



Different Paths Leading from Cancún

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What comes next as integration deepens among the United States, Canada, and Mexico? The answer depends on what path you expect integration to take. In recent years, four major alternatives have been proposed by policymakers and researchers. There are also at least two important critical perspectives that cast the future of North American integration in a different light. Taken together, these six possible paths to integration provide a variety of answers to the question, “What comes next?”

New Canadian prime minister Stephen Harper, Mexican president Vicente Fox, and U.S. president George W. Bush met on March 31 in Cancún, Quintana Roo. This summit followed the leaders’ March 2005 meeting in Waco, Texas, where the North American Security and Prosperity Partnership (NASPP) was launched. The NASPP involves officials in all three federal governments in working groups with their counterparts to facilitate integration by reconciling standards and procedures wherever prudent. The result is a process of *bureaucratically led integration*, currently underway. The NASPP negotiations allow officials to take the lead to manage and foster cross-border flows of people, goods, services, and investment.

The negotiators of the North American Free Trade Agreement (NAFTA) anticipated that it would be necessary for officials to take over where negotiators left off, working to smooth the path of economic integration by working through conflicts in standards, measurements, and procedures that would become more significant once other barriers to cross-border flows were eliminated by NAFTA itself. In NAFTA, the three governments established working groups on the operation of NAFTA rules of origin and customs classificatory procedures (Article 513), on standards-related measures (Article 913), on trade and competition policies (Article 1504), and on temporary entry for business persons (Article 1605). The NASPP builds on this structure by creating new working groups and giving them a renewed endorsement by the political leaders. Significantly, the NASPP also incorporates, integrates, and expands on the security agendas of the separate U.S.-Canada and U.S.-Mexico Smart Border Accords adopted after the September 11, 2001, terrorist attacks on New York and Washington.

Alongside this formal process involving federal officials in the three countries, informally there are governors, premiers, legislators, and officials at the state/provincial and even local government levels who are involved in resolving disputes and otherwise facilitating integration. Evidence for this is difficult to assess, in part because to date it is largely anecdotal. It is also not clear how, if at all, attempts to foster integration between two or more subfederal governments would influence other jurisdictions—it may be that such diffuse efforts do not lead anywhere. Instead, they may have the net effect of fragmenting the North American market with locally specific rules and regulations.

Similarly, national legislative bodies (the U.S. and Mexican Congresses and the Parliament of Canada) have contributed to the integration process with policies enacted and decisions taken in response to constituent concerns and special interest pleading, particularly where the regulation of borders is concerned. What these efforts have in common with the activity at the subfederal levels is that they are political, rather than bureaucratic. This second path might therefore be referred to as *politically led integration*, the results of which may foster more—or less—integration.

In 2005, an independent task force of eminent individuals, which was sponsored by the Council on Foreign Relations, the Canadian Council of Chief Executives, and the Consejo Mexicano de Asuntos Internacionales,

issued a report entitled *Building a North American Community*. The task force recommends a number of practical steps to address concerns arising from deepening North American integration. In addition to specific measures, the report argues, “Effective progress will require new institutional structures and arrangements to drive the agenda and manage the deeper relationships that result.” This recommendation echoes the work of one task force member in particular, American University’s Robert A. Pastor, who made a similar case in his book, *Toward a North American Community: Lessons from the Old World for the New* (Institute for International Economics, 2001). For Pastor and others, the challenges of North American integration require a purposeful and coordinated response from the three federal governments, and this can best be achieved through institutions. Such institutions can also be proactive, allowing the three countries to do more than cope with integration and its affects; new North American institutions could facilitate further integration in an orderly, positive manner. This reflects a third model of the future development of North America: *institutionally led integration*.

All three of these models, bureaucratically led, politically led, and institutionally led integration, share the assumption that governments in some way should negotiate formal governance arrangements to structure and mitigate cross-border flows as integration deepens on the basis of previous government-to-government arrangements such as the NAFTA.

An alternative view is offered by research using the World Values Survey data set by Miguel Basañez, Ronald Inglehart, and Neil Nevitte. In their book, *The North American Trajectory: Cultural, Economic, and Political Ties among the United States, Canada, and Mexico* (Aldine de Gruyter, 1996), Basañez, Inglehart, and Nevitte cite evidence that citizen attitudes toward government, the economy, cultural issues, and family life in the three countries are gradually converging. In several areas such as the desirable balances between the state and the market, or between the individual and society, Mexican citizens respond less like Latin Americans, while U.S. and Canadian citizens respond less like Europeans. The trends in all three countries appear to be heading toward each other—the trajectory that these authors identify as North American. This model suggests that even if governments do not act, citizens of the three countries are converging in their preferences, and it will become increasingly possible to speak about shared North American ideas and lifestyles. In time, it is reasonable to assume that such shared perspectives will lead citizens of the three countries to make similar choices in determining political arrangements, and this will in turn foster natural cooperation among governments. In contrast to government-led integration, this model might be labeled *values-led integration*.

All four of the preceding models agree that the direction of integration is moving ahead toward increasing levels, whether this is measured by economic, political, or sociocultural variables. This consensus is challenged by *North American skeptics*, including some who oppose further steps toward deepening integration over doubts about the benefits or concerns related to the costs of this integration and on this basis reject the inexorability of the deepening of integration. Some skeptics have argued that North American integration can and should be reversed in certain areas.

Other North American skeptics, particularly in the United States, question whether integration should be considered principally or even significantly North American—or whether it is simply the associated phenomena known as globalization viewed in the parochial context of the United States and its immediate neighbors. Skeptical perspectives about North American integration are important to consider because they may influence the decisions taken by governments and investors by raising the perceived opportunity cost of attempting to lead a process of further integration.

It is not surprising that North American skepticism is more common in the United States, which does less than half of its global trade with Canada and Mexico. Both Canada and Mexico, however, rely on the United States for more than 80 percent of their imports and exports, and in these countries North American integration is often viewed as a process of *Americanization*. As the country with the largest population, largest economy, and with significant political and cultural influence on both Canada and Mexico, integration was bound to seem American in these countries. The complex histories of these three countries make Americanization a politically charged term—for Canada, which was formed from the colonies of British North America that did not rebel, and for Mexico, which lost half its territory to U.S. expansion in the nineteenth century.

At the same time, the U.S. government has the power and influence to set the terms for future North American integration on a de facto basis, even when it is not at the negotiating table. For the governments of Canada and Mexico to manage integration effectively, they need the United States. U.S. policymakers should consider this when weighing overtures from Ottawa and Mexico City for new talks on the future of North America. A decision to not negotiate may foster public perceptions of American-led integration—Americanization on purpose—that could lower support for closer ties in Canada and Mexico.

For now, however, President Bush, President Fox, and the newcomer, Prime Minister Harper, remain committed to the bureaucratically led negotiations of the NASPP. Politically led integration is proceeding in tandem, as leaders at the state and provincial level build ties and solve problems arising from growing linkages between the three countries. This is holding off pressure for more ambitious institutional development that might allow institutionally led integration to emerge. The tentative evidence of an enlarging group of shared values and attitudes may not have prompted values-led integration, but it does offer the hope of growing sympathy among citizens of the three countries. Common values and attendant goodwill will contend with North American skeptics and charges of Americanization on the path from Cancún toward the future of North America, whichever path is taken.

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