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North American integration To each his own

The push for deeper ties peters out

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WHEN Canada, Mexico and the United States implemented the North American Free-Trade Agreement (NAFTA) in 1994, it was hailed as a promising first step towards the deeper integration of the continent. Six years later Vicente Fox, then Mexico's president, called for a customs union, a common external tariff and free labour flows. And in 2005 the leaders of the three countries began a series of annual summits to push an ambitious "security and prosperity" agenda.

Since then the drive for integration has ground to a halt. The "three amigos", as their leaders were once dubbed, could not find time to meet last year, and the session scheduled for February 26th has been cancelled. When Barack Obama and Stephen Harper, Canada's prime minister, announced on February 4th that they were exploring ways to harmonise regulations and co-ordinate security—plans that had previously been discussed trilaterally—they did not mention Mexico.

A North American version of the European Union was always a long shot. Having one giant dealing with two relative dwarves is unlikely to produce a deal acceptable to all parties. Moreover, North America lacked the historical impetus of the second world war, which gave European integration a sense of purpose.

Nonetheless, even the modest goals set in the years following NAFTA's passage have been blocked. One big reason is the September 11th attacks, which led the United States to redouble its border enforcement. Whereas in the 1990s Americans discussed eliminating border controls with Canada, earlier this month the United States Government Accountability Office reported that less than 1% of the country's northern border had an "acceptable level of security". To the south, Mexico's raging drug war and stream of migrants make the prospect of relaxing controls there politically unthinkable. Mr Obama has struggled to fight off new restrictions, like Arizona's harsh state law on immigration.

America's lengthy recession also diminished the appeal of further trade liberalisation. NAFTA has always had its doubters in the Democratic Party, including Mr Obama when he was competing for its nomination. As a candidate, Mr Obama vowed to renegotiate the deal. Although he has not honoured that pledge—much to the relief of Mexico and Canada—the United States did cancel a programme allowing Mexican lorry drivers to work in America in 2009, in violation of its NAFTA obligations. Mexico retaliated with a series of tariffs aimed at the states of legislators who opposed the programme.

America is not the only country to blame. Because Mr Harper runs a minority government that could fall at any time, he has chiefly focused on short-term, voter-pleasing issues like cracking down on illegal immigration. Canada imposed new visa restrictions on Mexican visitors in 2009, angering the Mexican government.

And whereas Canadian companies once strongly backed regional integration, their focus has now

shifted to Asia, turning their North American agenda almost entirely towards the United States. Mr Harper has followed suit: although he has talked of a hemispheric foreign policy and signed free-trade deals with Colombia, Panama and Peru, he is now working on aligning Canadian and American security measures and regulations.

Felipe Calderón, Mexico's president, has espoused a vision of North America as a union of complementary economies—with Canada providing the natural resources and Mexico the labour—that would compete with Asia. However, his efforts to liberalise Mexico's economy, including a plan to allow private investment in energy, have been defeated or watered down in Congress. It is hard to see how he can achieve continent-wide reforms.

The main obstacle to trilateral co-operation is that Canada and Mexico are much more interested in their relations with the United States than they are in each other. Until that changes, the next North American summit will probably prove just as difficult to schedule.

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