to how they affect NAFTA (positively or negatively): Is NAFTA porous to biotechnological communications, and if so, how does it manage these forces?

NAFTA and Biotech Issues

NAFTA released a series of mechanisms that have gone beyond regional commercial integration, promising a similar development of their productive structures and use of new technologies, and invoking a community with broader ontologies and epistemologies. Overall, this multiple integration was supposed to have positive effects, by stimulating a balanced growth of the three partners, Canada, Mexico, and the United States. The end-result may spread beyond these three countries without the three countries behind the steering wheel of the diffusion, raising the question of governance.

Before NAFTA, the three partners were involved in independent bilateral processes of integration. NAFTA nudged those structures to evolve toward a common pattern, in which the U.S. economy would articulate the other two and the whole bloc would eventually function as one single system, even though Canada and Mexico did not integrate directly. Therefore, the integration process in North America has been rather unbalanced,² to begin with; but the forces it released spread beyond the region, again raising questions of which state will manage them, and at what level of policymaking analysis: state, region, or global?

Recent experiences of Canada and Mexico in their commercial U.S. relations have shown integration to be insufficient and/or not adequate enough. As a matter of fact, the United States has dominated innovation in science and technology, while Canada and Mexico have not commensurately used applied science to boost economic integration. In particular, technological changes in the Mexican economy have been quite modest, and they endanger the country's global competitiveness.

The case of green/agricultural genetic engineering shows international scientific cooperation to open channels of communication not considered in the NAFTA institutional infrastructure. Public-private partnerships initiated by scientific institutions that work directly with companies have allowed the emergence of new forms of cooperation to stimulate the innovation process outside the public sphere. In this way, scientific communication and its close relation to the media has acquired a fundamental

role in North American politics. A comparison of the biotechnology industry in Canada and Mexico exposes not only the inherently different stages of development, but also the multiple levels of policymaking invoked, at least theoretically, and thereby making the questions of managerial coordination foremost.

While biotechnology has been a federal priority in Canada since 1983, Mexico introduced the Biosafety Law or the Law of Biosafety of Genetically Modified Organisms (GMO) only recently, generating a lot of opposition from the media and the public. As the third global power in biotechnology, Canada produces 6 percent of the world GMO and is the third producer of GMG-based canola, soybean, and maize. In Mexico, only genetically modified (GM) cotton is produced on an industrial scale,³ even though it has started to produce GM maize recently.

While Canada can boast of 400 biotechnology companies, Mexico has but one national biotech company (Probiomed); others such as Monsanto, Dow, and Syngenta have transnational reaches, sometimes working with products brought independently from abroad, such as in the case of maize, and, therefore, bypassing the NAFTA domain. To put it succinctly, the large discussion of maize contamination, with Mexico being its center of origin, has stopped the country advancing in other areas of biotechnology, such as medicine or marine improvements. Even though Mexico's start was remarkable with the invention of insulin in 1981 and its subsequent commercialization on a large scale, Mexico also became a heavy medicine importer without any significant domestic biotechnological improvements.⁴ This was not necessarily due to a paucity of research, as the country has highly qualified personnel in the field. One of the main problems was the lack of networking between universities and companies, that is to say, no innovation policy to promote the academic inventions to the productive sector. Other collateral difficulties were due to numerous cases of biopiracy, resulting in patenting some of the country's genetic resources abroad. This has produced even more resistance to biotechnology, with serious consequences for the Mexican economy.⁵

On the other side, Canada counts with five public laboratories as public-private associations as well as strong finance of public and private research, with its R&D budget tripling from \$254 million to \$717 million.⁶ Even though there are no specific laws on biotechnology, some regulation has been included regarding novel foods.

We, therefore, speak of a research exporter (Canada) versus an importer (Mexico), with no cooperation between them established except for some academic exchange, which often results in the brain-drain of Mexican experts to Canada, and the United States.⁷ Scientific institutions in the two countries were too few to permit cooperation, therefore, their specific discourses show how the country views in the field differ.

NAFTA does not touch this dynamic, which, therefore, qualifies as an exogenous force of regional arrangements; but more importantly, since all such forces and dynamics need some degree of regulation when crossing national boundaries, questions arise as to the policymaking level most suitable for this task—the country, the regional trading bloc, or some multilateral agency. Both subnational and transnational biotechnological forces inspire state-level and NAFTA-level policymaking for which neither are well prepared nor insulated from; and since these forces find their full meaning at the global level, both the state and a regional economic bloc ultimately becomes their hostages.

Basics of Scientific Communication

This section compares the win-win history of biotechnology in Canada with a less fortunate story of the same industry in Mexico. The interaction between science and politics, understood as scientific communication, is one of the key elements in the success of this industry.

Traditional approaches to scientific communication analyzed it as the interaction of science, on one side, and on the other, communication from the scientific community to the public sphere. From a different point of view, Hagendijk and Kallerud,⁸ as well as Halffman and Hoppe, talk of interaction between science and politics, with a bidirectional communicational between experts and politicians.⁹

Scientific communication is expected to create an impartial image of technology, presenting its real benefits as well as its concerns for the society. It has to answer to the public's needs and immediate worries. When made public, these benefits, be they economic or service improvement, must be real and focused on the consumers or other social interests. On the contrary, if benefits are perceived as imaginary or rather ambiguous, scientific communication is interpreted as propaganda and generates a lack of trust.

The importance of science in today's world is proved in this small metaphor: "Humans have lived on earth for possibly 800 lifetimes... the last two lifetimes have seen more scientific and technological achievement than the first 798 put together" (Schlesinger 1986 in Gül 2009). One effect among many others of this scientific revolution taken at an individual level is that the increased awareness of the public opinion leads to the necessity of public assurance and legitimacy.

Nowadays, publics are a lot less manipulated. Due to the increase in the publics' analytic skills, scientific institutions need to do a lot more work in order to convince people. Rosenau conceptualizes individuals as *adaptive* actors and argues that turbulence has engulfed world politics largely because citizens and officials have moved away from the habit end

of the learning continuum toward the adaptive end (Gül 2009). According to Rosenau, there is an overall acceleration of the personal, community, national, and international life.

Science communication needs to respond to this increase in the public demand for quality information. Scientific actors such as the science academies are apparently autonomous from the state authority and act as discourses instances able to validate public policies. Scientific institutions may be interpreted as elites with discursive power. Elites are conceived by Rosenau (1997, 61) as to retain control over resources, communications, and policymaking processes, but they are also viewed as increasingly constrained by publics who follow their activities, who are more skilled at knowing when to engage in collective action and who are ever ready to demand appropriate performances in exchange for support.

One can already see the subject (scientific communication) acquiring the characteristics of both a domestic social force (subnational in the language of the spatial spectrum introduced in chapter one), and a transnational force (a global dynamic by virtue of crossing national boundaries). Its management clearly involves the state, but coordinating strategies between states in North America was not an objective of NAFTA (or even to a large extent at the subnational level, between provinces), but its potential impact on NAFTA is obviously high.

The development of new technologies is expensive, and the investment often includes public spending. For instance, if the biotechnology discourse does not reflect real interests based on public policies, or if social benefits are not outlined from a start, it is rather difficult to convince the public the benefits of this new technology, and to create consciousness and commitment with biotechnology.

The development of a successful scientific communication requires genuine agents who understand and know how to communicate the benefits of a certain technology. They have to know the epistemologies of scientific and political cooperation. They also connect two knowledge areas: the scientific side of a certain technology and its social potential to offer this technology. In this chapter, we analyze scientific associations and regulation institutions in Canada and Mexico functioning as warrants of biotechnology, and thereby, transmitting confidence to the public. Both subnational and national levels of decision making cannot but become intrinsically involved.

The common point is that scientific institutions have the power to create an image of biotechnology through their specific discourses, that is, the "authorities" in charge of accepting or rejecting certain technologies. In turn, the diffusion of this creation spreads farther beyond the range originally and perhaps implicitly envisioned. To put it in Austin's words, "saying is doing", or to paraphrase him, the puzzle is "how to do biotechnology with words,"¹⁰ with words carrying the creations beyond expected boundaries—a

process that is reciprocal: scientific developments elsewhere also permeate North America. In other words, with “biotechnology in words” as an exogenous NAFTA dynamic, how has it impacted (or will impact) NAFTA?

We argue that Canada has a well-defined public interest in the development of technology as a source of economic competitiveness—conceived in terms of global exportations—and that it has also achieved a public policy adequate to its promotion. Consequently, Canada developed a campaign of scientific communication that resulted in public acceptance and social compromise with technology.¹¹

To the contrary, Mexico has not defined a clear public interest in terms of technology and has not launched a public policy meant to achieve positive social impacts. Besides the existence of a certain discourse in favor of modern biotechnology, scientific communication has not been backed up by a real political and economic content, and, therefore, messages were perceived as abstract, confusing, and ambiguous.

While Canada has emphasized success stories such as GM canola, Mexico has started to relate biotechnology with problematic crops such as maize, the main popular meal, and a major source of concern in terms of biodiversity. This situation reminds us of a basic rule in public relations communications: Once a negative image of a product is created, it is difficult, if not absolutely impossible, for consumers to change their perceptions on the product, especially when it is about food.¹² People tend to remember the bad details of the communication and tend to avoid buying the product as they naturally link it to the health concerns.

This chapter’s hypothesis is defined in terms of communication efficiency: Whereas Canada started with a positive image and assumed eventual risks of GMO, Mexico got stuck with the maize discussion, and, therefore, was unable to advance to other less problematic applications of biotechnology, such as medicine. Its theoretical counterpart would be to trace the impediment(s) to some level of policymaking from those postulated in the book’s spatial spectrum, then, extrapolate impact (as catalyst or constraint) on NAFTA-based regionalism.

Case Studies

A comparative case study of four important biotech actors in both countries is used in order to give a general view of the factual versus discursive activity in each case. For a balanced analysis, four homologous institutions were chosen, as shown in table 3.1. They are drawn from the intersection of state and society.

The methodology is divided into two levels. The first one consists of a brief presentation of each institution and its role in biotechnology communication process, followed by a discursive analysis of one text

Table 3.1 Actors Subject to Comparative Studies

<i>Institution</i>	<i>Canada</i>	<i>Mexico</i>
Scientific community	Royal Society of Canada (RSC)	Academia Mexicana de Ciencias (AMC)
Biotech regulation body	Canadian Biotechnology Advisory Committee (CBAC)	Inter-ministerial Commission for Biosafety of Genetically Modified Organisms (CIBIOGEM)

found on their Web site and significant in terms of biotechnology policies. This contextualization of information will allow us to achieve conclusions of a pragmatic nature. *Pragmatics* consists of confronting the discourse with real facts, in order to offer a more socially contextualized and critical analysis.¹³ The second step is an overall comparative formal analysis of the four organizations' Web sites, in order to give a complete view of their Internet communication, based on a methodology proposed by Tigau,¹⁴ as explained below.

Pragmatic Analysis

The four documents to be analyzed—one for each chosen institution—are chosen on criteria derived from political significance in terms of biotechnology. The comparison will be, on the one side, between the ex-CBAC and CIBIOGEM, and the Royal Society of Canada versus the Mexican Academy of Science. Texts are analyzed in their English version in the Canadian case, and in Spanish in the Mexican case.

Each of the four revisions will follow the same parameters of interests, especially designed by the authors for the following comparative case studies:

1. *Ideological review*: This offers a summary of the principles and ideas underlined by the text.
2. *Grammar review*: This outlines those phrase/sentence construction details that may give a clue to the political institution, with an emphasis on verbs used and the main subject of each sentence; other outstanding language details (if any) will also be analyzed. The methodology of discursive/pragmatic analysis takes a special look at the use of verbs, subjects, and sentence construction in order to qualify on the action undertaken by each organization. For instance, verbs in the past refer to completed actions while verbs in the future show mere plans that could or not be realized.
3. *Political position*: This part considers the organization's relations to other political bodies, especially to the government.

4. *Media relations*: Here analysis of the media relations, if mentioned, is undertaken
5. *Signature*: This recognizes whether the document is signed and by whom.
6. *Date*: In this parameter a time perspective is sought, if mentioned.

Royal Society of Canada

The Royal Society of Canada (RSC) was created in 1882 on the model of the Royal Society of London. With 1,858 members, including a Biotechnology Consultancy group, it acts as an independent actor, and has suggested the creation of CBAC and adopted a critical perspective toward the governmental decisions on biotechnology.

The document to be analyzed below is “Expert Panel on the Future of Food Biotechnology: Summary Statement,” released on February 5, 2001, by RSC, a key reference concerning the RSC position on biotechnology and biosafety concerns, with a criticizing element toward the government. This document is important as it reflects a major study on biotechnology risks, on the basis of the request made by the government because RSC is the main scientific institution that could make a point on the debate, from a more neutral point of view. It is actually a summary of the original document that allowed governmental institutions to restructure their risk analysis infrastructure.

Ideological Review

In this document, RSC widely comments on the concrete principles of action that should guide biotechnology in order to avoid the risks that come along with the new technologies, the main two being the precautionary principle and the substantial equivalence. The precautionary principle “accords special consideration to the health and the environment, while also being scientifically rigorous and practical.”¹⁵

The substantial equivalence is seen more as a “regulatory concept,” referring to the differences between GM and nonmodified organisms. Similar to the Mexican case, this has caused quite a bitter debate between scientists; therefore, the Expert Panel of RSC recommends peer review in order to discharge risks and not make decision only on the bases of evidence of harm.

Finally, the document touches on the issue of social acceptance of biotechnologies. On this concern, it makes two types of recommendations: (1) adopt a “neutral stance” of science with respect to the public debate, and (2) take a distance from the media comments on the implications of the Expert Panel’s decisions either in favor or against certain novel foods.

These two are part of the same type of idea: not mixing scientific expertise into the political and journalistic discussion, as the scientific institution independent from the public discussion.

Grammar Review

The document generally uses verbs in the past, which speaks of actions already completed. The main subject is “The Expert Panel” or the “Panel” that assumes all the statements made in this document.

Science and the scientific method are the common denominators of this document, mentioned oftentimes in order to outline their importance in biotechnology, as a creator of these technologies and as the genuine agents to decide on their viability. There is a veiled reference to the division of the Canadian scientific community around biotechnologies, either in favor or against them, which lets us understand that the Expert Panel does not represent the voice of the entire scientific community.

Political Position

In general, the document released by the Expert Panel adopts a critical review on the governmental actions, and it refers to 53 recommendations made on biotech risk, to be considered at the political level. This speaks of the independence of the institution and its self-constructed policy, based on the transparency of its opinions.

Media Relations

The Expert Panel appreciates that “much of the misinformation stems from a failure, either to read the report in its entirety, or to appreciate the nature of the mandate given to the Expert Panel by its sponsors, Health Canada, the Canadian Food Inspection Agency and the Environment Canada.” This phrase speaks of an uneasy relation with the press (not detailed in this document).

Signature

The document is signed by 14 scientists, in the name of the Royal Society of Canada—an act of complete transparency that will definitely not be found on the Mexican side.

Date

The document is dated February 2001.

Mexican Academy of Science

The *Academia Mexicana de Ciencias* (AMC) was founded in 1858, with 1,967 members today. It has a Biotechnology Committee, which participated in the political initiative and the discussion prior to the creation of the Law for Biosafety of Genetically Modified Organisms. It has not been politically independent due to its involvement in the process of law creation and its active promotion in favor of biotechnology that does not take into account the public opinion or common fears of genetic contamination of maize, of which Mexico is the center of origin.

The document to be considered below is called *Recomendaciones Generales para Consolidar la Biotecnología en México* (General Recommendations to Consolidate Biotechnology in Mexico), based on the work of one of the most active pro-biotech members of the AMC, Bolivar Zapata, who was one of the main figures to represent AMC in Biotechnology Law discussion. The document was chosen due to its position as the main discourse of AMC, in spite of it being written by only one of its members. Therefore, the entire Academy assumes the recommendations, risks, and problems identified by this study as an institutional position on GMO.

Ideological Review

This document offers a series of solutions or recommendations for Mexican biotechnology, recognizing some problems of the field, such as the insufficient networking between the academic and the productive sector, and the lack of prepared human resources for areas such as the marine biotech. The document is not an original one written by the AMC, but an abstract of a scientific book,¹⁶ divided into six main areas: networking of scientific institutions in the country; planning and development of the biotech infrastructure in the country; applications of research to the industrial areas; improvement of the juridical framework; professionalization of knowledge diffusion on biotechnology, biosafety, bioethics, and bioprospection in the country; and more networking to solve real problems. However, a pragmatic analysis of these six areas of recommendation will show that none of them has been actually put into practice.

Grammar Review

There are orthographic errors in the document as well as unnecessary repetitions of words, which speak of a certain lack of importance given to this discourse, or to the hurry in which it was written and uploaded. For sure, there has been no professional style revision, as in the Canadian case.

The use of impersonal verbs is huge, a detail that can be translated into the lack of responsibility for biotechnology and the discourse in general. As a matter of fact, this is not a work by the AMC, but an abstract of a text written by one of its members, so that the Academy does not wish to assume full responsibility of its content.

Political Position

The document does not define one.

Media Relations

Even though there is a recommendation of more professional communication on biotechnology, no specific reference to the media is made.

Signature

Although referred to in the work of Bolivar,¹⁷ there is no signature.

Date

This is not specified (deduced year: 2002).

Canadian Biotechnology Advisory Committee (CBAC)

CBAC was responsible for the creation of a biotech policy construction in Canada and it was also part of the Canadian Biotechnology Strategy from 2005 to 2007. It has been recently transformed into the Science, Technology and Innovation Council. This means that its importance has increased, as it was assimilated to a larger innovation institution and transformed from a Committee to Council with more power of decision and action.

Its decision structure was based on a Secretariat, a Chair, and a Consultancy Committee. Its main role was to provide advice on policy issues associated with the ethical, legal, and safety aspects. Even though it does not exist any longer, it was chosen as it corresponds to the role of CIBIOGEM, the Mexican regulation institution.

The document analyzed below is “Many Perspectives, One Source: Annual Report, 2006,” which is the last report written by CBAC within the institutional formula it utilized to work. Besides being the report of the year, this document makes overall commentaries on the three years in which CBAC has acted as a major agent in regulating particular issues related to biotechnology in the country.

Ideological Review

CBAC used to be the equivalent of CIBIOGEM in Mexico, but as this level of the Canadian strategy has been transgressed, we basically face a comparison of two phases of biotech policy. The document explains the role of CBAC as an advisor on policy issues related to “The health, ethical, social, regulatory, economic, scientific and environmental aspects of biotechnology and its applications.”¹⁸ Toward the end of the document, patent abuse and remediation of such abuses is contemplated; on this respect, CBAC recommends the modification of the intellectual property legislation in order to avoid future irregularities.

Being the last CBAC report, it includes tables and figures about past CBAC reports, which serves as a sort of a commercial of CBAC activities inside its own text; this can be seen as a final propaganda of its role in society as an important lobbyist on biotechnology and its potential.

Grammar Review

The text has a very clear structure and makes use of pictures of biotech products, offering ideal report style writing. Consequently, most of the verbs carry a conditional—or optional—mood (must, call on, has to, and so forth.). Here is an example: “The Government must take swift [*sic*] to encourage innovation and make the benefits of that innovation readily available for Canadians” (Jasanoff 2005).

Political Position

One of CBAC’s functions was to create a strategy for the future of the Canadian biotechnology, and the way to do it was to absorb biotechnology

advances to the overall innovation policy of Canada. In this sense, the title of the document gives a clue on how biotechnology is seen in this last report of CBAC: as a “biopromise,” a commercial opportunity for economic growth.

Media Relations

No analysis of media relations with CBAC is included, even though the documents point at some Web sites such as BioPortal and the CBAC page.

Signature

It was merely signed by the government of Canada, CBAC.

Date

It is dated 2007.

Interministerial Commission for Biosafety of Genetically Modified Organisms (CIBIOGEM)

CIBIOGEM was restructured with the Biosafety Law release in 2005 and is integrated by various ministries (in Mexico, *secretarías*) through two main bodies: the Scientific Consultative Council and the Joint Consultative Council, functioning as two separate organizations of advice.¹⁹ CIBIOGEM’s roles are to assist the law enforcement; coordinate policies on GMO regulation, release, import and export, use, consume, risk evaluation, and so forth.

Participating in a discourse on the CIBIOGEM proved to be a difficult task, as its Web site is almost not accessible to the external visitor: some pages can be accessed only by Intranet users; some links do not work; and others refer to GMO risks in Kenya, Vietnam, and Brazil. The only page where we can see CIBIOGEM define itself is in the listing of functions, among which it mentions “recommend risk analysis derived from the experimentation and commercialization of GM plants and animals.”

Finally, to be analyzed below is “Legislación mexicana en materia de bioseguridad” (Mexican Legislation on Biosafety Issues), which was not signed

by CIBIOGEM but by the Secretaría de Gobernación (Ministry of Interior). Regardless of the signature, the document was chosen as it is the only discourse on the CIBIOGEM Web site to define its functions and roles.

Ideological Review

The document offers a clear but dull explanation of the Biosafety Law, as well as an overview of the CIBIOGEM functions. Biosafety is emphasized through the continuous repetitions of the term, not only in the title of document, but in the corpus itself. In reality, the emphasis on biosafety has been the result of a strong citizen lobby to protect biosafety,²⁰ but does not reflect a desire of biodiversity conservation at a political level.

Grammar Review

The documents present no orthographic mistakes, and are written in an official syntax, as a press communiqué. However, there are contradictions in some sentences. For instance, “Concerning the other three Ministries that compose the (Public Estate and Credit, Economy and Public Education)[,] it is important to outline that they do not apply specific legislation on biosafety issues, nevertheless they do that with respect to dispositions that regulate aspects related to biosafety and/or biotechnology, directly or indirectly.”²¹ This ambiguous text as well as other similar parts show not only a lack of writing abilities, but also an equally ambiguous political position and role of action, as outlined below.

Political Position

The example of language and grammar analysis is not a matter of linguistics, but it reflects the political mess in terms of biotech legislation and who and how to apply. The law in itself is ambiguous, and it has been complemented by a Rule and a Special Regime on Maize regulation, this last one not yet approved. Due to the fact that CIBIOGEM involves so many ministries, and two committees (the Scientific and the Joint one—this one to be seen as a more commercially oriented body), it spends more time on internal discussion with no effect on the biotech industry than implementing decisions in general.

Media Relations

They are not considered in this document.

Signature

Signed by the Secretaría de Gobernación (Ministry of Interior), the document reflects the dependency of CIBIOGEM on the government, as well the lack of independency regarding its own functions.

Date

None is specified.

Formal Web Site Analysis

The formal analysis of Web sites consists of a general appreciation of the aspect and structure of information on the Web site, which will afterward be interpreted in terms of organizational communication and institutional policies of Internet use.²²

A previous methodology of formal Web site analysis proposed by Tigau²³ is applied to register three type of indicators, as outlined below.²⁴

1. *General information*: electronic addresses; year of construction; IP; welcome page; site map; contact data; languages; last update; sounds; video; design usability; search engine; and animation.
2. *Typographic resources*: the existence of typographic and orthographic errors.
3. *Interaction resources*: FAQ; feedback/contact us; visitor's counter; restricted area (Intranet for organization members); save as predetermined Web site; as well as promotion and publicity.

The formal analysis is based on a monitoring process realized between October 1 and November 24, 2008. Data were filled, as shown in table 3.2, for the four institutions, to give a general overview of the communication phenomenon. The collected information revealed elements of interest as outlined below.

General Information

The four Web sites use the servers of other institution, as table 3.2 shows. The Web servers of both the Mexican institutions seem to be 10 years older than the Canadian ones, as they use the IP of the National Autonomous University of Mexico (UNAM), created in the 1990s.

Table 3.2 Formal Webpage Analysis, according to Data Registered between October 1 and November 24, 2008

<i>Organization versus Indicator</i>		<i>Royal Society of Canada (RSC)</i>	<i>Mexican Academy of Science (AMC)</i>	<i>Canadian Biotechnology Advisory Committee (CBAC)</i>	<i>Interministerial Commission for Biosafety of Genetically Modified Organisms (CIBIOGEM)</i>
<i>General information</i>	Electronic address	www.rsc.ca	www.amc.unam.mx	www.cbac-cccb.ca	www.cibiogem.gob.mx
	Year of server construction ¹	2000	1989 (UNAM's domain)	2000	1991
	Internet Protocol (IP)	Ontario–Toronto–Magma Communications Ltd.	Distrito Federal–Mexico–Universidad Nacional Autonoma De Mexico	Ontario–Ottawa–Industry Canada	Distrito Federal–Mexico–Universidad Nacional Autonoma De Mexico
	Welcome page	Yes	No	Yes	No
	Site map	Yes	No	Yes	Not active
	Contact data	Yes	Yes	Yes	Yes
	Languages	English, French	Spanish	English, French	Spanish
	Last update	2008, September 23	2008	2007 (as CBAC)	2008 (November 24—daily)
	Sounds	No	No	No	No
	Video	Yes	No	No	No
	Design usability	Regular	Regular	Complicated	Regular
	Search engine	Yes	Yes	Yes	Yes
<i>Use of typographic resources</i>	Animation	No	No	No	Yes
	Ortographic errors	No	Yes	No	No
<i>Interaction resources</i>	FAQ	No	No	No	No
	Feedback/ contact us	Yes	Yes	Yes	Yes
	Visitors' counter	No	No	No	No
	Restricted area	No	No	No	Yes
	Save as predetermined webpage	No	No	No	Yes
	Promotion and publicity	No	Biotech website	No	Other governmental bodies connected to biosafety

¹ No date is available for the construction of four analyzed Web sites.

However, no date is mentioned for the creation of the analyzed Web sites, neither in the Canadian nor in Mexican case. Seven pieces of information demand attention.

The existence of welcome pages in the Canadian case is not necessarily due to a more enticing attitude, but to a necessity: they require a bilingual presentation (English and French). At the same time, the Mexican Web sites are unilingual, which may be interpreted as a lack of desire to connect on the international sphere with the English-speaking public. Their public is meant to be exclusively domestic. However, this resource of a welcome could also be used for a visitor's counter or a welcome message, which is not the case.

Site map: This tool, which generally consists of a contents index, speaks of a certain desire to organize information as well as of institutional transparency. While both Canadian sites have an active site map, in the Mexican case there seems to be no urgency to give an overall image of their institutional communication. In the case of CIBIOGEM, a site map is contemplated but has been maintained inactive during the two monitoring months, while AMC does not count with a general index.

All Web sites have been updated in 2008, with the exception of CBAC, an organization which was dissolved in 2007 and transformed into a governmental institution with a more complex innovation infrastructure. However, the contents of CBAC Web site has been maintained active on the net till October 2008, with historical and information purposes.

Sound and video resources: The four Web sites lack the use of sound and video, which speaks of certain austerity and rigidity or at least of a quite traditional way of institutional communication. The only exception is provided by the RSC, which provides a video of its one-hundred and twenty-fifth anniversary in 2007. This age belies another feature relevant to this volume: its exogenous and external connections and origins, and its steady nationalization since the evaporation of British policymaking influence in Canada. In this sense, NAFTA provides an opportunity to externalize this exogenous agency, if, and only if, NAFTA-based coordination with Mexico and the United States takes place.

Animation: The above mentioned austerity is also applied to animation resources, except for the case of CIBIOGEM, whose does use some movement by comparison to the static type of Web site of the other three institutions.

Design usability is qualified as simple, regular or complicated, depending on the ease with which navigators can move from one page to another and the velocity at which they may find the desired information. All Web sites have a regular design, except for the one of CBAC that has actually ceased to exist.

Search engine: The four Web sites count with a search engine that seems to work, even though the amount of information on the Web sites

is not that large as to justify a strong search tool. This is more of a general requirement than a true necessity.

Use of Typographic Resources:

In this respect, the only significant indicator is the existence of orthographic errors interpreted as a lack of concern for the form as well as an insufficient revision of the institutional discourse. The only institution with few such errors on its Biotech section is the Mexican Academy of Science.

Interaction Resources

FAQ: None of the four institutions has a Frequently Asked Questions section, as their discourse is not meant for the general public, but for experts.

Feedback/contact us: Generally existent section, very visible in the four cases.

Visitors's counter: This resource is not used to measuring how many people enter the Web sites, for the same reason as the lack of a FAQ section: quantity of visitors is not important, but their profile. Therefore, we do not know either the number or the profile of the public the analyzed Web sites.

Restricted areas: None of the Web sites is used as an inter-institutional tool of communication, except for CIBIOGEM, which has a restricted area for each of its two committees. It is, however, surprising that the academies of science in the two countries, with a more dispersed membership do not offer internal publication *via* internet (or at least Web site) either. Once more, a traditional approach to communication is observed, as internet possibilities are not utmost explored.

None of four Web sites offers the option of saving as a default address, as they do not consider their discourse that important for the public to enter first to Web site before anything else.

Promotion and publicity: None of the Web sites use publicity, as they function as governmental/official means of communication. In the Mexican case, however, the biotechnology section, created especially to promote the introduction of this industry on the market, may be considered as promotion, as it has been shown also in the discourse analysis.

Based on the above formal analysis, we may deduce that these Web sites are mainly meant for the general public, not the scientific one, except for the CIBIOGEM case. CIBIOGEM's Web site offers very little information but has a password section for each one of its two committees. Therefore, more information may be available for the intranet public.

Final Discussions and Conclusions

The evaluation of the biotech communication in both countries shows policies to be a necessity in order to obtain a valuable impact of their messages. For instance, Canada has an advanced industrial biotechnology as the result of a congruent policy, based on the strengthening of research and biotech innovation, as a start point for its development and improvement of its competitiveness. With these elements, it has been able to develop a scientific communication that favors the discourse on biotechnology. It has also created the appropriate regulation institutions and experts necessary for the existence of its industry.

Mexico has promoted legislation that favors biotechnology but has not been able to create a successful scientific communication strategy, which has made it difficult for the society to accept modern biotechnology. Due to the lack of a clearly oriented policy, Mexico has provoked a large part of the public opinion to associate modern biotechnology with the debated GM maize, which was rejected for ecological, cultural, social, and economic reasons. In these circumstances, the Mexican society was divided on the biotechnology case.

On one side, there is some enthusiasm not really based on the benefits for the society, but on the private interests of a few transnational and foreign companies. On the other side, there is a strong rejection linked to the protection of cultural identities, biological diversity, particularly maize. There is also a great amount of disinformation due to the lack of a proper scientific communication strategy. Consequently, it will be difficult to restore confidence and change the biotech image, which has been established in the past decade. Public opinion partly considers it as absolutely negative, and partly conceives it as problematic and suspect of risks. A better strategy on the Mexican side would have been to deliberately leave apart the maize case and focus on aspects less vulnerable of biotechnology, such as medicine and industry.

Image creation for biotechnology industries is one of the clues to get public acceptance when selling new products. In this way, Mexico is putting forward the discourse while it has no industrial policy, while Canada is already speaking on a facts basis and of image improvement, as it has quite a wide experience in the field.

While biotechnology is interpreted in Canada as "the biopromise," the Mexican case is stuck at the biosafety level, not yet solved due to internal conflicts on maize regulation. Similarly, while in Canada they speak of institutions and mechanisms that already exist, in Mexico we are reduced to political recommendations of what could be, let alone the general fear aroused by biotechnology. In general, the term biosafety is the main concern for the Mexicans, while in Canada they seldom speak of real risks for biodiversity.

The Mexican campaign has not faced risk directly, as we can see in the revised documents. The AMC speaks of biodiversity as a manner to boost biotechnology in the country, a dangerous approach taking into account that there have been many cases of biopiracy in Mexico, due to the lack of adequate protection and legislation. Overall, more resources for research are required by AMC, even though there is no need of more professionals when the Mexican industrial policy does not promote buying products invented in the country.

In the case of the Mexican institutions, AMC and CIBIOGEM mainly publish documents related to biotechnology written by other actors and assume them as their own. They do not bother to make a point in the GMO debate and actually write a document that reflects their own institution's position and functions, especially in the case of CIBIOGEM. This evasive communication is not only due to cultural approaches, but also to a general confusion still existing in the country, where most of the public opinion has failed to understand what biotechnology really is about.

By comparison, the RSC in the name of the scientific community with the most prestige in Canada has released a series of very important recommendations for the government, on how to modify the existing regulation in order to minimize risks that is part of using biotechnology in the case of GMO.

A common denominator of the four analyzed institutions is the little emphasis put on media relations, though for different reasons: the Canadian institutions consider it as an inherent relation that does not need to be outlined; the Mexican institutions, widely criticized by the media,²⁵ prefer to keep quiet on this respect and reflect the institutional/political view on biotechnology only.

As the four case studies prove, communication has to have a genuine interest and be based on a well-defined S&T policy. Otherwise it releases messages that make no sense in the overall economic and social context. Communication is but a failure without well-defined interests, adequate policies, and financial resources. A good enough communication strategy is based not just on the message but on an entire political apparatus that exists in Canada, which is yet to be created in Mexico.

We see the authority of institutions such as CIBIOGEM and CBAC as emerging due to their hybrid structure that involves various types of public-private-scientific-citizen partnership. At the same time, the strength of the academies of science depends on their communication strategies and their abilities to innovate their information techniques.

These multiple forces involved in biotechnology policies have to impose themselves as new authorities and to reinforce not only their functioning but also their images. In the Mexican case, there is more conflict as the transition from the state power to the new equilibrium of forces proposed by Rosenau is uncertain. There is still a lot of discussion on how to deal

with frammegrative forces that involve many public institutions as well as new types of political cooperation, such as the scientific one.

In the near future, cooperation between Canada and Mexico in such fields as science communication on biotechnology as well as other areas of science and technology (S&T) would be very useful. Scientific cooperation could be based on certain complementarities between the two countries, this being a new area of exchange, proposed by this chapter. Mexico could learn a lot on scientific communication from Canada, from how it has built and successfully applied its strategy. In this way, Mexico could advance more in terms of transparency and democratization of its S&T policy, very necessary elements in order to avoid social opposition. Canada could also benefit with the natural resources, biodiversity, and scientific experience already existent in Mexico. In this way, common knowledge could lead to the development of new technologies.

Theoretical Comments

Biotechnology knows no boundaries. Therefore, our chapter shows its influence right across the theorized spatial spectrum: Its institutions can be both state-centric and societal (subsectional), but with ramifications at local, state, and global levels. In fact, its motor is diffusion: the more, the better—meaning boundaries become less relevant. Its instrument is words: whether in discursive or pragmatic mold, they both protect (restricting access, for example), and penetrate (boundaries, for example). To conclude, *biotechnology in words* cannot become an exclusive property of the region (in this case, NAFTA), or of the state or any global institution, but it impacts all three—with the critical characteristic being any retreat from it (much as Mexico the research importer proved to be) also eliminates that level of analysis: If NAFTA retreated from it, NAFTA would be pushed to the margins of extinction. Biotechnology requires subnational forces (to germinate the idea), the state (to help nourish the idea and protect it, much like infant-industry protection), and the region (to define the idea).

Notes

1. antal@servidor.unam.mx and cameliatigau@hotmail.com
2. Arroche 2002.
3. Antal and Tigau 2008.
4. Interview with Rodolfo Quintero, Director of the Division of Natural Sciences and Engineering at the Autonomous Metropolitan University, October 10, 2008, Cuajimalpa Headquarters, Mexico.

5. Antal and Tigau 2008.
6. Antal 2008.
7. Interview with Quintero, *ibid.*
8. Hagendijk and Kallerud 2003.
9. Halfman and Hoppe 2005.
10. The title of Austin's work is "How to do things with words."
11. Antal 2008.
12. Pavlik 1999.
13. Salgado 2003.
14. Tigau 2004.
15. RSC 2001.
16. Bolivar 2002.
17. *Ibid.*
18. CBAC 2007.
19. In Mexico, a request by Campbell to experiment with GM tomatoes originated the creation of the National Biosafety Committee for Agriculture (CNBA) in 1988, which functioned as a scientific counseling group at the Agency of Agriculture, Stock Raising, Rural Development, Fisheries, and Food Supply (SAGARPA). In 1999, CNBA was transformed to CIBIOGEM, the main body in charge of GMO risk evaluation.
20. Antal and Tigau 2008.
21. "Por lo que respecta a las otras tres Secretarías de Estado que conforman CIBIOGEM (*Hacienda y Crédito Público, Economía y Educación Pública*), es importante precisar que no aplican normatividad específica en materia de bioseguridad, aunque si lo hacen en cuanto a disposiciones que regulan aspectos relacionados con bioseguridad y/o biotecnología vinculada con bioseguridad, directa e indirectamente" (CIBIOGEM).
22. Covi et al. 2002, Tigau 2004.
23. Tigau 2004.
24. Even though the initial methodology would follow up with a more detailed view of the main page, we will restrict our formal Web site analysis to a general overview.
25. Toledo 2005, Nadal 2008, and UCCS 2008.

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Chapter Four

North American Anti-Immigration Rhetorics: Continental Circulation and Global Resonance of Discursive Integration

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Introduction

Over its decade of existence, the North American Free Trade Agreement (NAFTA) has allowed for deepening patterns of regional economic integration between the three member countries, Canada, Mexico, and the United States. However, the workings of NAFTA have definitely been more bilateral (U.S.-Canada and U.S.-Mexico) than trilateral as a consequence of historical asymmetrical relationships and recent geopolitical articulations. Contrary to a European Union model of continental integration that theoretically facilitates the movement of people, goods, capital, and services, the focus of NAFTA has been primarily on the free flows of goods, capital, and services ardently defended by business lobbies and national economies. Very limited provisions of the agreement have facilitated the unbalanced movement of skilled workers, professionals, and managers in very biased directions dictated by existing national policies.² Far from facilitating the continental movement of people, NAFTA, border fortification, and post-2001 national security agendas have exacerbated the serious democratic deficits created historically in immigration policies and practices—particularly of Mexicans in the United States.

Fulfilling visa requirements to enter the United States and targeted by vigilantism and national and/or state and/or local legislation aimed to curb “illegal immigration,” Mexicans have increasingly looked at Canada as a place to migrate to. Since the early 1990s, Mexican immigration to Canada (both permanent and temporary) has more than doubled. Refugee claims to Canada filed by Mexicans since the late 1990s have more than quadrupled. Having to prove that they are fleeing persecution in their home country, the rate of acceptance of refugee claims

filed by Mexican nationals during 2007 was only 10 percent compared to an overall acceptance rate of 43 percent.³ However, with 13,200 claimants (16 percent of total claims), Mexico ranked as Canada's top refugee claimant country in 2007, and has been since 2005.⁴ Also, the emerging Canadian-Mexican anti-immigrant rhetoric mirrors developments in other parts of the world, indicating the integrative capacities of a very divisive force.

This chapter examines the representations of Mexican refugee claims at the Windsor land border port of entry in 2007 in local news print. In late August 2007, 300 Mexican and Haitian "illegal" immigrants crossed the U.S.-Canadian border into Windsor, Ontario, claiming "refugee status." Many claimants originated from Naples (Florida) and were allegedly fleeing the recent crackdown on "unauthorized migrants" and the economic downturn in Florida. What is particularly fascinating about these emerging patterns of Mexican migration is the discursive overlapping of U.S. and Canadian immigration/refugee rhetoric. I argue that there has been an emerging discursive integration in the continental circulation of anti-immigration rhetoric fed by the larger themes of security and criminality,⁵ in the particular context of economic depression and media distribution and concentration. The production of hostile narratives does not recognize territorial boundaries, and the rhetoric used to delegitimize the claims and the claimants borrowed extensively from the immigration debate in the United States. The particular moral panic surrounding the Mexican "refugee crisis" of Windsor grew from both Canadian experiences of human smuggling of Asian migrants and the U.S. debate of "illegality" of Mexican unauthorized workers. Anti-immigration rhetoric was stimulated by the loss of many jobs in car production sector and the high unemployment in the Detroit-Windsor region, as well as access to U.S. media where "illegal immigration" has been intensely debated since 2006.

These representations not only emphasize the policing of territorial borders against wanted/unwanted migrants, but also demonstrate the rise of a rhetorical crackdown emerging from the U.S. "illegal immigration" debates and applied indiscriminately to the Canadian context. In this sense, border control is no longer located only at the border but is also moving into the main pages and opinion sections of newspapers. Crossing borders and migrating among different genres of discourses, rhetorical arguments, and strategies were picked up and recirculated publicly by print media (among other sources) and commentators. In many cases, the circulation was motivated by the same populist support for more immigration/refugee control and demonstrated the fear, threat, and uneasiness of people—particularly in difficult economic times. Like in the United States, hostility toward Mexican refugee claimants in Windsor was specifically constructed around illegality/criminality, the

protection of jobs, and quality of life. A more Canadian-specific discursive argument for refugee exclusion related to (what is considered the abuse of) welfare support.

Both migration and rhetoric fall in the category of exogenous forces, in this case, likely to impact NAFTA. Both originate with individual decisions (subnational or local force, to keep the theoretical language of this volume), but easily feed upon policies made at provincial or state levels. Both are also related to global forces, for example, moods triggered by migration in other countries, or incentives to migrate, such as an economic boom. Whereas migration has triggered formal policies and institutions at the provincial, state, and international levels, rhetoric is less well anchored formally, though civic associations often provide informal agency of deliberation and dissemination.

Consequently, any state-centric model explaining migration gets off to a head start in explanations, though multi-centric models (such as international organizations) may not be far behind. Regional-level treatments have been more infrequent, though not absent, since the Schengen visa in the European Union, for example, shows a regional-level policy response. Rhetoric, on the other hand, has not been subjected to as much scholarly attention in the integration literature.

Thus, while placing rhetoric in the spatial spectrum analysis of this book should shed new light at all three levels (state, regional, and global), placing migration in the same spectrum is more likely to challenge traditional thinking at state-centric and region-centric levels at the least. This chapter explores how the treatment of both impacts integrative efforts, in particular those behind NAFTA, then what the future predicts given their relevance today.

Methodology

This research is based on the review of 56 articles published in the *Windsor Star* and Toronto national dailies and regional newspapers (gathered through Factiva database). Though all articles are analyzed, not all are used in this chapter. Of the 56 articles, 40 were prepared by journalists and 16 were opinions of readers. Only three articles included biographic narratives of refugee claimants so the voices of the refugees are quite absent from print media and consequently from this analysis. The identity of migrants and refugees has always been and continue to be a matter of controversy. Overall, as is generally the case of print media, immigrants and refugees are depicted in negative and hostile terms—more so in the opinions of readers than in articles where journalists attempt to control their bias. In the case of the so-called Mexican “refugee crisis” of Windsor, prejudice and hostility were often in contrast to

the generally proud representations of Canadian multiculturalism and humanitarianism.

Table 4.1 demonstrates how certain words were favored over others. Overall, the preference for terms like “influx” and “arrival” conjured less prejudice than the metaphorical terminology like “flood,” “tide,” “surge,” or “invasion” used in the United States for Mexican migrants.⁶ However, the idea of threat and fear were frequently expressed, less so in Toronto newspapers than right on the border in Windsor, and so was the use of the term “illegal” generally borrowed from the U.S. immigration debate. It is also important to note that although the case included both Mexican and Haitian refugee claimant, Mexicans dominated the news (for reasons explained below).

Table 4.1 Total Count of Keywords in Newspapers Database

<i>Word</i>	<i>Windsor Toronto</i>		<i>Total</i>
	<i>Star</i>	<i>Newspapers</i>	
Influx	38	15	53
Arrival	23	2	25
Crisis	14	1	15
Flood	11	2	13
Surge	5	4	9
Exodus	4	0	4
Tide	4	0	4
Invasion	1	0	1
Fear	18	4	22
Secure/security	12	1	13
Threat	11	1	12
Strain	3	14	17
Illegal	81	37	118
Criminal	15	1	16
Alien	15	0	15
Illegal alien	11	0	11
Undocumented	4	5	9
Mexican illegal	4	1	5
Mexican illegal alien	1	0	1
Mexican	188	82	270
Haitian	44	14	58
Refugee	289	177	466
Im/migrant	78	44	122
Deport/ation	47	6	53

Note: Bold: Most Occurrences.

Immigration Crackdown in the United States

Antiterrorism statutes enacted post-2001 have been laden with immigration-related criminalizing provisions in the name of national security. There has been a proliferation of immigration-related criminal convictions and removals through the expansion of “deportability” in the 2001 PATRIOT Act. Immigration is now conflated to terrorism in public policy and public opinion. The public debate about immigration has been rhetorically concentrated on illegality (and its associated criminality), and the ostensible distinction between legal and illegal immigration predominantly associated with Mexican migration to the United States.⁷ The contentious 2005 Sensenbrenner’s Border Protection, Antiterrorism and Illegal Immigration Act (HR4437) proposal would have gone as far as considering being present in the United States unlawfully or assisting undocumented immigrants a felony. It also proposed preventive detention pending removal proceedings for anyone attempting illegal entry into the United States. Bipartisan support for additional control and enforcement along the U.S.-Mexico border, along with the need for continuing demand for labor through guest workers programs, have been the only constant in the long unsettled comprehensive immigration reform debate. The most contentious proposals have, however, been those proposing “earned legalization” for the estimated 12m unauthorized migrants living in the United States (in 2008) and constituting an integral part of its workforce and society.

Although immigration is a federal responsibility, Washington is not alone in wanting to regulate immigration. Subnational forces/agencies also engage in prevention methods. In the 1990s, state legislatures of the so-called immigrant states (southwestern states along the U.S.-Mexico border) lamented the additional expenses incurred for immigration-related services by filing lawsuits against the federal government. Over time, many states started to enact legislation to limit immigration-related services or access of immigrants to such services. In the past two years, local or municipal governments stepped in, denouncing that they were experiencing the effects of unwanted/illegal immigration firsthand.

One of the most aggressive challenges to national immigration policy has recently emerged from subnational forces—from small town governments. Since 2006, 135 local governments (in 31 different states) have introduced or have considered anti-immigration measures to regulate the presence of (unauthorized) migrants.⁸ These ordinances emerged only a few months after the historical pro-immigration mobilizations in the streets of dozens of larger U.S. cities and are part of the larger and very polarized legislative and public debate on immigration reform. Most

ordinances related to employment and housing control, that is, making unlawful the hiring and harboring of so-called illegal immigrants. Parallel ordinances sought to develop mandatory registration programs (for laborers/employers and tenants/landlords), to declare English as official language and to authorize local police officers to enforce immigration laws by verifying the immigration status of people suspected of crimes.⁹

Local governments legitimized their actions in the face of national governments' inefficiency to control borders and local impacts of unwanted populations. In drafting municipal immigration-related ordinances, local officials affirmed the perceived negative impacts of (unauthorized) immigration on their territories. They contended that illegal immigration lead directly to higher crime rates, fiscal hardship, and diminished quality of life. Immigration is interpreted as public nuisance and thus is associated to the municipal government's capacity and responsibility to abate nuisance through their local police power. Ordinances actively sought to deter the presence of (unauthorized) migrants by discouraging some from settling in small towns or incapacitating others through fear, law enforcement, and registration programs so that they would relocate elsewhere.¹⁰ Concurrently, Immigration Customs Enforcement (ICE) has carried out immigration raids in workplaces, treating workers as criminals because immigration law forbids employers to hire unauthorized migrants. The result has been that (unauthorized) workers and their families, particularly Mexicans, have retreated from community and public life to avoid being detected and deported. They avoided shopping in "ethnic" stores and participating in school meetings. They altered their driving routes to avoid arrests, fees, and deportations and they devised emergency family plans in the case of parent(s) who do not return from work. They closed their businesses and relocated in larger cities in search of relative anonymity. Some returned to Mexico, others looked toward Canada.

By going to Canada (prior to visa imposition in July 2009), an exogenous NAFTA factor invoking Mexico and the United States acquired a globalizing trait. Although going to Canada still remained within the jurisdiction of the NAFTA domain, the diffusion entailed was no different from that of a globalizing force. In that sense, then, North American migration stood on the threshold of becoming globalized. In fact, to treat Mexican emigrants differently from the migrations of other countries, especially in Canada, would be the equivalent of discrimination. Not surprisingly, the anti-Mexican rhetoric coincides with an anti-Czech Republic policymaking mood owing to an influx of *Romas* "gypsies" from that country. Migration in North America, then, invokes too many subnational, state, and global governance concerns to not constitute a regional worry, and especially a problem NAFTA must deal with even though it short-plays migration in the document: As the severity of those

concerns increase at the subnational, state, or global level, the weight of those concerns also resonate at the regional level, in this case, NAFTA. In fact, to not think of the value of NAFTA when confronted with the value of the migrants would be to ignore an essential component of the puzzle.

The Making of a Refugee “Crisis” in Windsor, Ontario

In late August 2007, 300 Mexican and Haitian “illegal” immigrants crossed the U.S.-Canadian into Windsor, Ontario, claiming refugee status. Many claimants originated from Naples, Florida and were allegedly fleeing the recent crackdown on unauthorized migrants and the economic slowdown. Claimants apparently heard of legal and economic opportunities in Canada and paid a local operator, the Jerusalem Haitian Community Centre, for assisting them with refugee applications (i.e., downloading information and forms from the web site of Freedom House Detroit, an organization offering asylum and refugee legal assistance) and referring them to the Canadian border—all actions consistent with globalization, even though affecting the North American region. The Centre and its director, Jacques Sinjuste, denied their responsibility for the sudden arrival of refugee claimants, but acknowledged that, following a news report on a Florida Latino television station, a small group of 20–40 Mexicans came to the office looking for information. Sinjuste defended that the “illegal immigrant” population was already in a panic over reports that Naples and Collier County were the target of an immigration sweep where “illegals” were being arrested and sent back to their countries of origin. Sinjuste acknowledged helping an original group of Mexicans with filing forms needed to demand refugee status in Canada in exchange of a donation (ranging from US\$100/child to US\$400–500/adult). He denied allegations of providing misleading information to Mexicans about Canada welcoming their refugee claims and providing them with legal status.

The exact number of refugee claimants varies with reports. It is estimated that 300 migrants, that is, 62 families and 59 individuals entered Canada at the Detroit River crossings and applied in Windsor for shelter and social assistance after filing refugee claims with the Canada Border Services Agency in September 2007 and the subsequent months.¹¹ These arrivals of Mexicans and Haitians caused quite a commotion in Windsor, a city of 216,000 inhabitants separated from Detroit by the Detroit River. Municipal agencies dealing with the sudden influx of mainly Mexican refugee applicants were quickly overwhelmed by the 300 claimants and

the \$400,000 mounting services tab.¹² They were even more alarmed by the rumor that an additional 7,000–8,000 were to come (who actually never came). Yet, despite the sudden arrivals, refugee claims at the Windsor Ambassador Bridge represented only 3 percent of claims made in 2007—and this particular influx represented about 1 percent of the total claims made that year.

Considerable media coverage about refugee claimants arriving in Canada concentrated on Mexicans. Headlines in the local newspaper, the *Windsor Star*, and larger dailies in Toronto spoke of “Mexican illegals cross[ing] into Canada,” “Mexicans pouring into city from US,” “Mexican refugees requests skyrocket[ing],” “Mexican refugees shatter[ing] Windsor’s emergency shelter budget,” and “Windsor brac[ing] for more Mexican refugees.” Headlines also reported on the costs of refugee claims with titles such as “Refugee tab [Cdn] \$299,999: Cost of housing, care for Mexicans expected to climb,” “City services strained by refugee influx,” “Refugee overload: Mayor appeals to Ottawa to help as city faces social services crunch.” Windsor’s Mayor, Eddie Francis, was often quoted as saying that the city did not have the means, ability, or capacity to deal with this potential crisis locally. Francis requested federal assistance, and suspecting that the source of the problem resided in the recent crackdown on “illegal immigrants” in the United States, he stated: “I don’t believe that Windsor’s residents and taxpayers should have to foot the bill for U.S. immigration policy.”¹³

The Costs of the “Potential Crisis”

Windsor is known as the “automotive capital of Canada,” a claim that is now linked to more despair than prosperity. In the past 4-year downsizing of the big Detroit Three, Chrysler, Ford and General Motors, Windsor lost an estimated 18,000 manufacturing jobs and is expected to lose an additional 1,500 with the imminent closure of its GM transmission plant.¹⁴ According to the 2006 census data, Windsor’s unemployment rate was 9.7 percent compared to the provincial average of 6.4 percent and a national average of 6.6 percent.¹⁵ This dire economic profile acts as an important background to the refugee “crisis” debate.

The recent influx of Mexican and Haitian refugee claimants in Windsor had a significant impact on the city’s social services already quite tested by its depressed economy. According to the *Windsor Star*, the city spent Cdn\$765,000 in the final four months of 2007 on additional services for the influx of Mexican and Haitian refugee claimants.¹⁶ The sharing of financial responsibilities between the federal and provincial governments in matters of refugee claimants has been the subject of

debate for many years. In Canada, social services are a provincial responsibility, but the responsibilities to actually offer the services rest with the city level. The federal government transfers financial support to the province to cover 80 percent of the social service expenditures. The remaining 20 percent is usually paid by the municipality (in this case the City of Windsor and County of Essex).

But as is often the tradition in intergovernmental equalization programs, the line between costs and responsibilities is contested. Mayor Francis kept arguing that the City of Windsor did not have the means to deal with the additional costs. Ontario Premier Dalton McGuinty argued that any financial help for Windsor would actually have to come from federal coffers since immigration is a federal responsibility. Federal government defended that they had already transferred Cdn\$7 billion through social transfer provisions. Still, Ontario Premier McGuinty defended that “the first line of accountability” in matter of immigration and refugee protection rested with the federal government.¹⁷

The City of Windsor kept arguing that even the 20 percent of this extraordinary situation should not rest on the city’s taxpayers who were already facing extraordinary economic hardship given the severe loss of jobs. Mayor Francis insisted that Windsor is not a traditional arrival point for refugees and lacks the infrastructure and capacities of larger cities like Toronto (which receive about 34 percent of all claims) and Montreal (28 percent). Francis has vowed to continue pushing the upper governments to pay the full cost of hosting the refugees who were “overloading” the city’s social services system. Francis also urged the federal government to reduce the backlog of 31,000 cases waiting to be processed, yet incurring local services expenditures.¹⁸

The debate over who should pay for the refugees’ social services generated interest and anger among local residents. Two circular arguments predominated in Internet versions of newspapers and comments of readers: (1) social services should first go to Canadians; (2) Windsor residents or Canadian taxpayers should not have to pay for Mexican nationals (refugees)—or for the U.S. immigration policy’s shortcomings. Many local residents expressed their fear that an overloaded system would penalize them directly through exhaustion of services or tax increases. Many taxpayers pointed out that such penalty was even more problematic given Windsor’s high unemployment and the low chance of Mexican refugee claimants to see their claims approved. Concern and aggravation linked services and employment issues as follows:

Windsor has one of the highest unemployment rates in the country. Many unemployed Windsorites have to migrate elsewhere in Canada to find work. Many Windsor taxpayers are moving out to the county to avoid an overburdened city tax system.¹⁹

I am very upset that we are welcoming Mexican refugees and providing food and shelter plus social assistance. I have spent my entire life in Windsor. I have always worked and paid taxes until I had a serious accident that left me disabled. I have been fighting our system for four years and have had to struggle just to receive assistance. All of our work is being sent to Mexico for cheap labour and in return the Mexicans are coming here.²⁰

The association of Mexicans and labor and unemployment of the region is clearly expressed. Mexicans were perceived as stealing jobs twice—jobs here and jobs sent there. Entitlements of the native-born to local jobs and to services expressed a strategy of differentiation. Mexican refugees were seen as a threat to the local economy and national welfare system.

In other comments, aggravation turned to exasperation and strong nativist sentiments.

ok that is enough already...lets see if you let 50 in a month over a 12 month period that is like 600 new people that have everything given to them...including our jobs. The money that the city is spending on them is ridiculous. How about giving back to the people that were born and raised here. Wake up Mr. Mayor and say no more. 1.9 million dollars already oh my god...how many of our own people could we help with that money. Jobs being cut...low wages...come on give your head a shake stop it already.²¹

This last comment not only echoes the loss of jobs and a strong native feeling for providing for Canadian-born, but also criticizes the lack of action by the local authorities. Moreover, it uses rhetorical strategies to demonstrate impatience and indignation. Evocative adjectives, such as “ridiculous [spending],” not only show no support for the way the authority is dealing with the situation but is also highly moralizing of the situation itself. Refugees are simply seen as opportunistic; “they have everything given to them.”

In other comments, exasperation is changed as blatant hostility and sarcasm.

We can't afford these immigrants. Ship them back and all of our problems will be solved. Will they be impoverished? Will they starve? Not our problem.²² (Neilson, September 28, 2007).

IF THERE IS ANYTHING I CAN DO, GIVE UP MY JOB, HOME, PENSION, EVEN DONATE MY PACIFICA [CHRYSLER CAR], TO HELP OUT, PLEASE LET ME KNOW.²³

These comments demonstrate a profound hostility for refugees/immigrants (used interchangeably) and assume that refugees are an economic threat; they construct refugees/immigrants as problems and outsiders who threaten our quality of life.

Claiming Refugee Status in Canada

Under international law, Canada is obliged to offer refugee protection. Each claim is reviewed by the Immigration and Refugee Board on its own merit. Claimants become eligible for housing and social assistance while waiting for their cases to make it through the “hopelessly backlogged” refugee adjudication process where the average processing time is 14.2 months.²⁴ However, while waiting for the Board’s decision, children are allowed to attend school and health care is covered. Work permits can be issued after passing a medical test (within a couple of weeks after arrival). A successful claim means that the applicant(s) is officially allowed to stay in Canada. To be successful, refugee claimants must show “a well-founded fear of persecution” linked to their race, religion, nationality, or political background.²⁵ According to the Board, the rate of acceptance of refugee claims filed by Mexican nationals during 2007 was only 10 percent, significantly lower than the overall acceptance rate of 43 percent.²⁶ An unsuccessful application means appealing the rejection to a federal court or deportation to the country of origin.

In 2007, a total of 80,941 refugee claims were made in Canada. With more than 13,000 claimants recorded (16 percent of total), Mexico ranked as Canada’s top refugee country, continuing a trend that began in 2005. The number of Mexican claimants rose steadily since the late 1990s passing from 2,575 claims in 1998 to 4,710 in 2002 and then doubling to 8,000 in 2005. So the so-called crisis of Mexican claims in September 2007 actually conformed to the normal rates of increase. According to the Canadian Council of Refugees,²⁷ the recent arrivals did, however, distinguish themselves from previous trends where the overwhelming majority of Mexican claimants had come to Canada directly from Mexico and not from the United States. Mexican nationals did not need a visa to enter Canada until July 2009 and, therefore, were not subject to the provisions of the Safe Third Country Agreement, a bilateral accord that since 2004 has denied refugees who landed first in the United States the right to file claims in Canada, and vice versa. Under this agreement, ineligible asylum seekers would be immediately returned to the United States where they might be detained. Prior to the imposition of visa requirements to Mexicans entering in Canada in July 2009, exceptions to the safe third country rule include Mexicans and Haitians.

Haitians have long migrated to Canada, and particularly to Montreal, the largest French language city in North America. Haitians fleeing the political persecution under the dictatorship of François Duvalier started coming to Canada in the early 1960s. Since then, they had been more likely than Mexicans to receive their refugee status because of the continuous “official” political turmoil in the country. In 2007, Haiti ranked second with 4,416 claimants (5 percent of total claims). The same year, 49 percent of Haitians who applied as refugees were admitted (a rate down from 53 percent in 2006 and 58 percent in 2005).²⁸ Rejected claimants are, however, not returned to Haiti because of a Canadian government temporary freeze on deportations to Haiti given the prevailing insecurity in that country. Yet, rejected claimants cannot become permanent residents, and, therefore, live in a legal limbo.

No such moratorium exists for Mexico. Under the U.S.-Canada Safe Third Country Agreement, asylum seekers from the United States would normally be turned back. According to the agreement “any person being removed from the United States in transit through Canada, who makes a refugee claim in Canada, who has not had a refugee status claimed determined by the United States, shall be returned to the United States.”²⁹ Until July 2009 and the imposition of a temporary resident visa for Mexican nationals wishing to enter Canada, the safe third country rule meant that refugee claimants applying at a land border would be automatically rejected by Canada without ever being able to present their refugee claim. However, Mexicans and Haitians coming from the United States were able to present their claims because of the then-absence of a visa requirement for Mexicans (contrary to the U.S. visa requirement). Mexicans arriving from the United States were able to seek asylum in Canada under this no-visa requirement, but given the low percentage of acceptance, they risk being deported to Mexico if turned down by the Immigration and Refugee Board. In 2009, Canada deported or removed 10,000 people. The low acceptance rate is due in part to the fact that Mexico is considered a democratic society in spite of warnings of “high levels of criminal activity and violence throughout the country” by Canada’s Foreign Affairs and International Trade Department (2010).

Canada prides itself on a liberal approach to refugees—reaffirming the global province of a problem with regional trappings. Canada has one of the most generous refugee programs among Western industrialized countries. Yet despite official pronouncements of multiculturalism, Canada has not always been receptive to nonwhite immigrants and refugees.³⁰ Canada’s rate of refugee acceptance has dropped quite significantly from 86 percent in 1986 to 43 percent in 2007 (see table 4.2). Setting the fluctuations of the refugee contexts themselves aside, this drop corresponds to a shift from a more humanitarian discourse to one of crime and welfare fraud and more recently since 2001, to one of

Table 4.2 Countries, Number of Refugees, and Acceptance Rate (2007)

<i>Countries</i>	<i>Refugees</i>	<i>Acceptance Rate (%)</i>
Mexico	13,200	10
China	5,748	65
Haiti	4,416	49
Colombia	4,335	78
Pakistan	3,426	49
India	3,397	12
Sri Lanka	3,343	88
Nigeria	2,386	44
Congo, D.R.	1,737	63
Zimbabwe	1,514	67

Source: Immigration and Refugee Board of Canada, 2008b; Citizenship and Immigration Canada, 2008.

national security—all issues with a historically global Canadian setting than regional. Canadians’ legal and administrative system has long had to contend with discerning bona fide claims from those who the public would deem bogus refugee or “queue jumpers.” The following statement reflects the ambivalence created by the system.

I am all for the best for all human beings, but we cannot save everyone. What will it be next? Many Third World countries need help and we cannot save everyone. I sympathize with anyone in need, but we do not have the finances or the resources to deal with it. It’s OK to feel compassion for people less fortunate, but we must draw the line somewhere. Yes, Canada is a great country but we can’t help out the rest of the world.³¹

Refugee Politics in Canada

As persons who have a well-rounded fear of persecution in their home country, refugees triggered a public debate as to whether Mexican and Haitian claimants actually qualify for refugee status in Canada. Haitians have been more successful claiming “political refugee” status because Canada has recognized potential political persecution and has imposed a moratorium on removal to Haiti. Haitian claimants were, therefore, less contested in newspapers headlines. Newspapers initially reported the situation as Mexican and Haitian arrivals, yet, word counts reveal 270 occurrences of the word “Mexican” compared to 58 occurrences of the word “Haitian,” so Mexicans were depicted five times more often in the so-called refugee crisis.

The refugee claims of Mexicans were presumed to be much harder to determine. Mexicans could legally apply for refugee status under the provision of visa requirement in the United States and Canada's previous no-visa requirement. Having to establish persecution in their country of origin is, however, far more contested. A few Mexican refugees in Canada have been able to establish a well-founded fear of persecution based on membership of a particular social group (as contained in the 1951 Convention relating to the Status of Refugees for reasons of race, religion, nationality, membership of a particular social group or political opinion).

In an article entitled "Refugee claims disputed,"³² Alberto Acosta of the Mexican Consul in Leamington defended that Mexico is a democratic and safe country by emphasizing its electoral and legal systems. This official discourse contrasts greatly with the occasional biographic narrative of refugee claimants who blame their homeland's corrupt governments, powerful criminal gangs, and poor economic conditions as grounds for refugee status. While persecution might include issues of security, there is no provision or category of "economic refugee" in refugee law. Yet, many comments and opinions published in newspapers presumed that refugee claims were already "fraudulous" before applying and before review. Some residents misinterpreted refugee laws to reflect their views.

These people [Mexicans] do not even qualify for refugee status in our country. A refugee is a person who fears persecution if they go back to their country of nationality. Are they really in fear of persecution? Even our own legal aid lawyers, which taxpayers pay for, say few qualify as refugees. So why are we paying to provide them with food and shelter when their presence in our country isn't justified?³³

These Mexicans are not being persecuted in their own country, so they should be returned there, or turned back at the border. We pay high enough taxes in this country without supporting every alien that chooses to come here.³⁴

These statements first reiterate a clear differentiation between "we" and "them/these." "Them" are perceived as opportunistic because "we" perceived that they do not qualify or are not persecuted. "They," therefore, become undeserving others. Interestingly, "them" are not only just immigrants or refugees but "aliens" attempting to cross the boundaries of the country. A reference to professional legal aid is used to legitimize and support such view. From these statements, it is clear that the commentators prejudge and make conclusions outside of the legal process of refugee determination, which they see as "too generous" with taxpayer money. This determination is reflected in reference to people who "do not

even qualify” or who “should be turned back at the border,” thus making the claim, the process, and the presence of claimants “unjustified.” Furthermore, an emphasis on “choice to come here” is opposed to a non-choice of “having to pay for them” where Canadians become the victims of the process.

Canadians also blame the government for their failing to promptly identify between legitimate and illegitimate claims.

The reality is that most of the Mexican nationals who have recently claimed refugee status in Windsor will ultimately be returned to Mexico as the refusal rate for Mexican refugees over the course of this year has been 87 percent. The federal government has to expedite the hearing process so legitimate refugees can embrace their new lives in Canada and any bogus refugees can be sent home.³⁵

Ottawa must close this loophole and staunch the flow of questionable refugee claimants because taxpayers are responsible for providing assistance while these claims are heard, which, on average, takes 14 months. Canada should welcome refugees fleeing for their lives from dangerous countries but it should reserve the power to ask tougher questions of illegals fleeing an immigration crackdown in a “safe” country like the U.S.³⁶

Commentators presume claimants as “illegitimate” and “questionable” before due process. Commentators turn to the federal government to address processing time and the general process of review, as well as to better protect taxpayers’ money. By doing so, they shift the relations of state-refugee claimants to one of state-resident victims. The presumption that refugee claimants are not deserving and are breaking the law (if nothing else the moral law of hospitality) is unmistakably implied. The rhetorical position of Canada as a welcoming and compassionate society is used in contrast to a perceived abuse of Canadian “hospitality” by “questionable refugee claimants.” The idea of refugees “abusing” Canadian generosity is clearly expressed in the following comment:

The latest influx of “refugees” has invited itself to take advantage of our country’s lavish handouts. Mexicans illegally enter the United States and hide out within its infrastructure, most of them for years, until a nationwide crackdown on “illegal aliens.” These people don’t want to live in their own country because the quality of life is better in the U.S. Yet, they don’t want to move legally, maybe because they don’t meet the criteria. These Mexicans are not refugees by definition. They are criminals. These people are illegal aliens, criminals on the run and we roll out the red carpet and give them money, free health care and housing, etc. I can’t even afford to go to Mexico because I don’t have enough money. When we go to Mexico we have to pay to live in luxury. When Mexicans come to Canada we “pay” them.³⁷

Again, the notion of “inviting itself” suggests not only that the “guest is abusing its hospitality,” but also that by doing so, refugee claimants engage in acts of intrusion, invasion, or aggression, hence criminal acts, to take advantage of Canadian social services. The use of the adjective “lavish” is a hyperbolic strategy to justify that accessing social services is the sole motivation of the claimants, but lavish is, of course, quite strong in the face of the continuous neoliberal budget cuts over the years. The word refugees enclosed within quotation marks shows that the speaker does not believe that the influx is legitimate and clearly conveys so when stating “Mexican are not refugees. They are criminals.” Those words clearly establish that Mexicans are not only accused of the crime of “inviting itself” to Canada but also “entering illegally” and “hiding” in the United States. Even “not wanting to live in their own country” is perceived as a compounding moral crime.

This perception of refugees and unauthorized migrants as criminals is then clearly demonstrated in the same type of rhetorical crackdown used in the United States. The expression “illegal alien” is actually borrowed from the United States. Sarcasm is used again to say that Canada misleadingly “rolls out the red carpet,” a treatment reserved for official dignitaries, which, of course, is a contrast to the uninvited position cited earlier. Finally, the commentators reverse the roles to establish some moral superiority because going to Mexico as a tourist appears to mean “entering the right way” by paying for services—and not being able to pay means not pursuing to go or to migrate. One could draw a reference to Canadian targeting of “high-skilled” workers and investors whom the immigration system privileges. Interestingly yet disgracefully, the commentator seems to suggest that the luxury of Mexican resorts applies to the whole country.

The Northern Migration of “Illegality”

Policies and practices in the United States have an impact on claims in Canada despite being designated a “safe country.” The failure of the United States to provide asylum to many refugees leads some refugees to turn to Canada for protection. For example, following the 2002–03 Special Registration program (National Security Entry-Exit Registration System) that targeted males from mostly Muslim countries led to some claims in Canada. The failure of the United States to address the problem of its undocumented population also recently led to refugee claims at the Canadian borders. Some family claims were based on the fear that Mexican parents of U.S.-born children have no prospect of achieving status in the United States and worry about being deported and having to leave their children behind.

Illegality of migrants is generally constructed on the flexibility demands of a labor market impervious to wage and condition regulations. It is the expandability and deportability of migrant labor that poses an acute legitimacy problem where one is at once and ostensibly economically productive and integrated while being politically excluded and unrecognized.³⁸ Over the recent years of immigration debates in the United States, and increased vigilantism at the border and undocumented laborer sites, the unauthorized migrant, namely Mexicans crossing the U.S.-Mexico border, has been categorized as lawbreakers and criminals. By extension, they are seen as criminals and welfare abusers in Canada.

Given the prevalent social, political, and economic winds blowing from the United States to Canada, it is not surprising that the same public suspicion for Mexican refugee claimants and the same hostility themes arise on the north side of the border. It is important to note that Windsor, as a border market under the regulations of the Canadian Radio-Television and Telecommunications Commission, is exempted from many of the “Canadian content” requirements—which means that they get a large part of their news from U.S. broadcasters. The same proximity to the Detroit market also exempted Windsor broadcasters from the usual ownership restrictions, which means that all of city’s commercial broadcast outlets are owned by CTVglobemedia. Newspapers are not regulated by the Commission. The *Windsor Star*, the sole daily newspaper in Windsor and adjacent to Essex County, is owned by Can West Global Communication, one of Canada’s largest international media companies. Windsor’s particular media landscape indicates that Windsor residents are exposed to much U.S. media and news.

Therefore, it is not surprising that critics of the claimants associate “bogus claims” and economic opportunism and criminality as it is the dominant discourse in the United States.

I don’t think we should allow all of these refugees in our country when they were kicked out of another country because they were illegal. We have enough jobless Canadians struggling every day with all the plant and company closures today. Canadians are having enough of a hard time without adding the extra burden of people who have not taken the legal measures to come into a country and then sneaking into another country illegally.³⁹

Gee you would think the term used “illegal immigrants” would ring a bell with this government. These people are running from the authorities in the U.S. and we welcome them with health care[,] shelter[,] food and money knowing 97% [*sic*] will be sent back at our cost again by air.⁴⁰

These statements make clear that being “illegal immigrants” render Mexican claimants ineligible for refugee status. The presumption of illegality in one country is perceived as transferable to another one

even though different national systems apply. The illegality of people in general (as seen in the first statement) and immigrants (in the second one) rather than refugees, is constantly constructed in reference to the abuse or burden of Canada taxpayers. The idea that some Canadians are also “struggling” seeks compassion for their victimized state. The typology of illegality, therefore, rests not only on il/legal entry, but also on il/legal residence, il/legal access to services, and, on il/legal employment (exacerbating the jobless condition of Canadians). The idea of “sneaking or running from authorities” also clearly denotes an association with criminality. The reference to actual numbers (the percentage of rejection of refugee claims from Mexicans) seeks to assert some rationality to the situation but is misquoted since the percentage is actually 87.

These statements also reiterate the central roles of states. Like the global forces previously pointed out, the state and subnational forces remain directly engaged where migrants play a role—again conspicuously exposing the absence of any regional-level impulse, institution, or intermediation.

As in the United States, the perception of illegality generates much exasperation for some.

WHY ARE THEY EVEN ALLOWED IN? THEY'RE ILLEGAL. THEY SHOULD BE SENT BACK, PERIOD!!!!⁴¹

These people were in the USA ILLEGALLY in the first place and got deported from there as they should have. Then 'Canaduh' takes them in with no skills or jobs and we spend 2 MILLION in welfare taxes on these people when we cannot even afford to help our OWN people who are losing their cars, homes left right and centre???? SOMETHING IS DRASTICALLY WRONG WITH THIS PICTURE!!!! WE SHOULD SEND THEM PACKING SINCE THEY ENTERED HERE ILLEGALLY FROM THE USA IN THE FIRST PLACE!!! Speaking of this country, don't forget to vote those precious Liberals in!!!! They LOVE immigrants and think we need more people collecting welfare and refugee pensions in this country!!! At least the Conservatives are only letting in immigrants with skills and a job already lined up!!⁴²

STOP ALLOWING THEM INTO THE COUNTRY! Once they're in Canada, they can't work without a visa and are therefore either working illegally, or are dependent on our taxes to pay them welfare. To make matters worse, if it takes up to two years to process a claim, who's to say they'll even be in town to receive news of a rejection? You know the first group who gets notified is going to send the rest scurrying to who-knows-where-Canada!! *The system is broken!* The U.S. deports them, they come to Canada. The border needs to stop swinging one way!⁴³

These statements expressed the same rhetorical crackdown on illegality seen in the United States. Direct reference to “illegality” as a push

factor to enter Canada is already understood as being deportable, withstanding due process. The first statement also uses derision (“Canaduh”) of Canadian society for not standing to criminals and for extending services and failing to protect Canadian welfare and property. The exasperation is clearly demonstrated by capitalized letters and repetitive punctuation. The second statement also uses sarcasm to comment on a forthcoming federal election and the differences between Liberals and Conservatives (even though Canada’s point system—another global-level ingredient since it is applied globally—targeting skilled immigrants was implemented in 1967 under a Liberal government). More importantly, though, the reference to Canada’s targeting of high-skilled immigrants is used to delegitimize the low-skilled refugee claimants. The last statement highlights the criminality of immigrants (by misinterpreting the refugee process as claimants are potentially allowed to work) and their dependence on the welfare system. Moreover, the comment raises questions on the process itself and its capacity to “track down” rejected claimants, who, also with a sense of criminality, infiltrate Canadian society. The sentence “the system is broken” is directly borrowed from U.S. congressional and public debates. The view that Canada is becoming the “dumping” ground of the United States and the need for the border to stop swinging a particular way could be associated with the desire for a more secure (or more militarized) border as in the case of the U.S.-Mexico border. In that sense, some readers insist that Canada learn from the U.S. situation:

So they come to Canada because the U.S. is finally backing up some of their laws. Now run to Canada and ask the taxpayers to pick up the tab? I don’t think so. This is crazy. Stop the craziness before it gets worse.⁴⁴

As an American, I suggest you support this mayor. The USA has been invaded by illegal aliens... Southern California is now a third world nightmare. Learn from the U.S. and do NOT make the same mistakes! Defend your nation!⁴⁵

Canada might learn a lesson or two about illegal immigrants from Australia. “Down Under,” they will basically detain illegal immigrants and QUICKLY return them back to their place of origin. Windsor recently has had a flood of illegal Mexicans ... This is absolutely ridiculous and this policy of accepting these people blindly has to stop since there will be no end to the stream of people ‘jumping the line’ to seek refuge into Canada.⁴⁶

The recognition that the United States is simply applying its laws consolidated the perception of the migrants as “lawbreakers” and criminals. Exasperation shows demands for penalizing action. The comment from a U.S. resident to support the Mayor refers to the numerous

attempts of U.S. municipal governments to pass “anti-illegal immigration act” ordinances to control (and penalize) unauthorized residents. Those measures were championed by local elected officials, hence the support for the Mayor of Windsor who kept a high profile locally during the so-called crisis and internationally as he was part of a mission in Florida to debunk the rumors of Canada’s acceptance of Mexican refugees. This statement reiterates the “problem” of undocumented workers in the United States by the use of a military metaphor—invasion—which in turn justified a military response to control immigration and defend national borders. The idea that Canada must learn from the United States or from Australia in the application of penalizing measures rather than pursuing any humanitarian path to retain refugees is also clearly stated—and again highlights the high global salience in the context of regional relevance. Additional use of water metaphors (as it is often the case in immigration) such as “flood” and “stream,” related the “Windsor problem” to a blown-up depiction as 300 can barely be seen as a “flood”. Estimates of thousands following the initial arrivals were drastically inflated as well. Finally, a reference to “queue jumpers” reiterates the criminality of refugee claimants and draws also from the U.S. discourse on “regularizing” the status of 12m unauthorized workers.

Beyond Compassion

This chapter has so far focused on the hostile reactions to the presence of Mexican refugee claimants, but there were also some reports of more compassionate views toward claimants and refugee process. The issue of Mexican refugees definitely touched a nerve with the readership of the *Windsor Star*. In the Internet version of the September 22, 2007 paper, an online poll that asked “Should Canada’s refugee laws be toughened?” an unprecedented number of votes—14,825—were cast. Contrary to the predominantly hostile comments of some readers, 75 percent responded *no* to the question asked. That left only 24.73 percent agreeing that Canada’s refugee laws should be toughened. Interestingly, very few people (0.27 percent) had no opinion. The results of that poll do not match the comments printed in the newspapers, but it is not surprising that the most vocal people opposing immigration and refugees were the most hostile. Yet, it is also important to recognize some compassionate voices, even though even the most empathetic voices sometimes permeated some moralizing or hegemonic values.

For example, in the statement below, the sharing of similar beliefs and Christian standards acted as the basis for welcoming “desirable”

claimants over others who did not share such beliefs. Empathy is disguised by the need to accept claimants that are “more like us,” a discriminatory position that has been a strong current in the early history of Canadian immigration.

I feel we should welcome them to this country. They have the same beliefs and Christian standards as the rest of our society has which, I feel, makes them more desirable than some others that we have let in.⁴⁷

Another reader also spoke of acceptance in terms of Canadian obligation and shared moral values expressed in the “love for this country and support for their families.”

We heard from refugees who told us why they came to Canada and how they love this country. They told us they want to work and support their families in a safe environment. Experts reminded us that Canada has been obligated since 1952 to accept and support refugees who arrive at our border.⁴⁸

Only on rare occasions was the issue of filling labor needs, an issue closely associated with Mexican farm labor and temporary guest workers program, mentioned. This has, however, been rhetorically used by immigration activists to debunk the myth that immigrants were “stealing jobs” from Canadian-born workers. The following comment could be interpreted as a strong support for foreign workers and critique of temporary workers program and yet the idea of having to contribute and to be loyal to Canada remains central. This sort of requirements is often demanded of foreign workers but not of Canadian-born workers.

It is amazing how narrow-minded most people are submitting comments. This is a concern for the country, not just Windsor... If you are willing to go work in the agriculture industry then say no and go work in the greenhouses. If you are not... shut up! We need workers in this country period. Develop a program to move them where they are needed and they will contribute to Canada instead of coming here and working for six months and sending all their earnings home to family.⁴⁹

The Mexican workers are very courteous and friendly. If [the] tax system is overburdened with welfare and health coverage for the Mexicans, give them work permits so they can support themselves. The farms and greenhouse growers import a lot of offshore labour. Maybe they could be spread out to other cities and provinces to share some of the burden so not just one area takes the hit on its resources. I feel it would be a major mistake to turn the Mexicans away. We, as Canadians, should be welcoming them to our country to become productive citizens.⁵⁰

Arguments in favor of refugee claimants were sparse but certainly important to bring a more compassionate and complex view of migration processes. Yet, historical and contemporary policies that are difficult to change and adapt to current social, political, and economic realities inform our most compassionate views. A critical look of supportive positions may actually allow us to reassess the foundations of our compassion and formulate a stronger argument favoring people's spatial and socioeconomic mobility.

Conclusions

This preliminary analysis of newsprints reporting the arrivals of Mexicans and Haitians refugee claimants in Windsor in fall 2007 demonstrated the rhetorical migration of the terminology and arguments used in the "illegal immigration" debate in the United States. There was a clear dual discursive narrative of obligation and humanitarianism related to Canada's refugee protection process opposing a protection narrative of welfare services, property, and quality of life of the Canadian-born. The particular use of terminology like "illegal" and the recirculation of predominantly negative views of immigration borrowed from the United States show how the particular events of Windsor have been highly influenced by the economic downturn and particular media distribution in the Windsor-Detroit area.

Discursive elements related to the association of immigration, illegality, and criminality were circulated in local newspapers to describe the so-called refugee crisis in Windsor. While the event was framed as a crisis of unprecedented proportion and consequences, the actual number of refugees was far less than anticipated. But the "crisis" was predominantly framed as a Mexican phenomenon and while articles attempted to document Canada's responsibility and process, opinions presumed that the claims were dubious and "lawbreaking".

Illegality of Mexican refugee claimants was not only based on misinterpretations of the refugee law but also seem to be fed by the construction of refugee claimants as workers looking for better economic opportunities in Canada (in the face of the U.S. immigration crackdown and economic slowdown). The association of Mexican claimants as welfare abusers was also associated to criminality. By extension, Canadians become the victims forced to protect their sovereignty, social welfare, and quality of life. It is, therefore, possible to interpret the contested representations of these particular refugee claims as a reflection on the contention related to North American immigration policies and practices and as an urgent call to reconsider the relations between labor mobility and free trade.

Theoretical Observations

The Mexican influx in Canada portrays at least three global forces in a regional setting but completely independent of regional-level relevance: migration, refugees, and rhetoric. All three conditions find anchors in state or subnational settings, but connect directly with global-level triggers, policy responses, and institutions. Left completely out of this nexus, the region, and particularly NAFTA, may remain equally irrelevant in the future. If, for example, migration is one of NAFTA's Achilles' Heel, the two domains (NAFTA and migration) have not directly addressed each other; but for them to do so might require greater policymaking leverage at the regional level (through NAFTA) than at the state level, which is unlikely to happen given the strength of antimigrant sentiments at the state level. If, on the other hand, both domains speak to each other, a critical hurdle of regional integration might dissolve, strengthening future integration—both regionally and globally. For the present, though, the volume's spatial spectrum is ill at ease with itself: Its key components (levels) remain more disconnected than linked, and the outside-in flows of some of the critical dynamics (refugees, rhetoric, migration) contrast the postulated inside-out expectation of integrationists that the state-region transformation spawning a region-global transformation is underway.

On the other hand, rhetoric remains more anchored at the subnational level, though capable of being inflated to reflect state and global concerns/responses. As with migration, it also misses out completely on any regional anchor. If, as was hypothesized in chapter one, a region-centric world brings more order than a state-centric or a multi-centric world, then the absence of migration, refugees, and rhetoric as policy issues may be three reasons; but if that is the case, then regionalism may be too shallow to build durable edifices upon.

Notes

1. gilbertl@yorku.ca. My thanks to Dr. Imtiaz Hussain for the invitation to present this chapter at the "Non-NAFTA Issues Impacting NAFTA: Confronting Challenges Outside the Box" conference held at the *Universidad Iberoamericana*, Mexico City, on October 27–30, 2008.
2. Abu-Laban 2008.
3. Immigration and Refugee Board of Canada 2008b.
4. Citizenship and Immigration Canada 2008.
5. Pratt 2005.
6. Chavez 2001.
7. De Genova 2004.
8. FIRM 2007.

9. The most scrutinized and comprehensive local immigration ordinance was drafted by Hazleton, Pennsylvania. As the self-described “toughest city on ‘illegal’ immigration”, Hazleton passed an *Illegal Immigration Relief Act Ordinance* in July 2006 which was quickly challenged in court by local Latino residents and organizations. A year later Hazleton’s ordinance was ruled unconstitutional in violation of federal law and procedural due process protections of immigrants. Hazleton’s appeal now sits in an upper court (see City of Hazleton, 2006).
10. Gilbert 2009.
11. Lajoie and Schmidt October 6, 2007.
12. Lajoie October 2, 2007.
13. Quoted in Schmidt and Battagello September 19, 2007.
14. Howlett and Keenan December 12, 2008.
15. Statistics Canada 2008.
16. Hall September 13, 2008.
17. Wilhem October 1, 2007.
18. Lajoie October 2, 2007.
19. Sparks September 22, 2007.
20. Renaud September 21, 2007.
21. “Enough already” Comment on Hall September 13, 2008.
22. Neilson September 18, 2007.
23. “Come on down” Comment on Hall September 13, 2008.
24. Edwards June 2, 2008.
25. Immigration and Refugee Board of Canada 2008a.
26. Immigration and Refugee Board of Canada 2008b.
27. Canadian Council of Refugees 2007.
28. Immigration and Refugee Board of Canada 2008b.
29. Government of Canada 2002.
30. The immigration history of Canada has some dark moments, for example, the 1885 Chinese head tax, the denial of East Indians refugees aboard the Komagata Maru in 1914, and of Jewish refugees aboard the St. Louis in 1939, the internment of Japanese and other immigrants in 1942. Until 1962, Canada’s “white only” immigration policy dictated the exclusion of non-white immigrants (Hawkins 1991). Immigration in Canada greatly diversified after the 1962 immigration reform opening up greater admissibility of immigrant and subsequent immigration trends has favored skilled immigrants. However, racialized groups often see their skills devalued and are overrepresented in low-paying occupations (Galabuzi 2006).
31. Renaud October 13, 2007.
32. Pennington September 24, 2007.
33. Seguin September 27, 2007.
34. Steve Comment on Lajoie September 22, 2007.
35. *Windsor Star* October 2, 2007.
36. Ibid.
37. Scott October 10, 2007.
38. See De Genova 2004, Coutin 2005, and Nevins 2002.
39. Angie, Comment on Lajoie September 22, 2007.
40. Larry Comment on Edwards, June 2, 2008.

41. "Paying their ways" Comment on Hall, September 13, 2008.
42. "Classic ripoff!!" Comment on Hall, September 13, 2008.
43. Diana Comment on Edwards, June 2, 2008.
44. Dave Comment on Lajoie, September 22, 2007.
45. PATRIOT Comment on Edwards, June 2, 2008.
46. WRH employee Comment on Edwards, June 2, 2008.
47. Wintermute September 26, 2007.
48. Lucier January 2, 2008.
49. Dave Comment on Lajoie, September 22, 2007.
50. Wintermute September 26, 2007.

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Chapter Five

Integration through NAFTA's Chapter 11: Eroding Federalism and Regionalism?

*Ian McKinley*¹

Background

The Charge and Its Counterfoil

When talking about and analyzing exogenous impacts on the North American Free Trade Agreement (NAFTA), one issue bound to hit the forefront of discussions stems from the controversial Chapter 11: the erosion of federalism as perceived by critics owing to the chapter's provisions. Chapter 11, entitled "Investment," establishes a series of rights that seeks to protect foreign investors and their investments, with the goal of promoting increased investment flows and economic integration among the three constituent countries of North America, and, therefore, their overall well-being. With federalism and regionalism at stake, the theoretical question that arises is whether the winning dynamic is state-centric (power to the state) or multi-centric (power to numerous forces, both institutionalized and independent).

Of all of NAFTA's purported goals, the increased flow of foreign investment among North American countries has been perhaps one of the most successful.² Indeed, there is a consensus that NAFTA has led to a significant increase in investment flows among the three member countries, and intuitively, at least part of this increase must be attributed to the agreements in Chapter 11. Despite this, it cannot be denied that Chapter 11 is a victim to harsh criticism from dissenters of the chapter's provisions in each of the three NAFTA countries. One *Public Citizen* report in the United States, for example, accused the chapter of "bankrupting [U.S.] democracy," deeming it a danger to environmental and public health imperatives, and on the whole detrimental for the public of the three countries.³ International law specialists Howard Mann and Konrad von Moltke subtly criticized Chapter 11 when, in reference to

how the chapter could be improved, argued that “[t]he inclusion of provisions promoting sustainable development can be seen as a positive new direction for international investment law . . . ensuring that legitimate elements of investor protection do not come at the expense of the governmental role in protecting public goods and the public welfare.” The implication is that Chapter 11 today runs the risk of jeopardizing governmental abilities to carry out basic tasks against both local and global/multilateral forces.⁴ It is not just their case (the environment) predicting this outcome, but the larger issue of investment, which knows no boundary, that is actually catalyzing the disruptive antifederalism and antiregionalism forces.

Given that NAFTA’s implementation (especially in Mexico) has seen a dramatic surge in foreign investment levels, why has the chapter been so controversial? Why has staunch criticism arisen against its provision, which have seemingly fulfilled their mandated purpose of increasing investment flows among Canada, Mexico, and the United States? What underlies this criticism of Chapter 11, and is it warranted? As I will attempt to show, it is in fact the perceived erosion of federalism that underlies the criticism of Chapter 11, which is condemned in turn as working against the public well-being in the three countries. The chapter’s provisions, from a critic’s view, are too far-reaching and allow for a situation in which democratically instituted policies at the local, state, and federal level can be challenged as violations of Chapter 11’s provisions, which is seen as inherently unjust and unbeneficial.

I argue, nevertheless, that such criticisms, if not unwarranted, are at least seriously flawed insofar that the reasons used for justifying the condemnation of Chapter 11 have never juxtaposed with the benefits the Chapter has provided. While critics denounce the unprecedented new rights of foreign investors that assure them the security of their investments abroad and point out the costs stemming from the above rights, their criticizing does not balance the costs and benefits available, becoming questionable in the process. Noting this flaw in the popular criticism, in turn, becomes quite important for the ongoing debate about Chapter 11 because ultimately it reframes the debate to a question about whether or not the increased flows of investment among NAFTA parties has proven to be beneficial for North America. In monetary terms, the amount of increased Foreign Direct Investment (FDI) has been so much greater than the costs that Chapter 11 has forced governments to admit that the latter can be deemed as nearly negligible. Furthermore, Chapter 11 has not caused an “erosion of federalism,” but a situation in which the implementation of certain policies may become negligibly costly, in comparison to the benefits awarded by the chapter. The Chapter 11 debate becomes paradigmatic—about the neoliberal ideology under which NAFTA functions and the impact of increased FDI within a given region such as North

America. NAFTA's reliance on multilateral rules simultaneously imposes further costs on regionalism, especially against the expansive nature of foreign investment.

Chapter 11 creates an international legal framework assuring foreign investors that their investments will be treated in a nondiscriminatory manner, and in accordance with certain minimum standards. To that end, Chapter 11 establishes an array of new rights and protections for foreign investors and provides them with a mechanism for the settlement of investment disputes by appealing to international arbitration.⁵

Specifically, Chapter 11 establishes three important protections for foreign investors in its articles 1102, 1105, and 1110. Article 1102, entitled "National Treatment," requires NAFTA parties to "treat investors of another Party no less favorably than they treat their own investors with respect to the establishment, acquisition, expansion, management, conduct, operation, and sale or other disposition of investments."⁶ Article 1105, entitled "Minimum Standard of Treatment," obliges "NAFTA Parties...[to] accord to investments of investors of another Party treatment in accordance with international law, including fair and equitable treatment and full protection and security,"⁷ while article 1110, "Expropriation and Compensation," forbids NAFTA parties from expropriating or nationalizing the investments of another party, either directly or indirectly, "or through a measure tantamount to expropriation of such an investment, unless such expropriation is for a public purpose, is on a non-discriminatory basis, is in accordance with due process of law and the prescribed international minimum standards of treatment, *and is accompanied by compensation at fair market value*" (my italics).⁸

Should a host government be perceived as having breached its obligation to uphold these rights, under articles 1120 and 1122 of Chapter 11, the investors can submit a claim to the International Centre for Settlement of Investment Disputes (ICSID) "Additional Facility Rules," which operates under the auspices of the World Bank, or to the United Nations Commission on International Trade Law (UNCITRAL), and solicit the binding arbitration of a private "investor-state" tribunal. Both bodies operate under similar rules and procedures, which exclude the participation of interested outside parties and lack a standard appeals process.⁹ The tribunals are made up of three professional judges: the investor and the country involved each appoint one arbitrator, and the two initial arbitrators then choose a third one with the approval of both the investor and the country involved.¹⁰ Should an ICSID or UNCITRAL tribunal find in favor of an investor, the decision is binding, and an unlimited amount of dollars and pesos in monetary damages can be awarded to investors.

The idea is thus to dissuade the participating governments from acting in a way that would discourage investors from investing abroad. Many consider Mexico as having been the target of Chapter 11, because of its

history of having nationalized foreign oil refineries in 1938.¹¹ Imposing such limitations encouraged investors to invest abroad and increased investment flows, and ultimately, the level of economic integration among the three North American states, which in turn is believed to benefit society as a whole. The use of the World Bank and United Nations arbitral tribunals, according to proponents of the chapter's provisions, not only provides a necessary and effective control over the complex issues arising from foreign investment disputes within the North American integration project, but also provide incentives for states and private actors to solve their disputes collectively and to cooperate with one another, which also promotes integration.

With multilateral rules entering NAFTA through at least two doors (International Monetary Fund[IMF]/World Bank and investor complaints), not only the state is held at bay, but also regionalism. Thus, not only are the three components of this volume's spatial spectrum directly related, but those relations also move in both directions—from the lowest level of policymaking to the most comprehensive (state→region→multilateral agency), but also in reverse direction, with transnational actors invoked (investors) and state-society networks stirred (each case filed).

One can specifically argue here that NAFTA was created as a stepping stone to broader investment opportunities (and ultimately multilateral settings), and thus exogenous forces would inevitably be cultivated one by one. Even more, NAFTA would also serve as the hammer to chip away at state prerogatives—at least one by one, over a long period of time. With all three NAFTA members being federations, a brick-by-brick dismantling of the federal structure would augment the triumph of multilateral investment rules—leaving business groups in complete dominance, especially over policymakers.

In these senses, then, the endogenous NAFTA force of investment carried too many externalities—the exogenous forces NAFTA could not control, but agencies mobilized by NAFTA (like corporations) could.

Despite multiple proponent views of Chapter 11, there has been heavy criticism of the chapter's rights.¹² Some have called the chapter an “extraordinary attack on normal government activity,” and a “mockery” of state sovereignty.¹³ The most criticized and controversial aspect of Chapter 11 is its applicability of the ICSID or UNCITRAL private “state-investor” tribunals. Critics see the private tribunals' exclusion of public participation and input despite the fact that many times the arbitral bodies deal with significant issues of public concern as undemocratic.¹⁴ Reliance on the use of rules established by multilateral institutions, instead of those established by national or even regional institutions, seems to them contradictory to the public's interests. Indeed, under NAFTA a whole series of public interest regulations are liable to fall under attack, one example being a California law that sought to phase out a gasoline additive found to be contaminating

water wells around the state. The citizens of the state were forced to rely on federal government agencies to defend their new law, which was created over the course of several years through an open democratic process. Not even the attorney general of California could have a formal role in the legal process. The residents of California could not be party to the case, were not entitled to documents, and could not observe the operations of the NAFTA tribunal, despite the fact that their tax dollars might be awarded to the corporation that was demanding \$1b in compensation.¹⁵

Thus, according to critics, Chapter 11 “erodes federalism” insofar that it jeopardizes the government’s basic abilities to conduct its day-to-day functions by extending a set of rights to foreign investors to attack democratically instituted domestic policies and demand compensation for basic environmental, land use, health and safety policies under which domestic businesses operate and upon which citizens rely. Under provisions guaranteeing investor rights to a “minimum standard of treatment” in accordance with international law and to protest a government action as an “indirect expropriation,” corporate investors in all three NAFTA countries have used these new rights to challenge a variety of national, state, and local policies as violations of the agreement.¹⁶ The use of private tribunals, in their view, undermines public interests, as it potentially compromises local, state, and national sovereignty.

Thus, environmentalists have criticized Chapter 11 fervently,¹⁷ arguing that the new investor rights jeopardize environmental imperatives by restricting the government’s ability to impose environmental measures considered to be necessary. An oft-cited example quoted by environmental critics has been the *Metalclad v. Mexico* case, in which the California-based Metalclad corporation had bought a waste management site contaminated with 20,000 tons of toxic and potentially explosive waste in the municipality of Guadalcázar in San Luis Potosí. Many studies indicated that the site’s unstable soils might result in the toxic waste infiltrating the subsoil and thus contaminating the municipality’s deeper water sources; hence the local community, motivated by environmental and public health concerns, demanded that the government close the site. The local government agreed with the community’s demands and ordered Metalclad to cease construction on the new toxic waste facility due to the absence of a municipal construction permit. In October 1996, Metalclad notified Mexico that it intended to sue under Chapter 11’s provisions, while on September 23, 1997 the governor of San Luis Potosí declared the site part of a special ecological zone for the preservation of the area’s unique biological diversity and several species of rare cacti.¹⁸

In August 2000, an ICSID tribunal ruled in favor of Metalclad and awarded it US\$16,685,000. The tribunal maintained that the denial of the construction permit and the subsequent declaration of an ecological reserve on the site constituted indirect expropriations of a foreign

investment in violation of Chapter 11, Article 1110. The tribunal maintained that Mexico had furthermore violated the “minimum standard of treatment” provisions of Chapter 11, because the company was led to believe that the federal and state permits that it had secured allowed for the construction and operation of the landfill. The tribunal concluded that by tolerating the actions of the municipality and the actions of state and federal officials who failed to sufficiently clarify the situation for Metalclad, Mexico failed in its duty to provide a “transparent, clear and predictable framework for foreign investors.”¹⁹ Thus critics point out that the use of the private tribunal in this infamous case not only undermined the sovereignty of San Luis Potosi’s state and local government, it also disregarded an environmental law deemed necessary by public health imperatives.

Furthermore, “questions regarding the appropriateness of these private arbitration bodies for these public-interest disputes are made even more urgent by the fact that cases in these bodies seem to be accelerating under NAFTA” argued the same report in 2001. “In its 35-year history, the World Bank’s arbitral body has handled approximately 79 cases. However, half those cases [were] instigated within the past five years alone.”²⁰ Thus, the fear was that once one investor is awarded monetary damages under Chapter 11’s provisions, an increasing number of investors would be motivated to seek damages under the chapter’s protections. This increase would, in turn, have the effect of constantly broadening and expanding the meaning and scope of the chapter at the behest of federalism and again at the expense of the public’s interest. As the *Public Citizen* report put it,

The accelerating pace of complaints, coupled with the secretive, undemocratic nature of the arbitral bodies and the vast powers of the tribunals to award an unlimited amount of taxpayers dollars to compensate a successful corporation are proving to be a significant threat to the public interest.²¹

To date, many critics have pointed out that there have been a total of 50 cases filed under NAFTA’s Chapter 11, and a total of more than \$28b has been sought. Of those cases, five tribunals have favored the soliciting investors and a total of \$35m has been awarded.²²

NAFTA had an array of goals and achievements it had hoped to accomplish, such as increasing and diversifying trade, creating jobs, stimulating growth and output, increasing real wages, and increasing investment flows, among others. Arguably one of its most outstanding accomplishments was in fact an increase in the flows of FDI among the three NAFTA members.²³ Based on studies conducted by the Congressional Budget Office (CBO), the World Bank, the Carnegie Endowment for

International Peace, and the United States International Trade Commission (U.S. ITC), a Congressional Research Service (CRS) report for Congress reported that between 1994 and 2004, U.S. FDI in Mexico rose from \$16.1b to \$58.1b, that is 259 percent. Mexican FDI in the United States, in turn, increased 244 percent, to \$7.9b. While FDI in Mexico from the United States had grown on average 1.1 percent of its GDP in 1980–93, between 1994 and 2001 it grew 3 percent. The World Bank estimated that NAFTA had led to a 40 percent annual increase in FDI to Mexico, without diverting FDI from other countries. The CBO and the U.S. ITC studies basically agreed, concluding that NAFTA's investment and trade liberalization worked together to reduce risk and improve profitability, and thus that NAFTA helped to increase total investment flows to Mexico, and from Mexico to the United States.²⁴

NAFTA effects on investment flows between the United States and Canada are more ambiguous, because NAFTA was predicated by and predicated upon the Canadian-U.S. Free Trade Agreement (CUFTA)—a similar trend to that found between the United States and Mexico has also been seen between Canada and the United States since 1994; the amount of U.S. FDI in Canada has nearly tripled since that year, from approximately \$100b to nearly \$300b, while Canadian FDI in the United States more than doubled in the same time period from around \$75b to more than \$200b.²⁵ To the extent that Chapter 11 can be seen as having contributed to this environment in which such surges in FDI flows within North America have occurred, these must be seen as the benefits of Chapter 11. Therefore, insofar that Chapter 11, like any policy will do, resulted in both costs and benefits, to determine whether or not Chapter 11 is beneficial for Canada, Mexico, and the United States, the benefits of the chapter, which is some indeterminable part of the increase in the amount of billions of dollars of FDI seen in North America since the implementation of NAFTA, must be weighed against the costs of the chapter.

Why the popular criticism of Chapter 11 is flawed is plain: It fails to consider these statistics of increased FDI and to look at their own criticism of the chapter as costs, and only part of a “cost versus benefits” relationship Chapter 11 has created. It was a concern of critics that once one investor was awarded monetary damages in one case, more and more investors would be motivated to use the provisions of the chapter “as a sword” rather than as a defense mechanism, which would, in turn, result in the constant seeking on behalf of corporations to expand the scope and reach of the (already detrimental, in their view) provisions of the chapter. Nevertheless, to date this fear appears to have been unwarranted; the fact that since 1994 there have (“only”) been 50 cases filed under Chapter 11, and that of those cases only 5 have ended in favor of the private sector seems to undermine such criticism of the chapter.

Again, while critics point out that \$28b dollar has been sought in those 50 cases that have been filed, they also point out that of the relatively large amount of money that has been sought, the controversial private “investor-state” international tribunals have only awarded \$35m, that is only 0.1 percent of the total amount sought. In the five cases in which the tribunals have found in favor of the investors, a total of more than U.S.\$791m has been sought by investors,²⁶ yet only 4 percent of that amount was actually awarded. These figures indicate prudence on behalf of the heavily criticized private tribunals.

Furthermore, Chapter 11 has not caused an “erosion of federalism,” rather it has created circumstances in which governments may have to *pay* for federalism and for the maintenance of democratically instituted policies. While the ICSID tribunal found in favor of the Metalclad company and declared San Luis Potosi’s decision to force the company to abandon production due to environmental and health concerns an act “tantamount to expropriation,” for example, the local law remained in force. The tribunal decided that the Mexican federal government should pay \$16.5m to the Metalclad company (only 15 percent of the \$95m that Metalclad sought in compensation), which it subsequently did pay, in order for the local San Luis Potosi’s democratically elected policy to remain intact. Thus, federalism becomes a cost, but the benefits of Chapter 11 include the flows of increased foreign investment seen in North America since the implementation of NAFTA for which Chapter 11 must deserve some merit at least. Even a fervent critic might be inclined to acquiesce to the fact that the effect of the hundreds of billions of dollars in FDI seen in North America since 1994 on the population of the North American public must dwarf the effect of the \$35m dollars (of taxpayer money) that the federal governments’ treasuries have had to pay to private investors over the course of the past 14 years. Federalism is not eroded; under Chapter 11’s protections a federal government might be forced to pay an amount of money to a foreign investor in the case that a tribunal should find in favor of the investor.

Yet, at the same time, regional powers could not be stretched to their maximum: Metalclad was awarded only \$16.5m out of the \$95m it sought; and only \$35m have been handed out as Chapter 11 tribunal award out of the \$28b demanded by investors. More emphatically, investors retain the right, derived from ICSID and UNCITRAL, to even challenge regional-level provisions.

Metalclad versus Mexico

Because the effect that the billions of dollars of increased FDI in Mexico since 1994, for example, must indeed clearly have had a much more significant impact on Mexico’s society than the effect of the \$16m of

taxpayers' money that Chapter 11 imposed upon the federal government, the latter, if wanting to know whether or not the chapter is beneficial or detrimental to society, it would surely have to know what the effect that the billions of dollars of FDI has been like on the public. Has it been beneficial or not? Likewise, if one were to continue to criticize Chapter 11, instead of accusing it of endangering environmental and health concerns by jeopardizing a government's capacity to institute laws, they want to first criticize the effect of the increased amount of FDI. If one were to investigate and to find that the huge amounts of increased FDI in Mexico, due in part to Chapter 11, has been beneficial (define "beneficial" as one would), then they might be inclined to say that the costs (the \$35m awarded to investors under Chapter 11 in NAFTA's 14 years of existence) seem negligible compared to the effect of the increased FDI. If one were to find the opposite, that the effect of the increased FDI has not been "beneficial" to society, then Chapter 11 could rightly be accused and scrutinized, not for eroding federalism, but for promoting an economic policy that does not bring about optimal social, political, and economic prosperity.

With this twist on the debate regarding Chapter 11, one can see that the current popular criticism of the chapter is flawed, not only in the sense that it fails to consider the benefits of the chapter against the chapter's costs, but also in the sense that accusations that the chapter's provisions impair local, state, and federal governments from conducting their daily activities is imprecise and exaggerated; the chapter's provisions might cost a federal government to pay from taxes, but a local law found to be a violation of the chapter is allowed to remain. Criticism that Chapter 11 undermines federalism and "bankrupts democracy"²⁷ in this light seems almost petty. Justified criticism of the Chapter 11 would thus have to look to the effect that the increased FDI, promoted by Chapter 11, has had on society, and observe whether or not the effect enhances sufficiently the well-being of North America. That is, criticism of the chapter has to be paradigmatic in nature in order to be valid; the actual popular criticism of Chapter 11 is flawed and somewhat irrelevant. A relevant criticism of the chapter's provisions would have to question the principles of the neoliberal ideology under which NAFTA and its Chapter 11 were created, which maintains that increased FDI will promote economic cost efficiency and lead to each country's maximization of economic (and implicitly social) welfare.

Has the surge in Mexican FDI promoted an optimal or adequate level of welfare for the country's population? Has it promoted job creation and overall optimal economic well-being? Has it helped lead to an eradication of poverty? Indeed, there have been arguments postulating the idea that NAFTA, by promoting increased FDI, would lead to the "*maquiladorization* of Mexico,"²⁸ that is, an economic plan for prosperity that converts a

country into one whose comparative advantage is cheap labor and natural resources, therefore, inhibiting chances of long-term economic prosperity by thwarting opportunities to develop domestic industries. While Mexico's GDP has grown somewhat steadily since 1994, an estimated 40 percent of Mexico's population was still living in poverty as of 2006.²⁹ Taking into account the fact that, since the Mexican peso crisis in 1994, the political economy of Mexico has been characterized by a decline in presidential authority and an increasing decentralization of power, the persistent presence of anti-institutional actors (such as the *Zapatista* army, organized crime, the narco-politicians, hard-line Partido Revolucionario Institucional (PRI) governors from states, among others—all exogenous forces), and the growing polarization of income,³⁰ one might begin to doubt the success of the NAFTA model in attaining a level of optimal prosperity in Mexico. Insofar that Chapter 11 is part of Mexico's economic policy, if the policy is deemed to be inadequate and FDI to be not working as a mechanism for bringing about prosperity, then Chapter 11 deserves to be criticized for promoting a failed economic policy. On the contrary, if it is deemed that the effects of the increased FDI promoted by NAFTA has increased the welfare of the country, then Chapter 11 should be praised and considered as a blueprint for future free trade agreements. Evidence goes both ways, suggesting, even if forces from outside the regional box threaten NAFTA, by virtue of Chapter 11 provisions, NAFTA is a durable enough project capable of surviving.

Conclusions

To conclude, criticism of Chapter 11, in order to be plausible, needs to be paradigmatic in nature, questioning the neoliberal ideology's assumption that increased FDI constitutes a maximization of economic efficiency and social welfare. This is because NAFTA, with the assistance of Chapter 11, can be said to have accomplished effectively its goal of creating an environment that has fostered a dramatic increase in FDI among the three North American countries since 1994, with tens of billions of dollars. The actual criticism of Chapter 11 is fundamentally flawed by lacking to see the chapter's costs in relation to its benefits, and that the use of Chapter 11 has not necessarily undermined state sovereignty *per se*, as the most fervent critics had cautioned. Since NAFTA's enactment, the upholding of Chapter 11 has only cost the signatory federal governments \$35m dollars, an amount negligible when compared to the billions of dollars of increased FDI for which merit is owed to Chapter 11. In monetary terms, the benefits provided by the chapter dwarfs what have been the chapter's costs. But what is the effect of the increased FDI on

Mexican society? This must become the vital question and focal point of any meritorious criticism of Chapter 11.

Theoretical Considerations

NAFTA's Chapter 11 beneficial impacts on North America reveals the multiple forces at play in the region: subnational (municipal laws, for instance), national (federal laws), regional (Chapter 11 provisions specifically), and supranational (multilateral laws, for example). Plenty of them outside the NAFTA box have impacted NAFTA, just as NAFTA catalysts have impacted them. The debate shows the capacity of the spatial spectrum to function in both directions, from the smallest to the largest theater, and vice versa. In turn, several characteristics of all three worlds, elaborated in chapter one, remain very valid: subnational/state, regional, and global (multilateral).

Notes

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2. Hornbeck 2004: 3
3. "NAFTA Chapter 11 investor-to-state cases: bankrupting democracy."
4. Mann and von Moltke 2002: 22.
5. Hart and Dymond, 1.
6. "NAFTA Chapter 11, art. 1102."
7. "NAFTA Chapter 11, art. 1105."
8. "NAFTA Chapter 11, art. 1110."
9. "NAFTA Chapter 11, art. 1120 and 1122."
10. Article 5(e) of the Additional Facility Arbitration Rules, available from <http://icsid.worldbank.org/ICSID/ICSID/AdditionalFacilityRules.jsp>
11. "NAFTA Chapter 11 investor-to-state cases: bankrupting democracy," ii.
12. *Public Citizen*, for example, has been one of the most fervent critics of Chapter 11. *Public Citizen* is a nonprofit membership organization based in Washington, DC, dedicated to advancing consumer rights through lobbying, litigation, research, publications, and information services. Since its founding by Ralph Nader in 1971, *Public Citizen* has promoted increased consumer rights in the marketplace, safe and secure health care, fair trade, clean and safe energy sources, and corporate and government accountability. Available from <http://www.citizen.org>.
13. *Ibid.*, iii.
14. McBride 2003: 256.
15. "NAFTA's threat to sovereignty and democracy," v.
16. *Ibid.*, ix.
17. *Ibid.*, v.
18. *Ibid.*, 28.

19. Ibid., 29.
20. Ibid., v.
21. "NAFTA Chapter 11 investor-to-state cases: bankrupting democracy," v.
22. Ibid., v.
23. Cuevas, Messmacher, and Werner 2005.
24. Hornbeck 2004.
25. "Foreign direct investment in Canada."
26. "NAFTA Chapter 11 investor disputes."
27. "NAFTA Chapter 11 investor-to-state cases: bankrupting democracy."
28. Kopinak 1993: 1.
29. "The world fact book."
30. Dresser 1997: 70.

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Chapter Six

Thick Borders and the Challenge of North American Policy Coordination Post-Bush: What's Next ?

*Daniel Drache*¹

The End of the Undefended Border

From June 2009, every Canadian who enters the United States must have a passport or an equivalent document. This regulation will transform the once permeable, undefended, and easily traversed border for day trips into a high-security crossing point. The perception that the border has been thickened irreversibly post-9/11 has much truth to it. But, in fact, North America's borders have been thick regulatory gates since World War II. Borders are fixed by law and geography and changed by circumstances and need.² This combination of inflexibility and adaptation precisely describes the far-reaching transformation of the world's many borders since 9/11 including the great northern border between Canada and the United States.

Theoretically, borders have always been very complex places for security, citizenship, and the regulation of public health, the environment, and food safety—all at least partially exogenous forces.³ While countries prize these areas as spheres of sovereign competence, they will negotiate and share responsibility for health, the environment, immigration, and citizenship with other states when the need arises. Cross-border cooperation has grown immensely in the past 20–30 years almost everywhere except in high conflict zones of war and insurgency—with little or no NAFTA impulse.

It was a misconception that NAFTA would render the border an element of the past and dismantle its security and sovereignty-enhancing character. The Canada-U.S. border has always been a bureaucratic mixture of thick and thin, but what is dramatically new and highly visible today is that Canada and the United States developed parallel security policies following the passage into law of the omnibus U.S. Homeland Security legislation following the 9/11 terrorist attacks. Policing,

intelligence gathering, and immigration have been subject to an unprecedented effort to secure North America's borders from real and imagined threats from terrorists.⁴

What needs to be looked at most carefully is this question: Why are North American governance prospects in retreat since that 9/11 hinge moment? A complex mix of new (and NAFTA exogenous) factors including new border regulations, deindustrialization, and the Canadian government's failure to protect innocent Canadians wrongly implicated in the U.S. war on terrorism has made the Canadian public skeptical of taking the North American idea/policy goal to the next level.

What Canadians correctly sense is that interstate relations, under the Bush presidency, have been subject to a large and visible shift from trilateralism to unilateralism, largely economic and security-driven in origin. The very idea of deep integration has run into troubled times as a security and economic priority. The free trade model of prosperity and development has been overtaken by an unparalleled global financial crisis.⁵ As a result, North American governance, either as public policy agenda setting or an exercise in consensus building and implementation, is in recoil mode. The intent is not to make the Canada-U.S. border into Checkpoint Charlie, the infamous crossing point between East and West Berlin during the Cold War made famous in John Le Carré novels. Rather the Canada-U.S. border will operate as an in-your-face border backed by the full authority of the twenty-first century equivalent of watchman state.

Theoretically, North American integration, epitomized by the North American Free Trade Agreement (NAFTA) since 1994, faces an unprecedented security challenge for Canada, Mexico, and the United States. This chapter explores nine dimensions of the thickening North American borders argument. These are: (1) Bush's unilateralism; (2) Canadian responses; (3) judicial incompatibilities based on a Commission of Inquiry report; (4) Canadian deindustrialization impacts; (5) U.S. economic swings; (6) structural adjustments; (7) the Mexican refugee twist; (8) macro uncoupling; and (9) emergence of thick North American borders.

Bush Unilateralism: No Compromises

In his 2008 book, *The Closing of the American Border: Terrorism, Immigration and Security since 9/11*, Edward Alden argues that the Smart Border Declaration, which was to be an exemplar of the new spirit of bilateral cooperation by attempting to fast track frequent visitors to the United States from Canada, largely failed. Stephen Harper's pro-Bush government entered into negotiations with Washington with the intent to establish preclearance facilities on Canadian soil. The deal fell apart

when the United States insisted that its agents have the full power of U.S. law to take fingerprints and make arrests inside Canada. The U.S. indifference to Canadian sovereignty concerns about U.S. law operating in Canada spiked the deal, writes Alden. “Nexus and fast lanes are a fine thing” to speed up border travel, but “what happened to the co-operative spirit between best neighbours?”⁶ It was not present, and the bottom line is that no sovereign country could make the kinds of concessions the Bush regime was demanding of Canada—one of its closest and most loyal allies.

The failure to work cooperatively reveals much about the security mentality gap that now separates the two countries. The United States is within its rights to demand new identification procedures under the Western Hemisphere Travel Initiative (WHTI), the law that requires all travelers including U.S. and Canadian citizens to present valid documentation when entering the United States; but Canada’s concerns over privacy issues, which violate the Canadian Constitution, have been largely ignored. In May 2008, Canada’s 10 Provincial Privacy Commissioners spoke publicly against the U.S. requirement to have fingerprints and other personal data taken from readable travel documents. Significantly the United States has not been prepared to compromise with its new regulations in order to meet Canada’s worries even half-way.

The hope that wait-lines will be reduced by embedded fingerprints and other readable data seriously underestimates the technological complexities of these new techniques. So far the experience with new high-tech border technology to reduce waiting times dramatically has failed to deliver real time efficiency on the ground, and much more time is required to get these systems up and running. Alden’s eye-opening account should serve as a cautionary tale for those scholars who dream of a world in which sovereignty for the U.S. Congress is a thing of the past and high-tech scanners will make the border disappear for millions of day visitors.

Canadian Citizens and the U.S. War on Terror: A Tragic Narrative

A second reason for the nosedive of the North American ideal is that since 9/11 Canadians have become increasingly skeptical of Bush’s war on terrorism and the extraordinary powers that the security state has given itself. In January 2008, a *Globe and Mail* Strategic Council poll asked Canadians to rank their top 10 issues of importance. Unlike American responses to a similar question in a 2008 *Wall Street Journal* poll, Canadians ranked security and the war on terrorism as the eighth

most important issue out of the 10. In the months after 9/11, security ranked number one among Canadians. The dramatic change in popular support for a unitary or bilateral North American security perimeter is the result of the Canadian public's fierce opposition to the Bush-Cheney presidency. A 2006 Pew survey on foreign policy attitudes found that more than 60 percent of Canadians were critical of the Bush regime and believed that the U.S. policies in Iraq were wrong. The depth of the backlash against Bush is indeed astonishing because, historically, Canadians have shown strong, often bipartisan support for U.S. presidents including Harry S. Truman, Dwight D. Eisenhower, John F. Kennedy, Jimmy Carter, and, surprisingly, even Ronald Reagan with his strong views on less state and less tax policies.

The dramatic shift in Canadian public opinion on security is due without question to the fallout around Maher Arar's illegal rendition by U.S. authorities in 2002. Many Canadians believe that the U.S. Homeland Security doctrine has compromised the civil rights of Canadians. Arar is a Syrian-born Canadian citizen who was kidnapped by U.S. authorities at the John F. Kennedy Airport in New York City while returning home to Canada. He was returned to Syria with the compliance of the RCMP where he was tortured and kept in a cell the size of a coffin. These facts would not have been known without the 2004 public inquiry headed by Associate Chief Justice of Ontario, Dennis O'Connor. The Arar Report found Maher Arar to be innocent on all charges that he was security risk and that the government of Canada and the RCMP's role in furnishing information to the CIA and FBI had violated his rights.⁷ The Harper government has apologized to Arar and his family, and Arar has become the first person in Canada ever to be compensated with a US\$10 million payment. The Bush administration has refused to apologize to Arar for its wrong doing. In the eyes of Canadians, it is incomprehensible that the U.S. secretary of state has refused to apologize and remove Arar's name from the U.S. list of suspected terrorists!

Security experts seriously underestimated the Arar effect on Canadians' perception of U.S. security policy. It perplexes and disturbs Canadians to see that their own government, which has been so clearly onside with the Bush government's war on terrorism, has no visible effect on U.S. policy—either on the comanagement of the border or with respect to Arar. Canadians are angered by this treatment from the Bush administration and are dismayed that their once vaunted relationship of cooperation is at a historic low point.

Many Canadians have come to believe that U.S. homeland border security demands have gone too far and have had too great a role in shaping Canada's security laws. From a legal perspective, a second public inquiry headed by former Supreme Court justice Frank Iacobucci examined Canadian security practices and extraordinary executive powers

with respect to three other Syrian Canadians. Ahmad Abou El Maati, Abdullah Almalki, Muayyed Nureddin were rendered to Syria and tortured for over a year before being released and returned to Canada.⁸

Justice Iacobucci's Findings from the Commission of Inquiry

Significantly, in his October 2008 report, retired Justice Iacobucci once again held Canadian officials responsible for releasing information to U.S. and Syrian authorities that led to the rendition and detention of three Canadian citizens in Syria.⁹ No Canadian official was charged however. Iacobucci held no official blameworthy for their torture, but he faulted the Mounties for sharing Canadian intelligence, which had labeled the men "an immanent threat," with the FBI and CIA as this led to their wrongful imprisonment and torture. Justice Iacobucci vindicated the three men stating that none of them was guilty of any crime or security breach. He wrote: "The words 'immanent threat' in particular were inflammatory, inaccurate and lacking investigative foundation...I can say that even if all of the official's suspicions about Mr. Almalki were correct, the label 'immanent threat' would not have been correct."¹⁰

Canadians are troubled by evidence of the active collusion of Canadian Security and Intelligence Service (CSIS) with U.S. authorities, and not surprisingly, are angry at this miscarriage of justice. The troubling issue for Canadians that underlines both the O'Connor and Iacobucci inquiries, writes Wesley Wark, is this: "whether Canadian intelligence, security and Foreign Affairs officials have so 'lost' their way in the 'war on terror' that they have systematically and deliberately engaged in practices that are repugnant to democracy."¹¹

The point of reviewing the record to date is to underline the fact that, in terms of North American agenda setting, Canadians have deep misgivings about the Bush-Cheney security doctrine. According to recent public opinion polls, they are not supportive of the idea that the Canadian government should acquiesce to U.S. border security demands. It is significant that both at the micro level of border cooperation as well as at the big picture level, Canada and the United States do not share a meeting of the minds. One might have expected that the Bush and Harper administrations would have found it easy to conclude an agreement on these large but practical concerns—they haven't. In terms of the U.S. Homeland Security doctrine, Congress is crystal clear that there are no special deals for Canada, any more than there are for Europe.¹² The cynic might argue that India has done much better in acquiring U.S. nuclear technology than Canada has in easing wait-times at the Ambassador Bridge and

other crossing points. Increasingly, in terms of wait-times and other bureaucratic security arbitrariness, the northern border resembles a major United States-Mexico crossing point such as Nogales, Arizona. Wait-times regularly exceed an hour and can at peak periods be more than two–three hours; searches are frequent, and because of the frequency of hard questioning by U.S. border guards, many Canadians feel ill-treated and angered by the arbitrariness of the procedures.

The Current Cycle of Deindustrialization, Job Loss, and Free Trade

The hollowing out of the North American ideal is also traceable to what some would call “NAFTA effects and globalization.” For trade agnostics, NAFTA is often considered to have been a modest success in the 1990s with respect to job creation, which was one of its major selling points to skeptical U.S. and Canadian publics. The expectation was that job losses in labor intensive industries would be offset by gains in the high performance sectors. At least it could be credibly argued that more competitive industries would actually lead to higher wages in the export sector.¹³ The record reveals a more complex picture. In the United States, where the costs of adjustment were higher than anticipated, there were many more regional losers at the state level. Trade fairness was not part of the deal.

Decline in U.S. Manufacturing Employment but Exports Soar

For U.S. workers the adjustment process has been painful. For instance, in textiles, auto parts, and other labor intensive industries, a record number of U.S. firms moved to Mexico to take advantage of the super cheap assembly operations in the *maquiladoras*. Many major manufacturers of mass produced goods like General Electric, Maytag, Zenith, RCA, and electronic goods assemblers set up shop in Mexico, just a border hop away. It is estimated that more than 100,000 jobs were created in the *maquiladoras*, a net gain for Mexico. The work drain to Mexico undermined many U.S. communities, and a large number of U.S. workers felt cheated and betrayed by Clinton’s promise that NAFTA was a win-win deal. However, this was also the period of Chairman of the U.S. Federal Reserve Alan Greenspan and his low interest rates. So while NAFTA initially cost the U.S. economy 25,000 jobs per month as textile and

other vulnerable industries shut down, the U.S. job machine created in excess of 100,000 other jobs monthly. For those who lost their jobs, NAFTA was the culprit to blame; but overall NAFTA could be seen as marginally positive.¹⁴

Since the new millennium, China has emerged as a new factor in the global equation and this has further diminished the idea of joint North American decision making. First, it became highly evident that U.S. jobs were no longer moving to Mexico but to South Korea, Colombia, and, particularly, to China. U.S. jobs were being fast-tracked to low-wage operations in the global south. Since Bush came to office in 2001, U.S. manufacturing has lost one-quarter million jobs; but overall job growth has increased by 220,000 largely in financial services, education, and health care. These numbers are no consolation to the thousands of families that have lost employment in North Carolina, Michigan, Ohio, and Illinois. With 50,000 manufacturing jobs lost monthly, U.S. industries are being battered by the global slowdown and the mass exodus of U.S. manufacturing to Asia. It is evident that job creation in other sectors in the industrial northwest has failed to stem the demise of local manufacturing. The picture is bad and getting worse by the financial quarter.

Significantly, over the past three years Canadian industry has been also gripped by the toxic effects of deindustrialization, plant closures, and job loss. With respect to job loss, all three NAFTA partners share an equally bleak future. The Toronto Dominion Bank estimates that Ontario has lost over 300,000 manufacturing jobs in auto production, auto parts, light manufacturing, and electronics.¹⁵ A significant proportion of the job losses are from U.S.-subsidiary plant operations, which have closed down their Canadian branches in order to ship production work back to head office operations in the United States. As yet, there is no detailed, comprehensive study tracking factory closures in Ontario, but Chrysler, Ford, Volvo, and John Deere are among those shipping Canadian production to the U.S. heartland. The U.S. press does not report on the fact that U.S. factories are the winners in this zero-sum game of reorganizing North America's industry. Despite the stable workforce and universal health care in Ontario, it is unlikely that the majority of these jobs will return to the province once the economy recovers from the current recession.

Structural Adjustment: A North American Priority

Experts such as Victor Lopez Villefañe estimate that over 400,000 Mexican jobs have disappeared from the *maquiladoras* since 2000.¹⁶ The extent of the job loss would have been inconceivable to someone predicting the future in the late 1990s. NAFTA was supposed to be an iron-clad

guarantee for Mexican development and a virtual job machine. But none of the predictions has turned out to be true. Many American economists point out that Mexico has greater access to the U.S. market than any other country in the world except Canada; but it also has one of the lowest growth rates in the hemisphere. Currently the Mexican economy is growing at about 2 percent per year—a performance level lower than in the pre-NAFTA years. As a developmental strategy, NAFTA has failed to provide Mexico with the economic dynamism needed to be a positive, transformative force.

Julio Boltvinik, one of Mexico's top poverty researchers, has extensively documented Mexico's poverty trap.¹⁷ His work makes for sober reading because, while a Mexican middle class has emerged in the service, financial, and professional sectors of the economy, NAFTA has been a devastating failure for agriculture. Each year over 500,000 Mexicans are forced to leave their small marginal farms and a large number migrate to the United States in search of employment. Most of these are illegal immigrants, and in the never-ending war against the undocumented, the U.S. Border Services carries out close to one million removals per year. Many are removed only to reenter illegally and be removed again. The only good to come out of this tragic story is that Mexicans working in the United States remit approximately \$25 billion in repatriated earnings to their families in Mexico, the largest welfare transfer in Mexico's patchwork programs of social assistance. However, with the U.S. economy in recession, remittances are also down to around \$22 billion or less in 2009 from their previous high of over \$25 billion.

Mexican Refugee Claimants and Canada's Refugee Board

The destabilization of Mexico's society had been intensified by the current wave of narco-terrorism. The pandemic in drug related killings and kidnappings reached a frenzy in 2007 with over 3,000 gang related murders and multiple slayings, a figure up from 1,080 in 2001. Kidnappings and other violent crimes have reached new levels. A record number of Mexicans are fleeing the drug wars to escape to Canada. Since 2004 Mexicans can make claims at the Canada-U.S. border because they are exempt from the Canada-United States Third Country Agreement. Under this agreement all refugees are required to seek asylum in the first country they reach. As a result of this exemption, Mexico has become a major source of Canadian refugee claimants; Mexicans now represent one-third of all claimants awaiting decisions.

In 2001, Canada broadened the definition of refugee claimant beyond political, gender, and religious persecution adding an important new category for claimants seeking protection from “death, or cruel or unusual punishment.” The new definition significantly included the phrase, “not protected by their own country.” Prior to this, Mexican claimants were returned to Mexico with few questions asked. Recently the Federal Court of Canada overturned a number of decisions that had handed claimants back to the Mexican police on the grounds that the police themselves may be corrupt or under investigation for human rights offenses. Since the changes were made to Canada’s refugee law, the legal community has spread the word through different networks that Canada is open to refugees from Mexico.

Still, obtaining refugee status is a very demanding administrative process requiring complex documentation and verification of the claim. The success rate is less than one in three; although for some refugees fleeing Iraq it is higher. Of significance is the fact that the acceptance rate for Mexican refugee claimants is just 11 percent compared to the overall acceptance rate of 34 percent. Canada’s Refugee Board has been timid in recognizing the claims of Mexican refugees.¹⁸

Over 15,000 Mexicans have resettled in Canada, mainly in Toronto in the past several years. The fact that Mexicans did not require a visa to enter Canada until July 2009 made it relatively easy to apply from within Canada for permanent residency. The Canadian government has been encouraging employers to hire Mexicans as temporary workers and close to 85,000 Mexicans have been admitted temporary work visas. Canada has also become a destination for an increasing number of middle-class Mexican youth seeking a university education and the opportunity to learn English. It is too soon to tell whether these trends are temporary or permanent, but the arrival of Mexican claimants fleeing criminal gangs and urban violence reinforces the belief in Canadian sovereignty and the importance for Canada of keeping its borders open to people seeking a new home and a better life.

Macro Uncoupling and the Growth of Fundamental Differences

Are thick borders functional? Thick borders are very functional, not only with respect to citizenship but also in the service of Canada’s national interest. A thick border does not prevent communication or interdependence with other countries; rather it stresses the importance of having a distinctive system of checks and balances responsible for public oversight. Even wait-times at the border are manageable but could be

improved. Managing structural change is one of the most important areas where border effects are highly visible. The reorganization of the North American auto industry will be a case in point. With GM, Chrysler, and Ford about to receive billions of dollars to protect U.S. jobs, it remains to be seen how they will affect the subsidiary operations in Canada and Mexico where over 200,000 people work in this continental industry are reliant on it. Free markets push countries toward convergence; institutions and economic culture promote divergence in the way markets and other institutions perform. If Canada were simply a smaller, more benign version of the United States, the ideal of deep integration would face few obstacles. However, growing divergence between the two countries provides evidence that in some critical policy domains, such as social policy and national values, Canada and the United States are more unlike than similar.¹⁹

Some of Canada's leading economists believe that there has been an uncoupling of the American and Canadian economies, particularly since 2004. Indicators conspicuously show this: 25 percent of the Canadian workforce is employed in manufacturing compared to 16 percent in the United States; energy and resources comprise an amazing 4 percent of Canada's GDP but only 0.2 percent of the United States'. One of the marked divisions between Canada and the United States is the health care system. Canada's health insurance covers everyone at a cost of 9.9 percent of the GDP. American health care is partial and private and costs the United States 16 percent of the GDP. There is also growing divergence in the workplace: 38 percent of Canadians are covered by collective agreements, but only 16 percent in the United States.²⁰

Divergence is a powerful predictor of the values and attitudes that shape modern public policy. Stephen White and Neil Nevitte found that between 1990 and 2005 more Canadians identified with Canada than had previously. According to a World Value Survey, NAFTA has not resulted in a movement toward more neoliberal values. "What is impressive," White and Nevitte argue, "is that Canadians remain attached to their domestic economic structures."²¹

At the time of financial crisis, the idea of a North American community seems much reduced with less luminosity as a strategy for action and a broad vision idea.²² Mexicans, Canadians, and Americans are drawn instinctively to the ideal of good neighbors, but the evidence that they belong to an imagined community knit together by some deep horizontal ties that bind is weak. State capacities in North America remain organized around territorial lines and function optimally on local, regional, and national scales. Too many North Americans believe they are outsiders in their own communities, not to speak of their relation to a trilateral, supranational entity.

Thick Borders & the Challenge of North American Policy Coordination

So what then is the future of North America as an agenda setting public policy idea?

Under current circumstances, the new dangers in North America from massive economic instability seem to outnumber the prospects for new opportunities to strengthen the North American community and trilateralism.

First, North American integration was based on a negative model that said, in effect, what Canada and Mexico could not do with respect to foreign investment rights—Chapter 11 and industrial policy. For example, in the area of energy Canada gave up its rights to a made-in-Canada national energy strategy.²³ Under the negative model, signatories were not required to pool sovereignty for common ends. So in effect, NAFTA created a large legal asymmetry. For the United States, in the event of a conflict between U.S. law and NAFTA law, American law is to prevail. Negative integration does not provide a model of integration in which consensus building advances the public policy agenda.

Positive integration, by contrast, commits all partners, regardless of power asymmetries, to limit their sovereignty for a common end—be it competitiveness, social equity, protecting the social market, or developing new initiatives in science and technology. In the European Union (EU), the European Court of Justice is the highest court, and its rulings regularly overturn the constitutional courts of all its members. The high wage, high tax model of Germany and the Scandinavian countries is the operative standard that creates an upward pressure on wages, regulatory practice, and the social market. Consensus building in the EU's many institutions, including the parliament and Brussels, supports a complex process of negotiation, consensus, renegotiation, and special status that has enabled the EU to accommodate countries at different stages of development with diverse populations and size. Even the much vaunted deficit rule to keep national deficits below 3 percent of GDP has been sidelined since 2004 as Germany, France, Spain, Italy, and Greece have all run deficits well over 3 percent of GDP. By contrast, it is striking to reflect on the fact that in difficult economic times, NAFTA is of no assistance whatsoever in restoring economic confidence in the three signatory countries. NAFTA has no proactive macroeconomic role in managing North America's economy or neutralizing U.S. protectionist measures.

Second, the premise of deep integration was to spread prosperity throughout North America and narrow the income divide. According to the Organization for Economic Cooperation and Development (OECD), the gap between the rich and the poor has widened over the past

20 years. Experts use the GINI coefficient to measure income inequality.²⁴ In the OECD's latest report published in October 2008, Mexico and Turkey were found to have the highest inequality in incomes followed by Portugal and the United States. Denmark and Sweden were the most equal societies in terms of disposal income. What is significant is that countries, such as France, Greece, and Spain, which bucked the trend and narrowed the gap, did so because of rapid growth in employment and real incomes.

Growing North American inequality polarizes and divides, and nowhere is this starker than in the United States. "Rich households in America have been leaving both middle and poorer income groups behind. This has been happening in many countries but nowhere has this trend been so stark as in the US," reported the OECD.²⁵ Governments of this continent need to invest more in health and education in order to address the social costs of so many poorly educated people who do not have access to the full education they need to acquire the skills necessary to obtain better paid employment. Canada and the United States are wealthy societies, but they have created a reserve army of 18–30-year old, undereducated male youths who have dropped out of high school and have no skills to speak of.²⁶

The singular focus on global competitiveness has made public authorities dangerously complacent and indifferent to the real life obstacles that stand in the way of social mobility for millions of North Americans. In the post-Bush era, the challenge will be to identify the best practices to enhance income distribution and address the spiral of inequality. Radical action is needed "not only to ensure the survival of the core banking system"; the reality is that governments have to be ready to pump new money and other kinds of resources into narrowing the inequality gap. It should be remembered that families at the bottom of the financial food chain are as much in crisis as the financial system.

The current economic slowdown and financial distress have also effectively imposed a limit on what market solutions can reasonably "solve." The statements from North America's power elites about the need for collaborative binational strategies no longer match their actions. National policymaking is the option of choice and the default mode. There is no public appetite for a comprehensive agreement that would eliminate the barriers to the free flow of commerce, goods, and citizens between Canada and the United States. The U.S. model of less state and lower taxes is not the high standard any longer, and Canadians and Americans both understand that protecting the continent's environmental and economic safety has to be the responsibility of national governments. Canadians have become suspicious of integration based on a *laissez-faire* model of public policy regulation practice. With an unprecedented banking crisis, there will be other incentives to revive the Canada-U.S. dialogue.

Prologue to the Future: Next Steps

In an Obama presidency, public policy agenda setting, consensus building, and implementation will be increasingly nation-centered. At this juncture, it is hard to see how there will be much movement with respect to the North American model of negative integration of three countries with such vastly different geopolitical spaces, histories, and configurations of political and economic power. In 2001–02, the Canadian House of Commons Standing Committee on foreign affairs and international trade undertook an extensive cross-country consultation and came to the conclusion that “the project of North America, whatever it turns out to be, is yet to be defined”; a conclusion that has not lost its relevance in the succeeding years. As the prospects for agenda setting for a North American community grows dimmer, academic interest has reached new heights of conjecture. The inverse ratio of expert speculation to reality should set alarm bells ringing. The absence of any practical notion of trade fairness and the fortification of the border are reason enough to worry profoundly about the perilous, unsettled times ahead.

Theoretical Reprise

The chapter makes the case that border complexities involve both “spheres of sovereign competence” and interstate negotiations. Daniel Drache’s 2004 model of border governance underlying the multidimensional nature of the Canada-U.S. border has a more general application also to the Mexico-U.S. border. Crime, immigration, citizenship, and regulatory standards in the area of health and the environment require complex intergovernmental strategies that are difficult to coordinate and effect policy coherence. The critical issue seems to be the decline of governance prospects since 9/11 and the reordering of U.S. priorities and needs. Explaining that necessitates developing more adequate models and theories that address the issue of complex transborder policy unilateralism and interdependency.

Notes

1. drache@yorku.ca
2. Drache 2004.
3. Ibid.
4. Wark 2008.
5. Stiglitz 2009.
6. Ibid.
7. Arar Report 2006.

8. In 2006 in a prior development, the Federal Court of Canada forced the Harper government to release four out of six individuals who were being held on security certificates and to change the legislation to conform to human rights concerns. These certificates allow Canada to detain and deport foreign-born terrorist suspects who are deemed a threat to national security. See 2006 FC 1230 Justice McKay and 2006 FC 1530 Justice Tremblay-Lamer. The Court found that the individuals concerned would face serious risk of torture if deported. See <http://www.homesnotbombs.ca/Reality%20Check.pdf>
9. Copeland 2009.
10. Wark, *Globe and Mail* October 22, 2008.
11. Ibid.
12. Ibbitson, *Globe and Mail* March 25, 2009.
13. Hart 2002.
14. Clarkson 2002.
15. *TD Report* June 2008.
16. Villefañe 2008.
17. Boltvinik 2008.
18. CBC 2009.
19. Adams 2003.
20. Drache 2008.
21. Nevitte and White 2008.
22. Pastor 2008.
23. NAFTA guarantees the United States secure oil and gas imports from Canada under the proportionality clause. In the event of a crisis, Canada is obligated to continue to supply American homes with energy under the stringent terms and conditions of the agreement. Canada was forced to make a major concession with respect to energy pricing. Under NAFTA it no longer has the option of implementing a two-tier pricing policy that would guarantee Canadians a lower price for oil and gas than Americans. Significantly Mexico did not accept these conditions, and its state-owned energy company PEMEX remains outside the scope and ambit of NAFTA (Morales 2008).
24. OECD 2008.
25. Ibid.
26. Corak 2008.

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Chapter Seven

Three Amigos and a Nonregional Player: China as a Challenge Inside and Outside the NAFTA Box

*Francisco Haro Navejas*¹

Introduction

By many standards, China is a difficult intellectual proposition: Inquiring about, acquiring, and analyzing information on China-related topics is time-consuming and never covers the full picture since so many variables come into play. This also applies to the relationship between China and signatories of the North American Free Trade Agreement (NAFTA): A Janus-faced relationship finds China influencing NAFTA from both within and outside.

In order to understand Chinese actions in the larger American continent, one must grab the opportunity to escape out of the NAFTA box and consider trade just as a reference point, keeping in mind that Beijing has multidimensional interests all over the planet.² Although an accurate assumption, this chapter still illustrates that, invited or not, China is an essential actor in North America both as a component of NAFTA, while also a key political player capable of changing the actual status quo in the continent or the hemisphere. At the extreme, the argument boils down to a single expectation: NAFTA changing to fit the Chinese impact on global political economy rather than China changing its preferred policies to fit into NAFTA arrangements.

China has not been uninvited, but remains unexpected. About 15 years ago, China was not even an option for Latin America.³ It was almost invisible on the academic map. Beijing was not an important subject to study, and is hardly related to the Americas: Disparate regional economic blocs were in the making, linked neither to each other, nor to China. Today it is a need to study China in this continent, which requires new academic perspectives but, above all, changes region-based paradigms.

Two transgressions/parts help build my case: The first one explains the context and situation of Canada and the United States in their relations with China, a context that will explicate what has happened with

Mexico and the reasons why China should be considered part of NAFTA; and the second explains that the lesser evil is a trade deficit with China when a Chinese disposition to mold formal and informal political situations in Cuba challenges NAFTA members.

These, in turn, project a peculiar configuration: China's emergence highlighting a multi-centric world, yet its single-minded policy pursuits, especially on the economic front (what with a managed currency, relentless trade surpluses from protectionist policies, unbridled growth of foreign investment with the most meager environmental and labor safeguards, and the creation of dependent economies across Southeast Asia and Africa), fully satisfies James Rosenau's state-centric paradigm.

China does not appear to be too interested in regional trading bloc membership, leaving trading arrangements within any given region largely as bilateral pursuits. Yet, particularly since regional trading blocs were seen by Rosenau as fitting into his multi-centric world, China easily ticks off many characteristics of the region-centric world.

As becomes clear in the rest of the chapter, China is a huge exogenous force of NAFTA, capable of shaking NAFTA (remember how it displaced Mexico as the second largest U.S. trading partner in 2003?). The more interesting question remains whether NAFTA changes its constitution and commitments to adjust to China, or if China decides to squeeze into NAFTA's structures, formally or informally, directly or indirectly. Either way, North America stands poised to become a different beast because of China.

West of Eden: China's NAFTA de facto Membership

Government officials from Canada, United States, and Mexico congregated in San Antonio, Texas on July 16, 2004 to appreciate the "bold initiative" they took in 1993 to negotiate/sign NAFTA. Thanks to its implementation, officials stated, trade reached a peak of over US\$623 billion, "more than double the pre-NAFTA level." In a joint statement, Robert B. Zoellick, U.S. Trade Representative, Fernando Canales, Mexican Secretary of Economy, and James Peterson, Canadian Minister of International Trade, elaborated the many advances achieved in "deepening economic integration in North America." Their confidence rested on two other pillars that "have effectively promoted better environmental performance and working conditions in North America":⁴ North American Agreement on Environmental Co-operation (NAAEC) and the North American Agreement on Labor Co-operation (NAALC).

Amid the expected optimism, one statement was missing: NAFTA had a *de facto* and increasingly powerful new partner that was absent in 1994—the People's Republic of China. Just prior to that, regionalism was characterized by relatively closed trading blocs endeavoring to open other regional markets, with the European Community as the salient example in this respect. This was a success in North America too, at least it has been excellent for the trade of the two northern member countries: economic integration between the *three amigos* is deeper now than ever and two of them, Canada and the United States, have more internationalized economies than ever before. In NAFTA's framework, the Mexican economy was typically seen as a sort of a backward state/provincial economy with few and weak international trade links outside its region, even though it was one of the top 14 industrialized countries with Organization of Economic Cooperation and Development (OECD) membership.

China apparently assaulted the North American market in the first part of the 1990s by surprise. Mexico's problems in adequately playing the role of an advanced economy and a set of comprehensive Chinese state-sponsored domestic reforms during the 1980s permitted China to become an essential component of NAFTA throughout the decade. China enjoys a lot of rights and just a few obligations: It's a very comfortable situation very close to what in international trade agreements is known as *locus standi*.⁵ China, with the acceptance of some local economic actors, has had a lot of opportunities in this region. Two of its main achievements include, first, its economic integration being a *de facto* part of NAFTA, as was already mentioned; and second, at least since October 2006, its displacement of Mexico from the second spot as a U.S. trading partner.⁶

Because of diverse economic structures and variable characteristics of internationalization, the Chinese impact in NAFTA countries has been predictable in spite of this variation. For different causes and completely opposite consequences, some of the visible aspects of the Chinese penetration in North America include the following:

1. Greater internationalization of the Chinese economy.
2. Expanding U.S. trade with China, matched by double-digit growth rates since the beginnings of the 1990s.
3. Sharp Chinese surpluses, suggesting an open chopstick trade pattern with the three American countries.⁷
4. Increasing value/quality of Chinese exported America goods.

Backstage we have the powerful economies of the United States and Canada looking for markets to invest and producing cheaper goods outside their economic bloc. In the broader context, costs of deficits could be lower, but remains debatable.⁸

With a considerable diversification not seen even in Mexico, Canada is both international and American. Its trade with China as a proportion of its total trade, even relative of what it trades with its southern neighbor, is small. Thanks to its integration with the United States and internationalization, Chinese surpluses have a lower significance. It is to be noted that many Chinese exports are products from foreign firms.

Jafar Khondaker,⁹ in a special research on the subject, points out that in 1997 “Canada’s exports to and 37.6% [*sic*] of imports from China involved two-way trade within the same commodity groups.” He stresses three aspects: (1) Bilateral trade has literally soared; (2) most important commodities in this bilateral trade are organic and inorganic chemicals, plastic and rubber materials, iron and steel and articles made of iron and steel, industrial and agricultural machinery and equipment, electronics, automotive equipment and parts, optical, photo, medical and surgical instruments, and wood products; and (3) finally, traded goods have not radically changed, with 25 of 30 products still remaining on the main export list. Only the importance of wheat has been reduced.

The U.S. situation is both similar and yet different. Its economy has large trade deficits with China, with China ranking first in terms of these U.S. deficits, as Table 7.1 shows, followed by Canada, Japan, Mexico, and, in fifth place, of all countries, Venezuela. On the other hand, it has considerable surpluses with Hong Kong, the Netherlands, the United Arab Emirates, Singapore, Belgium, Australia, Switzerland, Turkey, Panama, and the Netherlands Antilles. Deficits dominate public discussions, producing mainly misinformed and misleading political debates

Table 7.1 Main U.S. Trade Partner Deficit, September 2008

<i>Country</i>	<i>Deficit in Millions of US \$</i>	<i>Year to Date Deficit in Millions of US \$</i>
China	-27,765.94	-195,439.19
Canada	-7,783.90	-62,556.92
Japan	-5,591.73	-56,379.88
Mexico	-4,939.67	-51,976.65
Venezuela	-3,455.75	-33,638.60
Germany	-2,964.17	-33,444.58
Saudi Arabia	-2,940.70	-35,727.63
Nigeria	-2,210.55	-28,790.99
Ireland	-1,737.37	-16,062.75
Russia	-1,629.11	-14,437.61

Source: www.census.gov/foreign-trade/top/dst/2008/09/deficit.html

whose main thrust is to project China as an oddball international trader, and the United States as a defenseless victim, not as a desperate power.

Along with sky-high trade figures, it is possible to find the same pattern of open chopsticks trade between the United States and China. This bilateral trade growth has been synchronized with at least three events: Mexico's often self-imposed limits to internationalize itself; the U.S. search for places to invest and to import from international markets; and changes in China. If we assume that these three variables are correct, the China presence is not a surprise.

There are some imbalances, like losses of jobs; however, in the long run, Americans get more benefits with this trade structure: consumers, on the one hand, get cheap and increasingly better goods; companies, on the other hand, cut their costs down by manufacturing their products in China. The United States exports electrical machinery and equipment, power generation equipment, air and spacecraft, oil seed and oleaginous fruits, and plastics; while its imports, such as electrical machinery and equipment, power generation equipment, toys and games, and apparel, remain mainly in the same sector with many products meant for retail sale. The trade-off is obvious: the United States importing final products, China importing products with forward linkages. It reverses the *dependencia* argument raised from the 1950s to portray the increasing structural inequalities with Latin countries.¹⁰ What goes around, it seems, also comes around!

Meanwhile for Mexico, nothing is more alien to its economy than the bilateral Sino-U.S. relation: where the United States gets a lot of benefits from the structure of the exchanges, Mexico counts the losses. Yet, whether this is a fault of China, the United States, or Mexico remains debatable: From China's viewpoint, Mexico is an essential platform to access the largest economy in the world, itself a goal critical to accelerating China's growth; Mexico's viewpoint acknowledges the lack of commensurate initiatives to make the most of the Chinese presence and accepting the platform role for Chinese sales in the United States, especially since its preferred policy of an exclusive North American club does not appear to be headed anywhere; and the United States is far more comfortable in the global arena than in a restricted North American zone, even if two of its largest three trading partners belong here.

The Trade Shock that Came in from the Zhongyuan¹¹

Since the end of the nineteenth century, geography, politics, economics—especially their subordinated position under the Great Powers, mainly

Great Britain and the United States—prevented China and Mexico from having stronger links. It is possible to find three big stages of the history of their bilateral relation: first, from December 1899, when the first bilateral agreement was signed in Washington, DC, to 1912, when the Qing Dynasty ended; second, from 1913 to 1971; finally, from 1972 until today. In the first two stages, *migration* was the dominant issue and in the third it has been *trade*. It is true, during this long period there were many other themes and priorities, even in the multilateral area, but those mentioned above were central to the relation.

Beyond those topics existed the most important aspect of state-government recognition, a political issue solved with legal arguments in Mexico. According to its perspective, at least from 1930, the issue was encapsulated in the Estrada Doctrine.¹²

However, it has not been possible to completely avoid the recognition issue, and it was done not from Estrada's angle. Regarding China, at least twice (1949 and 1972), no matter its legal judgment or political choice, the Mexican government had to follow U.S. leadership. On the first occasion, it did not recognize the new regime established in Beijing on October 1, 1949; and in the second, the Taiwanese ambassador was literally asked to leave Mexico City because Mexico was about to begin relations with China.

Concerning bilateral Sino-Mexican trade there have been three phases:

1. In the absence of diplomatic relations, informal ties persisted even against the political will of the White House.

The U.S. government unsuccessfully tried to stop those unofficial commercial interactions. During the 1950s and the 1960s exchanges were weak, revolving mainly around cotton exported to the Chinese market. Mexico enjoyed a trade surplus then. If there is a common characteristic between yesterday's and today's trade from a historical perspective, it is that exchanges with China have been considerably meager, especially when compared with the United States and to a lesser extent Canada. Even when there is more diversification, the United States remains the main destination of Mexican exports. For that reason, diversification has been very limited both in space and total amounts.

As a Plan B for Mexico, China has not been significant yet: It was not back in the 1960s and it is not today. It is true, a half century ago trade flows were more limited than nowadays; nevertheless, Mexico has much of the same dependency/integration pattern that it had 50 years ago, a pattern that worsened with structural deficits since the 1990s. The Mexican government and many economical actors have focused on trade, not on production. This has meant more imports.

The import substitution model was changed for a pattern in which China is exporting even what Mexicans can produce.

2. From the beginning of the 1970s until the end of the 1980s, relations were formal and trade did grow but not as expected, especially by Mexico, which had very high expectations of the Chinese market and its size.

Mexico remained in charge of the economic exchanges. At the end of the 1970s Mexican high officials were very preoccupied with the structure of bilateral trade: In 1977, their enterprises sold US\$50 million to China, and bought just US\$1 million from this country.¹³ Mexicans did not find the way to surmount the situation, the Chinese did, thanks to changes in the world economy and because the Chinese government was able to authoritatively control the domestic situation in 1989. The 1990s saw the incredible rise of Chinese trade, especially in North America.

3. As has happened in its trade with other countries, such as India, Mexico has suffered a boomerang effect on its trade balance with China since the 1990s.

The era of Mexican surpluses saw its end, beginning at the time of structural deficits. As could be seen from a historical perspective, with or without deficits, bilateral trade was small back in the 1960s, and it is small even today, yet with appalling consequences to the toys and textiles sectors of the Mexican economy.

The end of the 1980s was nearly catastrophic for the Chinese government: inflation, corruption, profit loss in many enterprises and, above all, huge frustration among urban population. For nearly two months of 1989, April 16–June 4, there was a social movement of great dimensions, both because of its discourse and its geographical extension. It was very far from merely the Tian'anmen Square incident of pro-western student demonstrations being crushed by evil government troops. They were social forces that failed politically for two main reasons:

1. It was not the government's authoritarian "nature," but its colossal inability to resort to other political choices; in other words, a political need to employ the People's Liberation Army to massacre those who were at Tian'anmen Square on June 4, 1989.
2. Most social participants were politically educated/trained by the Communist Party, but sought to enjoy the benefits of the reforms. Maybe because of their political background they failed to achieve their goals. They were not innovative and strong enough to defeat the hegemonic organization and its discursive forms, not to say its repressive tools.

Just like the social movement has been clouded by compassionate political myths,¹⁴ Chinese trade has its own urban legends belonging to the same well-intended family of the former: First, democratic foreign governments punished Chinese government performing a sort of embargo against authoritarianism; and second, the Chinese economy spiraled problems. Not only foreign diplomatic speeches were mild and actions inexistent, but also China began a never-seen-before increase in its exports, with little slumps in 1993. In fact, Beijing was able to execute a rectification program that pushed forward the reform process and deepened the opening to the so-called outside world.¹⁵

At the same time, in Mexico the process of integrating into General Agreement on Tariffs and Trade (GATT) was well advanced since 1985 after being postponed in 1978, while NAFTA negotiations were also in progress. Under the *sexenio* curse,¹⁶ the Mexican opening was fast and hurried, leaving big gaps and not covering key domains. One of the most unpleasant consequences has been the open chopsticks trade pattern in which total bilateral trade has ascended in an almost perfect zero-sum game with enormous trade balance gaps against Mexico.

The impact of this trade-quake epicentered in the *Zhongyuan* on the Mexican economy has no visible positive effects for one simple reason: imports are in no possible way a product of Mexican investment in China. It was too powerful a force to slow down, even with the draconian measures against Chinese trade, as figures have shown above. It was not only the Chinese trade force but also many Mexicans dazzled by Chinese prices and lack of industrial policies that damaged many sectors of the Mexican economy.

Since 1993, the Mexican government has acted merely to issue traffic/trade violation tickets and not as a policymaker: It imposed heavy burdens on Chinese trade in the form of compensatory quotas, which did not stop a wide opening of the trade chopsticks. It is hard to find anything that has made the Chinese government angrier, especially because of the unilateral and calculated Mexican behavior, nevertheless unsuccessful activity. To their advantage, not compensatory quotas nor the delayed Mexican acceptance of China as a member of the World Trade Organization (WTO) has stopped Chinese trade growth. In the long run, the Chinese seem to be getting more benefits. Trade has been incessantly growing and the Mexican government has had to recoil and abandon its bureaucratic measures. After six months of negotiations, in Arequipa, Peru (June 1, 2008), Beijing and Mexico City signed the Agreement on Trade Remedial Measures (*Acuerdo en Materia de Medidas de Remedio Comercial*),¹⁷ also known as the Transition Trade Agreement on Compensatory Quotas Issues (*Acuerdo Comercial de Transición en Materia de Cuotas Compensatorias*).¹⁸ Thanks to this document, on October 13, 2008, two days before the deadline of the agreement, the

application of compensatory quotas on 749 Chinese-imported products out of a total of 953 items was over. The rest, 204 items, will remain protected until 2011.

At the end, when the subject under study is China, trade is an essential but just one and partial dimension of history. It is also an arena influenced by nontrade issues. For example, the outbreak of swine flu in Mexico during May 2009 led to some very unsavory Chinese measures that were insulting to Mexicans and clearly indicating the fact that economic relations were not important enough to stop any diplomatic breakdown.

The Fifth Element: Values and Balances of Power in North America

Most amazing sociopolitical developments are in progress or yet to come. Trade appears pale by comparison. The failure of traditional Latin American political regimes with different degrees of authoritarianism has had different outcomes. Some of them have had materialized in “leftist” regimes that somehow promote political volatility. Most significant, it was a breakdown of the order the United States was building since at least 1847–48. The mixed transformation in Latin American political systems has opened space to new power relations pretenders’ era in the America continent, or maybe not so.

If there is a fourth NAFTA *de facto* member, it is China. Politically there are at least five relevant countries in North America: Canada, United States, Mexico, Cuba, and China. They interact with each other—even though they have been historical enemies—sometimes in very cooperative ways.¹⁹ At the same time, those countries compete in very fierce manners. What is at stake is leadership, hegemony—both material and discursive—not just trade. Battles revolve around Cuba’s present and future. Against all the American government constraints, trade between NAFTA partners and Cuba is growing. It has no unique pattern:

1. In Canada those who want to trade or invest in the island are supported by their government and its institutions.
2. U.S. companies are forced to use legal loops or do business with Cuba from abroad, mainly from Mexico.
3. Business persons in Mexico have found it very difficult getting economically involved with their Cuban counterparts; they have faced American legislation and the heavy ideologically loaded foreign policy during the Vicente Fox *sexenio* (2000–2006).

Cuba has been and is part of North America for many reasons, essentially because of its multidirectional links (culture, economy, politics)

with Mexico and United States since the nineteenth century, if not before. The major island of the Greater Antilles is an essential regional component and reason for conflicts. It has been a source of confrontation; some political actors see it as a prey; some other consider it and its leaders as a source of political legitimacy.

Since the economic meanings of surpluses or deficits are not absolute concepts, governments with global aspirations strive to achieve more trade surpluses. Even from a mercantilist perspective, attaining trade success requires more than good exchanges or competitive advantages. In order to secure access to markets, governments sketch and crystallize policies, use culture, money, or values to change or bend the existing rules.

All North American countries, including the *fifth element*, have very specific interests in Cuba. To begin with, they expect some sort of an easy entry into the Cuban natural resources market: Canada and China struggle over minerals.²⁰ What is really being disputed in the Cuban battlefield is a regional order where every actor, outside NAFTA's legal framework but related with it, has ambitions. Once their aims have been accomplished, the distribution of power could change. In different ways, all aforementioned countries endeavor to change Cuba's fate: They arrogate to themselves the right to guide Cubans to their future. In the path of North American countries, two problems have arisen recently:

1. The pacific transference of power from Fidel Castro to Raúl Castro, a situation that has avoided for the time being domestic turmoil supported by the United States and/or U.S.-Cuban groups.
2. Cuba is no more the exclusive natural zone of any North American country; it faces the strong Chinese challenge.

Cuba is very important in the North American integration process; it is relatively rich in natural resources. Most relevant, because of its history and issues actors dispute (human rights-capitalism versus sovereignty-socialism), politicians and intellectuals, both from the right and the left, perceive the island as a source of their own legitimacy. Havana is appealing because it is a base of regional power; the big question is how to triumph over Castro's clan and help to transform the island. Any outcome will impact North America. It will tell us who (1) is leading political changes; (2) has the material and discursive powers to implement transformations; (3) is competent to reach Central and South America from Cuba; and (4) lacks the vision to leave the past behind.

North American integration should consider the Caribbean not in a merely economic-market-textile sector perspective as the Central America Free Trade Agreement (CAFTA) is doing. This is where China is a step ahead: It enters fields all its rivals dare not go. Recently, Hu Jintao, the

Chinese president, said in Havana that his visit to the island “is directed at increasing friendship, extending cooperation and working with Cubans to create a promising future.”²¹ This means a comprehensive set of policies that encompasses trade, culture, and institutionalization.²²

Companies from North America have strived to conquer considerable shares of this small yet politically symbolic Caribbean markets. Even U.S. companies from Nebraska, North Dakota, or California, sometimes thanks to their representatives in Mexico, have done important business in Cuba, increasing the now almost unilateral trade of U.S. products to Cuba. The more visible efforts are coming from the north of the Great Lakes, mainly through Havana yearly trade fairs. According to local sources, at the end of September 2008 Canada was Cuba’s third largest trade partner with a 9.4 percent growth in trade during that year. Cubans are very sympathetic with Canadians since they supply important trade exchanges and 667,000 tourists, which amount for 20 percent of the island’s total. The Canadian government provides wheat and humanitarian support to help victims of natural disasters; also, Ottawa has around 83 bilateral cooperation projects in Cuba worth Cdn\$24 million.²³

Due to a Soviet style management of market forces, Cuban trade was politically oriented to the Council for Mutual Economic Assistance (CMEA).²⁴ The exchanges between the CMEA economies and Cuba imposed/continued a pattern in which Cuba produced and traded mainly natural resources. Today’s main Cuban economy may be summarized through four features:

1. Dependency on the production of other countries has made Cuba an importer of added value products.
2. Economic distortions are so big that Cuba has to import food and sometimes grains, from countries such as Canada.
3. Cuban economy substantially relies on centuries-old traditional sectors: agriculture, mining and agropecuary industries products.
4. Its imports heavily depend on machinery and transport equipment imports, and includes lubricating oil additive.

Even if the burden of history is heavy, the Cuban economy is changing fast. It is in the first stages of opening to the world market, desperately needing almost everything. Its dependency could be transformed to leave behind its production of agropecuary goods to export, a situation that will help to break its no evolving character. There is a long way to go, and Raul Castro in 2008 advanced one step forward by awakening a domestic market that mainly worked illegally.

The Cuban hunger for foreign products is limited by hard currency, but sets the context for a battle for its market, a fight that had stressed the Cuban economy’s global trade deficit. China, coming from almost

nowhere, has displaced traditional actors from North America; even Mexico in many ways has displaced itself during the Vicente Fox administration (2000–2006), within Cuba. As a whole, Canadians are very eager to be the main economic power in Cuba, or at least after the Chinese. It is important to note that U.S. companies, against legal regulations and conservative politicians, try very hard to be in the Cuban market, where their products are more present than ever. Mexican companies have lost their privileged position because of some related reasons: U.S. legislations, such as the infamous Cuban Liberty and Democratic Solidarity Act (Helms-Burton Act),²⁵ weakened interest both public and private, personalification-ideologification of the bilateral relation during the Fox's administration, Mexican international trade diversification failure, and delayed economic growth. As was already pointed out, the United States has really been favored using Mexico's position, both geographical and political.²⁶

In sum, Chinese trade has displaced or is displacing the traditional great regional economic players, Mexico and Canada, both from American and Cuban markets. Acquiring more presence and capabilities to negotiate and obtain more political benefits in the region are the real benefits for Beijing. Trade by itself means almost nothing. What is and will be relevant are two other variables that are building up around trade and will strength it: transmission of values and power distribution.

At the end what matters will be the abilities and capabilities of a government to have a political context with a favorable power distribution. China is openly challenging the Washington status quo in the American continent. However, it has not the possibilities to construct a Chinese order yet. While the dominant U.S. governmental approach to the Cuban situation has been zero-sum, Canada and China may be covering all the bases (trade, humanitarian aid, and cultural exchanges) awaiting merely for the fourth bat: political-ideological influence over the changes of the Cuban political system and society. Mexico has lost many chances to exert positive pressure on Cuba.

Conclusions: China's American Boom Amid Economic Gloom and Doom

Raúl Castro singing during Hu Jintao's visit to Cuba on November 18, 2008 conveyed the joy of the Cuban leadership with its own transformation. It also shows the happiness Cubans feel with the Chinese. Despite Castro's joy, the horizon seems gray; the actual long-term impacts of the subprime mortgage U.S. crisis (2008) on the world economy is not as yet clear, especially on international trade exchanges and on domestic

economies structure. Biblical-proportion-catastrophes have been announced, and these pave way for the temporary assumption that “Times have changed. Asia is certainly not immune to the rich world’s recession, nor will its economies quickly regain their previous rapid growth trajectory. But the current gloom and doom among investors in the region might yet prove overdone.”²⁷ This scenario lets China improve its position in North America.

Because of its natural resources, market, and its many economic needs, the Americas could be part of the solution to today’s crises, at least for Asians. Especially, the Chinese could find large benefits to their adventurous voyage across the Pacific.

Hu’s trip to Costa Rica and Cuba gives us a 12 megapixels digital photo of Chinese aims in the Americas: Trade is just an effect and element of a multidimensional policy looking for leadership and for the transformation of the status quo in the region.

Economic failure is due to mistaken policies or unexpected circumstances. China is just one more (big) problem that does not necessarily make matters worse. Profound difficulties lie in every country’s specific history and, above all, in each government’s wrong decision and related with specific international historic background.

The Chinese government not only has taken advantages of the benefits its context has provided, but also has completed profound reforms. Needless to say, it has left many of them unfinished. Beyond (un)sympathetic analysis, China is an inevitable component of NAFTA, a place gained by displacing Mexico and Canada in the U.S. market. The deep transcendence of Beijing’s presence in the Americas is its opportunity to change the status quo in the region not incrementing trade volumes but by being a political factotum able to influence on changes in the region, mainly in Cuba.

From a general historical perspective, the key aspect is that China is a nonregional power that is entering into the Americas in a way no other country of its kind has done before: After the so-called second war of independence (1812–15), thanks to the conquest of the West (1848–90), the victory over the Mexicans in the 1840s, the Civil War (1861–65), and a consistent advance to south of the continent in the second part of the nineteenth century, other powers like Great Britain and France, not to mention a Spain in full decline, were minor rivals with no possibilities to match the United States. Japan and Germany were significant and still are, but their strongest efforts to displace the United States in Latin America, for example, in Mexico during the Mexican Revolution or throughout the Second World War were enormous failures, to say the least. Finally, chronologically it is possible to argue the Soviet Union superpower was also not a match for the Americans. Because of a lack of historical purposes and erratic policies, the huge former union of many

republics had a very limited influence in Latin America. Most of the time, its political weight was more mythical than real.²⁸

It is too soon to draw definitive conclusions about the outcomes of the Chinese journey to the Americas. Will the United States be displaced from Latin America by the Chinese? A conclusive and definite answer is no. However, it is possible to foresee a China full of energy with a global and diversified agenda implemented by a widest spectrum of political-economical actors not always under the control of the state. The Chinese are covering almost every important aspect: in different and not always in subtle ways they try to influence local politics, even training bureaucrats in some countries.

The Chinese government is building up its own institutional regional order, mainly in the Caribbean. Its cultural offensive all over the Americas has a heavy and, until today, successful ram: the Confucian Institutes. Trade is just another brick in the great wall, and in the long run it will not be the main column of the Chinese international policies.

The United States and China are similar in two aspects: they both have multidimensional international policies and multiple actors implementing them. There is also a difference: The Chinese have vitality that is absent today in North America, very similar to the one the United States (1848), Japan (1868), and Prussia (1871) had in the nineteenth century.

China is consistently encroaching into the old American backyard well beyond its Sino-centric limits. In fact, it is comfortably seated inside the main house in front of the chimney with the confidence provided by being the largest foreign creditor of its guest.

Theoretical Connections

China's advent in the global political economy clearly necessitates going beyond NAFTA in the North American region for at least four reasons. First, its market size and the investment opportunities it makes available can only compel the United States to loosen its NAFTA attachments and obligations, since both of these are critical to U.S. exports, and thereby jobs, that too in an unpredictable recession—and this view does not even consider the traditional post-Second World War U.S. view that it is a global, multilateral actor, too big to belong only within the regional confines.

Second, it provides similar opportunities of market expansion to Canada and Mexico, which is not an insignificant consideration when Canada and Mexico occasionally seek to reduce their U.S. dependence, but gains greater traction if China follows the Japanese pattern of using Canada and Mexico as platforms to sell products more competitively in the United States—as Japanese automakers have sought to do for quite

some time. The net effect would be to loosen NAFTA again, in fact making NAFTA's local content production rules either too generic or outdated, as U.S. automakers, during this recession at least, seem to have lost their global market grip.

Third, China's Latin American search for raw materials and markets sandwiches Mexico in such a way as to make NAFTA unnecessary: Lower Chinese sales to the United States from Central American countries, for example, would squeeze Mexico's North American policymaking orientation. Besides, in a recession, Mexico might even have to seek diversified economic engagements outside North America, making China an obvious choice.

Finally, China's Cuban presence, as shown, could reconfigure North American orientations. It is powerful enough to challenge Canada (because of its high Cuban salience), the United States (for geopolitical reasons), and Mexico (for economic trade-offs) in ways that cannot but impact NAFTA: NAFTA would offer too small a sphere for not just the United States (as it already does and has already been observed in this chapter), but also Canada and Mexico.

Notes

1. franciscoharo@hotmail.com
2. A perspective focused on Chinese trade in Latin America can be found in He Li 2007: 23.
3. Pastor 1992: 107–25.
4. NAFTA Free Trade Commission Joint Statement 2004.
5. Goldstein and Tomz 2007: 37–67.
6. “China desplazó a México como segundo socio comercial de EE.U.”.
7. Image initially illustrated one of the main characteristics of the Sino-Mexican bilateral trade: Mexico-China trade balance gap is as wide as open chopsticks. Haro 2006: 160–70.
8. Of the many different perspectives about the Chinese trade impacts on United States and México, see Samuelson 2004: 135–46; Hughes 2005; Surowiecki 2008; and in Mexico, Álvarez 2007: 429–48; and Correa 2009.
9. Khondaker 2007.
10. Alfred Hirschman, *National Power and the Structure of Foreign Trade* (Berkeley, CA: University of California Press, 1980).
11. *Zhongyuan*=Chinese Central Plains (alleged cradle of Chinese civilization).
12. Estrada 1931: 203.
13. José Juan de Olloqui, explained in a Mexican government *verbatim index* the Chinese deficit would be higher because of sumptuary exports to Mexico. Secretaría de Relaciones Exteriores-Archivo Histórico Genaro Estrada, *Índice del verbatim de la reunión intersecretaral preparatoria a las visitas de Estado a China y Japón, celebrada en la Cancillería el miércoles 27 de septiembre de 1978*, III-6214–1 2ª, 1978.

14. "[M]ythical qualities" of Tian'anmen narratives of Tian'anmen in Wasserstrom 1994: 273–308.
15. Supporting figures from Lum and Nanto 2007.
16. Heath 1999.
17. www.cppure.com/sam/web/info/1/DOF/DOF_2008/descargas/2008_10_13_sre01.htm
18. Saldaña 2008.
19. As shown below, U.S. trade with Cuba is growing, both countries cooperating in sensitive areas as Raul Castro recently disclosed to Penn 2008.
20. The nickel dispute, with Canadian technology and investment displacing Russia in Holguin, finds Moscow fighting for access while promoting its tourism.
21. Musa 2008.
22. Haro 2008.
23. Figures are from "Canada among Cuba's main trade partners," *Invasor*. Available from www.invasor.cu/sistema/paginas/default.asp?lang=en&id=05112008_Canada%20among%20Cuba%20s%20Main%20Trade%20Partners, accessed October 5, 2008.
24. See McPherson and Trumbull 2007: 1–23.
25. On the futility of the U.S. embargo and Helms-Burton Act, see "The Americas: patchy blockade; Cuba and the United States," *Economist*, August 16, 2008, 38.
26. Cuba's NAFTA integration 15 years ago, Mexico's Caribbean debacle, and U.S. companies exiting Mexico were foreseen by Vilaseca 1994: 171–83.
27. "Sittin' on the dock of a bay," *Economist*, November 20, 2008. Available from www.economist.com/world/asia/displaystory.cfm?story_id=12641750
28. Some Latin historians consider that main social and political movements had their own meaning not related to the conflicts among superpowers or to the Soviet Union policies. Gilly 2004: 215–45.

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Chapter Eight

Natural Resources and Out-Migration in Local Communities of Southern Mexico: Non-NAFTA Issues Impacting NAFTA

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Introduction

At a time of world financial crisis, many people in various countries worry about the decrease in consumer goods and the increase of food prices. These factors, plus the general scarcity of credit, threaten the urban middle class as well as the poor population in industrialized countries and their neighbors. Mexico exemplifies this from 1980 to 1996, the country's economy was already stressed by structural changes resulting from new economic policies. Its internal production of food diminished, while agriculture and animal husbandry decreased in relation to the rest of the economy. Gross domestic production (GDP) decreased 5 percent in 2002.² Economists deduced the causes to stem from a combination of technology, increase in productivity, labor conditions,³ dependence on the external and expansionist economic policies, and some political and social tendencies related to public policies in the agricultural and animal husbandry sector.⁴

In addition, employment in places where Mexican migrants work is being reduced and a chain of economic and social changes has been started.⁵ At the same time, small-scale agriculture is suffering severe economic and social stresses due to various factors. This chapter picks up on such issues, and discusses multiple aspects of how small-scale agricultural systems have been handicapped by scarcity of family labor and monetary income. Though internal migration need not be related to national and international economic policies, NAFTA casts a shadow over it.⁶ Among other migrant-emitting states (provinces), Tabasco in southern Mexico, shows how employment in the state was directly linked to PEMEX expansion during the 1970s. More broadly, when interregional migration increased within the country after 1980, international migration could not explain this economic deterioration.⁷

As an indirect impact of NAFTA, when governmental subsidies ended, interstate migration (meaning migration between states within Mexico) began, taking young people from their home communities to Gulf Coast and Caribbean tourist centers rather than abroad. As monetary needs pushed people to work outside of their community, intrastate interregional migration converted into interstate migration (that is, within Mexico), particularly to tourist centers where salaried jobs beckon all types of migrants, even if temporary. Environment change, particularly in local flora and fauna, diminished many economic, social, and cultural aspects of the sending communities. Less labor was applied to agriculture, and labor-intensive agroecosystems were abandoned; and the loss of crops and natural areas, as well as the decrease in biodiversity generally, affected daily diet and health.

Internal migration affects the internal organization of local families: young people marry outside their home communities, thus changing old social patterns and kinship ties, and in turn the quantity of labor applied to intensive agricultural systems. There are other consequences of young people abandoning their hometowns, since changes impact both the migrants and such cultural dynamics as how their culture and their different social groups interacted. Fieldwork data show that in many ways the worst effects of the emigration process are to be found in the sending communities.

This chapter is divided into three parts: The first looks at NAFTA's treatment of small-scale agriculture; the second at internal migration and its consequences; and the third a case study of cacao production, highlighting the neglected changes.

These micro level changes reflecting how society continues transforming even under regional economic integration never became front-burner issues in a neoliberal order, even when the long-term consequences of that transformation might be minimal to regional integration. Above all is the wholesale neglect of anthropological concerns in economic analysis: Both state-centric and multi-centric worlds emerge and function with viability, but since so many dynamics have been assumed away or subordinated, the explanatory outcome becomes deficient.

A case study of anthropological changes in specific Mexican communities shows how the state-centric world needs to be collapsed to the local level to better understand the value of political economy theories; and that the significance given many multi-centric dynamics, such as international migration, unnecessarily dampens several state-centric dynamics, such as urban migration. Although James Rosenau's state-multi-centric worlds do not adequately address anthropological concerns, in the same volume he posited this argument, he does create analytical space for *local* dynamics—where anthropological concerns reside.⁸ My chapter presents this local space as one of the exogenous variables neglected by, but significantly impacting, regional economic integration.

NAFTA and Small-Scale Agriculture

As other global arrangements, NAFTA does not take into account geographical or economic regional variations, much less its impact on the social and cultural aspects of the daily life of rural families. Its ripples ultimately affect urban people. National policies and urban life get affected in any country ignoring current rural changes and where peasant societies and food production dynamics are completely disregarded. Vast economic, social, and cultural gaps prevail in Mexico between the small plots (less than five hectares each), where a good percentage of food is still currently grown, and the large urban supermarkets. They may be more detrimental to Mexico's long-term socioeconomic future than remittances from Mexican emigrants have been helpful.

It was argued that the NAFTA agreement would put an end to subsidies; traditional agricultural systems would be disregarded and several other changes would affect how families obtained food and earned money. Programs for the laying of roads and highways opened more possibilities for the transport of farm produce to the medium- and large-scale markets. Governmental programs generally favored cattle ranching; and small-scale farmers were given monetary incentives to convert traditional agriculture into cash crop production.⁹ The paucity of farm income pushed people to work in nonagricultural jobs, but these were to be found mostly outside their communities. Modern goods and services, such as the construction of urban type houses, electronic devises, clothes, shoes, hair dressing, industrialized food and beverages, also pushed rural people to seek additional income.

Of course, some family members typically remain in their communities, but the undeniable fact is that agricultural work has decreased—in the number of people involved and in the overall economic importance. Furthermore, the economic and social costs of climatic risks and catastrophic weather events, as well as annual flooding, have to be assumed by small- and medium-scale farmers on their own. The same happens with market price fluctuations throughout the year. Also, a familiar paradox sets in: the best year for crops is the worst for prices. Local, regional, and national monopolists benefit from peasant agricultural production. A good example is found in the production of cacao butter in the Chontalpa, a region of the state of Tabasco, which is discussed below.

All in all, internal migration releases a loaded dice with enormous long-term implications. These cannot be subordinated behind the problems and prospects of Mexicans migrating abroad. Yet, only when both are conjoined, as they are being in Mexico, we get a full picture of what migration entails.

Theoretically, then, the NAFTA regional box cannot remain a complete arena. Many dynamics at the subnational level, in this case, within

local communities and between provinces, find their catalysts in treaties made by the national government (in this case, NAFTA), but also become catalysts of developments elsewhere—in other parts of the domestic environment between countries and sometimes even independent of countries (e.g., the migrant's decision to move; a farmer's decision to shift from indigenous to commercial methods; etc.). The long term may not belong to indigenous groups or for rural communities under modernization and liberalization, but that does not mean modernization and liberalization are win-win prescriptions or solutions. The chapter elaborates, through sociological and anthropological perspectives, domains often suppressed under the Washington Consensus crusade.

Internal Migration and Tourism

Tourist centers gain importance for people working outside their communities, and they give employment to people mainly in their service sector. In the southeast of Mexico they attract migrants not only from towns around such tourist havens as Cancún, Playa del Carmen, and the famous tourist corridor that goes from Cancún to Tulum, but also from farther away. Only few migrants from southern Mexico states go to work in places such as Huatulco, Acapulco, Iztapa-Zihuatanejo, Los Cabos, and elsewhere on the Pacific coast. Tourist centers need people working along the year; they also employ personnel on a seasonal basis—people who are able to work during vacation times, national holidays, and weekends with temporary jobs, no health services, and no vacation periods. In addition, such jobs also do not provide other social and legal benefits, like pension plans.

Migration from the southern regions of the country and particularly from the states of Tabasco, Quintana Roo, and Yucatán involve young men and women in the 15–40 age group. After their arrival they go to live with their kin and friends. They typically rent a room or a house when they get their first salaries. Some of them join other migrants and live together, dividing the expenses among all the members of these groups. Married men take the lead, followed by their families when they get settled. Two cases illustrate this: the first is a region—Cancún—the tourist haven; another is a form of cultivation—cacao—impacted by modernization and liberalization. Whereas the former shows the enormous internal changes brought about by modernization and liberalization, the latter chronicles the impact of international events (competition; market pricing) on local communities. Both show how NAFTA (regionalism) was only an instrument, and not the pivotal product of these changes or analytical levels.

The Cancún Case

Cancún became an important national and international tourist center since the last quarter of the twentieth century. This city and its surrounding area provide a good example of the migration process and its local consequences. The population growth was mainly a result of migration. In 2003,¹⁰ 216,564 persons were engaged in permanent jobs, with 55 percent working in hotels, motels, inns, bars, restaurants, and places for selling cooked foods and beverages, 28 percent working in commercial business, 5 percent engaged in manufacture, and 13 percent in fishing activities and aquaculture, or in jobs related to public transportation, electricity, and gas business. These data do not include seasonal jobs or the people working in the so-called informal sector.¹¹ Three subsections convey the enormous, long-term lifestyle changes: the migrant economy and local changes; socioeconomy of out-migration; and environment and diversity.

Migrant Economy and Local Changes

A large part of the personnel in Cancún's working population was born in small towns, such as El Naranjal, which is located some 90 kilometers to the west. As a small town, El Naranjal is a good example of what was happening with respect to migration. Young and adult men do not live there for several weeks of the year because they work in Cancún. Only women, children, and old men live there, passing time by growing *milpa* (plots of land) and taking care of cattle.¹² El Naranjal is not the only and isolated case we know with respect to male out-migration and semiabandoned towns. Women adapted themselves to this situation with varying results, but agricultural changes, which were more profound, reduced cultivated lands, the intensity of cultivation, and quantities of output.

Groups of young men from Yaxcabab and Chan Kom—in the neighboring state of Yucatan, as well as people from several small towns in the Chontalpa region in Tabasco—work in the service sector.¹³ All of these people, mostly between 14 and 40 years of age,¹⁴ regularly send money to their families and, in many cases, visit their homes once a month to see their parents, friends, and kin. However, they no longer work in the agricultural systems, leaving farm tasks to their old parents and grandparents. Much of the money these people send to their parents is used to pay the loans they borrowed to make the original trip to Cancún.

Out-migration started in the 1960s in Chontalpa with some people finding employment in PEMEX and such neighboring towns and cities as Dos Bocas, Paraíso, and Villahermosa, the state capital. In the next two decades people went to work in other states of the country, but

emigration in the early 1990s reached a higher level, targeting Ciudad del Carmen in Campeche, Playa del Carmen, and Cancún in Quintana Roo. In the 1960s migrants were males older than 25, with only an elementary school education to boast of. During the 1980s, a second phase of out-migration attracted men and women between 18 and 40 years of age with high school education and better opportunities for obtaining jobs. Out-migration in the 1990s included many young men and women with some college education, which was important for them to obtain better jobs in the service sector.¹⁵

The Socioeconomy of Out-Migration

Current data on the total number of people living and working outside their communities in Tabasco are not available, leaving us to glean from some local examples. In the community of José M^a Pino Suárez—in the Chontalpa region—from 1990 to 2005, between 250 and 300 persons emigrated to live and work in Playa del Carmen and Cancún where their elders were already working. Their elders worked there as masons, carpenters, electricians, and blacksmiths.¹⁶ According to the type of job they held, weekly salaries in Playa del Carmen ranged from 1,200 to 3,000 pesos.¹⁷ Expenses in food varied from 210 to 350 pesos per week per person, and 1,600–1,800 pesos a month for housing; as many as six persons lived in one apartment. Other expenses were for buying and washing clothes (six pesos per kilo) and transportation (five pesos per trip in Cancún and more than 150 pesos if they visit their families), telephone calls, and repayment of loans.¹⁸

Once the migrants arrive in Cancún and Playa del Carmen, they need at least two weeks to find a job. The work could be temporary, seasonal, or full time. In order to accept a job the migrants had to take into account the total amount of money they needed to live in the new working place and also the money they needed to repay loans in their home communities. Some of the migrants have relatives living in the tourist centers, in which case they get at least a temporary bed and breakfast. However, a majority ask for loans with monthly interests varying from 10 percent to 15 percent. At least this was the case before the current financial world crisis descended. Only a few persons have taken the opportunity to go to the United States because the amount of money they need for border crossing and transportation is too high (US\$4–6,000). The migrant's network of relatives and friends in the proposed destination is basic for the decision to migrate. Loans and debts can leave a family bankrupt because of limited incomes. The elderly people left behind engage in small-scale agriculture based on corn, beans, vegetables, and sometimes commercial plants—such as cacao—which are combined with hunting

and the collection of nature's resources. This type of living is a good way to escape from scarcity and poverty.

Since the 1990s more young people have migrated than before. They have higher educational standards than their parents had 20 years ago, and the type of employment they seek has changed.¹⁹ A lack of land and the need for monetary income compel migration, but so too curiosity and a search for adventures. It is important to articulate this process through the national economic policies to promote cattle ranching in southeastern Mexico in states like Tabasco. Here we will find very strong ties between male agricultural activities and the management and exploitation of the environment.

Environment and Biodiversity

Maintenance of biodiversity is highly related to the usage, exploitation, or management of forests, but this is not an easy process because it involves environmental, economic, and political factors. In the 1980s, Mexico was in the top 10 list of countries facing deforestation.²⁰ In 1994 the tropical forests in Mexico comprised 15.8 million hectares, but by 2000, the country had reduced this forested surface to 15.2 million hectares.²¹ From 1995 to 2000 the deforestation rate was of 370,000 to 1.5 million hectares per year, with the United Nations' Food and Agricultural Organization (FAO) conservatively calculating 678,000 million hectares being lost per year.²² Of the several facts behind Mexican deforestation was the expansion of extensive cattle ranching in the southeast (Tabasco, Quintana Roo, and Chiapas), augmented by governmental support programs.²³

In the 1990s there was extensive conversion of traditional tropical to commercial agroecosystems. Stephen R. Gliessman succinctly observes of Tabasco:²⁴ "Most of the tropical countryside is now covered by a mosaic of different agroecosystems, dominated by pastures for cattle production or cash crops for export such as bananas, sugarcane, coffee and cacao." Production on small-scale plots and home gardens increasingly diversified and were directed to the local markets or to the family's consumption. A large variety of fruits, vegetables, grains, medicinal and aromatic herbs were produced, as well as flowers; domestic animals were raised for subsistence needs. Although the work was full time and very hard, these systems produced scarce monetary income.

The ecological impact of small-scale production is considerable: (1) agrochemical applications increased in order to help the small-scale farmer control soil fertility and weeds, with less human labor to apply, and especially notable in Soteapan and Chontalpa; (2) biodiversity diminished, both in natural and agricultural systems; (3) corn varieties

diminished, as is the variety of food crops generally; (4) the collection of food from surrounding forests (plants, mushrooms, and animals), as well as the extraction of fodder, wood, and timber increased—one of the most important causes of the rapid depletion of flora and fauna; and (5) natural zones and traditional agricultural systems—like home gardens—converted into tracts of housing, as in Yaxcabab and Chan Kom), pastures (Tabasco, Quintana Roo), roads and highways (southwest Tlaxcala).

Deforestation and hunting seriously deplete local fauna, as table 8.1 shows. Studies on fauna help understand the degree of change and loss of biodiversity caused by men's activities against nature. Hunting, fishing, capturing and collecting plants and animals still remain very basic to the daily diet for the rural families. Agricultural activities include subsistence goods and commercial ones; monetary earning from crops such as cacao, sugar cane, and banana also remain basic for each family's survival.

Table 8.1 Fauna from Forested and Flooded Areas: Tabasco and Campeche (1950–2007)

<i>Local Name</i> (1950)	<i>Scientific Name</i>	<i>2007 Situation</i>
Squirrel	<i>Sciurus d. deppei</i> (Peters)	Extinct
Armadillo	<i>Dasypos movemcinctus</i> (Lin.)	Extinct
Aspoque	<i>Cetesnosaura similis similis</i> (Gray)	They are currently hunted
Cacomistle	<i>Bassariscus sumichrasti</i> de Saussure	No data
Rabbit	<i>Sylvilagus floridianus yucatanenses</i> millar	Extinct
Chachalaca	<i>Ortalis vetula macali</i>	Still found in secondary forest.
Chicosolo	<i>Nasua narica</i> (Lin.)	Extinct
Chiquiguao	<i>Chetydra serpentine</i> (Lin.)	In extinction process.
Seagull	<i>Larus argentatus</i>	Still found in Atasta peninsula
Heron	<i>Ardeidae</i>	Still found in Atasta peninsula
Guao	<i>Staurotypus triporcatus</i> (Wiegman)	In extinction process.
Guaqueque	<i>Dasyprocta punctata</i> (Gray)	Extinct
Iguana	<i>Ctenosaura acanthinura</i>	Still found in Atasta peninsula
Green Iguana	<i>Iguana iguana rinolopha</i> Weigmann	They are currently hunted.
Jicotea	<i>Pseuderys scripta ornata</i> (Gray)	Almost extinct
Raccoon	<i>Procyon lotor</i> (Lin.)	Extinct

Continued

Table 8.1 Continued

<i>Local Name (1950)</i>	<i>Scientific Name</i>	<i>2007 Situation</i>
Kingfisher	<i>Alcedo spp.</i>	Still found in Atasta peninsula
Spider monkey	<i>Ateles geoffroyi vellerosus</i> (Gray)	Extinct
Howling Monkey	<i>Alovattinae palliata</i> (Gray)	Still found in Atasta mangrove forests
Must duck	<i>Cairina moschata</i>	Still found in Atasta peninsula
Woody duck	<i>Dendrocygna bicolor</i>	Still found in Atasta peninsula
Wild duck	<i>Carina muschata</i>	They are currently hunted
Crest turkey	No data	Still found in the secondary forest
Ocellated turkey	<i>Agriocha ris ocellata</i>	Still found in the secondary forest.
Pelican	<i>Pelecanus occidentalis thagus</i>	Still found in Atasta peninsula.
<i>Pijije</i>	<i>Dendrocygma autumnales</i>	Still found in Atasta peninsula.
<i>Poa</i>	<i>Psilorhinus morio</i>	No data
<i>Pochitoque</i> (turtle)	<i>Kinosternon leucostomun.</i> Bibron y Duremil	Almost extinct
Wild boar	<i>Pecari tajacu</i> (Lin.)	Extinct
<i>Tepezcuintle</i>	<i>Cuniculus paca</i> (Lin.)	Extinct
Turtle	<i>Chelydridae.</i>	Still found in Atasta peninsula
Opossum	<i>Didelphys marsupiales</i> (Lin.)	Extinct
<i>Tuza</i>	No data	Extinct
White tail deer	<i>Colinus virginianus</i>	Extinct
<i>White tail deer</i>	<i>Odocoileus virginiana thomasi</i>	Almost extinct. There are some in the secondary forest.

Source: Méndez 2004; Ramírez 2007; West et al. 1987.

The Cacao Case

There are places like the Chontalpa region in Tabasco where middle aged and old people grow commercial crops to obtain monetary resources. Cacao cultivation, an old activity in the Chontalpa region, is one of them.

There are products of pre-Hispanic origin that were grown for family consumption and also for the market, such as cacao and chocolate, which appealed to the elites. In the colonial period, these were mostly consumed in upper class families, but in the case of central and southern Mexico, consumption was more generalized. Cacao and chocolate consumers usually live away from where the cacao tree grows. Soconusco and Chontalpa were the main cacao cultivation regions in ancient times; Chontalpa is still the best region for the cultivation of cacao trees.²⁵ During the nineteenth century, cacao was grown on large estates (*haciendas*) and landed properties (*fincas*); in the first half of the twentieth century cacao spread to predominantly medium and small sized family properties (*solares*) but after 1960, the history of cacao cultivation changed drastically.²⁶ Key among the Chontalpan dietary changes between 1930 and 2005 is the disappearance of *tortillas* (which is a flatbread made from corn by cooking in the *comal*, a flat clay plate; it can also be prepared with *nixtamalizado*, or soaking corn in hot water with lime—milled), *tamales* (dish consisting of a starchy dough, often corn-based, which is steamed or boiled in a leaf wrapper with turtle meat), corn flour pancakes, *posol* (a beverage made from milled corn mixed with cacao and water), wild animal meat cooked in green sauce, deer cooked with squash, yucca, and banana, armadillo's meat cooked with green sauce, and wild iguana meat; and the emergence of pasta (soups, sardines, industrialized beverages, and other beverages with pulp fruit and sugar).²⁷

At the end of the 1960s, most cacao production was found on small-scale home gardens (*madreiros*) in the Chontalpa region.²⁸ In 2003 Tabasco cacao cultivation occupied 20 percent of the total cultivated surface;²⁹ 9,975 families were dedicated to this activity.³⁰ After cacao cobs are collected from September to May, they are broken and the grains left to dry after extraction. The dried grains are milled to produce cacao butter, which may be sold to retailers.³¹ Small-scale cacao farmers are in charge of these activities and they also produce chocolate for domestic use. One part of the cacao grains is sold; another part is used to produce cacao butter, which is sold to intermediaries. In 2005 prices for dry cacao in the regional market were 15.00 pesos per kilo.³²

Local-family chocolate production yields little income because one kilo is sold for 40.00 pesos, nearly US\$3 (10.5 pesos equal to 0.75 U.S. cents),³³ but raw material costs are 29.50 pesos per kilo (a little more than two dollars), to which is added energy costs (electricity, gas, or wood) and the cost of transportation prices to market. Human labor does not appear as part of the total costs. From one kilo of dry cacao it is possible to obtain 380 grams of cacao butter and 600 grams of cocoa, for prices in the regional market were of 20.00 pesos (US\$1.48) for the cocoa and 50.00 pesos (US\$3.703) for the cacao butter, respectively. In 2005, the chocolate produced by industries had a market price of 100.00 pesos per

kilo (a little more than US\$7) when it was sold in large quantities, but the price could be raised to 200.00 pesos per kilo (a little more than US\$15) depending on the chocolate quality and brand. The price difference depends on the cacao butter contained in the chocolate.³⁴

The difference in earnings increases as the cacao butter goes to the international market. The small-scale producer is not tied to this chain because cacao butter is sold to intermediaries (retailers) working for the national and international chocolate enterprises.³⁵ Cacao butter gives quality to chocolate; an excellent type must have 70 percent; the other ingredients include sugar, milk, and vegetable palm oil, a produce with lower market prices than cacao butter. Although cacao from Tabasco is not important in the international market, cacao butter is. Furthermore, this is organic cacao for which prices are higher than cacao produced with agrochemicals in African and Asian countries whose production comprises 71 percent of world output.³⁶ In 2001 cacao butter earned producers in Tabasco 50 pesos (US\$3) per kilo while the international price was of 87.07 Mexican pesos (US\$6.5). In 2008 cacao butter had an average prize of US\$14.99 per ½ pound (202.4 Mexican pesos) on the world market.³⁷

High international cacao butter prices contrasted with very low prices paid by international enterprises for raw materials such as palm oil. Cacao butter from Chontalpa received 50 pesos per kilo in the market, not considering the human family labor applied. Differences in the exchange rate between the Mexican peso and the U.S. dollar make the price of cacao butter also very cheap. Furthermore, the payment for cacao butter in Mexican pesos does not include the payment for labor, because human work applied is family-based. The small-scale cacao producer is absorbing the negative impacts of market fluctuations, but the worst of this entire situation is that the meager income from cacao butter is basic to family survival. In addition, there is an environmental and climatic risk: Flooding in the Chontalpa region is a common annual event, made worse by deforestation occurring in the highlands of Chiapas and sierra (mountains) of Tabasco.

In the 1930s, cacao from Tabasco was mostly in the hands of large- and medium-sized estates along the Sierra de Chiapas. Few were located in the zones of Tabasco's central plain subject to annual seasonal flooding. Families on medium- and small-scale plots used to live with a combination of economic activities and cacao production was one of them. The tropical forest also provided them with resources such as wood, plants, and fauna; the main crops at that time were corn and bananas. Migration of family members was practically unknown. Cropping changed from the 1950s and 1960s when banana prices permitted better earnings in the international market. At that time banana and cacao were cultivated together. After the 1960s cacao cultivation was changed from

the lowlands in the sierra to the risky flood plains, mainly to the Chontalpa. The less risky areas were thus used for cattle ranching and commercial crops, which had better market prices than cacao. Small-scale cacao producers started suffering changes in family organization and labor due to migration of some members to work with PEMEX.³⁸

From the 1940s to the 1970s the international cacao market was dominated by low prices paid for an inferior African product. Cacao from Tabasco could not compete, although its quality was superior. Nigerian cacao production captured 60 percent of the international market. However, in the 1970s that market share fell to less than 35 percent due to internal and regional problems.³⁹ Though international cacao market adjusted and Mexican cacao could be sold at better prices, this was only temporary. From 1980 to 1991, cacao prices went up and cacao from Tabasco became good business for small-scale farmers. Meanwhile large-scale owners turned to extensive cattle ranching and commercial crops.⁴⁰ After the 1990s world cacao production and commerce went again into the hands of African and Asian producers. From 2004 to 2005 the eight countries, the Marble Coast, Ghana, Indonesia, Nigeria, Brazil, Cameroon, Ecuador, and Malaysia, were responsible for 90 percent of cacao production.⁴¹

Small-scale cacao production survived in Tabasco because the Mexican government protected it through various institutions. Although during the 1980s earnings per hectare were important to family economies, they were not sufficient to cover new investments to convert small-scale cacao home gardens into more productive economic units. According to Tudela,⁴² net cacao earnings were only 25,181.00 Mexican pesos per hectare.⁴³ From 1980 to 1999, land for cacao production increased from 37,000 to 60,612, with help from organizations such as the National Union of Cacao Producers (INCATABSA), which was founded to help cacao producers.⁴⁴ When governmental subsidies were stopped from 1992, prices fell sharply. Currently there are 29,644 cacao producers in the state of Tabasco, mainly in the municipalities of Cárdenas, Comalcalco, Huimanguillo, Cunduacán, Jalpa de Méndez, Paraíso, and Teapa; they have from one to three plots cultivated with cacao.

The Current Situation: Poverty, New Expectations, and Migration

Commercialization of cacao from Tabasco is done in two ways: directly selling the green cacao grain twice a year directly to big chocolate enterprises, and indirectly sending the cacao converted on cacao butter to the market through intermediaries who are in charge of selling it to

international enterprises. The small-scale cacao producer is never in contact with the large enterprises, with sales to intermediaries (*coyotes*), who transmit these to huge food chains like Wal-Mart, *Chedraui*, SAM's, *Soriana*, *Comercial Mexicana*, and *Carrefour*, as well as high-end department stores such as Liverpool.⁴⁵ Small-scale farmers cannot live only from cacao cultivation. Even by growing their own food in their plots (*milpas*) and home gardens, they cannot make ends meet. Currently, due to low incomes, it is difficult not only to subsist but to also invest in home garden soils and technology. With younger men and women leaving for work in nonfarm jobs, traditional tasks seem destined to completely disappear.

Since 1990 cacao producer families have been impacted socially, culturally, and economically when PEMEX work disappeared. With more formal education they did not want to work in agricultural jobs. Children from small-scale farm families went to work in nearby cities such as Villahermosa and Cárdenas and then also to tourist centers, particularly Cancún. Single migrants usually got married in the new places and, at least for a while, they sent remittances to their families. However, since they need money to live in the new places, some of them stopped sending money when entering a new family or at least reduced the amount remitted, which reduces their parents' ability to pay salaried agricultural workers. Meanwhile, the elderly parents stopped working in intensive agricultural systems.⁴⁶

The impact of all of this on ancestral lands are several: (1) the diminishing of the family's work force; (2) the abandonment of old people who are unable to maintain intensive agricultural systems; (3) the abandonment of agrosystems themselves, as is currently happening with home gardens; (4) scarce application of money to corn cultivation, the *milpa*, which is basic to subsistence;⁴⁷ (5) reduction of weeding from the traditional ratio of two to one in *milpas* some years ago; (6) in many cases, the *milpa* has been converted from agrosystems characterized by crop diversity into a monoculture; (7) in home gardens, less care is given to trees and traditional plants, while the soil is used as a litter area for plastic bags, empty bottles, and other garbage; (8) turkeys and pigs remain the only domestic animals maintained by the families because they are needed for food or for additional income.

Furthermore, human pressure on natural systems increased and exploitation of flora and fauna, plus forest devastation, rapidly changed the rural landscape. Paved roads and highways, housing developments, industrial and commercial zones took over the new opened spaces; but at the same time new cultural necessities also changed people's mentality, including house architecture and materials,⁴⁸ clothes,⁴⁹ shoes,⁵⁰ daily diet, and electric and electronic appliances,⁵¹ which are part of the new culture in this tropical region of the country.⁵² Although many other

aspects have changed, one important question is the rupture of traditional ties in the cultural transmission from older to younger generations, which is closely related to some questions like the conservation of environment and natural resource use. Daily diet is changing rapidly and industrialized foods and beverages increasingly displace their traditional counterparts. Some impacts on health problems are being studied in other states of Mexico but no specific data is available for Tabasco.⁵³

William Roseberry,⁵⁴ discussing Sidney Mintz's book on sugar cane cultivation in the Caribbean islands and the creation of plantation economies through the changing structure of consumption, wrote: "The change of diet, and of the place of sugar in the diet, are explicitly connected with the change in class structure—the proletarianization of working people—and consequent changes in domestic groups, work and eating habits, and forms of sociality within and between households." The case of Tabasco illustrates that change in diet and in the family structure and functioning. Many factors enter in, but governmental policies are the most relevant. External factors that affected the daily lives of rural people include first the entry of PEMEX and then the influence of NAFTA after 1992, which reduced subsidies to peasants. Internal migration has become more important than international migration in this context.

Some Final Considerations

Although the influence of NAFTA in Tabasco is not direct, it has led to the cutting of governmental subsidies to small-scale farming (INCATABSA). A network of intermediaries (*coyotes*) working directly for the national and international chocolate companies and interrupt the relationship between the local and international created a lower price structure for organic cacao butter. Income became insufficient for investment in improved production. At the same time the modernization of rural daily life pushed people to nonagricultural jobs; work is just not available in their home communities.

The indirect effects extended to land use. Governmental policies in support of cattle ranching have changed a great deal of forest into grassland. Resulting climatic changes and annual flooding (refer to my earlier question regarding flooding) have led to social and cultural as well as economic change. Biodiversity has dropped, food habits have been altered. Internal migration has reached serious levels. With young people working and living elsewhere, the family organization has been affected.

Viewed through sociological and anthropological eyes, with NAFTA (or regionalism) as the center of analytical attention, we miss so many subnational dynamics: Those dynamics, in turn, generated ripple effects

either bypassing NAFTA rules, regulations, and institutions, or going beyond what NAFTA reckoned, in turn elevating socioeconomic and sociocultural infrastructures to center-stage—elements traditionally ignored by regional economic integration theories, but important, even if destined to wither under modernization and liberalization, because they convey daily activities. Arguably too many such activities take place outside the regional box at subnational levels for them to be ignored.

Notes

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2. Escalante et al. 2007: 43.
3. Taylor 1997 in *ibid.*: 43.
4. Zermeño 1996. Some comments were made on TV at the beginning of the current crisis about large food producing enterprises, accusing them of taking out their earnings from Mexico, and thus affecting unfavorably the exchange rate between the dollar and the Mexican peso. However, these commentaries soon stopped; no more has been heard about this topic.
5. It was also announced by the Secretary of Economy that remittances from the United States to Mexico fell 8 percent in 2007.
6. The inequality and class components of international migration have been studied in relation to the nature of social reproduction and dynamics of capital formation in different cases by Roseberry 1976, 1983, 1986, and 1996.
7. The total number of migrants within Tabasco is not very well known, according to Ramírez-Martínez (personal communication 2007); personnel in the government have set it at about 500,000, but Ramírez-Martínez considers that a very high number because it adds up to one-half of the population of Villahermosa, the capital of the state and its biggest city.
8. See his *framigration* model. James Rosenau, *Along the Domestic-Foreign Frontier: Exploring Governance in a Turbulent World* (New York: Cambridge University Press, 1997), 46.
9. Márquez 2007: 351–71, Reyes 2007: 337–49.
10. INEGI, *Economic Census* 2004.
11. *Ibid.*
12. Márquez 2001.
13. González field work 2008, Ramírez 2007.
14. Ramírez 2007: 149–50.
15. *Ibid.*
16. *Ibid.*: 149.
17. The peso/dollar exchange rate at that time was of 11 dollars per peso: 109 dollars and 272 dollars respectively.
18. Ramírez 2007: 150.
19. Ramírez-Martínez 2007: 149–50.
20. Myers 1991.
21. SEMARNAT 2000.

22. Del Amo 2007: 99.
23. Mariaca 2002, Ramírez-Martínez 2007, Rentería 2006.
24. Gliessman 1992: 681.
25. Coe and Coe 2007.
26. González and Ramírez 2009.
27. Ramírez-Martínez 2007, Rentería 2006.
28. González and Ramírez 2009.
29. Secretaría de Agricultura, Ganadería, Recursos Naturales, Pesca y Alimentación (SAGARPA), Delegación Estatal, Unidad de Planeación, 1999–2004, Villahermosa, Tabasco.
30. SEDAPOP 2002–03.
31. Martínez 2007: 126.
32. Ramírez 2007: 126.
33. The exchange rate was 13.50 Mexican pesos for US\$1.
34. González and Ramírez 2009, Ramírez 2007. Prices paid by the cooperative and the first factory managed by Guillermo Brondo Ruiz in the municipality of Paraíso, Tabasco.
35. According to Miguel Ángel Ramírez Martínez (fieldwork 2005) the enterprises buying cacao in Mexico were Chocolates La Corona, Hershey's Mexico, Sanborn's, Ricolino, Nestlé Mexico, Alpezzi Chocolate, Chocolate Dos Hermanos, Chocolates de Oriente, Chocolates La Perla, Chocolates La Frontera, Chocolates La Popular, Industrial Hidalguense, Chocolates La Soledad, and Chocolate El Mayordomo. Intermediaries buying cocoa butter were IMCO, Agrocorporation, Agromerck, Mani de Comercio, Tito Campos, Fuerza Viva, and Oscacep.
36. Organic cacao from Chontalpa, Peru, and Hawaii are the best in the world. However, cacao butter from Hawaii is very expensive while the Peruvian and Mexican cacao butters are cheaper.
37. One kilo of cacao butter costs 809.46 Mexican pesos, almost US\$51, but in Tabasco is paid only in 50 Mexican pesos from the retailers to the small-scale producers (US\$3) with the exchange rate of 16 Mexican pesos per dollar.
38. Ramírez 2007, Rentería 2006.
39. Tudela 1989: 319.
40. Rentería 2006.
41. Tudela 1989: 319.
42. Ibid.
43. Ibid.: 322, Ramírez-Martínez 2007, González y Ramírez 2009.
44. Tudela 1989.
45. Ramírez-Martínez 2007.
46. González y Ramírez 2009, Ramírez-Martínez 2007.
47. A plot cultivated with corn that can be mixed with other plants such as different varieties of beans, squashes, chile, and many others subsistence crops.
48. New houses follow urban styles not always well adapted to the tropical zones; these also they need electric appliances for climatic control so people can deal with than 30°C during the winter and more than 40°C in the summer, with humidity over to 90 percent.
49. Clothes are made with synthetic fibers instead of cotton, which today is very expensive.
50. Shoes are mainly made with plastic but young people like to use “sneakers.”

51. These include TVs, radios, CD players, electric fans, air conditioners, freezers, and sometimes PCs. Other domestic appliances include gas stoves and plastic dishes.
52. Although personal computers are expensive, there are many small businesses in which they are rented by the hour. The cost in 2005 was 10 Mexican pesos per hour.
53. Tecontero 2000.
54. Roseberry 1989, 35.

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Chapter Nine

Gendering NAFTA: Utopian Vision?

Rebecka Villanueva Ulfgard¹

Most treatments of structural change harbor a conceptual silence: the failure to acknowledge explicitly or implicitly that global restructuring is occurring on a gendered terrain.

—Isabella Bakker, *The Strategic Silence: Gender and Economic Policy* (1994)

Introduction

This chapter looks into women's rights on the implications of free trade agreement—an issue-area not taken too seriously in the North American Free Trade Agreement (NAFTA) talks. A lot has been written on how rules govern trade agreements and with what consequences for different stakeholders. This chapter is different because it adopts a gender perspective on “process issues” related to how trade rules are made, and who is involved in determining and enforcing those rules.

The discussion on gender concerns the social construction of biological sex, and, in turn, the embedded norms and assumptions regarding the roles and responsibilities of men and women. In other words, the debate on gender differences relate to the socially constructed differences between men and women in terms of their relationship to the public world of politics and the labor market, and the private sphere of the home and family. One aspect on the gender debate is important to point out from the start: The advocacy of a gender perspective on politics, and repeated claims on the importance of gender issues in domestic and international politics, does not necessarily have to reflect a leftist position by feminists, or be feminist, on the political spectrum. Rather, analyzing the question at hand without wearing any preferred ideological/political “lenses”—as this chapter sets out to do—might help us to make sense of the complexity of gender in relation to the NAFTA agreement.

Across Mexico, the United States, and Canada, feminist advocacy groups have consistently expressed skepticism about the promises of trade liberalization. For example, one report argued that effects of the NAFTA agreement has led to job losses in the United States “in key sectors such as steel and textile manufacturing,” and that “[t]he nature of work has also

shifted over time from being primarily stable, long-term positions to work that is flexible, precarious, and tenuous.”² Another claim was that “U.S.-owned multinationals have found it economically advantageous to shift production to Mexico and other places in the Global South where they can bypass labor and environmental regulations.”³

Numerous independent agencies have produced statistics over the years showing that trade-led economic growth, privatization, and market deregulation, coupled with a diminished role for governments, have not led to a higher quality of life in the NAFTA countries—and especially not for women. More than ever, opportunities in the new global economy are shaped by resource endowments or access to resources, for example, assets/skills, education, and income. When taking into account the differential impact among women and men, based on race, ethnicity, age, family status, disability, and other relational factors that (usually) mediate the effects of trade, the analysis becomes even more complex. Arguably, these are issues that need to come to the fore. A solid and credible appraisal of the impacts of NAFTA on women in the signatory countries cannot be made unless we acknowledge that free trade regimes are never gender neutral in consequence or effect.⁴

The aim of this chapter is to problematize why and how gender is a nonissue in NAFTA’s structures and processes, and to map out a few strategies for how to integrate gender in NAFTA’s agenda. This chapter follows the idea of invoking various levels of analysis when investigating how gender is faring in the NAFTA context (more on this in the next section). It brings into the picture, as a comparative contrast, a rich case of regional integration; the European Union (EU) and its progress in fusing gender and EU public policies, which can shed helpful light on the North American experiment. Having been meticulously scrutinized through the intergovernmental-supranational debate, this chapter argues that the EU sets comparative thresholds for NAFTA if we seek to understand why gender is a “nonissue” in NAFTA negotiations.

As the chapter shows, although NAFTA-based engenderment lags far behind the EU’s counterpart, as can only be expected from a regional arrangement between developed and developing countries, we learn even more how societal forces, and especially movements capable of becoming transnationalized, have been galvanized in North America. Both subnational and transnational forces could become agents to reduce gender asymmetry in a region where other asymmetries seem more stubborn.

Constructing a Theoretical-Analytical Frame for Discussing NAFTA and Gender

Gender today is indeed a global, transnational, regional, national, and local issue. It is fair to say that discussions on gender encounter difficulties

in permeating NAFTA structures of cooperation, as this chapter will point out, but merely exists, to varying degree, at the national and local levels in the United States, Canada, and Mexico.

These are the three analytical levels central for this volume: what can be said about gender and NAFTA in relation to (1) statism/nationalism/localism; (2) regionalism/security community/interdependence; and (3) globalism/transnationalism? The analyses in this chapter lead to the conclusion that gender is not faring well at the regionalism/security community/interdependence level. Rather, it has had, and continues to have, a tendency to flourish and leave an imprint in local and national levels, besides specific regions within or across countries (e.g., Northern Mexico-Southern United States). Despite reports showing how women in the past few years make for an increasing number of illegal immigrants crossing Mexico to the United States, in NAFTA policymaking circles this is not raised as a regional security concern (women being forced into prostitution, which is often part of other forms of criminal activities, women being raped and killed, which triggers uneasiness among civilian populations on both sides of the border, etc.).

This chapter explores why gender, as an exogenous factor, is not impacting NAFTA negotiations in any significant manner but rather remains an issue orbiting in its periphery. To better illustrate the “degree of fit” between theory and reality, it utilizes Moravcsik’s liberal intergovernmentalist theory, in the final section, to discuss NAFTA’s silence on gender issues, contrasting it with the European Union’s “engendering” approach.

Reflections on the North American Free Trade Agreement (NAFTA)⁵

Four sections motivate discussions of the pregnant issues: (1) the emergence of women issues; (2) the place of gender in NAFTA’s side-agreements; (3) gender asymmetry under NAFTA; and (4) exploring why NAFTA gives gender low salience.

The NAFTA Run-Up and Emergence of Women Voices

After 15 years, NAFTA still carries the perception that trade policy is by tradition a purely economic exercise requiring limited civil society input, and a very “thin” social dimension. As with the Canada-United States Free Trade Agreement (CUSFTA), coming into force in 1989, negotiations to establish NAFTA did not incorporate gender as a relevant dimension.

In both cases, women's organizations/advocacy networks sought to influence the trade policy agenda, and a more or less radical "political activism" outside the formal structures. However, the strategies used to influence the formulation of the free trade policy regime mirrored a high level of frustration on the part of these organizations/advocacy groups, with the lack of meaningful participation in the national-level policy-making process as a first-order problem, the NAFTA context becoming a second-order problem. Consultations on NAFTA did not seek to engage women's organizations, but only business representatives and trade unions. Based on their strong skepticism and ideological objections to free trade in general, guided by the claim that "trade liberalization is not gender neutral," women's lobby groups were not welcomed in the run-up negotiations for the NAFTA treaty. The Canadian National Action Committee on the Status of Women (NAC), more commonly known as Status of Women Canada, being the largest feminist organization in Canada in its capacity of regrouping various women's advocacy groups, reported that it was through "leaks of preliminary documents related to NAFTA that valuable information was gleaned and resistance mobilized."⁶

During the NAFTA negotiations, NAC pursued campaigns and activities to promote international solidarity among women in Canada, the United States, and Mexico. Moreover, NAC teamed up with a group of "reformers" and anti-NAFTA "radicals" as part of the Action Canada Network, being vital in promoting trilateral alliances. Consequently, cross-border alliances emerged between groups such as *Mujer Obrera* in El Paso, *Fuerza Unidad* in San Antonio, and the Coalition for Justice in the *Maquiladoras*. Similar initiatives were supported by various nongovernmental organizations (NGOs), for example, *Mujer a Mujer*, an NGO that today has ceased to exist because of the lack of funding, engaged in public education, lobbying and training programs to develop gender and race analysis on the effects of global transformations of economy and society on women.⁷

Gender in NAFTA's Labor and Environmental Side-Agreements

After several rounds of talks, transnational coalitions were able to get side-agreements on labor and environment. Signed in September 1993, they came into effect together with the NAFTA treaty on January 1, 1994. While the side-agreements on environment and labor are often criticized as ineffective and gender-blind, some women's groups had hopes that they would open up new institutional space for contesting violations of women's

rights. In fact, taking stock of such initiatives is quite dispiriting, with the prevalence of economic, social (in relation to health, vacation, leave to take care of a sick child), sexual discrimination of Mexican women in the United States being alarmingly high, a vast number of complaints never become a trial. There is not much to be found from a systematic survey of cases with a gender component brought to the attention of the North American Agreement on Labor Cooperation (NAALC).

An interesting question for others to investigate is: Why are there not more law cases having a clear gender dimension tested in the labor tribunals? Arguably, there is a need for raising working conditions of female workers in *maquiladoras* onto the NAFTA negotiating agenda, and also ensure protection of female workers in the NAFTA treaty beyond a minimal reference to International Labour Organisation (ILO) standards. Interestingly, the core ILO standard on equal pay for men and women, # 100, has never been tested in the NAALC—no cases have been filed using this article.⁸

Reflections on NAFTA Gender Asymmetry

The NAFTA signatories display significant variety when it comes to the enjoyment by women of their fundamental rights as human beings. Both Canada and the United States are solid industrialized countries, whose citizens generally enjoy a good standard of living and can exercise their human rights. With Mexico representing a different story (in no other Latin country are income disparities so markedly pronounced), the opportunities of women to exercise their fundamental rights become radically (and negatively) impacted. Domestic and work-related violence expose serious societal problems, and so too the limited success of the Mexican judicial branches to come to terms with impunity for such crimes. If that is not enough, the trafficking of women—quite often under the age of 18—across the Mexican border into the United States to work either in the sex industry or as underpaid service personnel at hotels, restaurants, shops, and so forth, depicts how women inferiority is too deeply structured to be easily mended.

There are many more illiterate women in Mexico than in Canada and the United States, and girls finishing high school, even junior high school, are fewer in Mexico. Furthermore, thousands of women especially in strong indigenous communities lack full legal and political rights. In Mexico, more women die each year from pregnancy-related complications than in Canada and the United States. Female workers run serious risks of deteriorating health when working at the *maquiladoras*. The

conclusion is that women's right to a good health is more difficult to sustain in such an unequal society as the Mexican, where socioeconomic cleavages are rather widening than narrowing.

Why Mixed Readings of NAFTA's Impact on Mexican Women

Arguing that the gap between the haves and have-nots has widened in all the NAFTA countries, the situation is particularly worrisome for Mexican women. For example, many women are forced to shoulder the burden of being the breadwinner and doing all the family chores because their husbands work in U.S. *maquiladoras*. It should be mentioned that the current unprecedented financial crisis in the United States is hitting particularly hard those Mexican families that are dependent on incomes from their family members or relatives working in the *maquiladoras*. According to some sources, poverty increased by 5 percent in female-headed households since the implementation of NAFTA, and women make up the poorest of farmers in Mexico. More and more women are also making their earnings in the informal economy, rapidly expanding in Mexico on all fronts. There are estimates that, of the jobs created since the entry into force by the NAFTA agreement, close to 40 percent have been in the informal sector. What is worrisome is that these jobs are not recognized in the formal economy and remain unprotected by labor laws. The majority of women subjecting their life (and sometimes their families') in this sector, work long hours and have very modest earnings from their businesses. In both the rural and urban areas, women work more hours per day than men along with their usual household chores.⁹

One should not forget that, once upon a time, before the NAFTA agreement, Mexico had structures in place for stabilizing prices (more interventionist role for government), supporting farmers, and various measures to establish a certain level of national production of food and other commodities. As Mexico sought to liberalize its economy and markets, negative effects were especially and quickly noticeable in the agricultural sector: rural employment was devastated, increased poverty sparked dumping and migration, and prices on food and other commodities surged.¹⁰ As the previous chapter indicated, region-level priorities do not always match priorities at the subnational level; and NAFTA just does not have a robust social policy to weather the harsh consequences of a neoliberalist policy approach especially in developing countries, but without sparing developed countries as well.

The following quote is just one out of many on the same theme, showing how the *maquiladora* factories endanger women's rights in both

Mexico and the United States: “Women farm workers face particular discrimination in getting semi-skilled and skilled jobs. While men account for 80% of farm workers in the U.S., women are mainly hired in the packing houses and processing plants rather than in the fields. Women often need to work longer hours in order to earn the same income as men. At the same time, they often have primary responsibility for caring for their children and completing household chores.”¹¹

Another quote conveys a similar picture: “Where women have found employment in the fruit sector with non-traditional agricultural exports, these jobs have been highly sex segregated with women situated at the bottom of the value chain typically and disproportionately engaged in propagating, cleaning, sorting, quality control, and packaging. Men typically assume the tasks of supervising, transporting, storing, and operating machinery. In general, work in the agro-industrial sector is paid by the piece, not per work period, meaning that workers tend to work the necessary hours to fill their quota. Women typically earn 25–30 percent less than men.”¹²

Facing hardship in the traditional farming and agriculture sector, an increasing number of women have turned to the *maquiladoras* over the past years. About 70 percent of the *maquiladoras* workforce in Mexico is composed of women, 63 percent of the jobs go without fringe benefits, and 17 percent offer less than minimum wage.¹³ Working conditions in the *maquiladoras* are often unsafe for women and adolescent girls; with no protection against work-related violence, scarcity in resources (protective clothes, decent equipment, etc.). Excessive long working days, forced overtime, and barely any vacation (if at all) add to the plight.¹⁴ A source states that “Women have been denied fair working conditions and wages as a direct result of the type of foreign direct investment that was implemented under NAFTA.”¹⁵

Having discussed that NAFTA is indeed unfavorable to Mexican women, the chapter considers a contrasting example of how political, normative ideals about gender quality can help a regional trade community to profess strong, legal commitment in this respect. The example, the only one of its kind in the world’s dynamic free trade organizations/regimes, is the European Union, and the subsequent sections highlight some of the advances in the field of promoting women’s rights.

Contrasts with European Union “Engenderment”

In postwar Western Europe, the prevailing view of gender roles and responsibilities has been that of the woman as mother and primary

caretaker and the man as the head of the household and principal breadwinner (a discourse often reflected in Christian Democratic parties). Nowadays, the EU has a well-developed gender equality policy integrated in its *acquis communautaire*, the body of legal rules defining the obligations that accompany membership of the EU. The assumption behind existing equal opportunity policies is that they should equalize the terms of social participation, thereby making societies fairer and more democratic. Politicians and civil servants can no longer afford to ignore the gender implications of welfare and labor market policies. In other words, the commitment to a better deal for women is the underlying idea with the introduction of gender to the EU policies.

Emergence and Spread of Equality Policy in the EU

The origins of equality policy lie in the activities of the second-wave feminism during the late 1960s and early 1970s (first wave concerned the right to vote in the early twentieth century). In a strategic move, women's groups began invoking Article 119 of the Rome Treaty (today Article 157)—stating equal pay between men and women for equal work—in national equal pay campaigns. They also sought to channel their claims and their lobbying activities directly into the then European Community policymakers. The professional activities of the Belgian advocate and academic lawyer, Eliane Vogel-Polsky, argued for a strong definition of Article 119 in the courts. She brought the *Defrenne* test case against the Belgian state airline *Sabena*, which resulted in the European Court of Justice's landmark ruling confirming the direct applicability of Article 119. This way, gender-sensitive policymakers and women's rights lobbyists could lean on a necessary juridical hook on which to hang their demands for further gender equality legislation in the European Community framework.

Since the early 1990s, the idea (and policy implications) of gender mainstreaming has become an increasingly salient issue of debate and experimentation for national policymakers, the EU and international bodies such as the UN, the Council of Europe, and international NGOs such as Oxfam, Human Rights Watch, the International Red Cross, among others. Women's networks represented at the 1995 Fourth UN World Conference on Women in Beijing were an important vehicle for the introduction of gender mainstreaming in the EU. Gradually, the EU became a major catalyst in the generation and extension of national sex equality laws to protect the rights of working women. In short, the commitments expressed in the name of a community of values delivered a "shock" to national policy systems and helped to create a new policy area at the national level.

Since the 1997 Amsterdam Treaty, EU member states have, with varying degree of enthusiasm, begun to adopt mainstreaming strategies, partly in response to EU pressure. Women's organizations, NGOs, and especially the Scandinavian member states have been important agents of diffusion of the concept. With policy development came a greater focus on childcare, and the urge that it should be recognized as a crucial issue in the context of "women, power and public policy," and equality of choice and opportunity between men and women. Various studies analyzed in the Council of Ministers (ministers of social affairs) showed that a shortage of childcare, few nurseries, kindergartens, part-day play groups, preprimary schooling, tends to limit mothers' employment opportunities. Throughout numerous initiatives partly orchestrated by women's lobby groups came a greater focus on: "sexual politics": abortion, sexual harassment, domestic violence, pornography, prostitution, trafficking, violence against women, and labor exploitation. The debates on these issues intensified after the arrival of 10 new EU member states from May 1, 2004, the majority of them Central and Eastern European States where the situation of women in some instances raised considerable concern among the "old" member states.

Judicial Foundations of EU Equality Policy

The 1951 ILO Convention (No. 100) and the UN Universal Declaration of Human Rights contain a commitment to the principle of equal pay between men and women, serving as basis for the EU's community legislation. A problem is that the judicial basis for supranational intervention in the field of gender equality is relatively weak and narrow. Moreover, Commission attempts to expand the scope of EC sex equality policies beyond the limited confines of Article 119 have consistently been jeopardized by "minimalist" member states, and especially the United Kingdom. A related fact is that national governments continue to enjoy autonomy over policies that fall beyond the legislative scope of Article 119, that is, childcare provision, welfare and taxation policies, education, which, all the same, has tangible impacts on the position of women within the labor market.

Some important directives include the Equal Pay Directive 1975, which affirms the intent of Article 119 and expands its meaning to include equal pay for work of equal value, and the Equal Treatment Directive 1976. Moreover, there are directives on pregnancy, part-time work, parental leave, and soft law measures on sexual harassment, childcare, trafficking, and violence against women. The EU directives constitute a "floor" for the member states, who can decide to introduce stronger

measures to fight gender inequalities. Critical voices argue that all of these measures have been watered down in negotiation and are applied patchily at national level, and that the Commission does little to follow up skeptical and corrective claims by various women's advocacy groups for strengthening the Commission's role in being a watchdog over the member states' at times half-hearted implementation of equality directives.

As mentioned previously, Commission attempts to introduce legislation on related issues that affect the labor market position of women (notably childcare provision, sexual harassment in the workplace, and parental leave) have been contested in the Council of Ministers on the grounds that they lie beyond the reach of Article 119. Nonetheless, the Commission strives to extend the policy debate to such issues by means of "soft," legally nonbinding policy instruments, including Recommendations and Positive Action Programmes. Albeit not being legally binding upon member states, there is some evidence that these initiatives, combined with social and political changes initiated by domestic policymakers, have contributed to greater awareness of sex discrimination on the part of employers, trade unions, and the public generally.

To continue with fundamental judicial cornerstones, Article 2 of the 1993 Treaty of European Union (TEU) specifies the "task" of the Community as including "equality"; Article 3(2) TEU is on gender mainstreaming into the Community's activities, and furthermore, there are the changes to Article 119 EC especially in relation to positive action policies. Articles 2 and 3(2) TEU are not directly effective, and do not create legally enforceable rights for women, but they do represent a treaty-based political commitment to gender mainstreaming, which the Commission takes as both legal authority and "political cover" for its subsequent proposals (cf. the absence of this normative commitment in the NAFTA treaty). It is important to elevate the inclusion of a broader, fundamental rights agenda—providing strengthened law-making power—coming with the Amsterdam Treaty, signed on October 2, 1997. This novelty, contributing to an elevated status of gender equality issues, was partly a gesture to meet the frustration across women's organizations/advocacy groups, as well as a response to pressure from the Scandinavian governments. As a result, "news" were qualified majority voting in the Council, and codecision procedure within the European Parliament for equal opportunities legislation.

Measures to Improve Greater Gender EU Equality

There are three principal ways in the EU to promote women's rights: positive action, positive discrimination, and applying gender mainstreaming

principle. In 1996, the Commission adopted a formal commitment to gender mainstreaming, meaning the acceptance to infuse the dimension of gender in all areas of public policy (more on this further ahead). The mainstreaming frame concerning gender equality henceforth had to resonate within all Commission policy areas and Directorates-General. This had previously been experienced with the mainstreaming of environmental concerns in a similar fashion.¹⁶

The Commission has in recent years adopted a series of Action Programmes, which have fostered pilot projects and the exchange of best practices in areas such as childcare and the political representation of women.¹⁷ Two Units deal with gender equality issues: the “Equality between women and men” Unit and the “Equality, action against discrimination: legal questions” Unit, both located within the Directorate-General for Employment, Social Affairs and Equal Opportunities, assisted by an Advisory Committee, a program Committee, a High Level Group of senior member states’ officials, and a Commission interservices group. A Report on Equality between women and men is submitted to the Spring European Council (gathering the heads of state and governments of the member states) each year. It should also be mentioned that the Commission funded the European Women’s Lobby (EWL), set up in 1990. Taken together, this shows that gender issues is something that concerns the supranational agenda and policymaking remit initiated by the Commission—and indeed, gender is a Community matter, at least to the letter.

Furthermore, there is a European Institute for Gender Equality, located in Vilnius (Lithuania) and established by the Regulation no. 1922 of the European Parliament and of the Council of December 20, 2006. The tasks of the Institute are, for example, to gather and analyze information regarding gender equality, to raise EU citizen’s awareness of gender equality, and contribute to developing methodological tools in support to gender mainstreaming.¹⁸ Turning now to the three principal instruments for fostering gender-sensitive policies in the member states, the Commission has outlined the legal “containers” of

1. *Positive action*: This principle involves the adoption of specific actions on behalf of women, in order to overcome their unequal starting positions in a patriarchal society. Article 157 (previously Article 119) now incorporates a legal entitlement to positive action.
2. *Positive discrimination*: This principle implies to increase the participation of women (or other underrepresented groups such as immigrants) through the use of affirmative-action preferences or quotas.¹⁹
3. *Mainstreaming*: The idea behind the principle of mainstreaming gender is that gender issues “spill over” into most policy sectors,

especially having relevance in welfare-related policies as well as trade and development policy. Accordingly, it is designed to integrate a gender dimension into the policymaking process across all policy sectors, and gradually, EU and national policymakers have learned to profess a commitment (although sometimes it seems to be more of paying lip-service than actual conviction) to implement a gender-mainstreaming strategy on different policy areas.

The mainstreaming process usually comes in two forms: The “integrationist,” which basically introduces a gender perspective into existing policy processes, but does not challenge existing policy paradigms. The more radical approach, the “agenda setting” involves a fundamental reconceptualization, not only of the means or procedures of policymaking, but also of the aims or objectives of steering a policy-process from a gender perspective.

The Commission’s evaluation of how the EU member states have complied with the principle of gender-mainstreaming on the whole falls on the positive side of the assessment. Actually, one may consider this an evidence of the transformative power of a norm, or a principle, in affecting the discourse, policy-process, and participatory behavior of policymakers in national and EU legislative assemblies—with a greater awareness, and maybe concern, for women’s rights and gender issues.²⁰

A criticism of the EU’s mainstreaming approach is that, hitherto, many of the initiatives undertaken under its mandate fall short of creating legally enforceable rights, such as the equal pay guaranteed of Article 119. Instead, recourses are untested administrative procedures and “soft law” proclamations that are likely to be felt patchily, if at all, by women across the EU member states.

Another line of criticism asserts that there is a dilemma inherent in politics and theorizing around gender: advances toward the mainstream can easily lead to dilution. Some of the initiatives to promote greater equality between men and women will perhaps be weakened in the name of mainstreaming. If gender is everybody’s responsibility in general, then it is nobody’s responsibility in particular, the criticism goes.

However, if gender-mainstreaming is to be transformative in nature, it must be able to enhance the inclusion and participation of women in the domestic arena of policymaking and decision-making processes. Furthermore, the principle has to be sufficiently supported with mechanisms preventing the exclusion or reduced participation of women in these processes. It is a problem that gender-mainstreaming is still such a nebulous concept—although it is a strength—as there is not one single formula for how best to achieve its merits. Rather, there is a collection of “best practices” for various issues, helping the member states to learn from each other.

Finally, the success of the gender-mainstreaming principle hinges upon the readiness of policymakers to consider routinely the gender dimension of policy options. It is fair to say that support as well as resistance can be placed along a continuum, with different degrees of approval for either a neoliberal frame, emphasizing individualism and free markets, or a more interventionist frame, endorsing state intervention and orchestrated measures (also, leaving a margin for an external community; UN, EU to leave an imprint on national legislation and policymaking), in the market place in pursuit of social goals such as equality between men and women.

Future for EU's Equality Policy

Today, the dilemma is the same as before: How to reconcile more “minimalist” concerns with social issues coming with the predominant logic of market-oriented economic policies, with constant pressure “from below” to initiate proactive interventionist, antidiscriminatory policies intended to improve women’s position in the labor market, for example. Financial crises now sweeping across the European continent as a consequence of the massive decline in the United States’ economy and markets will exacerbate the speed and intensity of slashing welfare expenditure levels, which especially produces a negative effect on women’s life situation in the EU member states.

As mentioned above, the mainstreaming approach tends to be ignored in the core areas of EU activity, such as the internal market, as well as in the case of enlargement where social policy is not on top of the political agenda in rounds of talks with the candidate countries (and the other countries in the waiting line). This point is also valid for the EU’s cooperation agreements overseas, including the case of EU-Mexico cooperation. Arguably, there are reasons to believe that raising gender issues and addressing them through an EU lens in high-level talks might stir strong reactions among Mexican representatives and give rise to intensive debate—which perhaps should be welcomed?

Liberal Intergovernmentalism, Gender, and NAFTA Negotiations

What is the explanatory value of liberal intergovernmentalism for NAFTA and the case of gender as a nonissue? This chapter claims that the noninclusion of women’s issues first in domestic preference formation and intrastate bargaining, which gives as a consequence the near

invisibility of such issues at the intergovernmental negotiating arena—that is, the NAFTA negotiation rounds—is congruent with Moravcsik's theory (see Moravcsik 1993;1998).

To make a more systematic analysis of this claim, we have to revise some of the building blocks of Moravcsik's theory. First of all, the theory stresses the global context, for example, of how NAFTA interacts with other trading blocks such as the EU, APEC, ASEAN, Mercosur, and so forth. There is limited interest for what goes on inside the state, except for studying the dynamics of intrastate bargaining—but in a limited way, as the next argument points out.

Second, liberal intergovernmentalism strongly favors an analytical focus on the formation of national preferences, taking into account social actors (lobby groups, individuals), but with the assumption that economically strong actors can make their voices heard by government representatives more easily. Hence, Moravcsik's thesis does not fit well with economic challenges confronting women's lobby groups/advocacy groups, as there is "little business in caring about gender." Given the fact that money matters a lot in policymaking processes, for example, funding campaigns, advertising, expert consultants, and so forth, women's advocacy groups spend considerable time struggling to get funding for their cause.

Third, Moravcsik's liberal intergovernmentalism argues that external pressures come with important explanatory power for the outcome of treaty regimes, such as economic crises, slumping markets, inflation rates, security threats, global climate change, and so forth. Analyzing external pressures for the absence of gender issues in the NAFTA treaty, the reading with Moravcsik's theory becomes a "both, and." Certainly, external pressures especially in the shape of the worst U.S. financial crisis since the 1930s, could explain the virtually nonexistent interest to bring in gender into NAFTA talks. But an equally important explanation could be the internal pressure (from conservative circles, employers unions, business leaders, etc.), especially in the United States and Mexico, for not allowing gender issues to permeate the political agenda.

Fourth, liberal intergovernmentalism can provide sophisticated accounts of treaty revisions (explanations of intergovernmental bargains), and why the NAFTA governments are still very much "Masters of the Treaties," but the theory attributes limited role to the influence of transnational advocacy groups and INGOs, NGOs in the process of getting to a treaty, or revising it. Obviously, this rhymes well with reality and taken together, it could be argued that the situation with gender issues as a nonissue in NAFTA displays a good "degree of fit" between Moravcsik's theory and reality.

Foundations for a Utopian Vision Integrating Gender in NAFTA

This section brings up some concrete ideas around how to infuse the NAFTA treaty and negotiations with a normative commitment to a better deal for women across the signatories.

Gender-Sensitive Policy Formulation and Decision-Making Process

Numerous women's organizations/advocacy groups in Mexico, the United States, and Canada have repeatedly launched calls for gender-sensitive policy formulation and decision-making processes in the framework for the NAFTA agreement. During the CUSFTA and NAFTA consultation rounds with stakeholders in the civil society, negotiating governments assumed, wrongly, that trade unions would represent women's interests. It turned out that the trade unions were not always keen on bringing in gender issues into the discussion. Moreover, it was far from given that they would, or could, represent the specific concerns of women workers. Another aspect is that those female representatives active in the consultation rounds with all kinds of stakeholders tended to represent business interests and not the concerns of grassroots women's groups. Against this background, forthcoming NAFTA talks should strive to ensure a fair and balanced representation of the sometimes polyphone women's organizations/advocacy groups choir, include them in advisory groups and consultation phases at all levels of the agreement.²¹

Gender Disaggregated Data and Gender Analyses

Another recommendation is to ensure collection of gender disaggregated data in all NAFTA reports, hence facilitating a critical appraisal of how various effects from the treaty strike particularly women as a group. Take, for example, the implementation of the Agreement on Agriculture and Services, and what might come out from a reading with a feminist gender perspective of these two cases. A similar proposal is to carry out gender analysis in the reports of country Trade Policy Reviews.

The challenge lies in how to routinize such proposals and make them a "standard operating procedure" for influential individuals in leadership position to impact the rather static NAFTA treaty.

Respecting Women Diversity: Women as Multistakeholders

It is fair to say that women in Mexico, the United States, and Canada do not share the same experiences of the effects of increased trade liberalization. Factors such as race, ethnicity, education and income, culture and geographical location, among others, all play a significant role when the creation of transnational women's advocacy groups is on the agenda. It is, therefore, necessary to respect the idea of women as a multistakeholder interest group in civil society.

Multistakeholder consultations with civil society is practiced in the NAFTA countries, but a lot more needs to be done to raise the importance of gender issues onto the negotiation agenda. The burden falls on the governments to ensure a meaningful dialogue (a challenge, since governments at times speak with a forked tongue), by providing full access to information about policy issues. Relevant information for continuous free trade talks would then be processed in consultation rounds with representatives of women's organizations/advocacy groups. The gains are important to mention: a more transparent NAFTA agenda, supported by an equally transparent consultation process, and enhanced legitimacy and accountability of decisions being taken in the realm of NAFTA talks.

Incorporating the CEDAW Treaty with the NAFTA Treaty

Another progressive proposal to raise gender issues in NAFTA talks is to have the Treaty for the Rights of Women provisions incorporated with the NAFTA foundational principles, as this would be a significant leap into the future and a display of a normative commitment to a better deal for women across the NAFTA countries. Officially known as the United Nations Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW), adopted by the United Nations General Assembly in 1979, it is the most complete international agreement on basic human rights for women.²²

Once playing a leading role in drafting the Treaty, which 185 countries have ratified as of March 2007, the United States is one of only eight countries that have yet to ratify CEDAW, alongside Sudan, Somalia, Qatar, Iran, Nauru, Palau, and Tonga. Importantly, there is wide support for the Treaty in the United States, but it has never come before the Senate for a vote. In 1994 and later in 2002, the Senate Foreign Relations Committee voted in favor of the Treaty, agreeing to send it to the Senate

floor for ratification, but the Senate recessed each time before that came around. Since then, the United States' stance is negative; no action has been taken on the Treaty since 2002.²³ With deadlock for so many years, momentum for ratification started growing in states and counties. To date, legislatures in 12 states and territories have endorsed U.S. ratification.²⁴ It is argued that "As the leading superpower, U.S. ratification would lend weight to the Treaty and provide valuable support to women seeking reforms in countries around the world. U.S. failure to ratify the Treaty undermines the powerful principle that human rights of women are universal across all cultures, countries, and religions, and worthy of being guaranteed through international human rights standards. Without the U.S. as a party to the Treaty, repressive governments can easily discount the Treaty's provisions."²⁵ One could perhaps hope that the new administration under President Barack Obama would reanimate the issue of having the United States sign the Treaty, especially as such a prominent profile as Vice President Joseph Biden earlier expressed support for it in his position as Chairman of the Senate Foreign Relations Committee.

Signatories to the Treaty pledge to take measures to ensure women their fundamental human rights and freedoms, establish judicial procedures to ensure the effective protection of the rights of women, and to take appropriate measures to eliminate discrimination against women by persons, organizations, or enterprises. Furthermore, they have to submit national reports every four years on measures they have taken to comply with the treaty to protect and promote the rights of women in their country.

A special chapter in the NAFTA treaty referring to the CEDAW Treaty could, for example, point out the asymmetry in women's health across the signatory countries, and express commitment to redress such injustices. The "catalogue" of women's fundamental rights and freedoms could also proclaim the right of women to a livelihood free from domestic or work-related violence and discrimination, sex slavery and trafficking, life-threatening risks in conjunction with pregnancy and childbirth, as well as commitment to women's rights to education, to own and inherit property, to have an income, and so forth.

Gender Mainstreaming NAFTA

As trade liberalization and the associated trend toward deregulation affect three main policy spheres of particular importance to women, namely social policy, health care policy, and labor market and mobility policy, and often with negative consequences for the physical and mental condition of women, a gender integrative approach is required for a full assessment of the impacts and effects of NAFTA membership. This would

come close to the idea of “mainstreaming” the gender principle across NAFTA countries. Obviously, the idea is highly relevant for the side-agreements on labor and environment, and the activities of the tribunals for the respective policy area.

The idea is to integrate horizontal issues in the formulation of trade objectives and priorities, and mechanisms and processes for making a gender perspective permeate the sensitive parts in the policymaking process; that is, the initiation, formulation, and implementation stages. Practicing gender mainstreaming would require a stronger coordination not only within and between the NAFTA countries, but also and with international forums (UN conferences) and organizations (ILO) to find horizontal entry points or opportunities to address issues of gender and international trade policy. The NAFTA countries would then be asked to provide other regional trade organizations with “scoreboards” of compliance register with the gender mainstreaming principle, among others.

Conclusions

Gendering NAFTA: Why Bother with Utopianism?

The EU constitutes a clear example of how gender mainstreaming is orchestrated through a supranational policymaking order, supported by rulings and case law established by the European Court of Justice, and how supranational legal exercises eventually “trickles down” to the EU member state’s national judicial, administrative, and policymaking systems. The EU provides a reliable example of not only how much demonstration effect the best mainstreaming practices have, but also how they can become converted into a leadership role and advocacy in promoting gender-based analysis and gender mainstreaming in the EU legislative process. For the EU member states, the culture of integrating gender has come through directives and peer pressure, “best practice,” and other coordination measures. All this testifies to the nature of the EU as a *political community*, whereas NAFTA has no such aspirations of expressing normative/political objectives with its cooperation dynamics and mechanisms.

One may argue that “engendering” NAFTA, as proposed in this chapter, might be an effective means for giving equal and institutionalized weight on an ongoing basis to women as a heterogeneous group or a multistakeholder group in shaping the free trade agreement affecting them on a daily basis. However, there are significant stumbling blocks of

various kinds, as this chapter has pointed out. Clearly, there is insufficient political will on the part of all governments concerned, to open the door for social concerns with trade agreements—the argument being that a whole range of groups would all make different claims on policy-makers, hence provoking a “slow down” in NAFTA’s efficiency *qua* neo-liberal, free market trade regime. Another challenge related to the second-order problem is that there is not enough coordinated force “from below” and across countries to raise gender and women’s issues to the attention of policymakers at various levels of governance.²⁶

It is of great concern that the salience of the first-order problem is that strong, and that disagreement still persists among women’s advocacy groups about the “best” road to take to advance gender issues at the domestic policymaking arena. Being a very asymmetric regional regime, this problem does not have the same intensity across the countries, and neither within different parts of the United States, Canada, and Mexico. For example, in Mexico, initiatives to (re)shape platforms for dialogue with government ministries and agencies quite often run into deadlocks over issues on structure, long-term function, permanence, and composition of the representative body. Hence, disagreements among women as a multistakeholder group do not facilitate negotiations with contractual partners on the government side. Generally, there is slow progress, yet there *is* progress, within the Mexican government to work out institutionalized mechanisms for civil society engagement in policymaking—however, Mexican civil society plays a far more limited role in the shaping of Mexican foreign policy. To sum it up, it is fair to say that women’s organizations concerned with the “gender blindness” of trade policy will, as in the past, use multiple approaches and strategies of engagement to influence trade negotiations. As long as the first-order problem of sufficient national representation is not resolved, there is little chance that the second-order problem with NAFTA and the inclusion of gender issues will be dealt with seriously.

Another reflection is that unequal patterns of life conditions and the opportunity to exercise human rights for women in the three countries will continue to prevail, with Mexican women in poor social and economic circumstances suffering the most. It should be added, though, that against the backdrop of the far-reaching financial crisis in the United States, it is likely that income disparities will widen significantly in the United States with women becoming even more exposed to its effects.

In conclusion, it seems like the marriage between NAFTA and gender will, in the future, remain utopian. Probably, there will not be any opening up of new legal or institutional space for articulation and promotion of gender issues. It is all the more important, then, to take seriously the calls for more studies on the impacts of the NAFTA free trade regime on women across Mexico, the United States, and Canada, to reach an

understanding of the breadth, depth, and scope of gender issues in an increasingly complex, unequal NAFTA context.

Yet, gender opens up nonterritorial space; and in that sense, subordinates traditional analytical anchors based on the state and state-based arrangements, such as regional associations. It exposes NAFTA's subnational deficit and transnational vulnerability: Without bringing forces from these levels into its own rubric, NAFTA as a regional trading bloc may not carry too much relevance for too long. One fine issue to begin that adjustment to new forces could be gender, since gender highlights that irrelevance seriously; but bringing gender more into center stage would further imperil the priorities of regionalism in North America. Whichever way one looks at NAFTA, it is an outmoded association with too traditional structures to survive in the modern world.

Notes

1. Doctorate in Political Science, Växjö University, Sweden. Researcher-Lecturer at the Department for International Cooperation and Development Studies, Instituto de Investigaciones Dr. José María Luis Mora, Mexico City.
2. Spieldoch 2004.
3. Ibid.
4. See, for example, the contribution to this debate by Bayes and Kelly 2001.
5. After 14 months of intense negotiations, Canada, the United States, and Mexico signed the NAFTA agreement on December 17, 1992. NAFTA was ratified in all three countries by 1993, and went into effect in January 1994.
6. Status of Women Canada 2008.
7. Ibid.
8. Human Rights Watch 2001.
9. Women's Edge Coalition 2004.
10. Ibid.
11. Spieldoch 2004.
12. Women's Edge Coalition 2004.
13. Ibid.
14. Ibid.
15. Ibid.
16. The process of environmental integration started at the Luxembourg Summit in December 1997, with an agreement that environmental protection requirements must be integrated into the EU's policies and activities to promote sustainable development. A crucial step was taken at the Cardiff Summit in June 1998 where the Commission presented an integration strategy entitled "Partnership for integration," outlining guidelines for integrating the environment into individual policy areas. See European Council 1999.
17. The First Action Programme on the Promotion of Equal Opportunities for Women, 1982–85, the second 1986–90, in 1995, the Commission proposed, and the Council adopted, the Fourth Action Programme (1996–2000) on

Equal Opportunities for Women and Men, which featured mainstreaming as the single most important element. The Fifth Action Programme ran from 2000 to 2006, and the latest one is named "Progress," to run from 2007 to 2012. It replaces the earlier model of action programs and will instead function in line with the idea of having a single employment and social solidarity program, the motivation being "to rationalise and streamline EU funding and concentrate its activities to improving the impact." See European Commission: Employment, Social Affairs & Equal Opportunities: Gender Equality. "Actions."

18. See *ibid*.
19. Important Court rulings are the Kalanke case (C450/93) and the Marshall case (C409/95).
20. See "Reports on Equality between Women and Men in the European Union" (2004–08) and "Reports on equal opportunities for women and men in the European Union" (1996–2002), European Commission: Employment, Social Affairs & Equal Opportunities: Gender Equality. "Gender Mainstreaming: activity and progress reports."
21. Status of Women Canada 2008.
22. CEDAW: Treaty for the Rights of Women, "Facts and..."
23. According to CEDAW, "Legal scholars and the Congressional Research Service have determined that the Treaty, as considered by the Senate (with the current package of reservations, understandings and declarations), would not require the passage of new laws. U.S. law already complies with the Treaty, and to ratify it will not require the passage of a single new law." See CEDAW: Treaty for the Rights of Women, "Facts and..."
24. California, Guam, Hawaii, Illinois, Iowa, Maine, Massachusetts, New Hampshire, New York, North Carolina, Rhode Island, and Vermont. The Connecticut and Wisconsin Senates and the House of Representatives in Florida, South Dakota, and West Virginia also have endorsed U.S. ratification. See CEDAW: Treaty for the Rights of Women, "The role of the United States." http://www.womenstreaty.org/facts_usrole.htm, accessed November 30, 2008.
25. See CEDAW: Treaty for the Rights of Women, "Why a treaty? Why now?"
26. For an excellent analysis of this "intra and cross-border problem," see the article by Liebowitz 2002.

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Chapter Ten

Developing National and International Civic Engagement Networks: The International Consortium for Higher Education, Civic Responsibility, and Democracy

*Frank Plantan, Jr.*¹

Introduction

The signing of the North American Free Trade Agreement (NAFTA) between the United States, Mexico, and Canada in 1993 paved way for many changes in Mexico, not only in the economy but in all areas of society. It has accelerated changes in education generally and, particularly in elementary and secondary education, created common cause among teachers' unions throughout North America.² These worries extended to higher education as well. Writing for the *Annals of the American Academy of Political and Social Science*, Guillermo de los Reyes opined that NAFTA "...has made Mexican academics mindful of the fact that U.S. universities in the new economic climate should be regarded as more than teaching institutions—they are a global economic resource that has and will have a profound influence on people who will never visit their campuses. The question of how Mexican researchers and academics are going to come to terms with the situation becomes pressing as NAFTA lowers the protective barriers. The illusion of being an equal partner or of being able to compete in many sectors is dangerous, particularly in the university sector."³

NAFTA was propagated on the promise that a North American free trade area would produce benefits to all parties, not only in terms of maximizing the benefits from trade, but for all sectors of society. Once one moves beyond the theoretical precepts of the gains from trade derived from a country's comparative advantages, it is in the broader economic impact of these benefits that translates into higher productivity and of social and political development. The consequent economic growth and expansion in the production of goods and services places demands on

society as well. It requires an increase in the quality and quantity of human capital and ever more highly skilled labor as a country advances in productivity and economic capabilities. It requires the evolution and creation of new social and political institutions as higher levels of economic development raise expectations. In opening the borders to trade and investment between the first, ninth, and fourteenth largest economies in the world, NAFTA has elevated the need for new social and political institutional arrangements in civil society.

While the abstraction and grammar of economic theory in principle functions independent of the locale, nationality, or ideology, the expansion of society requires social, cultural, and political institutions capable of absorbing demand for improved social services, education, and the legal and political mechanisms and structures that facilitate transactions. The success or failure of NAFTA, as judged by each member state's population, is a function not only of measures of economic growth and the expansion of trade, but also in the ability of each state to take advantage of increased trade as reflected in the elevation in the standard of living, income growth, and the enjoyment of leisure and culture that comes with ever higher levels of socioeconomic development.

Free trade areas have worked best where the principles of good governance, accountability, transparency, rule of law, and the free movement of capital and labor exist. It is no accident that the most developed countries in the world also have education systems capable of creating the human capital and to provide the research and development, and the education and training characteristic of large industrial and postindustrial economies and the complex societies they engender. Yet, even in the most highly developed sociopolitical system, disjunctions exist, disequilibria between economic growth and the distribution of benefits occur, and differences between the haves and have-nots generate political conflict and at times, civil unrest. The future of NAFTA today depends not only in creating new business opportunities and ways to expand economic growth through increased trade, but also on the social and political institutions of member states to address some of the unforeseen consequences of how NAFTA has played out thus far. An engaged citizenry, a responsive polity, and an unprecedented respect for human rights and civil society institutions build around mechanisms that foster cooperation while mitigating or alleviating conflict will determine the future of NAFTA as much as an increase in investment and economic expansion, and whether its net benefits are advantageous to Mexico. This is even more evident in periods of economic turmoil and recession when the victims of an economic downturn increase demands upon the political system.

Within the theoretical framework of this volume, then, NAFTA serves as a useful vehicle to enhance social goals—elevating societal and

transnational issues to the regional economic integration petri dish where they have not normally resided and reaffirming how agencies of regional economic integration, or even the spirit behind the “like-mindedness” integrative initiatives breed, play a not too insignificant role. With education as an established social pillar, levels of policymaking can only multiply if we care to fully explain the beast at hand.

If education is the social pillar this work contends it to be, universities have emerged as the key social institution for producing an educated citizenry and technically savvy labor force. As such, they also frequently find themselves at the vortex of social upheaval and political change: This is where young people are socialized to the responsibilities of adulthood and societal norms; and future generations of leaders—in the community, in business, and in government—get their training or acquire the seminal experiences that shape their future. Frequently it is where social relationships that endure for a lifetime are formed, whether one’s spouse, friends, and confidants, mentors, and even fraternal associations of various kinds. For Mexico, these dynamics take on a special urgency as the country’s economic growth produces regional inequities, as demands of indigenous peoples grow, and as it finds its confidence and footing as an equal partner with, not just a colossus to the north, but two very developed countries it must harmonize policies and lifestyles with. Even as crime, narco-terrorism, and corruption challenge many of the gains of trade NAFTA engendered, the notion of a democratic deficit once accepted at face value has given way to society debates about how to preserve and strengthen Mexican democracy in the face of these twin onslaughts of economic disruption and turmoil and an increasingly bold criminal element.

It is against this backdrop that the Universities as Sites of Citizenship (USC) project was launched in Mexico during late 2008 and early 2009—a project made possible by the invisible threads NAFTA made available, but more importantly, looking beyond NAFTA to a global research project of the *International Consortium on Higher Education, Civic Responsibility and Democracy*, with Mexico representing the twentieth country in which the research has been conducted. The general academic contributions of this empirical study include

1. a serious examination of a core institution shaping democratic development;
2. an empirical basis for developing theories of democratic development in this globalization era;
3. instruments for assessing, understanding, and increasing the levels of civic responsibility in different societies; and
4. analysis for understanding the relationships among higher education, democratic schooling, and democratic societies.

The research project also serves a dual purpose in relation to the expansion of the International Consortium by serving as an entry point for universities around the world to join the Consortium and within individual countries as the first step in organizing a national-level Consortium. Such consortia have been created in the United States, South Africa, and Australia, with European institutions represented by the Council of Europe in the International Consortium. A similar pilot project to what is being done in Mexico is simultaneously underway in Korea, thus diffusing the project from developed countries ultimately to embrace the emerging and developing countries. In this regard the International Consortium serves as a “network of networks” by linking collaborating researchers and institutions themselves to the national network and the broader international network of the Consortium. It goes “beyond the region,” to paraphrase Ernst Haas,⁴ but without rejecting the region.

The USC research targets universities because they are strategic institutions for the development of global democracy, a source of knowledge about how democratic institutions can be constructed, and the incubators of global citizens and leaders. As institutions with established international linkages, universities are relatively easy to organize for global research. In addition, colleges and universities are now assuming a leading role in the development of global democracy.

What follows is a cross-national study, initially comparing universities in over 15 European countries, both new and established democracies, with the 14 universities in the United States, South Africa, Australia, and South Korea. The program has both research and educational objectives and sheds light relevant at social, statist, and regional policymaking levels.

The research objectives in the first phase were to map what universities are doing in civic education for students, the community, and the society at large. This is a study of institutions, not merely a survey of students and faculty. The research provides a comparative, global database on what can be accomplished, what kinds of universities are responding to the democratic challenges of our time, and why.

The educational objectives include making colleges and universities aware of their responsibilities for democracy. In conjunction with the Council of Europe, the Consortium is promoting university engagement by urging universities globally to demonstrate their commitment by signing the *Declaration on The Responsibility of Higher Education for a Democratic Culture, Citizenship, Human Rights and Sustainability*. The signing of the Declaration, along with the execution of the USC research project on its campus, permits a university to join the International Consortium. The Consortium itself is not a membership organization, though national consortia have been organized as such.

The University's Expanding Mission and Purpose

The original USC project in the United States and Europe produced two general reports and over 25 monographs reporting on the individual universities in the larger study. The initial findings were encouraging, enlightening, and at times provocative, and led the Consortium to push ahead in an expansion of the research on a global scale.

Much is known, certainly in popular wisdom, about the structure and function of U.S. higher education and even its history and how colleges and universities have defined their mission in service to society. A large percentage of academics from around the world has studied or earned degrees in the United States, that they even know the distinctions between the small liberal arts colleges, major research universities, the Ivy League, state land-grant colleges, and state “flagship” universities—the major comprehensive universities bearing the state’s name such as University of Michigan, University of Illinois, University of California. Less is known, when contemplating higher education on a comparative basis, about Europe and Asia and Oceania, much less the polyglot systems in Latin America, Africa, and the Middle East. A few safe, universal generalizations can be made about the role of higher education in society in providing vocational training, serving the credentialization process in screening talent in the job market, and contributing significantly, and in some places serving exclusively, as the research and development hub for a country’s science, business, and technology infrastructure. But no one today would presume to make such statements when considering the role of universities in fostering a healthy civil society or the production of a citizenry that values civic engagement, participation in the political process, and advocacy for democracy and human rights.

Reaffirming and Reinforcing the University's Civic Mission

During the 1990s public and academic concerns for the related notions of *civil society*, *civic responsibility*, *democracy*, *democratic education* (and education *for* democracy), and *civic education* grabbed the attention of policymakers and educators alike. Beginning in the mid-1980s as a response to the alleged self-centeredness of “Generation X,”⁵ and throughout the 1990s following the collapse of the Soviet Union and the global economic boom that ensued, pundits, commentators, and social scientists in the United States have called attention to both perceived and real problems relating to the state of civil society, declines in political

participation, and a general lack of faith in the political processes that undergird contemporary democracy. Parallel trends emerged in Europe.

However, in Europe, the source or impetus for change and action was the rising sense of urgency in dealing with the impact of the rapid change to the economic, social, and political order. After the collapse of the Soviet Union in 1989 and the sudden transformation of the political and economic landscape of Eastern and Central Europe, it was easy to presume that democracy and the establishment of rules of law and civil order that recognized civil, political, and human rights would follow somehow naturally from the new political and economic order that emerged. "Democracy," however, as students of the field now recognize, takes on shades of meaning and cultural interpretations that often beg the question about the universalities of many of the baseline manifestations and indicators of the concept we have come to accept: open, contested elections, peaceful transfer of executive authority, private ballots, political participation and political efficacy among the population, free speech, and a free press.

In Europe, the ramifications of a rapidly changing political, social, and economic order created urgency among existing European governments and institutions to adapt, and to evolve or adopt new institutional and legal arrangements to ensure that the benefits of democracy and liberal markets enjoyed the widest possible extension. The ascendancy and proliferation of market-based liberalism and "Third Way" strategies of public policy fostered irrational belief that societal transformation based on Western liberal democracy in the newly established "transitional" countries would follow as a natural outcome or accouterment to market-based economic policies.⁶ The euphoria and triumphalism (often excessively attributed to Reaganites and Thatcherites) over the end of the Cold War, receded in the face of mounting difficulties of economic dislocation and social instability in many of the transitional countries, and with conflict that emerged in many countries due to the change in the geopolitical environment. Ethnic and religious rivalries, demands of minorities, and the increased mobility of peoples throughout Europe placed enormous stresses on political systems that had yet to define themselves or create the social infrastructure that would provide political legitimacy to new "democrats."

Why a Comparative Focus Is Needed

This chapter reports on an 18-country comparative study, "Universities as Sites of Citizenship." Originally focused on a comparative study of U.S. and European higher education, USC later came to include South African, Australian, and a pilot study in Korean higher education. The

research explored the actual activities of institutions of higher education that support democratic values and practices; assesses their dispositions and capabilities to promote democracy; and examines how the use of university resources can improve the contributions of higher education to democracy on the campus, and in the local community and wider society. It led to the creation of the International Consortium on Higher Education, Civic Education and Democracy.⁷ The concept of *citizenship*, historically rooted in national identity as linked to the state, has assumed certain transnational characteristics including a particular legal standing at the level of the European Union.⁸ Scholars today are wrestling with notions of *dual citizenship*—not between states, but between state and region. This poses multifaceted practical, let alone conceptual, problems while trying to embrace “institutions, states, national and transnational voluntary associations, regions and alliances of regions.”⁹ *Identity* has taken on new meanings and importance as national identities face real or imagined pressure as a result of the impact of migration in the creation of new minority groups, which “... can express [themselves] in identity politics.”¹⁰ Even as some local political forces are attempting to narrow the definition of *citizenship*, many groups and minorities seek more inclusive conceptions of citizenship. The dramatic social and political changes of this period, particularly in Central and Eastern Europe, posed unforeseen challenges to political and social institutions and traditions, not the least of which was to national systems of higher education and individual colleges and universities.¹¹ One of the central assumptions of this chapter is that colleges and universities play a mediating role in working through these issues and that “a prerequisite of ‘active citizenship’ is citizenship education.”¹² It is driven by the conviction that the modern university is the key institution in contemporary society for the formulation and transference of stabilizing and legitimizing societal values, the development of the next generation of political elites, and for political socialization in support of democratic values and processes.

On both sides of the Atlantic, these trends aroused interest in academic circles because of the impact these dramatic political and social trends were having on the academic enterprise and called into question the mission and purpose of one of the key social institutions—universities, and how well they were serving society’s needs today. Concern built to a crescendo between 1995 and 2000 as observations coalesced into calls for action as evidence cumulated that in the United States, especially young people were voting less often and in fewer numbers than their elders, that trust was evaporating in the political system, and that these trends were correlated with a simultaneous decline in the political knowledge possessed by young people.¹³ Astin (later Pryor), Parrott, Korn, and Sax’s landmark 30-year longitudinal study, *The American Freshman*,¹⁴ showed that the percentage of freshman who frequently discussed politics

had declined from about 30 percent in 1968 to less than 15 percent by the mid-1990s. A growing consensus emerged that in the United States there was a “growing sense that Americans are not responsible for or accountable to each other; a decline in civility, mutual respect, and tolerance; and the preeminence of self-interest and individual preference over concern for the common good.”¹⁵

In the United States such preoccupations of scholars and those attuned to education policy were motivated by a concern with the broadening of political participation and furthering institutional safeguards of minority rights. These concerns are many and have animated politicians and pundits in addition to the social science community. There is a dominant belief and fear among these groups that a continuing steady decline in civic and political participation threatens the long-term stability and health of cherished democratic institutions and traditions. The litany of ailments attributed to U.S. democracy are many:¹⁶ widespread lack of interest in public affairs; ever-rising levels of political cynicism and consequent voter apathy; decline in political participation—not only in declining turnouts in elections, but also in alternative methods of engaging political issues of the day; and a general deterioration with respect to the agents and agencies of government. Tom Ehrlich notes the impact these trends have had on U.S. campuses:

....political discussion has declined: Data from annual freshman surveys indicate that the percentage of college freshmen who report frequently discussing politics dropped from a high of 30 percent in 1968 to 15 percent in 1995. Similar decreases were seen in the percentages of those who believe it is important to keep up to date with the political affairs or who have worked on a political campaign.¹⁷

The Special Place of the University

This disengagement and decline of the general populace from democratic participation and in an internalized sense of civic responsibility is especially marked among the young.¹⁸ The declines in political participation noted above have occurred despite a modest increase during the past decade in civic education at the elementary and secondary levels. These generational shifts, popularly known in references to “Generation X” and subsequently, “Generation Y,” placed these issues on the national agenda and led to the creation of national organizations and new streams of research focused on the subject.

The National Commission on Civic Renewal and the Council on Civil Society both issued reports in 1998 on the need for a renewed commitment to promoting renewal of the civic responsibility of citizens.¹⁹ In

1985, practitioners in the service-learning movement founded Campus Compact,²⁰ whose mission “envision[s] colleges and universities as vital agents and architects of a diverse democracy, committed to educating students for responsible citizenship in ways that both deepen their learning and improve the quality of community life,”²¹ followed shortly thereafter by Campus Opportunity Outreach League. The Corporation for National Service was founded in 1993 to foster engagement of citizens in service to the country through teaching and community service. Service-learning became the lynchpin of higher education’s involvement in civic education, the downside of which was that for many institutions, service-learning initiatives became a surrogate for institutional commitment to civic and democratic education, activities, and processes within the university itself.²² It was through Campus Compact that the notion of “university as citizen” first emerged.²³

By 2000, networks of scholars and institutional alliances and partnerships were so widespread that the validity of speaking authoritatively about a civic education movement became staple. The University of Maryland’s *Democracy Collaborative* brings together more than 20 organizations and institutions devoted to advancing democratic practices and civic engagement in all spheres of society. Numerous university-based centers now spearhead the movement, among the most noteworthy being the University of Minnesota’s Center for Democracy and Citizenship, the University of Wisconsin’s Center for Communication and Democracy, the University of Pennsylvania’s Center for Community Partnerships, and Indiana University-Purdue University Indianapolis’ Center for Service and Learning. The American Democracy Project (ADP) “seeks to create an intellectual and experiential understanding of civic engagement for undergraduates.” ADP was proposed by Tom Ehrlich of the Carnegie Endowment for the Advancement of Teaching and is the product of a partnership between the *New York Times* and the American Association of State Colleges and Universities (AASCU). It now has over 200 campuses participating in its programs. The International Consortium for Higher Education, Civic Responsibility, and Democracy, in which I serve as executive secretary, was founded in 1999 bringing together leading American higher education associations, similar private and government agencies in Australia, South Africa, and Korea to collaborate with the Council of Europe on the first international comparative study of the role of universities in fostering civic responsibility and education for democracy—USC. The Sites of Citizenship project grew out of the Council of Europe’s Education for Democratic Citizenship (EDC) program, the results of which are highlighted later in this chapter.

There is hardly a university mission statement that does not include a civic mission of the university, specifically addressing the moral and civic development of its students. The USC project specifically sought to

examine the extent to which formal university-level arrangements existed and espoused the mission of promoting civic education and engagement matched with reality. One feature most U.S. and European universities have in common is a radical disjuncture between stated goals and actual practice. Many in higher education, particularly faculty members, argue that the teaching of civic engagement and preparing students for the responsibilities of citizenship is not either part of their job or expertise, nor should it be part of the academic enterprise.²⁴ Yet the *Chronicle's* "Survey of Public Opinion on Higher Education" in May 2003 noted that 85 percent of the public believes that this should be one of the core purposes of colleges and universities. One of the key findings of the USC project was, in fact, that leadership matters—more significantly, social leadership matters—and universities with a leadership that promotes civic engagement and models democratic principles in the administration of their institution usually have programs and curricula devoted to citizenship education and a student body that scores higher on dimensions of civic knowledge and engagement. This introduces and consolidates a bottom-up social component that regional economic integration has not typically emphasized in North America.

In 2005, there are two international conferences of university presidents to promote this agenda. In January 2005, in conjunction with the United Nations Office of the Secretary General, 16 university presidents of leading research institutions met in the Global Colloquium of University Presidents on the rights and responsibilities of scholars, students, and universities.²⁵ While the conference focused on academic freedom, the emphasis on fear from reprisals for study and speech, and tolerance of a diversity of opinions and the engagement in civil discourse in public debate are all hallmarks of the civic education movement. In 2005, the International Conference of University Presidents on "The Civic Engagement Roles and Responsibilities of Higher Education," known as the Talloires Conference after the city in France, where it was held, claimed to be "...the first fully international, broadly representative gathering of the heads of institutions of higher education on this topic." The rapid growth in higher education globally and the external pressures on universities to meet societal demands to improve human capital and meet the training needs of their students now put additional pressure on universities to expand their civic education functions.

European Context

The difficulties in securing the ratification of a European constitution served as a reminder that political processes within and driving further integration in the European Union often moved too far ahead of public

opinion. Ironically, the inclusiveness both promoted and presumed by the European Union often runs into the wall of local realities and vast differences in socioeconomic status and unemployment; or social realities such as discrimination against ethnic, religious, and racial minorities is at odds with European inclusiveness. Audrey Osler and Hugh Starkey highlight this dilemma and the role education plays in creating not only a European identity, but also a European citizenship, noting "further European development may be stalled because, in a democratic system, the support of citizens is essential.... citizens of European states have to acquire a feeling of European identity and citizenship in order for political developments to progress."²⁶ They further note that even European Commission initiatives, such as Leonardo, Socrates, and Youth for Europe, though not explicitly citizenship education programs, "...nevertheless provide opportunities for European rhetoric about citizenship...."²⁷

"European citizenship" exists in a conceptual flux between legal and political pronouncements, such as the Maastricht Treaty that extols member states to work toward the construction of such a citizenship, and political theory and conceptual value statements, such as issued by the Confederation of European Union Rector's Conferences that sought to contextualize European citizenship "...as part of a wider concept, a global citizenship, a general international dimension, to avoid parochialism....," and then adding, "...all European citizens have to be aware of their European heritage in a global setting. This awareness should be reflected in education systems from pre-school to the highest academic level."²⁸

States in Europe now implement policies to promote education for citizenship in schools. Two examples illustrate shared European and U.S. concerns. New citizenship education programs were enacted in England and France in the late 1990s. The French program emphasized Republican values such as human rights and intolerance of racism and discrimination. The English program emphasized democracy and civic engagement with society.²⁹ The program of citizenship education introduced in England followed the passage of its Human Rights Act on the heels of the European Convention on Human Rights. The driver of citizenship education reform in England has been the well-known Crick Report that stressed social and moral responsibility, community involvement, and political literacy. That report echoes concerns expressed in U.S. policy circles some years earlier noting, "There are worrying levels of apathy, ignorance and cynicism in public life... we should not, must not, *dare not*, be complacent about the health and future of British democracy. Unless we become a nation of engaged citizens, our democracy is not secure."³⁰ Osler and Starkey contrast this approach with the French system, where citizenship education has always served the purpose of promoting a single national culture "defined as Republican... on

the principles of *Liberte, Egalite, Fraternite* and on human rights.”³¹ Both countries strive to reinforce democracy and create a tolerant society. French civic education had deep historical ties in its compulsory education system beginning with the *instruction morale et civique* in 1882.³² Today, France struggles with the problem of national identities and integration into French society, as evidenced by the emergence of an explicitly nationalistic and overtly xenophobic political party and the legal struggles over Muslim girls’ wearing of head scarves in schools.

In Europe these concerns at the higher education level have been dominated and contextualized by the Bologna Process that represents, quite literally, a revolution in the organization and management of higher education throughout Europe. Initially 29 countries (now 45) met in 1999 in Bologna, Italy, and signed an agreement to create a common European Higher Education Area by 2010. The aim is to facilitate the abandonment of various divergent national degree systems and encourage countries to adopt degrees and credit systems that would allow for greater mobility of students and recognition of their credentials across European borders and to allow students to have course work completed at one university to be automatically recognized by another. The goal is to have European universities “converge towards a more transparent system which whereby the different national systems would use a common framework based on three cycles—Degree/Bachelor, Masters and Doctorate.”³³ A common degree structure and job credentials more easily accepted throughout Europe will make it easier for students to find jobs upon graduation.

More fundamentally, however, the Bologna Process’s crucial importance comes in reconciling Europe’s many countries and strong regionalism and the peculiarities of idiosyncratic state systems with the need for structures that support and accommodate the political and economic exigencies of an expanding European Union. Universities can provide the harmonizing structures required to bridge the national or ethnic structures “needed to preserve...identity” with the integrative prerogatives of the European Union.³⁴

The Bologna Process has stimulated debate and action at the grass-roots level—students, particularly through the student unions, are fully engaged in the debate over the Bologna reforms throughout Europe. However, that does not imply that they are universally supportive of the process. The National Unions of Students in Europe (EISB), while supporting provisions that have come out of the reform process for greater participation in university governance, harbor strong suspicions that Bologna will lead to the imposition of new fees and tuition. The student union in Switzerland has voiced strong opposition, with Thomas Frings, its head, claiming that it would not lead to greater mobility, but would

“be used to reduce state spending on higher education.”³⁵ Faculty members in European universities also had reservations and were not uniform in their support of the process. They remain a source of the tremendous inertia and resistance to change to how universities organize and govern themselves.

The Bologna Process, tied as it is so intimately to the expanding membership of the European Union, and new geopolitical calculations of European countries, especially those still nominally labeled transitional, has elevated the role of the university beyond its traditional roles in society. In this regard the Council of Europe’s Committee on Higher Education and Research saw the university and the members of the academic community of scholars and students as instrumental in fostering understanding and tolerance in multicultural societies, promoting civic engagement (and, therefore, support for democratic processes) in addition to advancing the economic welfare of the nation through the improvement of human capital.

The International Consortium and the USC Project

As an outgrowth of the EDC initiative, the USC project emerged at a time when concerns for civic education and the state of democracy in the United States and Europe were converging and both sides were in agreement over the role of universities in creating civil societies. To my knowledge, the USC project was the first comparative transatlantic research on the role of universities in fostering a democratic citizenship—both as a component of a free society and as a condition of university life and organization as well. It places civic education as a key aspect of their graduates’ curriculum—beyond their particular vocational or academic specializations.

The concept of “*sites of citizenship*” originates with the Council of Europe initiative and program “Education for Democratic Citizenship.”³⁶ It was launched in 1996 and endorsed and adopted as a policy action plan by the Council of Europe at the Second Summit of Heads of State and Governments in 1997. The Declaration and action program adopted in Budapest rested on the philosophical assumption of the fundamental role of education in promoting active citizenship—meaning the active participation of individuals in democratic life at all levels of society and the importance of learning about democracy in school and university life. Structurally this also meant participation in the decision-making process and the associated structures of universities themselves by faculty and students and not leaving the direction, administration, and decision making

of universities to the sole discretion of the leadership and central administration of the university.

Once the concept and policy agenda was set, as a follow-up to some of its work in framing a workable definition of the concept of citizenship, the Council Committee on Higher Education and Research (CC-HER) adopted an outline project called "The University as Site of Citizenship" and instructed its Bureau and its Secretariat to develop the project further.³⁷

At the same time, as noted above, academic circles in the United States became involved in the development of projects concerning civic engagement and citizenship education within universities. The CC-HER Bureau established close links of cooperation with those circles. It was this outreach that led to the creation of the International Consortium on Higher Education, Civic Responsibility and Democracy and to the United States, which had general observer status to the Council of Europe, appointing an International Consortium representative, Henry Teune of the University of Pennsylvania, as an Observer with the CC-HER. As a result, two parallel projects were launched in Europe and in the United States under the responsibility of the Higher Education and Research Committee of the Council of Europe and the International Consortium led by University of Pennsylvania faculty and staff.

One can clearly notice that the center of gravity is neither the state nor a regional collection of states. That societal and transnational forces catalyze such movements resonates against and reflects the increasingly intertwined world we live in today that neither just the state nor just the regional arrangements can fully capture. If North America does not face this pressure as the kind of a deluge it has become in West Europe, evolving trends and the analytical thrusts of this study suggest North America's rendezvous with societal forces is not far away.

Aims of the Project

The University of Pennsylvania is the USC organizational center. The USC is an ongoing research project that explores (1) the actual activities of institutions of higher education that support democratic values and practices; (2) assesses their dispositions and capabilities to promote democracy; and (3) examines how the use of university resources can improve the contributions of higher education to democracy on the campus, and in the local community and wider society.³⁸

As institutions with established international linkages, universities prove relatively easier to organize for global research. It is not surprising that today colleges and universities assume a leading role in the development of global democracy.

The USC research project was originally divided into three phases:

1. Conducting a pilot study (which has been completed) of students, faculty, and administration and their relationship to local government, schools, business, media, and civic groups;
2. replicating the survey and site research through an expansion of the International Consortium globally; and
3. continuing analysis for the purpose of formulating policy recommendations, institutional and curricular reforms, development and distribution of educational materials for civic, democratic, and human rights education, and to stimulate discussion and debate in institutions of higher education regarding their responsibilities for civic education and democracy.

The program has both research and educational objectives. The research objectives in the first phase map what universities do in civic education for students, the community, and the society at large. This is a study of institutions, not merely a survey of students and faculty. The research will provide a comparative, global database on what can be accomplished, what kinds of universities are responding to the democratic challenges of our time, and why.

The educational objectives include making colleges and universities aware of their responsibilities for democracy. For example, in Albania and Kosovo, USC researchers report a first-time encounter with the issues of democratic education. It will also provide examples of "best practices," a network for exchanging information, and a point of comparison with other institutions around the world. Today, with colleges and universities heavily committed to education for markets, this project offers the counterpoint of education for democracy, the foundation for the legitimacy of markets. It also provides universities with data needed for effective civic engagement and ongoing educational reform.

A by-product of this research has been the development of approaches, methodologies, and networks for intensive multisite comparative international study on a range of issues (e.g., health, culture, political socialization, economic development).

Methodology Establishing the Project

Following the recommendations of the CC-HER and its Bureau, a Working Group was set up, responsible for outlining and carrying out the project.

For technical reasons, the Working Group decided to launch a pilot project with the objectives to map current activities and problems in education for democratic citizenship within higher education institutions; to collect

information from the target groups (students, faculty members, administrative staff) through pretested questionnaires and guidelines; and to produce case study reports detailing the variety of problems and successes.

In the original sample, 15 European and U.S. universities were selected with collaborating researchers (referred to as the "Contact Group" in Europe) appointed who were responsible for executing the survey instruments and conducting the case studies that produced an overview of each participating institution. They reported their findings through monographs to the General Rapporteur, Frank Plantan, who was responsible for producing the final reports.

The organization of the case studies was aided by the use of questionnaires and guidelines drawn up by the Principle Investigator, Henry Teune and the General Rapporteur, Frank Plantan, and edited and critiqued by the CC-HER's Working Group on the project. An interesting quantity of information was collected during this exercise that took place in 13 of 15 European institutions selected at the beginning of the project and 12 of the 15 U.S. institutions in the original sample.

USC: Some Tentative Findings

Comparative research on citizenship education is a challenge because of the enormous variations that exist across countries and is compounded dramatically once the researcher moves beyond dyadic comparisons. This study, encompassing 28 universities in 14 countries was doubly challenging given the wide range of economic development, political stability, and the polyglot of languages and cultures embraced. Any attempt to summarize the disparate findings of so many institutions, chosen to capture the diversity in higher education, poses some special challenges. Because of the vast differences in size, demographic composition, financial basis and legal incorporation, each site report confirmed the idiosyncratic nature of civic engagement on each campus.³⁹ A few global generalizations can be made on issues of relevance to education for a democratic citizenship.

As noted earlier, much of the civic engagement movement in the United States had its roots in service-learning and community service and engagement programs. Many of the sites in the study treated service-learning initiatives as the primary means of providing education for democracy. Sites that were involved in service-learning initiatives seemed to have a greater number of collateral programs working in and with the community. The danger is that for too many institutions service-learning becomes a surrogate for deeper levels of participation and engagement, though certainly, it is likewise difficult to imagine an "engaged university" without some aspect of a service-learning program in place.

The role of leadership cannot be exaggerated. Leadership is critical to ensuring that universities move beyond the mission statement and

espoused commitment to civic engagement and the teaching of civic responsibilities to engagement strategies that produce actual and sustainable outcomes. The president's role was found to be especially important both in education for civic engagement and in actual university outreach efforts and community relations.

The traditions, customs, and practice of governance often delimit the range of engagement by faculty and students in university governance. The organizational culture and traditions can both inhibit or promote democratic processes—in Europe, even more critically. The USC study added to what is a growing amount of evidence concerning political cynicism, apathy, and political inefficacy. Notable here, though, is that these sentiments are not reserved for wider society and the political process in their community and country, but extend inward to the university itself. Both faculty and students, even at sites with relatively well-developed participatory mechanisms, were generally found to have high levels of cynicism and apathy about the extent of democratic decision making in their institution, and likewise, regarding their ability to influence the process. Such attitudes were exacerbated by a pervasive belief among both faculty and students that decision making in universities was concentrated in the hands of an elite few.

Governance, whether of the university itself or through formal bodies such as faculty or student assemblies or senates, was consistently seen as compromised by this lack of participation in decision making. This gets complicated as the size of the organization (as in society) increases and direct representative democratic practices become difficult, if not impractical. Consultative processes, anchored in an elaborate and multilayered committee system, often function and are accepted as legitimate surrogates for direct democratic participation or representation in decision making. Where consultative mechanisms were valued and effective, the sense of inefficacy and apathy was reduced.

Much of the civic engagement movement in America has been tied to community partnership programs. The USC survey found important differences in terms of effectiveness and in the scope and penetration of community outreach initiatives depending on whether they were integrated into the institutional mission and programs, or instead relied upon the activities of university staff acting on their own initiative as individuals in their engaging the community.

Next Steps: Expanding the International Consortium

The International Consortium now includes South Africa and Australia and is in the process of expanding to Canada, Mexico, and Korea. Membership in the *International Consortium for Higher Education*,

Civic Responsibility and Democracy is granted by country. Higher Education Institutions must have a representative body sponsor their membership. As noted above, in the International Consortium's initial phase, each country was required to complete the pilot study on USC. Although the pilot phase of the research study is complete, national consortia of new member countries will be expected to complete the study. The data collected will be merged into the growing USC database and give new national consortia members access to the entire database and other national reports and monographs. In addition, member universities in new consortia must join the *Global Network for Higher Education and Democratic Culture*. Membership is granted to *any higher education institution or organization* committed to the principles and call for action outlined in the Declaration on "The Responsibility of Higher Education for a Democratic Culture, Citizenship, Human Rights and Sustainability." In November 2007, the first meeting of the Organizing Committee for the Korean National Consortium for Higher Education, Civic Responsibility and Democracy was held at Kyung Hee University in Seoul, Korea. Representatives from Seoul National University, Chonam National University, Inha University, Sogang University, Sanji University, and Hanyang University attended and committed to forming a Korean Consortium once constitutional, organizational, legal, and financial details were worked out. Subsequently, the Korean Consortium gained the endorsement of the Korean National Human Rights Commission, including a letter of support and recommendation from the Commission Chair Ahn Kyung Whan and research support from KNHRC staff identifying all Korean universities engaged in the teaching of human rights. Formalization of the Korean Consortium is expected in summer 2009.

The model used in Korea (outline of the organization steps taken is included in the appendix) was subsequently extended to Mexico. Some years earlier, presidents of Mexican Jesuit affiliated universities met with the International Consortium Chair, Ira Harkavy, when he was invited to present on university-community partnerships. Leveraging professional networks in the same way that launched the Consortium and the USC project initially, Imtiaz Hussain invited Frank Plantan to Mexico City for a conference on the post-NAFTA impacts on society where the International Consortium and the Sites of Citizenship project was introduced publicly for the first time in Mexico. Simultaneously, through the University of Pennsylvania's Think Tanks and Civil Society Program, directed by James McGann, Plantan met with representatives of *Fundacion Ethos*, a Mexican think-tank devoted to improving social welfare and civil society. A team of research interns was created at Penn,⁴⁰ and with Plantan's support and guidance, funding was raised for them to do an outreach and data gathering trip to Mexico in January 2009. The project now, at the time of this writing, has identified five universities to

serve for the pilot study in Mexico along with a group of collaborating researchers at each institution. Furthermore, an important connection has been established with *Alianza Civica*, Mexico's largest and most active organization for the promotion of democracy and civil society. Survey data is now being gathered and initial analysis is due in early fall 2009. The goal is to have a Mexican Consortium established by December 2009 with an even larger sample of universities undertaking the USC project and a comprehensive national report out in summer of 2010.

Mexico is a wonderful laboratory for the Sites of Citizenship research. As a member of NAFTA, it bridges the developing and developed world; represents a middle income country with a large population; and deals with the problems of diversity brought on by migration and the extension of civil and political rights to formerly disenfranchised populations. John Hale, of California's Center for Civic Education, a nationally funded think-tank, summarizes these dynamics noting, "...in Mexico, people have changed from subjects, to subjects in rebellion, to citizens. And civic education has changed from pure nationalism and patriotism, to something more like the enlightened community participant."⁴¹

The USC project is now being piloted at Universidad Veracruzana, Universidad Iberoamerica; Instituto Tecnológico Autonomo de Mexico (ITAM), Mexico Autonomous Institute of Technology, El Colegio de Mexico (COLMEX), and Universidad Nacional Autónoma de Metropolitana's (UNAM's), Instituto Investigaciones Sociales. These schools were selected not from a random sample of universities in Mexico,⁴² but contacted because of evidence in the public record of their involvement in teaching and research or in community outreach in the areas encompassed by the USC project. A look at ITAM in more detail gives a better sense of why these institutions were selected for the Mexican USC pilot study.

Instituto Tecnológico Autónomo de México (Mexican Autonomous Institute of Technology—ITAM)

ITAM is a private, nondenominational institute university located in Mexico City. The institute enrolls 7,300 full- and part-time students. Its mission statement goes thus: "ITAM's main purpose is to contribute to its students' [*sic*] comprehensive education and to the development of a more prosperous, just, and free society. It also aims to become a community in its fullest sense, an institution of academic freedom and excellence, and a high quality autonomous research center...to contribute to the comprehensive education of students and to the development of a

freer, more just and more prosperous society.”⁴³ This mission is centered upon what ITAM bills as its core principles: (1) “*Autonomy*: namely, self-governance on internal regulatory issues, namely academic, legal, administrative, and financial”; (2) “*Academic freedom*: essential to fulfill its university functions”; and (c) “*Communal*ity: by which all members collaborate to pursue their common goals.”

As noted in some of the preliminary findings from the USC studies in Europe and the United States, leadership matters in institutions translating their espoused mission statements into reality. ITAM President Arturo Fernández Pérez follows in the mold of most leaders of universities globally in advocating for the civic mission of the university, noting at ITAM, “we have committed ourselves to the development of higher education so that it becomes Mexico’s main social and economic agent of change.”⁴⁴

The institute also makes it possible to compare their findings with the major research universities already surveyed in the USC project as it is known for its academic excellence. Two Mexican newspapers, *Reforma* and *El Universal*—which engage in university ranking exercises—have ranked many of ITAM’s programs as among the top three in the country. Reflecting the institute’s support to have its researchers compete globally, 30 percent of professors are members of the National Society of Researchers (SNI). In addition, ITAM has recently been the recipient of international from organizations and foundations such as the EU, U.S. AID, Ford Foundation, and the Fund for the Improvement of Post-Secondary Education.

Specific to the civic mission, research centers at ITAM include the Center for Private Law Research (which recently completed Analysis of Property Rights for the Inter-American Development Bank); the Center for Public Law Research (which, for example, is preparing a series of reports analyzing activities of the Mexican Human Rights Commission); and the Center for Socio-Economic Assessment Projects. The Philanthropy and Civil Society Project at ITAM conducted the first national opinion poll on support and practice of donating money and volunteering in the community, in addition to providing consultancies and conducting public policy work. ITAM also has several community outreach and engagement programs. The Center of Access to Justice provides free legal assistance to low income people in areas such as contracts, divorces, alimony, theft, fraud, homicide. The Office of Free Assistance to Philanthropic Institutions offers free consulting to nonprofit organizations (helping with fundraising and developing communication campaigns) in order to “solve problems common to our society.” Working with the civil association ALCANCE facilitates volunteer programs that aid in the implementation of self-regulating and community-led activities in community development, to aid street children, and the mentally and physically

challenged. In addition, ITAM offers free high school courses and donates computers, books, and furniture to local elementary schools.

Significantly, ITAM has a chapter of AIESEC, the world's largest student organization. With chapters in over 800 universities in almost 100 countries, AIESEC provides students with an international platform "to discover and develop their potential in order to have a positive impact on society."⁴⁵ ITAM is also one of 25 schools in Mexico to belong to the National Association of Political Science and Public Administration Students, whose conferences facilitate the discussion of national political issues. Student leadership is promoted through the Society of ITAM Alumni (the official organization for student representation), and organizes student leadership through the General Assembly (which establishes, revises, and oversees statutes of student government activities) and the Council of Students and Representatives (program representatives organize academic, cultural, and social activities or their disciplines). ITAM's curriculum includes courses such as Problems of Contemporary Civilization, Public Election, Public Politics, and Problems of the Contemporary Mexican Reality. The department also is home to the Center for Applied Economics and Public Politics, which analyzes and evaluates public political programs.

Conclusions

There is a growing sense that the purposes and espoused desired outcomes of education are increasingly compromised by the intersection of two dynamics—one relating to student choice and academic behavior and the other to the organization and structure of universities' survival and perpetration. The former concerns the changes in the academic choices of students that are shaped by their legitimate concerns about postgraduate employment and income security. The latter refers to the market-oriented response of postsecondary institutions in response to their own real fiscal pressures and the related demands of government and the public for universities to enhance the international competitiveness of the nation, provide relevant skills and technologies, and to address pressing national social needs. This has resulted in an increasing *commodification* of higher education as student consumerism and market forces have resulted in a growing emphasis on vocational programs at the expense of a broader liberal arts education. At the most basic level this can result in a pernicious rationalization of resource allocations within university administration that increasingly links instructional productivity to the fiscal bottom line. At the highest level it compromises the ability of universities to meet their most fundamental responsibility to society—the creation of an informed

citizenry, reinforcement of norms pertaining to the peaceful resolution of disputes and the rule of law, and the promotion of positive social change that the advance of knowledge can produce, and the enhancement of social and political institutions to maintain social stability in the face of increasingly rapid social, political, and economic changes. In essence, these are the requirements of democratic societies that traditionally were fostered by the study of the liberal arts.

Commodification partly results from changing information technologies and the internationalization of scholarship. Information in vast quantities is now shared throughout all strata of society and across national boundaries. Information has become a commodity and as such, dissolves the conceptual and analytical nexus between information and knowledge. The *commodification* of higher education challenges the abilities of universities to develop critical thinking, judgment, ability to contextualize, and the analytical skills that support and enhance civic engagement and sense of civic responsibility, and political participation required for democracy to thrive and endure.

Theoretical Reprise

Commodification may very well be the societal (or intellectual) counterpart of the economic term liberalization: Both break down barriers, reduce initiatives to the lowest level, that is, the individual, and rely on traditional institutions to survive in an increasingly complex and competitive world. As such, both also go beneath, and also reach beyond, traditional paradigms: They need the state and collections of states (regions), but mobilize largely societal and transnational forces. They can live without the state/regions, but a symbiotic relationship with them serves both better. Theoretically, then, just as NAFTA has pushed all three North American countries to come to terms with the unpredictable outcomes of democracy, when the forces behind those outcomes were fully unleashed, North America will need more than NAFTA to not just supply the commensurate policies, but also coherently interpret the disparate dynamics for future generations. In that sense, then, USC plays as pivotal a role for North America as NAFTA did in the past 15 years.

Notes

1. For more details, contact fplantan@sas.upenn.edu. From a report on the "Universities as Sites of Citizenship Project on the Role of Universities in Democracy, Human Rights and Civics Education."

2. One example of this is the creation of the Tri-national Commission for Public Education by unions in the United States, Mexico, and Canada. Their concern was the boost NAFTA would give to private education because "...it permits commercialization of services and products related to education, which is defined as an area open to transnational investment..." and, according to the unions, "...imposes restrictions on the ability of governments to maintain and expand spaces for public education." For the entire report, see <http://www.corrugate.org/files/Public%20Education%20and%20NAFTA.pdf>
3. Guillermo de los Reyes 1997: 96.
4. One recalls his path-finding *Beyond the Nation-State: Functionalism and International Organization* (Stanford, CA: Stanford University Press, 1964).
5. On the organized response to these trends by academe, the government, and NGOs, see Hollander and Hartley
6. Implied by the logic of markets was that markets that promoted efficiency in the allocation of resources and the wealth creation power of private enterprise, profit-motives, and the free flow of capital demands openness, transparency, and accountability. The political inference for transitional societies was that these traits, characteristic of democratic political systems, would necessarily follow in shifts in individual attitudes and social relationships as people discovered the avowed benefits of the capitalism.
7. The U.S. members of the Consortium are the American Association of Higher Education, the American Association of Colleges and Universities, the American Council for Higher Education, and Campus Compact. The Council of Ministers and Standing Conference of the European Ministers of Education of the Council of Europe have endorsed this project. South Africa has joined the Consortium through the Community Higher Education Service Partnership of the Joint Education Trust. Australia formed a similar network, the Australian Consortium for Higher Education, Community Engagement and Social Responsibility, out of the support of the "Red Brick" or "Sandstone" universities (considered by some of Australia's top seven schools).
8. On November 1, 1993, the Treaty on European Union (TEU) established a "Citizenship of the Union," which carried with it certain political rights through a revision of Article 8 of the Treaty Establishing the European Community (EC Treaty).
9. E. Meehan, "The debate on citizenship and European Union," *Visions of European Unity*, eds., P. Murray and P. Rich (Boulder, CO: Westview Press, 1996).
10. Holmes and Murray 1999: 1.
11. The balance of this report speaks of "universities" as a short hand encompassing the diversity of postsecondary institutions of higher education on both sides of the Atlantic—colleges, community colleges, universities, polytechnics, and so forth.
12. Wolfe 1999: 425, review article. He adds, "...while we are born with certain *rights*, education is required to create a citizenry that will fulfill the *duties of citizenship*."
13. See discussion of *adversary culture* in Crozier, Huntington, and Watanuki 1975.

14. Pryer et al.: 2007.
15. Ehrlich 2000: xxii.
16. Here and throughout "American" refers to characteristics of citizens and institutions within the United States. It is a common colloquialism not intended to expropriate the identities of other hemispheric neighbors in the 'Americas,' and will be dropped should the pilot study be expanded to Canada or countries in Latin America.
17. Ehrlich 2000: xxii.
18. Here, "college aged" students, including prefreshmen and recent alumni. Early political socialization studies in the 1950s and 1960s focused on the influence of elementary and secondary education and other development aspects of pre- and adolescent youth. It was generally regarded that by the time students reached college, their political consciousness, represented by such things as party identification, and scores on political ideological scales, was determined. Its presumption (and unstated hypothesis) is that the phenomena of delayed adolescence, or the deferral of adult responsibilities (independence, jobs, marriage, family responsibilities, etc) fundamentally alters previous generalizations on the political socialization of youth. Present delay in the onset or achieving of political consciousness or identity underscores the salient university role of shaping democratic attitudes and civic responsibility.
19. National Commission on Civic Renewal 1998; Council on Civil Society 1998.
20. "Service-learning" is a pedagogical approach that links formal or traditional classroom instruction and lecture with field-based learning experiences.
21. Campus Compact can be located on the Internet at <http://www.compact.org/aboutcc/mission.html> Its organizational statement claims it is a national coalition of more than 950 college and university presidents who are committed to fulfilling the civic purposes of higher education.
22. Hollander and Hartley: 348–250 catalogue the growth of service-learning programs and organizations devoted to employing service-learning in pursuit of their civic education mission, including the American Association of Community Colleges, American Association for Higher Education, the National Society for Experiential Education, Campus Community Partnerships for Health, the New England Resource Center for Higher Education, and the Association of American Colleges and Universities.
23. Bringle, Malloy, and Games 1999.
24. The *Chronicle of Higher Education* ran a debate on this around an article by Stanley Fish on May 16, 2003 with replies running until June. Roger Bowen, former president of the State University of New York—New Paltz, summarizes a widespread U.S. higher education view: "while it may be true that colleges and universities are not doing a very good job of 'preparing America's undergraduates for lives of moral and civic responsibility'... the really means that most institutions, regrettably are not taking that particular component of their mission seriously enough." See <http://chronicle.com/weekly/v49/42b01702.htm> or the June 27, 2003 "Letters" column.
25. The Global Colloquium of University Presidents met January 18–19, 2005, at Columbia University in New York City. Presidents from the United States,

Argentina, Australia, United Kingdom, France, India, South Africa, and Turkey were in attendance.

26. Osler and Starkey 1999: 199.
27. Ibid.: 200.
28. Ibid.: 202, the Confederation of European Union Rector's Conference 1997.
29. Osler and Starkey 2001: 287.
30. Qualifications and Curriculum Authority 1999: 8.
31. Osler and Starkey 1999: 290.
32. Ibid.: 289.
33. Details of the Bologna Process are widely available. See Europa's Web site, http://europa.eu.int/comm/education/policies/educ/bologna/bologna_en.html or the Council of Europe's Web site: http://www.coe.int/T/DG4/HigherEducation/EHEA2010/BolognaPedestrians_en.asp
34. On the concept of universities as "sites" of citizenship, see Daxner, 2003.
35. Bollag 2003.
36. "Education for Democratic Citizenship" was advanced by the Budapest Declaration for a Greater Europe Without Dividing Lines, adopted on the fiftieth anniversary of the Council of Europe (May 1999), and implemented through the "Declaration and Program on Education for Democratic Citizenship, based on the Rights and Responsibilities of Citizens."
37. This was at its sixth plenary session on March 16–18, 1999.
38. Pilot phase supported by the Council of Europe and the U.S. National Science Foundation under the auspices of the International Consortium on Higher Education, Civic Education and Democracy. The U.S. Consortium members include the American Association of Higher Education, the American Association of Colleges and Universities, the American Council for Higher Education, and Campus Compact. The Council of Ministers and Standing Conference of the European Ministers of Education of the Council of Europe endorsed this project. South Africa has joined the Consortium through the Community Higher Education Service Partnership of the Joint Education Trust.
39. Complete versions of the European and U.S. final reports and the individual site monographs together with summary statistics are available at the Web site of the International Consortium for Higher Education, Civic Responsibility and Democracy, <http://iche.sas.upenn.edu/index/index2.htm>
40. Chelsea Germak, Luis Tipan, and Lauren Katz signed on as research assistants and did all translation and field work on the project thus far in Mexico.
41. John Hale, "A gentle rain from heaven" conference speech, Center for Civic Education, Calabases, California.
42. At the outset of the Mexican USC project we discovered that there was no comprehensive directory of Mexican postsecondary education. Neither was there anything akin to the Carnegie Commission on Higher Education's classification of universities. This was unveiled in 1973 and became known as the Carnegie Commission Classification of Institutions. Our first task in the Mexican USC project was to build a data base of Mexican universities and postsecondary education institutions with an aim to develop or transpose

a similar classification scheme for Mexican higher education. It would be on that basis that the final sample of institutions will be drawn for the comprehensive USC study to come.

43. See ITAM's Web site, <http://www.itam.mx/es/index.php>

44. Ibid.

45. See Association Internationale des Étudiants en Sciences Économiques et Commerciales (AIESEC) <http://www.aiesec.org/AI>

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Chapter Eleven

North American Integration and Recession: Paradigm Change?

Imtiaz Hussain¹

Introduction

The coincidence was not intended but could be mutually damaging: Just as the North American Free Trade Agreement (NAFTA) entered its fifteenth and final stipulated year, it also confronted a rude recession. No one can yet speak of the aftermath with certainty, but with NAFTA-endogenous problems accumulating more than evaporating,² the need to bring exogenous forces into the analytical framework of regional studies cannot be more urgent. Interpreting the current recession as one such external development opens the Pandora's box since it does not represent an ordinary business cycle downturn. What unfolded as a mortgage meltdown in 2007 intricately reflected by mid-2008 a credit crisis, bank failures, and emerging market meltdowns—all reflecting a Janus-faced globalizing force.

Its impact will clearly be wide-ranging and long-term, as evident in the largest government bailout it triggered in the country where it began—the United States. NAFTA helped diffuse the recession's spread-effects from the United States to both Canada and Mexico—suggesting, on the one hand, how even integrative forces can be corrosive, and, on the other, how succumbing to both nationalistic reactions and the globalization inevitability argument weakens regional prospects further.

Here are some of the questions raised: What does it mean for North American regionalism? How viable is integration in its wake? What is the adjustment capacity of regional integration to globalization? Why should these questions be relevant for the future?

To better understand what is at stake, this chapter isolates three dimensions of the unfolding drama for (1) a macro-level appraisal of the recession genie; (2) a microscopic evaluation of the sectoral impacts of the automobile (manufacturing) and banking (services) crises, with General Motors (GM) and Citibank as cases; and (3) a North American regional overview of the spillovers of the above. Observations are then

interpreted by placing regionalism in a globalization-localization theoretical prism.

Those familiar with North American integration will recall how the automobile sector was the original arena:³ Threatened by Japanese cars, U.S. automakers shifted production to Canada and utilized *maquiladora* opportunities in Mexico, both through state-state agreements in 1965. The out-migration of U.S. manufacture paved the way for U.S. service-sector industries to also diffuse globally: NAFTA, for example, by placing investment behind the steering wheel of economic dynamics,⁴ ultimately drove banks, insurance companies, stocks, bonds, and securities across national boundaries with greater velocity and volume than ever before.⁵ Whereas North American regional integration (NAFTA, for example) recognized the U.S. economic fulcrum shifting from manufacturing to services, arguably this current recession is signaling the shift of U.S. service-sector comparative advantage to other players elsewhere in the global economy. As the largest producing and consuming country in human history, it is surprising not to see the U.S. economy trying to reinvent itself to retain its cutting economic edge; but that directly and robustly means North America as a region may be too small an arena to accommodate proliferating new technologies, which require far larger markets, and that a broader, more global playground is essential at the start of the twenty-first century, much as classical economists from Adam Smith to David Ricardo had envisaged in postulating their escalator of progress and comparative advantage arguments:⁶ The future viability of both Canada and Mexico depends on how they connect with not just the U.S. economy, but also the global economy, without abandoning accesses acquired under NAFTA to the U.S. market. Country-specific responses to the unfolding recession in early 2009 plausibly inform us of the limited mileage foreseeable of NAFTA-based regionalism.

This chapter finds the 2008 recession as the mother of all meltdowns due to its breadth and depth, with national controls again becoming the *necessary* condition to escape the recession, and global market engagement as the *sufficient* condition to make that escape meaningful. For Canada and Mexico, this carries at least four specific policymaking implications: (1) Open the automobile market to other actors not covered by NAFTA: Hyundai, Chinese, and other auto producers come to mind; (2) utilize the opportunity to purchase U.S. stocks, bonds, and securities of industries under stress, for example, *Banamex* expanding its Citibank shares or Carlos Slim doing likewise to his *New York Times* acquisitions—in general, reversing the historical trend of U.S. investors seeking foreign outlets to foreign investors seeking U.S. outlets; (3) keep one foot on the national pedal, letting the other alternate between regionalism and globalism as and when needed; and (4) expect increasing

competition between Canada and Mexico for U.S. rewards/markets as well increasing bilateral constraints between Canada-United States and Mexico-United States since these are already near their maximum levels of transactions. All four implications signal opportunities and impose constraints of sorts. They also demand a theoretical framework that goes both beneath and beyond regionalism without rejecting regionalism.

The following questions drive the first dimension: What does shifting from a market-boom to meltdowns entail? Why is regionalism threatened?

Mother of Meltdowns: A Survey

While it is fashionable to examine the causes and cures of meltdowns/recessions, it is also imperative to recognize why the twenty-first century's first significant meltdown/recession is unique: too many industries/sectors began melting independently and simultaneously (rather than in a chain effect), suggesting uniform governmental cures might not be the most efficient response (as the New Deal was for the United States in the 1930s⁷), since one country's links with another might still distort outcomes for better or for worse. In the fiercely competitive twenty-first century global market, countries may have no choice but to release pet industries/sectors if they cannot be efficient, no matter how sentimental or sensitive this might be locally. Petroleum could be a Mexican example, automobile for the United States. A cause-effect analysis of the meltdowns exposes the losers and possible winners (or at least plausible pathways out of the recession), with causal factors spelled out, before scoping possible cures.

Tracing Causal Factors

The 2008 U.S. mortgage crisis alone did not create the current recession; it led to the revealing of several other shaken pillars of a modern society. Increasingly uncompetitive U.S. manufacturing hit the country's most strategic industry: automobile. GM, for example, after dominating *Fortune* 500's top slot for most of the twentieth century, went into the red for the first time in 2004, racking up US\$82 billion in losses ever since.⁸ With recovery from the 1930s depression making home and automobile purchases the lifeline of U.S. consumption, a breakdown of both shattered the credit market. The circulation of bank-issued credit cards in 1958 by American Express and Bank of America not only expanded the credit market,⁹ but also shifted attention from government credit sources to numerous private counterparts. Though the credit card take-off in the

1960s was dampened by the oil price-hikes of the 1970s and the high value of the U.S. dollar in the 1980s, when the 1992–93 recession eased, conditions were much more favorable for a spending splurge than ever before since the 1930s depression. In fact, Adam Cohen correctly argues that President William Clinton’s 1999 repeal of the Glass-Steagall Act “possibly pav[ed] the way for the current financial meltdown.”¹⁰ The Glass-Steagall Act, adopted during FDR’s first 100 days in office, separated investment banks from saving banks, and with this obstacle removed, credit card expenditures expanded—probably more than could be absorbed. While this contributed to making the 1990s (essentially Clinton’s years in office) the longest U.S. growth period in the entire twentieth century, banks, insurance companies, mutual trust funds, and securities boomed so much by feeding off each other, they not only created financial pyramids ready to explode should any component malfunction, but also had to multinationalize operations just to remain profitable. NAFTA profited in its initial years, but the key lessons of the 1997 Asian financial crisis were ignored: control the spread of private capital, and promote institutionalized (multilateral) capital.¹¹

Immediately before the US\$700 billion October 3, 2008 U.S. Troubled Assets Relief Program (TARP) bailout, credit availability was falling—in August alone by \$6.4 billion (the largest drop in 65 years) and for at least two consecutive months for the first time.¹² Banks, insurance companies, mutual funds, and securities were instantly threatened. With the U.S. market serving as the largest export outlet for more countries of the world than any other, emerging markets, which had come to rely so excessively on it, found themselves trapped:¹³ Only by reviving sagging consumer confidence could U.S. government bailouts sustain emerging market exports; but to pay for those bailouts, emerging markets, especially in Asia, had to be ready to buy more U.S. treasuries when U.S. government redemption looked increasingly uncertain. Comparing the current recession with the last big one in the 1930s shows the critical differences: not only too many distressed sectors today, but also too many interconnections between them; and not just externalized operations as in the past, but also a far wider global compass than ever before. Meltdowns are not new, but as the most multidimensional and multilateral of them all, those currently in play may defy prescriptions far longer—meaning bailouts alone cannot transform any economy out of the recession.

Regional trading arrangements stand to lose the most. To be sure, since NAFTA became a detailed extension of the Canada-U.S. Free Trade Agreement (CUFTA), which was itself premised, as alluded to previously, upon the 1965 Canada-U.S. Auto Pact, this particular industry is pivotal to a competitive North American region, but a liability if North America is not competitive: By branching out to various Canadian and Mexican

locations since 1965,¹⁴ Detroit car makers were able to regionalize automobile production and consumption against Japanese competition, but since the competition now also comes from South Korea, China, India, and other emerging markets, restructuring can no longer be regional, meaning, as the Big Three search for global markets, Canada and Mexico must also search for global producers, rather than just U.S. producers, to prevent unemployment. NAFTA fitted in as a *means*, not the *end*. This recession probably confirms that NAFTA's purposes have been fulfilled. It may be time to look beyond given the new technologies available and particularly the industrial competitiveness at play.

Keeping consumers dependent on home and auto purchases not only expanded the credit market for over a generation, but as was previously observed, the increasing number of consumers and credit market expansion also had their own costs. Since commercial (or savings) banks, such as Citibank or Bank of America, were regulated to provide consumers only with depository services and access to credit, investment banks like Stanley Morgan and Goldman Sachs, facing fewer regulations, pushed their frontiers further by taking on riskier investments, called hedge funds: By hedging over future prices,¹⁵ they played around with expected probabilities (just as the Mexican government did when building the 2009 budget with an oil price of \$70—almost \$30 more than what prices were in the first quarter of 2009, but a bargain in mid-2008, when prices were flirting around \$140).¹⁶ Expanding numbers of consumers blurred credit lines: Satisfying prospective mortgage-holders or automobile-buyers pushed banks into the securities market for more cash (generating the term *securitization*¹⁷), and while securities firms also got into the seemingly lucrative commercial banking business, excess demand led companies in both domains to leverage beyond their capacities—to the extent that every U.S. dollar of credit was loaned out 30 times on average—a highly unsustainable ratio. Interest rates had to eventually be raised to prevent the pyramid from collapsing—as indeed they were, from 1 percent in 2004 to 5.35 percent in 2006—opening up a subprime industry to accommodate borrowers languishing at the margin of borrowing. Washington Mutual exemplifies one aspect of this trend, as 45 percent of its credit card portfolio became subprime, while, with 97.8 percent of its revenues stemming from credit card transactions, Discover portrays another.

Assets inevitably turned toxic, triggering the 2008 meltdown and recession. Of the \$11.9 trillion U.S. mortgage market, \$1.4 trillion became toxic, placing about 11 percent of all borrowers into a risky category.¹⁸ When the mortgage crisis blew up in September 2008, there were 303,879 foreclosures—1 of every 416 households. Nevada led the foreclosure free-fall with 11 of every 1,000 households, followed by California's 7.7, Arizona's 5.5, and Florida's 5.2.¹⁹ Florida's market

began cooling from 2005 (note how GM began incurring losses simultaneously); but by 2008, over 35,000 foreclosures were recorded every month (just as GM and many other automobile companies found itself/themselves selling fewer and fewer cars each month). As in the 1930s depression, foreclosure in the countryside sparked the crisis; but unlike the 1930s, foreclosures were not widespread across the country—just in a few Sunbelt states directly, though ripple effects (such as contracting bank operations) in other states may prolong the housing crisis for secondary reasons. Facing a similar situation, President Franklin D. Roosevelt created the National Housing Act, which produced Fannie Mae in 1938, subsequently supplemented by Freddie Mac from 1970.²⁰ As 10 percent down-payment and 30-year leases became the mortgage norms, the market found stability—until the credit market hunger of the 1960s.²¹ By the time of the 2008 recession, both Fannie Mae and Freddie Mac controlled 90 percent of the secondary mortgage U.S. market, with total assets accounting for more than 45 percent of the assets of the largest bank. As their total debt accounted for 46 percent of the national debt, treasuries had to be sold abroad in increasing volumes to pay this debt. Although both were renationalized on September 7, 2008, and placed under the Federal Housing Finance Agency, the globalizing forces should not be ignored. Even more pertinent to remember, regional arrangements played no part at all in explaining or correcting this dynamic.

Credit market dynamics mirrored this freefall. By mid-2008, credit cards displayed over \$950 billion in debt, most of that toxic. Since consumers owed \$2.6 trillion to credit card companies in 2008, almost one-third of the borrowings had gone astray.²² The securities bank, J.P. Morgan, which purchased the intoxicated Washington Mutual for \$1.9 billion in 2008, led the market in debt (\$155.4 billion), but only about a fifth of its revenues stemmed from credit cards. On the other hand, Discover had only a \$47 billion credit card debt, but 97.8 percent of its revenues came from credit card. The same goes for Bank of America and American Express: 153.3 billion and 64.7 billion credit card debts, respectively, but 22.1 percent and 24.5 percent credit card dependence. The total \$41 billion credit card losses have been projected to double in 2009, indicating the expected worsening circumstances. It is not surprising all three debt-holding credit card leaders either depend on government bailouts or face nationalization—perfect examples of what James N. Rosenau calls *glocalization*, in this case government debts conveying the *globalization* component, and government bail outs the *localization*.²³

Bankruptcy became the biggest business in 2008.²⁴ Lehman Brothers led this particular list, with the world's largest bankruptcy: \$639 billion.²⁵ Begun by Henry, Emmanuel, and Moyer Lehman as cotton brokers in Alabama from 1850, the company shifted to bonds, stocks, and finance

by the 1960s, only to be filled by mortgage holdings in 2008. It filed for Chapter 11 protection on September 15.²⁶

Other stars of the 1990s binge accompanied Lehman Brothers: Merrill Lynch, the high-risk, high-return mortgage securities company, was purchased by Bank of America in September 2008 for \$50 billion;²⁷ Wachovia was sold in part to Wells Fargo for \$15.4 billion on October 3;²⁸ Washington Mutual was bought by J.P. Morgan Chase on September 25; and Bear Stearns was also sold to J.P. Morgan Chase for \$2 per share on March 16, 2008.

The manufacturing meltdown (GM, for example) and the financial free-fall not only necessitated governmental intervention, but governmental preferences also belied bipartisanship. The Reagan revolution had branded government as the economic problem, and free trade, private enterprise, and U.S. ingenuity as the solutions—a bitter pill for George W. Bush to swallow since nothing short of nationalizing the banks bailed his administration out of the 2008 crash. Interestingly, though, while financiers were rescued by the Bush administration, manufacturers, and particularly automobile workers, were left out to dry. A uniform solution was not in the cards—as we will note, even the Obama administration would not adopt a uniform solution, no matter how stridently it has been labeled a socialist by Republicans.²⁹ Even more telling was the alacrity in bailing service-sector industries while foot-dragging with the manufacturing counterparts, more so by Republicans than by Democrats since unions identify with the latter more than the former. Without letting the story run ahead, regional opportunities become evident, though, most likely will not be availed of for political reasons: Both Canada and Mexico find an opportunity to further globalize their automobile production without significantly rattling the United States, since the United States is itself reluctant to fully bail out the automobile industry; but if the United States neglects the automobile industry, restructuring the automobile industry might also entail leaving Canada and Mexico less exclusively positioned partners as before given the globalizing demand of the day.

Formulating Cures

Both the Bush and Obama administrations made the government the anchor of last resort. Just as an example (and not an insignificant one either): The American Insurance Group (AIG) received a \$85 billion federal loan just as the market started crashing in September 2008, then \$38 billion on October 8, \$27 billion between October 31 and November 10, and \$30 billion on March 2, 2009, when it also posted the largest quarterly loss in the United States—\$61.7 billion.³⁰ Interestingly, though

Cornelius Vander Starr started the company in Shanghai in 1919, by the time it was pulled down by mortgage securities in 2008, China had become one of the largest, if not the largest, sources of buyers of U.S. treasuries, estimated at \$696 billion in early 2009.³¹ Of course, AIG was not the only reason for this, but how the future unwittingly converges with past associations holds a lesson or two for the learning.

Comparing governmental actions across North America is revealing. Even though the 2008 elections spiked the amounts in Canada and the United States, they were still extraordinarily high numbers.

Whereas Conservative Prime Minister Steve Harper urged Canadians to “have a plan and not panic,” his two opponents called for expanding governmental roles, with the Liberal Party’s Stephane Dion urging a speed-up of “investment to build infrastructure and to help the manufacturing sector to create jobs and employment,” and the New Democratic Party’s Jack Layton seeking “effective regulations on...[the] financial sector and...[making] sure...savings are protected.”³² In October 2008, interest rates were cut by 0.5–2.5 percent, not down to virtually zero percent as in the United States, reflecting a much more controlled housing sector and conscious home-buyers.

President George W. Bush favored a \$700 billion bailout primarily of key banks. Needless to say, it was favored by 74–25 in the Republican-controlled Senate, but by fetching a 205–228–1 response the first time in the Democrat-dominated House, it illustrates several theoretical points: greater eagerness in bailing service and not manufacturing sector industry; a more insulated House than Senate; more insulated Democrats than Republicans; and punishment with a time-lag meant punishing automobile producers for regionalizing operations, which began the outsourcing plague many U.S. workers were adversely affected by. The Obama administration, with key officials, including Treasury Secretary Tim Geithner, as a holdover from the Bush administration, poured in another \$787 billion in February 2009 as a bailout—indicating the dominant role of the housing sector and the more demanding financial needs in his country.

Mexico’s promarket Partido de Accion Nacional (PAN) President Felipe Calderón promised huge governmental engagement, even proposing a 3.45 trillion peso budget with a 380 billion peso deficit. Otherwise, infrastructure development and energy exploration together commanded 53 billion peso of the package. To strengthen the peso, the Bank of Mexico sold \$8.9 billion of foreign currency against an exchange rate of 11.7 pesos for each dollar in early 2008, followed by a string of others, so that by mid-March 2009, it had spent \$19.9 billion to defend the peso,³³ which collapsed to a record-low of 15.58 pesos on March 9, only to recover to the mid-13 peso range by the end of the year.³⁴ On the other hand, falling oil prices from \$140 at the time of the September–October crisis to slightly over \$40 per barrel in mid-March 2009 did not damage

Mexico's finances since the 2009 budget was based on \$70 per barrel of oil—a sheer stroke of luck and the finance minister's foresight. One message was clear: how nationalistic rather than NAFTA-based policy responses had to be resorted to in order to bail the countries out; and how global rather than regional the external forces impinging state policymaking had become. Regionalism alone could not provide the solution, but neither was it the sole source of the problem.

Two Illustrative Cases

Consistent with the manufacturing-services sectoral trade-off, GM's North American engagements currently reflect concerns over both jobs and production, while Citigroup's similar engagements revolve around cash-flow and ownership issues. Both depict elements of nationalization, regionalization, and globalization, but whereas nationalization involves stakeholding by the U.S. government, and not as much Canada's or Mexico's (which was more a concern under and before NAFTA), regionalization traces lay-offs and idle factories to starved sales, especially in the United States that serves as a large market for Canadian and Mexican auto production, while globalization brings other competitors to the fore. If manufacturing is becoming largely inefficient in the United States as one of the largest employers and serving as a U.S. icon, automobile production may be facing a truly monumental crisis against global threats. Similarly, if services offer the United States a competitive tradition, they also face equally fierce global competition. Whichever way one unravels the current economic malaise, neither the importance of the global nature of the causes nor the attractiveness of nationalistic routes to forging quick solutions should be missed out.

A scrutiny of GM and Citigroup, especially as they relate to the two U.S. neighbors, reveals both the regional effects of the U.S.-generated recession and the limits of regionalism.

General Motors: Case Study #1

Although GM traces its Canadian origins to 1908, when Robert McLaughlin turned out 154 cars in Oshawa, Ontario (his model was named after himself), the modern version of the company in Canada began with the January 16, 1965 Auto Pact with the United States. As an example of "managed trade," the Auto Pact reversed Canada's auto trade deficit: in 1964, 7 percent of vehicles made in Canada ended up in the United States; by 1968, that figure rose to 60 percent, and in 1970, Canada registered its first auto trade surplus with the United States.³⁵ Employment also spiraled, from 75,000 in 1965 to 491,000 in 2002, while vehicles produced shot up from 846,000 to

2.6 million during that time.³⁶ Production growth continued under NAFTA, from 2.32 million in 1994 to 2.71 million 10 years later, making Canada the eighth largest global auto producer. Yet, after 2005, there has been a steady decline in production—mirroring a more rapid decline in the United States (from 12.25 million in 1994 to 11.96 million in 2004 and 8.67 million in 2008), while Mexican production increased from 1.1 million in 1994 to 1.55 million in 2004 and 2.16 in 2008.³⁷

Several implications follow. First, North American regionalism sought to equalize manufacturing production, shifting the locus of activities from the developed countries (DCs: Canada and the United States) to the less developed countries (LDCs: Mexico, in this case), in turn suggesting globalization would continue this equalizing process with other parts of the world, regardless of regionalized limits.

Second, contrariwise, sales accented regional shifts more than domestic or global, indicating, when push comes to shove, sales in the United States command greater Canadian and Mexican respect than sales elsewhere, even domestic, but also that the inability to move beyond the region could become costly in a crisis, such as a recession. By riding the U.S. crest, Canada and Mexico were left with weaker global production linkages, clearly an area both countries might want to uplift in order to lower negative recessionary effects. It also means the paradoxically successful regionalism—no matter how robust their domestic markets, the sheer size of the U.S. market called the tune—must now yield to greater globalized production networks.

Third, with the United States and Canada slipping from the first and eighth rankings in global production to the second and ninth, respectively, as well as Mexico's climb from the eleventh to the tenth spots, Canadian and U.S. vehicle sales (per 1,000) decreased commensurately less than relative production decreases, from 55 sales per 1,000 people to 51 in Canada between 2002 and 2006, and from 59 to 57 in the United States during that same time period; though Mexico's vehicle sales climbed from 10 to 11 during that time-span, this was commensurately less than its production—indicating not only a fragile consumer class but also limits to consumer growth.³⁸ Three implications follow: (1) a DC-LDC consumer gap demanding the Mexican government bail its consumers out, and thereby preserve its middle class in a recession; (2) Mexico's failure to commensurately respond would ripple across North America—exposing how both production and recession know no boundaries, in essence, just as integration can become regional, so too can disintegrative forces; and (3) because of the above two, production for a global market and consumption from more diversified global sources could easily dampen negative economic effects.

The dramatic U.S. long-term decline in sales contrasts with Canada and Mexico (13.49 million in 2008 as against 17.13 and 16.46 in 2002

and 2007, respectively),³⁹ but in different ways: Whereas Canada's long-term growth sputtered, ending in 2008 below its 2002 and 2007 levels (1.57 million cars sold, as against 1.73 million and 1.69 million, respectively), Mexico's long-term growth seems more robust, even though the 2008 level was lower than its 2007 counterpart (1.06 million as against .97 million and 1.14 million)—another indication why the purchasing power of Mexico's middle class needs to be augmented by the government more than abandoned, as a *laissez-faire* policy approach would recommend. This is particularly important since Mexico is the only North American country where automobile production shows growth:⁴⁰ 2.16 million produced in 2008 as against 1.83 million and 2.09 million in 2002 and 2007, respectively; Canada produced 2.08 million in 2008 as against 2.62 million and 2.57 million in 2002 and 2007, respectively; while the United States produced 8.67 million in 2008 as against 12.7 million and 10.75 million for those same years. If this was a function of the DC-LDC argument, then clearly automobile regional integration succeeded, but it also opens opportunities for Mexico to go global, and seek other producers in other parts of the world interested in selling to the United States utilizing Mexico's lower labor costs (and revive the economic pick-up needed in a recession). Mexico's comparative advantage in manufacturing seems as impressive as the shift of Canadian and U.S. comparative advantage in manufacturing. Mexico's benefits from global transactions, in turn, would ripple off positively across North America—in Canada and the United States, leaving all three countries better off.

Dire conditions by the end of 2008 prompted GM into seeking emergency governmental bailouts. The size of the hand-outs conveys both the exaggerated role of auto makers in the three countries and the dominant position of GM. Whereas automobiles account for 17 percent of Mexico's GDP, with 75 percent of production being exported (70 percent of that proportion to the United States),⁴¹ they constitute 14 percent of Canada's manufacturing output and 23 percent of its exports.⁴² Yet, while Mexico's domestic production of GM automobiles increased by 5.8 percent in 2008 (to 1.81 million autos), sales fell by over 6 percent—the worst since 1999—with a similar decline of 8.5 percent projected for 2009.⁴³ GM's restructuring called for temporarily closing 21 of its North American factories and cutting production by 250,000 units.⁴⁴ Among its Mexican plants, 5,000 jobs were eliminated in 2008, primarily in the Silao plant, while the San Luis Potosi plant was earmarked for producing more energy-efficient cars. In fact, GM had invested about \$3.6 billion over the past three years in its Mexican plants, but if it goes bankrupt, North American automobile integration, and thereby broader economic integration, is likely to be severely impacted: Plants in Mexico, for example, would shift to Mexican ownership.⁴⁵ Although exports to the United States continue, whether or not Mexico would retain its current 26

percent of the U.S. market would become the more intriguing question, especially as 2008 U.S. car purchase fell by 26 percent and with increasing consumer demand for more fuel-efficient cars after the last oil price-hike exposed the immediate peril at hand.⁴⁶

In turn, the auto parts industry, which employs even more workers, is likely to be adversely affected too. Assembly-line employment declined steadily in all 3 countries during the twenty-first century, with the United States showing the most precipitous decline: from 51,000 in Canada during 2002 to 47,460 in 2006; from 57,500 to 42,616 in Mexico for the same years; and from 331,100 to 235,700 in the United States for those years. Yet, with parts-manufacturing employment, whereas Canada's figures fluctuated, eventually falling below its 2002 level (98,100) in 2006 (92,315), and Mexico showed only marginal gains (from 390,000 to 394,200), the United States registered very impressive growth (from 489,300 to 654,200) for the same years.

As part of its restructuration, however, GM cut 10,000 U.S. jobs in early 2009, then announced another 21,000 would go during the year within the United States (47,000 globally),⁴⁷ along with the Pontiac and Saab brands (latter sold to Swedish Koenigsegg Automotive), thus leaving only four other GM brands: Chevrolet, Cadillac, Buick, and GMC;⁴⁸ while Chrysler, facing bankruptcy and a \$6.9 billion debt,⁴⁹ was sold piecemeal to Fiat Group SpA in April 2009: Fiat would take a 20 percent stake in the company, the U.S. Treasury 8 percent, a union outfit 55 percent, and the governments of Ontario and Canada 2 percent. In all, GM would reduce its plants from 47 in 2008 to 33 by 2012—aftereffects of which will linger for years to come.⁵⁰

Auto dealers, especially in the United States, grimly bite the bullet. GM and Chrysler, the two automakers flirting with bankruptcy, have been terminating franchises across the United States, in part due to low new-car sales. With a national average of 660 new-car sales, GM decided to pull 143 franchises in Pennsylvania, whose 508 new-car sales figure was the lowest in the United States (Ohio found the plug pulled from 126 GM franchises for having the second lowest figure).⁵¹ With GM shutting about 2,000 of its dealers, and Chrysler reducing the number of its dealers by 789 (from 3,181), as of June 2009,⁵² foreign auto dealers in the United States multiplied their sales advantage over their U.S. counterparts: an average of between 800 and 1,200 new vehicle sales annually for foreign auto dealers versus between 300 and 400 for U.S. auto dealers. Once again, the figures reaffirm the deteriorating terms of trade and increasingly uncompetitive U.S. automobile position. With every franchise closing, particularly in remote locations, a slice of American pie also vanishes.

Since between five and seven other supporting jobs have to be created for every GM manufacturing worker,⁵³ Mexico, which boasts 600,000 workers in the auto parts industry, is particularly vulnerable. Alfa, the

Monterrey-based aluminum engine heads producer—and the largest in the world—reported a fourth-quarter 2008 loss of \$678 million, indicating the slippery slope from declining auto sales to contraction in the auto parts and other auto-related industries.⁵⁴

As a discussion of North America's automobile industry reveals, industrial problems and prospects cross boundaries easily, but may be willing to cross more than regional boundaries today. Regional arrangements succeeded when prospects were more than problems; but now that problems outscore prospects, looking beyond regionalism provides an option worth considering seriously.

Citibank: Case Study #2

Citigroup's restructuring could also impact Mexico robustly. On the one hand, its 2001 *Banamex* purchase for \$12.5 billion was about two-thirds of the book value of Citi in January 2009 (\$19 billion). On the other, Citi's 2009 ledger shows the U.S. government owning a 36 percent stake in the bank after supplying it \$45 billion of a bailout. Whereas Citi's *Banamex* purchase led to a record \$29.5 billion of foreign direct investment (FDI) income in Mexico in 2001, Citigroup lost over \$37 billion during 2008.⁵⁵

Here too several implications follow. First is the sensitive issue of a foreign government holding stakes in a Mexican bank, this time indirectly through Citigroup bailouts. Mexican Finance Secretary Agustín Carstens called the bailout an "aid program," and as such did not violate Mexican laws.⁵⁶ Based on his discussion with Timothy Geithner, the U.S. Treasury secretary, he argued this aid program was "temporary," and not expected to last beyond 2012. At the same time, President Felipe Calderón seeks to change Mexican legislation so that foreign government holdings in a Mexican bank would be permitted in an emergency—another pillar of Mexican protectionism weakening.

Second, very much like automobile production having a North American equalization effect under NAFTA, financial clout across North American boundaries also seems to be equalizing. Citibank's losses after acquiring *Banamex*—though not necessarily attributable to *Banamex*—coincided with *Banamex*'s growth, so much so that, were it not for the U.S. government's Citigroup intervention, an aggressive *Banamex* drive could easily have made Citi a *Banamex* acquisition. Though a pragmatic concurrent measure, over the long haul, it shows the huge transformation Mexico made through NAFTA, to the point of being able to buy into icon U.S. companies.

Third, U.S. governmental intervention invites other worries. It permits Canada and Mexico to do likewise without recrimination—a far cry

from before when any such gesture would have raised U.S. ire. It certainly motivates Mexico, for instance, to seek loopholes to exploit. One such opportunity arose when the United States banned Mexican trucks in early 2009 from plying on U.S. highways, with safety and environmental hazards serving as the reason. NAFTA had opened this possibility incrementally, but Mexico retaliated boldly and quickly—and unwisely—by slapping duties on 90 U.S. exports, primarily agricultural, worth \$2.4 billion, from 40 states.⁵⁷ Recession usually involves a long interim before recovery; but with creeping protectionism, it might get even longer and detrimental for both partners.

Finally, the Citi collapse hurts Mexico more through reduced FDI than the United States, where governmental bailouts rescue diminishing investment opportunities. This is a diametrically opposite expected consequence to GM/auto industry elevating Mexican production at the expense of Canada and the United States. Once again, the theme that recession is no longer country-specific and hurts regional arrangements automatically comes across loud and clear. Even worse is the other theme—that retaliation will be to the detriment of both partners, not one. North America, especially in Mexico-U.S. relations, seems to be headed in that direction.

Banamex has become too large for Citi: It offers a wider infrastructure with 3,000 branches, compared to 800 for Citi, and provides 12 percent of Citibank's revenues. Citi, meanwhile, wishes to sell *Banamex*. Carlos Slim, who owns *Inbursa*, purchased 3–4 percent of Citi's shares in December 2008, increasing speculation he may be interested to buy *Banamex* from Citi. What Edgar Amador calls "the battle for *Banamex*" also involves Manuel Medina Mora, manager of Citi's Latin American operations.⁵⁸ Slim lost the opportunity to purchase *Banamex* in the late 1980s to Alfredo Harp at a time of deregulating Mexican institutions and privatizing enterprises in order to enter NAFTA.

North American Spillovers

Among the immediate overlapping consequences of the September–October U.S. meltdowns are these: (1) contraction in the construction industry; (2) decline in the transactional value of the U.S. dollar offset by its appeal as an instrument of last resort in a crisis; (3) restructuring the automobile industry as a bailout quid pro quo, such that what is good for GM may no longer be good for just the United States, but the whole world; (4) intensification of the manufacture-service trade-offs; (5) a more visible protectionist orientations; and (6) a global outlook accompanying the inevitable nationalistic recovery orientation.

These had enormous regional impacts.

Construction Industry Contraction

With U.S. home purchases declining by 4.4 million just in 2008—the steepest fall since 1989—the impetus for construction also evaporated.⁵⁹ In an industry they dominated, legal and illegal Mexicans fear continued losses of jobs, and could remit increasingly less disposal income home. In fact, the roughly \$25 billion remitted in 2008 was 3.6 percent less than the approximately \$26 billion remitted in 2007,⁶⁰ a far better figure than for aggregate global remittances, which have been expected to fall 8 percent.⁶¹ Constituting 4 percent of the gross domestic product in 2008, remittances had become one of the lifelines of Mexico for as long as the U.S. consumption binge lasted. Though \$25 billion is still a staggering figure, declines expose more than a weakening economy: anti-immigrant sentiments and policies, generating resentment, appear in sharper relief. They also fuel a vicious cycle: unemployed illegal emigrants might have no option but to return to Mexico, compounding the tight employment market in Mexico and thereby building pressure to emigrate illegally or resort to some illegal activity to make ends meet. As one of the 12 largest economies in the world, Mexico is expected to contribute to ameliorating recessionary conditions in the United States by opening further its economy. Whatever little of that economy remains to be opened, consumers might just not have the purchasing power to go for imports. Resentment ripples even further.

Exchange Rate Fluctuations

Currency volatility opens another can of worms. With trade and budget deficits mounting in the United States, a weakening dollar exposed why it can be more attractive than other currencies in a crisis. Prior to the crisis, the Canadian dollar had assumed some sort of parity with its U.S. counterpart, while the Mexican *peso* even flirted briefly with an exchange rate of 10 for each U.S. dollar. In the immediate aftermath of the September–October 2008 crisis, the U.S. dollar was expected to further weaken, raising proposals and soft demands from countries that bought the U.S. debt, such as China, for an alternate “super sovereign” currency.⁶² Instead, it resiliently holds on against both the Canadian *looney* and the Mexican *peso*—indicating, in a crisis, consumers in all three North American countries had/have greater confidence in the U.S. dollar than any other currency, including their own. The rapidly deteriorating Mexican *peso* conveys a broader message: without investment outlets, Mexican businessmen would rather hoard U.S. dollars than *pesos*,⁶³ a sentiment more pervasive the world over than expected at first sight. Not

that it bails out the gigantic U.S. economy, yet this confidence-boosting perception could easily thwart what John Maynard Keynes called the stock market's "animal instincts."⁶⁴

Automobile Industry Restructuration

The third U.S. consequence carries structural significance: Bailouts necessitate energy efficiency, plausibly environmental friendliness, and ultimately global competitiveness as *sine qua non*. In turn, a substantial remodeling becomes necessary, thus demanding significant alternate production infrastructures and assembly lines. As a later section elaborates, while GM and Ford have a lot to gain from Mexico's relatively lower factory wages, whether Mexican plants can adjust to the new technologies and skills exposes the North American relevance of any Detroit-made decision. More broadly, if those new models are to become competitive, they must reckon with the more efficient Asian cars, thus loosening North American boundaries not just to compete in other markets, but reciprocating that gesture to non-North American automobiles. What's good for GM may still become good for the United States as well as the rest of the world. Not only that, GM's parentage may come under fresh scrutiny: Will it continue as a U.S. icon and ownership, or slowly find new owners?

Given the entrenched positions of some foreign automobiles in emerging markets, what may ultimately be better for GM is to get out of the business it is no longer in command of: Hyundai, Fiat, Volkswagen, and Renault already sell a larger proportion of their cars in emerging markets than GM or Ford, while Ford is behind even PSA, Toyota, and Nissan.⁶⁵ On the Automobile Association of New Zealand's best car list for 2009, only one U.S. car found a place: Hyundai i30 Diesel Elite won the best car spot in the supreme motoring excellence and compact car categories; Ford Focus XR5 Turbo in the performance category; Volkswagen's Polo BlueMotion Diesel in the environment category; and Peugeot 308 XSP in the safety category.⁶⁶ GM, the top Fortune 500 enterprise for most of the twentieth century, was not even on the list, and Ford was and is the only Detroit automaker not facing either a bankruptcy or renewed governmental intervention. With higher nationalistic pressures in China and India, to which Toyota in China and Hyundai in India have adapted better at the expense of GM, U.S. automobile producers have to be really reinvented in the twenty-first century to remain viable. From this perspective, this crisis could not have come at a more appropriate time; and although innovations in Detroit would have significant spillovers in Canada and Mexico, by the time they are standardized, a region may be too small an arena for trade arrangements and compacts.

Manufacture-Services Trade-Off

At the core of this recession seems to be a tussle between manufacturing and the service sector, just as the 1930s depression reflected a tussle between agricultural and manufacturing sectors. Legislators in the U.S. Congress have been more reluctant to bail the automakers than banks, insurance companies, mutual funds, and securities. One reason for this could be their shorter confidence margin of the automobile sector remaining globally competitive. Apparently, one generation of production in low-wage Mexico has not sufficiently helped it retain its competitiveness; or rather, the inability to substitute large sedans suitable for the vast highway networks in the United States and Canada, but few, if any other part of the world, or gas-guzzlers, at a time of increasing sensitivity toward these considerations, have helped push U.S. automobiles, especially GM, more to the background of competition. If GM is allowed to fail, consequences in Ramos Arizpe (Coahuila), Silao (Guanajuato), and San Luis Potosi (San Luis Potosi), where it has subsidiary plants, would be devastating. Yet, there seems to be little Mexico can do (or has done) to affect the debate of where next GM must shift its attention to, since the U.S. government seems to have taken the seat behind the steering wheel with determination. If low-wage Mexico has to bail out high-wage United States, then regional integration has simply not gone far or deep enough. The gaps are eye-raising: the typical automobile worker earns \$21.38 in Canada and \$25.34 in the United States per hour, but in Mexico, he/she earns a paltry \$3.⁶⁷

Resurfacing Insulation

Protectionism comes out even louder with the sixth U.S. consequence. Already many countries, led even by Great Britain and conveyed in no mean terms in Gordon Brown's February 2009 speech to the U.S. Congress, detect a tangible shift toward U.S. protectionism. A constant "buy American" theme in President Barack Obama's speeches would damage North American integrative or regional efforts more than extending plausible "buy American" provisions to cover Canada and Mexico by virtue of the enormous amount of U.S. production parceled out to these countries.

Persisting Globalization

Finally, the seventh consequence paradoxically extends the above protectionist orientation to the global level: The United States might just

seek global strategies rather than regional to combat global competition. Although 15 years of NAFTA seemed to have been a win-win policy venture in terms of boosting trade and investment within North America, over those years, Mexican wages also climbed, so much so that producing in, and shipping from, China might still be more cost-effective than turning to Mexican *maquiladoras*. Under the Central American Free Trade Agreement (CAFTA), Mexico's immediate southern neighbors boast more competitive production. In turn, the United States may be pushed by the recession to seek recovery strategies promoting global-level competitiveness at the global level. This is entirely consistent with a "buy American" orientation: GATT-based multilateralism, for example, was never exempted from unilateral U.S. measures, yet survived to produce an institution in 1994 and liberalized tariffs as far as was practically possible.

Theoretical Fit

How does recession across North America fit the theoretical framework introduced in chapter one? NAFTA's integrative effects facilitated the spread of the ongoing recession. Yet, is the region, through its arrangements, ready to deal with recession? The answer of this chapter was clearly *no*, but more important may be the roles of localization and globalization upon regionalizing arrangement, since forces driving regionalism have either moved on to a larger, global playing field, or have not reckoned with some stubborn policymaking arenas that cannot be taken away from the state. Intimate (and hostile) relations between all three levels of the local-regional-global spatial spectrum may be too stubborn a part of the complicated everyday life today to give states, regional trading blocs, or the many globalizing forces any clear-cut individual advantage over the others.

A three-world approach may better help explain North American dynamics than Rosenau's two-world framework: Though not critically different from the state-centric and multi-centric worlds, regionalism demands attention because it introduces some order to the numerous interacting forces, and where it cannot, it depends on either the state or exogenous forces—in a way strengthening those two other worlds, rather than simply remaining a function of each of them. This could become critical when juxtaposed against the corporate dynamic of expanding operations. The state's role of supplying security is only enhanced, albeit shifted from the military domain to the economic, while the global setting supplies the expanding market businesses must exploit as an inherent incentive. By accenting only the former, the region-centric world would merely return us to familiar paradigms from the past in a much

more complicated world today; and the more it pushes the multi-centric world, though it loses its own identity commensurately, there seems to be a bottom-line where the regional identity rules. The platform role it theoretically serves is distinguishable from the independent role hitherto ascribed to regional trading blocs.

Accordingly, the first dimension, emphasizing the number of actors, accents the role of the state (as supplier of bailouts in a recession) and the process of how search for foreign markets is better served by fewer than multiple other actors. Thus, the region-centric world acquires a platform role facilitating also the globalizing tendencies of corporations, which even states promote today. A multi-centric world is not helped in a recession with so many actors, since each will retreat behind safeguards and protectionist walls; but even the state-centric world does not show enough flexibility today to live in harmony with corporations in the same analytical plane.

The prime dilemma is affected accordingly in the second dimension. The state's security function becomes an economic imperative, while the multi-centric emphasis on autonomy could be enhanced under a recession as each actor becomes even more self-serving. Both these expectations help the region reassert how its platform role can become crucial in a recession: Instead of cut-throat competition in both state-centric and multi-centric worlds, the region modifies the nature of competition to suit its interests, confirming the theoretical postulate that selection tames anarchy.

The region's platform role is again manifested in the third dimension through the principal goals of actors. Whereas the state's security function acquires an economic centrality and the multi-centric world's predicted interest in acquiring larger world market shares continues, the region helps the former adjust to the latter: The fewer the states, the better the coordination of market share distribution, a factor significant in a recession when actors may be more willing to make piecemeal arrangements than wholesale.

The fourth dimension continues to show the relevance of the region-centric world's platform function. The state's traditional resort on the armed force made little sense in the ongoing recession, thus creating space for the region to make an economic alternative available; while the intensification of the multi-centric world's capacity to withhold cooperation or compliance cannot match the region's ability to supply safeguards along with those capacities.

Turning to normative priorities in the fifth dimension, the state's rule-making processes in a recession isolates the region since many of these resource-based processes (bailouts, for example) remain too state-centric to become regionalized. The multi-centric world's search of outcomes, particularly of general principles, such as wealth, similarly bypasses the

region. Nevertheless, a potential arena opens up where the region could conceivably seek those same outcomes on a smaller scale than the multi-centric world, while also extending any given state's bailout processes if integration between two or more states is high.

The sixth dimension attention on modes of collaboration probably leaves states too vulnerably positioned to continue seeking alliances between countries when alliances (long-term arrangements) between sectors, such as the private and public become more imperative; yet the multi-centric world's search for coalitions (short-term arrangements) may serve as a vehicle for more long-lasting partnerships. In both cases, the region could serve as a fallback for the multi-centric and cautious advance for the state-centric worlds: Private-public arrangements could be broadened, just as partnerships between countries could.

According to the seventh dimension, the state's scope expands under a recession, while that of both the region and multi-centric world diminishes. This falls to reason. As demonstrated in this chapter, bailout operations open many types of state engagement, while, though expansive globalizing forces, such as searching for new markets, remain just as attractive, recession-affected penny-pinching corporations may be more selective.

Rules governing interaction among actors, in the eighth dimension, also buckle in a recession: States had to subordinate, rather than eliminate, their diplomatic approach to more politically expedient approaches, while the predicted multi-centric ad hoc approach was only intensified. The public-private partnerships alluded to previously demonstrate this (GM and the U.S. government, for example), while such globalizing forces as corporate expansion, since they have to restructure to survive, have also sought to become more environmental friendly to promote sales and avoid penalties (the government imposes this through bailout plans, for example, by requiring minimal mileage). Somewhere in between, the region played its platform opportunity, serving state's interest, be they diplomatic or political, but most importantly conditioning them to the ad hoc pattern across the wider world. In the process, the region emerged as a perfect playground for converting the ad hoc pattern into more diplomatic and politically expedient state formats, should the need arise.

Power distribution in the ninth dimension created corresponding changes. First, the state's hierarchical approach to traditional military power had to be refashioned to suit the recession, shifting military survival-of-the-fittest instinct to a beggar-thy-neighbor economic approach of each state. Second, the multi-centric world's predicted approach emphasizing relative equality, fitting the anarchical world of perfect competition, also had to be modified in response to the state's protectionist inclination, at least as long as the recession lasts. For example, the "buy American" clause in Barack Obama's foreign economic policy orientation,

clipped to some degree the cut-throat market competition for automobiles; yet his reluctance to revive the old GM model also speaks of the need for innovation and market competitiveness. Both these tasks could profit from a regionally coordinated North American approach, an issue not developed, but potentially present. Thus, this, the third change, conveys the region serving a platform function, that is, accenting the shift from hierarchy and military orientations of the state toward the greater equality and economics of the multi-centric world.

The tenth dimension sums all the above patterns and observations: It thrusts the state acting in a symmetrical pattern, that is, in a manner other states respond, while the possession of any economic or skill-based comparative advantage in a multi-centric world permits rent-seeking, and thereby asymmetrical responses over others. While these behavioral patterns were not so heavily invoked in a study of recession, the region is arguably positioned to serve a platform function: It can help dilute the state's egocentric behavior, while also dampening the asymmetrical tendencies in any given market abroad.

Turning to the eleventh dimension, the locus of leadership, whereas the state-centric world elevates great powers in this category and the multi-centric world does likewise to innovative actors, the region again serves as a platform: softening great power rivalry and inviting technological innovation, the former through group action, the latter by reducing the critical players. It would no longer be appropriate to brandish the cliché that what is good for GM is good for the United States, since GM was found to be sliding fast from the pedestal it monopolized for most of the twentieth century; nor would it be accurate to search for innovative initiatives only in Toyota, currently the top automobile industry.

Institutionalization, in the twelfth dimension, was proven to be as predicted: well-established for states, emergent for the multi-centric world. In between the region again finds a platform opportunity, representing a broader version of state institutions, as another theoretical argument would posit, more intergovernmental than supranational, while also serving as a fallback for the multi-centric world should it need to circumscribe institutions in terms of their effectiveness, given the number of actors.

While the susceptibility to change, in the thirteenth dimension, places states at the low-end and the multi-centric world at the high-end, regions again play a critical, though not an exclusive, role: They can sustain state endurance by piggy-backing extant institutions, but they can also be flexible with existing institutions as the multi-centric world can. In a recession, this means the capacity to uphold uncompetitive but critical industries, such as the automobile, through regional arrangements and make critical changes to an existing institution, as can be found in the automobile industry as well.

The state's capacity to control outcomes is often interpreted to be concentrated, while the multi-centric world's similar capacity is seen to be diffuse. This certainly means the focused attention paid to the automobile industry recovery in each of the three North American countries and the capacity to change the automobile industry to suit international demands. The region is there to help loosen the multi-centric approach and tighten the state's approach.

Finally, decision structures cannot but change, as they were doing under recession: The state's formal authorities became at once both more formalized (over bailout regulations, for instance) and loose (abandoning Chrysler to foreign partnership), while the multiple types of the multi-centric world authorities also had to be relaxed to suit the narrower interests of the relevant states. These tendencies also open more space in between where the region-centric world might find more meaning, capacities, and effectiveness.

Notes

1. imtiaz.hussain@uia.mx
2. Brought out in several recent publications, including my own edited volume, *North America at the Crossroads: NA.F.T.A. After 15 Years*.
3. Anastakis 2005: esp. Chapter Three.
4. Alan M. Rugman makes this argument persistently. NAFTA, he asserts, "is driven by the strategic business activities of multinational enterprises (MNEs)." See "Preface," *Foreign Investment and NAFTA*, ix. See his overview of, particularly, U.S. foreign investment in *The Theory of Multinational Enterprises: The Selected Scientific Papers of Alan M. Rugman*.
5. Gary Clyde Hufbauer and Jeffrey J. Schott found U.S. trade expanding by 142.7 percent with Canada and Mexico in the first 10 NAFTA years (110.5 percent growth in exports, and 173 percent growth in imports). See *NAFTA Revisited: Achievements and Challenges*, 20–21. Hufbauer and Ben Goodrich further argue, the Canadian-U.S. Free Trade Agreement (CUFTA) and NAFTA "were far greater economic undertakings than any of the new FTAs currently envisaged [with Chile, Singapore, Australia, Israel, Jordan, and the Free Trade Area of the Americas]." This had greater impact, as they show, on Canada and Mexico than on the United States. Within the first NAFTA decade, they show Canada's share of U.S. trade remained fairly similar, about 20 percent, but Mexico's climbed from 8.57 percent in 1994 to 12.34 percent in 2002. In short, they argue, "while the impact may be large relative to the size of Canada and Mexico, the impact on the United States is small relative to the size of the U.S. economy and its workforce." See "Lessons from NAFTA," *Free Trade Agreements: U.S. Strategies and Priorities*, 38, 39, respectively for the two quotes, but see Chapter Two On Canada's diffusion into especially the United States, see Rugman 1987.

According to Louis E. V. Nevaer, "the successes of NAFTA have been so seamless," that over "\$1 trillion worth of business opportunities exist in the

Mexican market in the course of NAFTA's second decade," indeed that NAFTA actually means "integrating Mexico." See *NAFTA's Second Decade: Assessing Opportunities in the Mexican and Canadian Markets*, 1–2.

6. More in Heilbroner 1980: Chapters Three and Four.
7. As David M. Kennedy argues, "[Franklin] D[elanor] R[oosevelt]'s New Deal did not end the Depression," instead FDR's "greater achievements...can be summed up in a single word: security." This security, he went on to specify, came in the form of the Federal Deposit Insurance Corporation (FDIC), the Securities Exchange Commission (SEC), the Federal Housing Administration (FHA), the National Labor Relations Board (NLRB), the Fair Labor Standards Act (FLSA), and social security provisions. One notices the state-centric nature of these remedies, indicating why they will probably not be any different now. See "FDR's lessons for Obama," for the quotes, but see 27–29. Also keep an eye if Obama's bailout plans also leave similar institutions.
8. "GM still opposes bankruptcy plans," *News*, March 7, 2009, 14. This is Mexico's only English daily newspaper. In the week of July 6, 2009, GM was ranked #18 on *Fortune's* 500 and Ford #16, with Toyota, the highest ranked automobile company, at #10 and Volkswagen at #14, above GM and Ford.
9. Invented by Flatbush National Bank of Brooklyn's John Biggins in 1946, and utilized by Diner's Club from 1950.
10. Cohen, "The first 100 days," 34.
11. See, for instance, Jomo 1998: 1–30; and Nicola Bullard with Walden Bello and Kamal Malhotra, "Taming the tigers: the IMF and the Asian crisis" from Jomo 1998: 85–136.
12. Sterngold, "Despite U.S. bailout, no consumer benefits" 16.
13. Another country burned by the huge size of its export income on national income is the world's largest exporter: Germany. Even as the world's fourth-largest export-dependent economy, Germany's 6.1 percent forecasted decline in 2009 sets the pace the European Union might climb up to from its 4.8 percent 2009 forecasted decline—again pointing out how regional trading blocs seem to be poised to be hit and hurt by the recession unless they relax rules to permit more global engagements while also retaining their right to pump the national economy. Of course, they loosen their regional identity in the process, but that is precisely the argument this chapter makes. See "The mystery of Mrs. Merkel: Germany's inscrutable chancellor" 14; and "Merkel is the message."
14. Which was also the year the Border Industrialization Program (BIP) opened the gateways to *maquiladoras* in Mexico, dominated in the critical initial years by the automobile industry.
15. On nature of hedging, see Peltz 2001.
16. Benjamín and Harper, "Volcker: create two-tier financial system in the U.S."
17. Local commercial bank sells consumer's mortgage to Wall Street firms; by converting them into bonds, these firms then resell the mortgages to pension funds as securities. For a comprehensive understanding of securities, see the collection of articles in Fabozzi 1997.
18. Gumble 2008: 19–22.
19. Reyes 2008: 32, but see 31–45.
20. Fannie Mac: Federal National Mortgage Corporation; Freddie Mac: Federal Home Mortgage Corporation.

21. Nelson 2009: 12.
22. "The intersection of Main and Wall" A18.
23. Rosenau 1997: 98, but see Chapter Five.
24. "Paulson says burden lies with industry," B4.
25. Next was Worldcom with \$103.9b, indicating the gigantic gap between the two figures.
26. Tong and Bruno 2008: B5.
27. "Bank of America buys Merrill Lynch for \$50 billion U.S.: surprise deal values shares at \$29, a 70 percent premium but far below brokerage's \$98 price early last year"; and Waldie 2008: B3.
28. Enrich and Fitzpatrick 2008: A1. Vikram Pandit is Citigroup's chief executive officer (CEO).
29. On the *soft* labeling: "We'll see," answered George W. Bush when asked by the *Washington Times*' correspondent on June 17, 2009, in Erie, Pennsylvania, if Obama was a socialist. Instead, he urged the audience: "You can spend your money better than the government can..." See "Bush on Obama: nothing personal, but..."
On the *hard* labeling: When interviewed by *Fox News*'s Chris Wallace, John McCain went on to say "I think [Obama's] plans are redistribution of the wealth.... that's one of...the tenets of socialism.... [Obama's] always been in the left lane of American politics." See Amato 2008.
30. "The world," *Time*, March 16, 2009, 10.
31. Pesek 2009: 12. McDonald (2009) estimates \$1tr, that is, half of all foreign currencies China holds.
32. Laghi, Clark, and Leblanc 2008: 1.
33. Valerie Rota, "Peso rises to register solid three-day gains," *News*, March 14, 2009, 14.
34. The \$400 million put up for sale in January 2009 did not find any buyers, forcing the Bank of Mexico to purchase the amount itself. In 2009 the peso decline was steady: in the first week of January, \$1 fetched 13.76 pesos, in the second 14.33, in the third, 14.59, so that this incremental upward climb reached 15.4 by the first week of March. See Rota, "Speculation hits fast-rolling peso: new record-low set on worries over contraction."
35. "Key economic events: 1965: Canada-United States Auto Pact."
36. Ibid.
37. Industry Canada, "Cars on the Brain": *Canada's Automotive Industry*.
38. Ibid.
39. Industry Canada, "Cars on the brain": *Canada's Automotive Industry* and "North American production quarterly."
40. Industry Canada, "North American sales by source," *Canadian Automotive Industry*, , which is for 2001. This last component of the Webpage changes by year. Subsequent years, in chronological order, have the following: am01713.html; am01502.html; am01620.html; am01762.html; am01873.html; am02100.html; and am02255.html
41. Black, "Auto production expected to drop: Mexico industry to suffer from slow demand."
42. Noroña 2008.
43. Black, "Auto production expected to drop," and O'Boyle 2008: 16.
44. Nasworthy, "GM plans cutback in Mexico."

45. Black, "Local automakers fare better...for now: country buoyed by lower costs, investments, lure of smaller market."
46. Ibid.
47. Nasworthy, "GM announces Silao stoppage: automaker to lay off 1,600 in U.S. in coming days."
48. "GM to cut a further 21,000 jobs," *BBC News*, April 27, 2009, available from <http://news.bbc.co.uk/2/hi/business/8021029.stm> See also Krisher and Johnson 2009: 16.
49. "Chrysler nears deal with biggest lenders"; "Chrysler gets deals in survival fight"; and "Chrysler bankruptcy deal revealed," available from <http://news.bbc.co.uk/2/hi/business/8027109.stm>
50. "GM chief Wagoner ousted by Obama."
51. Mandak 2009: C1.
52. Gupta, "Chrysler to shut 25 pct of U.S. dealers."
53. Nasworthy, "GM plans cutback in Mexico."
54. "Industrial firms export losses, weaker Outlook."
55. Harrison and Gould 2009: 14.
56. "Citigroup stake called 'temporary': finance secretary says U.S. government will be out by 2012."
57. Products include wheat, beans, beef, and rice. See Rosenberg 2009: 14; and Black and Harrison, "Gov't itemizes tariffs in 90 U.S. products: delay in confirmation of U.S. commerce secretary holds back talks."
58. Amador, "The battle for Banamex."
59. Manda, "Cash transfers keep on falling: November 34 percent drop is second worse."
60. Watson, "Bad year for remittances: cash sent home from abroad fell in 2008 for first time on record."
61. Nye, "Mexicans in US face cashback crisis,"
62. "China argues to replace US dollar," *BBC News*, available from <http://news.bbc.co.uk/2/hi/business/8120835.stm>, accessed June 26, 2009.
63. Amador, "A tough spot for the peso."
64. These are stories circulated about confidence, whether reflecting reality or gossip. Landau, "How 'animal spirits' move the market."
65. "Theme and variations: to succeed in emerging markets, rich-country car-makers have to tailor their strategies."
66. "Hyundai i30 Diesel Elite voted best car in New Zealand."
67. Black, "Local automakers fare better."

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Chapter Twelve

The 2009 H1N1 Outbreak: A Chaotic North American Trigger with Evolving Global Consequences

Tim Lynch and Paul Michael Cox

Introduction¹

Through the auspices of the United Nations (UN), quasilegal international agreements are being promoted that are generally designed to accommodate the interface of nation-state with global aspirations. The UN's Law of the Sea will redefine sovereignty among countries; the International Maritime Organization's (IMO's) International Ship and Port Security (ISPS) Code will assess how states can be expected to participate in dealing with international terrorism and transnational organized crime; the UN's International Criminal Court provides a forum for the judicial administration of war crimes committed in the name of a sovereign state, and the World Health Organization's (WHO) International Health Regulations (IHR 2005) provides a framework for limiting the spread of communicable disease among countries. An open display of noncompliance with these UN agreements by any countries suggests behavior characteristic of a "rogue state." Making allowances for the presence of rogues among us, James Rosenau's 1988 description of a future world becoming "Patterned chaos in global life" may be more prophetic than he is credited with.

Since Rosenau proposed such a vision of the future, the emergence of economic trading blocks like the North American Free Trade Agreement (NAFTA), Asia-Pacific Economic Cooperation (APEC), European Union (EU), and so forth, have evolved demonstrating a perceived need for "patterns" if cooperative global life is to be preserved and enhanced. At one end of the spectrum, we have the UN that serves to facilitate voluntary multinational oversight to a world composed of its member states. At the other end of the spectrum, the economic blocs perpetuate a state-centric world through their binding free trade agreements. The emergence of new global patterns through the intensification of these extremes could further aggravate the inherent tensions of global life.²

With reference to the 2009 H1N1 pandemic outbreak, this chapter will explore ways through which NAFTA could serve as a platform for promoting compliance with WHO's IHR 2005. This compliance will be defined within the context of the North American tradition of voluntary accreditation, emphasizing professionalism rather than authoritarianism to get the job done. The economical, cultural, and historical disparities among the communities that make up NAFTA, and the two-way ports of entry among the participating member countries, serve as a microcosm of global life. Establishing benchmarks for testing the usefulness of IHR 2005 within the context of NAFTA could provide performance targets for other global regions.

Such a perspective and analysis reflects the scholarly debate pitting state-controls over transnational/supranational influences. In another work, Rosenau presents this as a state-centric versus multi-centric tussle:³ Whereas the state remains the dominant actor in the former paradigm, meaning, the state serving as the H1N1 gatekeeper, the latter paradigm opens that gate to every other actor possible in the international system—individuals, corporations, nonstate organizations, among others—such that state-based gate-keeping does not necessarily guarantee safety from H1N1, and indeed cannot do so without complementary/supplementary action by a variety of those nonstate actors. Thus, H1N1 ultimately boils down to the efficacy of the state to rein in pandemics, as an example of transnational flows when that efficacy is partly determined by actors and actions the state cannot alone control. Does the H1N1 outbreak reaffirm a different kind of governance need that states cannot supply?

Since pandemics are not new in the course of human history, by over-viewing how such events were governed in the past, this chapter explores what can be done today with pandemics in general, but H1N1 in particular. This historical analysis shows a pattern of how European countries that were sworn enemies came together to discuss matters of quarantine and sanitation practices as frequently as their modern-day counterparts meet to discuss mutually advantageous economic practices. The fact that the 2009 H1N1 outbreak was not very severe does not take away from the urgency of considering such matters as the historic review will show. This chapter concludes with an example of international cooperation that could evolve into a global model for consideration.

The H1N1 2009 Outbreak

Chaos happens when pandemics occur. That is evident from the initial global reaction to the 2009 H1N1 pandemic outbreak. However, the type of chaos that occurs upon a pandemic outbreak is different from what happens when there is an economic bubble burst or an act of

terrorism. Such situations are handled in a more technocratic manner, and with an immediacy that is easier to prepare for. When a geographically related number of fatalities are observed, along with increasing degrees of severe morbidity, the decision-making algorithm becomes only as effective as its weakest link. Pandemic outbreaks happen in a “knowledge vacuum.” This was evident during the 2003 SARS outbreak.⁴

On April 30, 2009 the *Washington Post* journalist, David Brown, provided a detailed account of lack of advanced warning about the Mexican Swine Flu outbreak of 2009 being acknowledged by CDC and WHO.⁵ Brown reports that news of an outbreak of severe respiratory illness in Mexico burst into the public consciousness on Friday, April 24. That was 18 days after Mexican public health authorities started looking into unusual cases of pneumonia in their country, eight days after Mexican authorities notified WHO of the growing outbreak and four days after the events came to the full attention of the Centers for Disease Control and Prevention in Atlanta.

As Mexican health authorities were finding cases of unusual illness, they at once officially notified the WHO’s regional office in Washington, and the Pan American Health Organization (PAHO), of a possibly brewing epidemic. People in WHO’s Geneva headquarters also received several urgent warnings from a biosurveillance firm, Veratect, based in Kirkland, Washington State.⁶

Reviewing the situation that transpired, the Centres for Diseases Control and Prevention (CDCP), *Morbidity and Mortality Weekly Report* dated June 5, 2009 states that, on April 17, Mexico intensified national surveillance for acute respiratory illness and pneumonia. During April 22–24, novel influenza A (H1N1) virus infection, previously identified in two children in the United States, was confirmed in several patients. During March 1–May 29, national surveillance identified 41,998 persons with acute respiratory illness; specimens from 25,127 (59.8 percent) patients were tested, of which 5,337 (21.2 percent) were positive for novel influenza A (H1N1) virus infection. As of May 29, 97 patients with laboratory-confirmed infection had died. Epidemiologic evidence to date suggested that the outbreak likely peaked nationally in late April, although localized cases continue to be identified.⁷

Around the last week of April 2009, the media generally started reporting on a respiratory disease outbreak in Mexico. It soon became apparent that the events in Mexico involved a novel influenza virus and that the situation was escalating in such a way as to be approaching pandemic proportion. Given that the Mexico was at the height of its tourist season, there was general realization that the disease would inevitably spread to other countries.

All WHO members were encouraged to have plans ready for the possibility of a pandemic influenza outbreak.⁸ The WHO influenza strategy

is based on an underlying assumption that the disease would evolve from Asia and be transported to other countries before such an outbreak was realized and containable. As will be discussed later, there was good reason for this assumption. The mindset of the pandemic preparedness community prior to March 2009 was focused on the next pandemic influenza outbreak occurring in Asia.

The most favored scenario was that such an outbreak would likely be initiated in an isolated region of an Asian country where there were close affiliations between humans and animals and where there was limited transportation into and out of the region.⁹ With the proper reporting mechanisms in place, rapid containment strategies were considered plausible so that the widespread consequences of the outbreak could be reduced and even, possibly, prevented. The likelihood that a novel pandemic influenza outbreak would start in a popular North American tourist location during the peak of the tourist season was not a scenario considered in any of the planning literature prior to March 2009.¹⁰

As a member of WHO, Mexico had a pandemic influenza preparedness plan that was developed for a virus originating abroad. With the realization that the situation unfolding was local, Mexican health professionals had to adapt the existing planning structures to meet the needs of residents and visitors, and start creating communication strategies both for domestic and international purposes.

A Historical Perspective

The arrival of Europeans in North America saw the decimation of many aboriginal cultures through the introduction of diseases that were unfamiliar to their immune systems. By contrast, Europeans, being aware of such threats coming to their shores, had a long tradition of nation-state collaboration to limit disease outbreaks occurring among their populations.

European communities that were dependent on trade with ships from far off lands realized the risk of disease coming to their shores. In the fourteenth century the government of Venice required all ships entering their port to wait 40 days prior to offloading or embarking; the word “quarantine” is derived from the Italian word *quarantena* for a 40-day period. The arrival of people in ships coming from plague infected areas of the Middle East, the Orient, Africa, and the Indian subcontinent necessitated European countries to come together and promulgate various forms of legislation designed to protect their citizens from disease.

Since 1852 the countries of Europe, when they were not at war with each other, participated in a series of conferences with the purpose of preventing infection from the East spreading into and within their

countries. The primary concern at the time was cholera.¹¹ Conferences were held in Paris (1852), Constantinople (1866), Vienna (1874), and Rome (1885). The general outcome of these meetings was an approximate adoption of the principles that were advocated by Great Britain for many years.

Great Britain, an island country with a strong maritime tradition and experience of many episodes of widespread disease including the bubonic plague of 1666, had the most aggressive quarantine legislation in Europe. The country's original Quarantine Act was passed under Queen Anne's reign (1710). This legislation evolved to address the different diseases threatening the country. Each update of the legislation regulated how maritime cargo and passengers were allowed to safely enter Britain. This evolution of infectious disease legislation culminated in the 1896 Public Health Act, which dealt with arriving ships that were infected with yellow fever, plague, or cholera.

The aim of each international sanitary convention was to bind the participating governments to a uniform minimum of preventive action, with further restrictions permissible to individual countries. The Venice convention of 1892 was on cholera by the Suez Canal route; that of Dresden, 1893, on cholera within European countries; that of Paris, 1894, on cholera by the pilgrim traffic.¹²

The Venice Conference in 1897 was convened to address the outbreak of plague in the East and define the international actions that needed to be taken to prevent its spread into Europe.¹³ This conference also settled on an incubation period of 10 days and the principle of "Disease Notification." Under this principle, each government was obliged to notify other governments of the existence of plague within their jurisdiction and describe the measures of prevention that were being carried out to prevent its spread into other countries.¹⁴ The area deemed to be infected was limited to the actual district or village where the disease had been identified. It was decided that, during the prevalence of plague, every country had the inherent right to close its land frontiers against traffic coming from a neighboring country that revealed pockets of infection within its borders.

The lack of international collaboration in the management of global pandemic influenza in the past has had disastrous consequences. The earliest recorded pandemic influenza is believed to be the 1889–90 Russian flu. It is reported to have spread rapidly from Russia throughout Europe reaching North America in December 1889 before it spread to Latin America and Asia by February 1890. It is believed to have been responsible for 1 million deaths. There was a more recent Russian Flu epidemic in 1977–78 that infected mostly children and young adults under 23. It was not labeled a true pandemic as it did not spread around the globe and possibly because it affected only young people.

International collaboration and cooperation was not a major concern in the world during 1918, when the Spanish Flu pandemic broke out. The world was involved with the worst war it had known to date; there was little international economic order in place, and much widespread political instability.¹⁵ The pandemic lasted from March 1918 to June 1920 and quickly traveled to most parts of the world, partly due to troop movements to and from Europe. It is unclear exactly how many people around the world died but estimates range from between 20 to 100 million and it is estimated that 1 billion people contacted the virus and were seriously ill.

The 1918 Spanish Flu is believed to have first appeared on a military base in Kansas, United States. With troop movement in wartime it soon spread to other parts of the United States and into Europe. It was named "Spanish Flu" because it got its most public acknowledgment after passing from France into Spain in November 1918, at the end of the First World War. Spain was not involved in the war; it did not have the press censorship prevalent at that time in other countries. Hence the influenza became associated with Spain because it is the country where there was the first public acknowledgment that the pandemic existed. There's no consensus that can ensure how many died because there was lack of awareness and knowledge on how to protect themselves.

There are many lessons to be learnt by comparing the way the 1962 British smallpox epidemic was handled relative to how Yugoslavia managed its smallpox epidemic in 1972. The British small pox epidemic arose from the arrival of Pakistan immigrants; the Yugoslavian outbreak arose as a consequence of pilgrim movement around Mecca in the early 1970s and the return of an infected Yugoslavian to his home village. The British were guided by the principle that the patient is not infectious until after the onset of the illness. The British approach resulted in the identification of 62 cases and 24 deaths from smallpox.

The Yugoslavian regime showed no such compassion in its approach. By 1972, vaccination for smallpox had long been widely available and the disease was considered to be eradicated in Europe. The population of Yugoslavia had been regularly vaccinated against smallpox for 50 years, and the last case there had been reported in 1930. This was a major cause of the slow reaction by doctors, who did not promptly recognize the symptoms of the disease. Once identified, the government's reaction was swift and dictatorial. Martial law was declared. Measures included blockades of villages and neighborhoods, roadblocks, prohibition of public meetings, closure of borders, and prohibition of all unnecessary travel. Hotels were requisitioned for quarantines in which 10,000 people who may have been in contact with the virus were held under guard by the army. The authorities undertook a massive revaccination of the population, helped by WHO. Within two weeks of the identification of the presence of the disease, close to Yugoslavia's total population of 18 million had been revaccinated. This

rapid containment strategy limited the infection to 175 people with 35 dying from the disease. The 1972 smallpox outbreak in Yugoslavia was the last major outbreak of the disease in Europe.

The Evolution of Asian Influenzas

The first Asian Flu was identified in Guizhou, China early in 1956 and lasted until 1958. This flu is attributed to have infected about 3 million and killed an estimated 1 million people worldwide. It later evolved into a milder pandemic between 1968 and 1969, and infected half a million Hong Kong residents—15 percent of the population. It spread to Vietnam and Singapore by July 1969 and by September it was in India, the Philippines, Australia, and Europe. U.S. troops returning from the Vietnam War brought the disease with them to America. In 1969 it was in Japan, Africa, and South America.¹⁶

As a consequence of its experience with influenza during the 1960s the government of Hong Kong made a substantial public health investment in pandemic influenza research during the 1970s. These investments have made Hong Kong a world-class center of excellence in prevention, mitigation of, and preparedness for pandemic influenza outbreaks. Today Hong Kong functions as a sentinel postmonitoring the incidence of influenza among its avian (bird, chickens, geese, quail) populations and as an early warning pandemic influenza center for the world.

The avian population is not alone in harboring influenza viruses. Both the H2N2 and H3N2 pandemic flu strains contained genes from avian influenza viruses. The new subtypes arose in pigs coinfecting with avian and human viruses and were soon transferred to humans as Swine Origin Influenza Virus (SOIV). Swine were considered the original “intermediate host” for influenza, because they support reassortment of divergent subtypes. However, other hosts appear capable of similar coinfection (e.g., many poultry species), and direct transmission of avian viruses to humans is possible. H1N1 may have been transmitted directly from birds to humans.¹⁷

Containment of Severe Acute Respiratory Syndrome in 2003

Unlike the typical avian viruses, a new type of virus began in the Guangdong province of China, close to the border with Hong Kong in November 2002. This virus was identified as a Coronavirus and became

known as Severe Acute Respiratory Syndrome (SARS coronavirus), sometimes shortened to SARS-CoV. As documented in WHO Update 95—"SARS: Chronology of a serial killer,"¹⁸ SARS-CoV quickly spread to several countries in Asia as well as Canada through incidental contacts among travelers in hotels, airlines, tourist sites, shopping centers, and places of worship.

SARS-CoV was an unknown disease when it was diagnosed in a hospital in Guangzhou, China, in April 2003. Though some countries were slow to implement quarantine measures in the face of the world's first SARS outbreak, officials ultimately credited quarantine, particularly in Canada, one of the countries seriously affected through global travel of the disease, with helping to keep the number of global SARS cases to about 8,000, with 780 deaths.¹⁹

An opinion on the place for quarantine as a containment strategy in the management of a disease is discussed in the supplement of the U.S. Centers for Disease Control's (CDC) publication entitled *Community-Level Preparedness and Response to Severe Acute Respiratory Syndrome Corona Virus (SARS-CoV) Version 2*. This document states that "Quarantine is only one of a spectrum of actions that may be considered during a future SARS outbreak in the United States. Although rapid control is likely to require bold and swift action, measures that are less drastic than legally enforced quarantine may suffice, depending on the epidemiologic characteristics of the outbreak."²⁰

The novel nature of the SARS-CoV virus initially caused some risk assessment in the possibility that it may be associated with a terrorism incident. As soon as the possibility of SARS being a bioengineered pathogen was removed from the equation, the scientists were able to focus on other options to consider in dealing with a naturally occurring virus. It also resulted in those individuals dealing with the possibility of there being a terrorist situation exiting the team.²¹

The New Swine Origin Influenza Virus H1N1 in 2009

The new Swine Origin Influenza Virus (SOIV) resulting in the 2009 H1N1 outbreak was traced to a pig farm in La Gloria (population 2,155) in the southeastern Mexican state of Veracruz. By the time the situation was recognized as a novel influenza in Veracruz and the Federal District of Mexico, it was probably too late to think about initiating rapid containment plan. Given the intermingling of natives and visitors during the tourist season and the challenges of overall disruption to societal functions like transportation and public gatherings, the resource requirements for

rapid containment would have been very high, particularly at the height of the tourist season, and the likelihood of success would have been relatively low.

Comparing the isolated Asian village scenario with what happened in Veracruz, Mexico in 2009 suggests that an occurrence curve exists along which rapid containment is feasible to varying degrees. This curve extends from the isolated village where the population is relatively stable to cities that have domestic and international transportation nodes. The three criteria likely to indicate if rapid containment is feasible upon suspicion that an outbreak has occurred are in-migration, out-migration, and the size of the transient population that may be resident locally for a period of time, such as transient workers or tourists. These criteria will characterize the kinds of exercise that could be developed in determining if a rapid containment strategy is feasible given its dependency for success on controlling the movement of people into and out of an affected region. A decision-making apparatus could be designed to include other criteria such as the size of urban area, population density, percentage of population that commutes daily, kilometer commuted per commuter, primary means of travel, access to rail, plane, maritime travel as well as the local and national government's operational and management capacity.

A secondary infected population node where the disease is discovered through people traveling into the area could also benefit from a rapid containment strategy. The success of such a strategy would likely depend on the mode of transportation employed by the infected traveler. If the means of transportation is a plane or bus, the success of such a rapid containment strategy will be dependent on the tracing of the random contacts the infected person made in transit. At some point there will inevitably be a trade-off decision to be made between conducting a rapid containment strategy and learning to live with the situation presented.

In a comparative review of how H1N1 was managed in New York City and Mexico City, Bell et al. acknowledge that "The percentage of the world's population living in urban areas will increase from 50% in 2008 to 70% (4.9 billion) in 2025. Crowded urban areas in developing and industrialized countries are uniquely vulnerable to public health crises and face daunting challenges in surveillance, response, and public communication." According to these authors, "Cities are the norm of global development in the twenty-first century. As cities become larger and more crowded, traditional guidance for detecting and responding to public health crises requires innovation. Modified guidance may be helpful, but new strategies, technologies, and metrics also will be needed."²²

The trigger for a containment strategy is the rapid identification of a critical cluster of cases with similar unusual symptoms and histories in a related geographic area. The determination of such a cluster would be a routine process within the United States through the CDC network.

Similarly Canada has such a network through its Canadian Public Health Agency. The challenge from a North American perspective is creating a similar resource in Mexico, particularly where there are isolated communities in which families live in close proximity to animals and sub-standard public health and personal hygiene conditions prevail.

In a true “walking with Kings but keeping the common touch” moment,²³ recalled in his memoirs, *Revolution of Hope*, former Mexican president,²⁴ Vicente Fox Quesada refers to a visit he made to a rural indigenous village school in southern Mexico where he needed to use the local bathroom facilities. After removing himself from a primary school desk, and amidst giggles from the students, he described the experience:

I excused myself and walked out of the class—to the sewer ditch where students and teachers alike were expected to squat in the muddy river. Up river to one side was a textile mill that polluted the river to a mere trickle, where a strange greenish foam choked the reeds. Downstream lay the indigenous village where women wash their cloths and hauled the foul water by hand in buckets to the rough kitchens outside their doors.

It was a legacy of three quarters of a century of authoritarian neglect in a nutshell: a tireless teacher with no resources to educate children who grew up in unspeakable conditions; mothers and fathers who had been left on the margins of the global economy with no way to better themselves; a public health disaster in the making as rampant development nearby destroyed the only thing these people had left—the natural environment that had fed, housed, clothed and cleaned the Mayan peoples for thousands of years.

The situation described by Fox is not limited to aboriginal communities in Mexico. Canadian First Nations peoples (North American Native Indians) have been subject to higher than average incidents of H1N1 attributed to the prevailing public health standards endured on reservation. At a Webcast organized by Health Canada on October 20, 2009, National Chief Shawn Atleo of the Assembly of First Nations said:

Aboriginal Canadians will continue to be hit hard by illnesses until living conditions on reserves improve. Some reserves are overcrowded, lack clean drinking water and don't have easy access to medical facilities. Hopefully, the H1N1 pandemic will prompt more action to fix chronic social problems.

Viruses and bacteria do not recognize political borders that economic instruments like NAFTA perpetuate. Furthermore, such instruments tend to obliterate the “intra” and “inter” cultural disparities that prevail among partners of such agreements. Under these government protocols, the economics of public health care tends to be treated more in terms of

cost than in the interests of promoting global health. In the same way that the Merchants of Venice realized in the fourteenth century that no nation is an island unto itself at times when the plague visited their shores, we can only hope that modern-day free trade negotiators will see the value of facilitating sound public health policies that will prevent novel pandemic diseases from mutating among their sister countries.

The U.S.-Mexico Border Health Commission

The U.S.-Mexico Border Health Commission (BHC or Commission) was created in July 2000 by the signing of an agreement by the U.S. Secretary of Health and Human Services and the Secretary of Health of Mexico. On December 21, 2004 the Commission was designated as a Public International Organization by Executive Order of the President of the United States. The BHC is the classic international government organization (IGO) called for by Rosenau with an emphasis on local matters, but interaction with universal international concerns. For a similar IGO between U.S. and Canada see Cooperative Vessel Travel Service (CVTS) that manages the organization of shipping between both countries in the Pacific North West.²⁵

The ongoing need for a working relationship in public health between the United States and Mexico is demonstrated by the work of the Border Infectious Disease Surveillance (BIDS) project that was started in 1997. BIDS surveys infectious diseases that pass between the border sentinel sites in the following sister cities along the U.S.-Mexico border: Tijuana-San Diego, Nogales-Nogales, Las Cruces-Ciudad Juarez-El Paso, and Reynosa-McAllen. The new cities are Mexicali-Imperial (the sister city pair near Tijuana-San Diego) and Brownsville (near McAllen).²⁶

This type of international collaboration reduces administrative infrastructure and cedes political barriers to cross-border public health collaboration and enhance the effectiveness of disease prevention. If these management arrangements (patterns) were to be conducted within the context of IHR 2005, lessons learned from them may be applicable for other border agencies around the world.

The Commission, in collaboration with affiliated U.S. and Mexican federal and state health agencies, serves as a platform for innovative practices in public health among states on both sides of the border. Addressing the H1N1 situation in collaboration with other state and federal agencies the Commission was involved in a workshop that addressed the "2009 H1N1 Pandemic Influenza as a Case Study in Border Response between U.S. and Mexico Border States."²⁷

The existence of such an infrastructure that deals with infectious disease issues across such a complex international border provides a valuable resource for contributing to public health organization and management between countries around the world. The piecemeal arrangements by Europeans in the eighteenth, nineteenth, and twentieth century to meet and discuss questions of quarantine and information sharing have evolved into WHO's, twenty-first century IHR 2005. The conventional perspective is to see IHR 2005 as an instrument that individual countries are expected to follow. The experience of 2009 demonstrates that those tasked with managing a pandemic influenza outbreak cannot simply rely on any single country being prepared to act. IHR 2005 is primarily founded for success on the two-way interface relationships between all affected countries.

The core competencies listed in Annex 1 of IHR 2005 for managing land, sea, and air "ports of entry" reflect the precedents created by the mariners entering the port of Venice in the fourteenth century and traveling through the Suez Canal in the nineteenth century as well as the experience encountered by the modern-day traveler who can traverse the globe within a day or two. Annex 2 of IHR 2005 provides the generic baseline framework for the establishment of and compliance with national, regional, municipal, and aboriginal/reserve public health systems. It is against such structural patterns and processes, created by man as well as by chance, that IHR 2005 outcomes will be assessed in the management of communicable disease practices.

Cross-border communication at the ground level is critical in the fight against communicable diseases. Guidance is needed at the local, state and national levels on both sides of any international border in how to identify unusual presenting symptoms with related histories that may be potential pandemic influenza, followed by the reporting of such observations to regional public health authorities and the ongoing monitoring and surveillance of such cases regionally, nationally, and internationally. Protocols in place for communicating with WHO regional offices have to be followed and there must be an assurance that the response from WHO will be appropriate on a 24/7 basis.

The critical part in this chain of events is the establishment of communication protocols between frontline clinical workers (primary care physicians/nurses) and the regional public health officials. This relationship has to be a cooperative effort involving a two-way communication process. Early warning by public health authorities should sensitize frontline clinical workers to be on the lookout for specific symptoms and related patient histories. The reporting of such observations has to be supported by a collaborative team process that complements the task-oriented working environments of frontline clinical workers with

the process-oriented culture of public health policy and administrative personnel.

Developing Voluntary Accreditation Processes

It is chaos at the molecular and DNA level that will decide if a zoonotic mutation occurs that results in the formation of a deadly novel pandemic influenza. Such chaotic behavior will inevitably lead to human beings of all nationalities to deal with a new reality. Innovative patterns of public health are needed to create a global life and shield the world's societies from such zoonotic mutations that can arise anywhere in the world.

The U.S.-Mexico BHC provides an example for creating a voluntary accreditation process in international public health practice. Using the outlines described in Annex 1 and 2 of IHR 2005 as its data collection baseline BHC could define benchmarks for evaluating the implementation of IHR 2005 that could be applied anywhere in the world. Given the port of entry jurisdictional relationships between the United States and Mexico there would need to be an active participation by national authorities in such deliberations. A stress on voluntary accreditation would emphasize the professional education aspect of such a proposal rather than any top-down policing threat. These arrangements would serve as a knowledge generating exercise in the practice of public health between countries. Once such accreditation practices are established in the context of the U.S.-Mexican Border Health Commission jurisdictions, there would be a strong rationale for the expansion of the program to all NAFTA international borders and federal, state, or provincial, municipal, aboriginal reservation public health communities.

With the 2009 H1N1 experience behind it, the U.S.-Mexican Border Health Commission could take the lead in helping to propagate the mission and purpose of WHO's IHR 2005. These Regulations are the universal instrument of defense against the spread of communicable diseases around the world. It is critical that public health professionals are made aware of the practicalities of their implementation between national borders. Given the economic inequality between both countries and the complexity of U.S./Mexico border, the Commission and its constituents provide laboratory-like conditions for putting the practicalities of IHR 2005 to the test. Similar to how Hong Kong became a center of excellence for avian influenza pandemic warning, the U.S.-Mexico Border Health Commission could facilitate a center of excellence around evidence-based best practices and benchmarking in the implementation

of IHR 2005.²⁸ Clearly, this cannot be national or regional, but must instead seek broader more global spaces.

Notes

This chapter is derived from an analysis of methodologies around the rapid containment of respiratory communicable diseases, which was conducted for WHO, Geneva between early March 2009 and June 29, 2009. Send comments to tim@infolyнк.ca

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Chapter Thirteen

Conclusion: Rising to the Occasion: Coordinating Tumult

Imtiaz Hussain

Observations

What do the chapters in this book say about the relations between, and relevance of, the various levels of policymaking? Obviously, the topics dealt with in the 11 chapters were subjectively chosen, and analyzing them, as attempted through table 13.1, confirms this. Yet, some meaningful objective light is also shed by the chapters, individually and collectively: Regionalism cannot alone speak for North American dynamics; yet, no significant case is made that North American regionalism should be modified, replaced, or eliminated. A very cursory dichotomous appraisal (whether the four levels of analysis are relevant or not) is tabulated in terms of degrees (relevant, very relevant, or very, very relevant): While the degrees may be subjectively drawn, whether they are relevant or not is a more objective statement. Three broad pictures (outcomes) emerge: (1) In only one area is the North American region at least as relevant as the other levels, if not more—NAFTA's investment arrangements; (2) the state proves to be the most compelling level of policymaking analysis in two areas—North America's increasing border "thickness" and China's North American engagements; and (3) subnational or global forces prove relatively more significant than other levels of policymaking in the remaining seven areas—with local forces being at least as important, if not more, than global forces in all of them. They generate three hypotheses: (1) In an age of increasing globalization, local forces carry increasing weight; (2) local and global forces have a tendency to work more with each other than through the state or region; and (3) states and the region cannot exactly be dispensed with.

Chapter-Specific Findings

In chapter two, we clearly see how transbioeconomic environmental arrangements have survived without the state, and indeed, connect better with globalized forces than with those emanating from other policymaking levels. This is not surprising, since (2) the *act locally, think globally* cliché is not

Table 13.1 Chapter Findings in Theoretical Setting

<i>Chapters</i>	<i>Levels of Policymaking Analysis</i>			
	<i>Sub-national/ Provincial/Societal</i>	<i>National (Statist)</i>	<i>Regional</i>	<i>Supranational/ Transnational/ Multilateral</i>
<i>Chapter 2</i> Trans-border environmental arrangements	√√√	≠	≠≠	√√
<i>Chapter 3</i> Contextual interpretations of biotechnological forces	√√	√	≠	√√
<i>Chapter 4</i> Anti-immigration rhetoric	√√	√	≠	√√
<i>Chapter 5</i> Investment-related threats upon federalism/regionalism	√	√	√√	√
<i>Chapter 6</i> North America's "thick" borders	√	√√√	≠	≠
<i>Chapter 7</i> China's North American presence	≠	√√√	√√	√√
<i>Chapter 8</i> Mexico's internal rural migration	√√√	≠≠	≠≠	√√
<i>Chapter 9</i> Gender issues under NAFTA	√√	≠	≠	√√
<i>Chapter 10</i> Universities as networks of democracy	√√	≠≠	≠≠	√√
<i>Chapter 11</i> Influence of recession on regional integration	√√√	√√	≠≠	√√√
<i>Chapter 12</i> Impact of H1N1 in historical governance perspectives	√√√	√√	√√	√√√

Legend: √=relevant; √√=very relevant; √√√=very, very relevant
 ≠=less important; ≠≠=not relevant

new; (2) the environment was reluctantly attached to NAFTA as a nonenforceable side-agreement; (3) societal actors more than state officials have been more staunch and sustained supporters of environmental protection; and (4) whereas the global level accents environmental principles more than practice, the local level reverses that order, indicating why local governments provide more environmental leadership than federal.

Chapter three conveys a similar general theme: societal action connects better with global counterparts than with the state when issues carry a trans-border flavor. In this case, biotechnological forces in an age of neoliberalism, when the private sector speaks louder than the public, need not connect with the state or regional arrangements. Such a pattern is more deeply anchored when the setting is discursive: Words, like environmental concerns, also float across national or regional boundaries at will.

The contested representations of Mexican refugee claimants in Canada as illegals and criminals (looking for better economic opportunities and as abusers of welfare services) demonstrate that the discursive circulation of the anti-immigration rhetoric has crossed national borders to adapt to a particular Canadian context. Yet, such representations and considerations for continental movements raise important concerns related to the need to reconsider the relations between labor mobility and free trade.

By shifting to a more tangible border-impacting dynamic, chapter five restores some confidence in and clout for regional arrangements. Investment not just placed NAFTA's arrangements ahead of the state's (as Alan Rugman and others argue, NAFTA was written by businessmen), but also became the backbone behind NAFTA throughout its first 15 years. Reifying NAFTA's investment provisions does not insulate NAFTA from the back-lashing effects of those provisions (investment moving on from regional arrangements). Here is as robust a case why regional arrangements cannot easily be bypassed or eliminated, even as they become less relevant.

Chapter six challenges detractors of the state by simply pointing to the numerous dynamics demanding ever-increasing state vigilance. This is the kind of vigilance, one will deduce, no other agency can provide, thus reaffirming the staying power of the state in the same way chapter five upheld regional arrangements. One will notice how those dynamics have either societal or global origins, approximating Rosenau's theory of turbulence in their effects, thus raising a profound argument: the more the globalization, the greater the need of the state. One notices the irrelevance of regional arrangements.

Ultimately, regional pursuits today must reckon with the emergence of China in the global political economy—and with it (1) the underlying attention China pays to its national interest; (2) the importance it accords globalized production, if only to keep its own industries operational; (3) how both of the above tendencies have silently encouraged the growth of societal forces, such as investors expanding operations or environmentalist railing against them; and (4) how all three sets of the above forces have virtually reduced regional arrangements as the instrument of largely the state. Chapter seven notes these developments, and even as it sees China as an implicit NAFTA member, nowhere do we find China explicitly adopting NAFTA arrangements.

Stemming from a completely different springboard, chapter eight diverts our attention to the equally powerful local forces, in this case, associated with rural emigration—not abroad, but to other metropolitans within the same country. Technological forces partly triggered this dynamic, thus connecting local and global forces yet again as in chapters two and three; but

what is at stake here, in contrast to chapters two and three, is something with more defined boundaries than words or technologies—culture. The chapter captures the enormous changes of transitional countries, suggesting that if such countries belong to regional arrangements, those arrangements can only be, at best, transitional. It would be hard to deny NAFTA defies such a claim.

Since Mexican agriculture involves women, chapter eight paves the way for bringing gender under the microscope in chapter nine. This further exposes one of the underlying fault lines of the male-centric NAFTA regional arrangements: so much more attention paid to business interests that social, and especially women roles, get almost overwhelmingly subordinated. Comparisons with the European Community/Union reinforce this conclusion, leaving NAFTA a relatively backward regional grouping and regionalism, in general, a relative misfit in an age of increasing democratization, which only empowers women rights further, even as increasing liberalization empowers male-centric stereotypes simultaneously.

Like engenderment, university-based networking also fails to connect with North American regionalism. Since university-based networking involves a transborder space larger than a region and uncontrollable by regional arrangements, we once again see a societal dynamic hopping, skipping, and jumping over both the state and any regional compact to align with forces as global as there can be. Chapter ten could easily be discussing a phenomenon of enormous and increasing future impact.

On the other hand, chapter eleven brings us back to the realities of today, what with the recession demanding greater state-level attention, but simultaneously unleashing local and global forces regardless of regional bonds and bindings. Case studies of the automobile sector (representing the manufacturing sector) and Citi (representing the services sector) indicate why a local-global interconnection is the necessary condition to escape a recession (and perhaps the necessary condition as a cause for the recession), and how regional arrangements were basically relegated to serving merely a sufficient condition of North American prosperity.

Chapter twelve reaffirms similar messages through a historical/global study of pandemics, given the outbreak of H1N1 in Mexico during March–May 2009. Not only are local-global connections necessary to deal with pandemics, but a bilateral (Mexico–United States) would be ideal to developing governance structures to deal with them. The regional structures get lower emphasis, though they are not wiped away.

The evolving global consequences arising from the 2009 H1N1 outbreak clearly demonstrate a need for close collaboration among all nations when a pandemic outbreak occurs. The spontaneity with which pandemics occur and their silent existence among populations before their presence is realized necessitates rapid containment strategies if their impact is to be reduced. Such strategies will be successful only if there is local collaboration, equally rapid national recognition of the situation at hand, and global teamwork and cooperation within very short windows of opportunity. The

realization that rapid containment will not serve any useful purpose and that available resources need to be applied differently may require heads of state to take direct charge of the situation. Communications with WHO regional offices and among heads of states and IHR National Focal Points are critical if a coordinated response is to be successful. WHO's IHR 2005 provides the blue print for such coloration and teamwork at the international professional technical levels. Its integration into the fabric of international relations will be facilitated when the role that health professionals play in planning for and during a pandemic is recognized as being of equal value to trade negotiators in the defining of international agreements such as NAFTA. This reality was recognized by fourteenth-century Venetian traders in the era of wind-powered sail boats. Their rationale for protecting their communities applies equally to international traders in the jet age of the twenty-first century.

Collective Findings

What do the chapter-specific findings mean collectively? At least three patterns drew attention, in turn confirming at least three general arguments.

The first of the three patterns is that the North American region was at least as relevant, if not more, as the other policymaking levels in only 1 of the 11 empirical chapters: in terms of NAFTA's investment arrangements. This is significant, not just in conveying how *thin* NAFTA-based regionalism has been, but also in pointing out how *thick* North American dynamics have been outside the regional box.

Second, the state proved to be a compelling level of policymaking analysis in only two areas: in managing dynamics thickening North American relations; and in partnering China's North American engagements. In fact, this second case reaffirms how China's presence in the global political economy seems to be strengthening the state as a policymaking arena over regionalism, thus contributing to the thickening dynamics of the first case.

Yet, the third pattern exposes how the state cannot qualify as the be-all and end-all policymaking level/actor since other forces also demand attention. More specifically, these are at the subnational, transnational, and global levels—not all of which can be controlled by the state. Since the state seems to be a stronger actor than the regional body, clearly regional arrangements have not been able to manage many of these subnational, transnational, or global forces.

In turn, at least three hypotheses find confirmation. First, in an age of increasing globalization, local forces carry increasing weight. This was at the heart of James Rosenau's theory of turbulence, and it is repeatedly confirmed by some cases of this volume.

A second argument derived from the first, that local and global forces work more with each other than through the state or region, also found repeated support. We noticed this with the transborder regimes, harnessing

biotechnology, anti-immigration rhetoric, and recessionary causes and consequences, among others.

Finally, in spite of the strength of the above forces and policymaking levels of analysis, the state and region cannot be dispensed with: As previously observed, and repeatedly evident in various chapters, the thickening border dynamics necessitate the state, and where arrangements have been delegated to the region (NAFTA investments, for instance), the region also makes a robust stand.

Implications

What do these specific and general observations imply?

First, North America is neither transforming into a viable regional bloc nor retreating fully to its statist past: It is caught in greater flux, with as many more opportunities as liabilities available. Second, theoretically, pure regional integration paradigms need to be substantially revised to fully understand North America. Third, we might be witnessing the end of the era of regional trading bloc rivalry. Finally, even with increasing relational turbulence, there seems to prevail enough order to continue engaging in theoretical explications and empirical predictions.

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