From Trilateralism to “Triple Bilateralism”?
Canada, Mexico and the Future of North American Governance

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ABSTRACT

This paper examines the future of regional governance in North America, contending that, despite principled preferences for multilateralism expressed by both Canada and Mexico and the public trilateralist pronouncements of the (now defunct) Security and Prosperity Partnership of North America (SPP/ASPA), in practice “trilateralism” was never a good fit for the region. To support this claim, the paper first reviews the origins and development of anti-trilateral, “double-bilateral” patterns over the past two decades, arguing that NAFTA itself was a fragmented accord between three vastly different parties seeking different if overlapping aims, and that this disjunction between aspirations (trilateral) and reality (double bilateral) is not merely an obstacle to North American integration but rather its fundamental truth. As part of this analysis the paper confronts an issue little discussed but arguably central to understanding this reality: the deliberate and defensive distancing of Canada from Mexico, particularly after 9/11. While two publicly-promoted initiatives – the Canada-Mexico Partnership and the Canadian Fund for Local Initiatives (Fondo Canadá) – raised expectations for greater cooperation within NAFTA’s “third bilateral,” they also underscored another truth of North American integration: the three governments are more often than not the brakes, not the engines, of integration, most notably in the fierce defense of sovereignty-as-state prerogative. But taking a second look at these initiatives, we can also see another model of regional “governance” emerging in a “triple bilateral” region, led by non-state actors in civil society and the private sector. The final section of the paper explores this society-driven model, with the Canada-Mexico relationship – long playing catch-up in state-to-state and trade-and-investment terms – emerging at the forefront of informal governance innovation.
A recent visit to the U.S. homepage of the Security and Prosperity Partnership of North America – known by its initials SPP or ASPAN – yielded this message: “This website is an archive for SPP documents and will not be updated.”\(^1\) Though the website also declared that “[g]oing forward, we want to build on the accomplishments achieved by the SPP,” in practice this declaration of independence meant only one thing: that the experiment in regional “partnership,” ostensibly advancing complex and interlocking security and trade agendas launched by U.S. President George W. Bush and his Mexican and Canadian counterparts in the spring of 2005, was officially dead. Critics of SPP in all three countries – both on the right and the left - had long viewed this initiative with suspicion, whether because of its security-driven agenda, its deepening of corporate-led economic integration, or its lack of transparency and citizen (or legislative) accountability. But SPP was also found wanting because it was never truly a trilateral, or even a trinational, arrangement. Beneath the rhetorical veneer, and after the photo ops of annual leaders’ summits, the overall structure of the SPP reinforced a hub-and-spoke system centered on the U.S. and its concerns for “homeland security.” Meanwhile, the day-to-day operation of the SPP was also configured in a “double-bilateral” way, dominated by interoperable bureaucracies in the U.S. and Canada, on the one hand, and less coordinated but similarly oriented U.S.-Mexican intergovernmental networks. In the absence of any formalized trilateral institutions, the SPP merely replicated what was already there: two bilateral relationships with a free trade agreement, pretending to be a regional governance system.

To be fair, double bilateralism in North America makes a certain amount of practical sense. First, the region is naturally dominated by the United States as a global military superpower and as the world’s primary consumer market and leading financial center. Thus, the main dyads in North America are those in which the U.S. is a partner. Second, these two U.S.-linked dyads are, in many ways, very dissimilar and require different sets of norms to govern cooperation and to mitigate conflict. The U.S.-Canada bilateral relationship is one between two highly industrialized nations, both members of the NATO alliance and partners in NORAD’s continental air defense system, sharing at least one common dominant language and a shared British colonial history, not to mention a 20\(^{th}\) century history of economic interdependence, shared democratic norms, and the oft-cited “special relationship.” Conflict in the U.S.-Canada dyad is often centered on discreet issue areas of domestic (federal or provincial) policy in which Canada seeks to assert its difference from the U.S., but those areas can be cordoned off in order not to jeopardize the overall operation of the relationship. Meanwhile, the U.S.-Mexico dyad spans divides in development level, language and culture, and history, the latter viewed negatively in Mexico as one of interventionism, and in the U.S. as one of lawlessness through illegal migration and drug trafficking. One-party authoritarianism in Mexico lasting for seven decades and ending only in 2000 added a further normative

divide. Mexican governments both before and after NAFTA have laid claim to a “special relationship” à la Canada-U.S., but in practice “irritants” on the agenda – migration and drugs primary among them – are in reality the agenda itself, and conflict on those issues often overshadows other forms of ongoing cooperation. Finally, the two border regions and their respective geographic, demographic and infrastructural characteristics further distinguish and differentiate the Canada-U.S. and Mexico-U.S. dyads. This difference, perhaps more than anything else, is reflected in the two-track “Security” portion of the SPP process, based as it was on two separate “Smart Border” accords.

Given these realities, the demise of SPP could have the effect of setting North America free from its pretensions to trilateralism, leaving behind a more honest system that shifts the resources towards the two bilateral relationships that matter most. At the same time, aside from the lost gains from trilateralism – both real and symbolic – there remains the question of NAFTA’s third bilateral, the Canada-Mexico relationship, and whether moving towards an overtly double-bilateral governance structure is truly optimal. Central to such an assessment is the recognition that, despite sharing multilateralist traditions in their respective foreign policies, Canada and Mexico have each embraced bilateralism as the “optimal” governance structure within North America. Specifically, from the very beginning of the NAFTA process, Canada’s main concern has been the preservation of both market access to, and the “special relationship” with, the United States, while Mexico has gravitated towards the realization that only by negotiating bilaterally with the U.S. would it see its concerns within North America – most notably migration – addressed in a concrete way. Because of this convergence of strategies, and because of the relatively minor levels of economic and social integration between the countries prior to, and even a decade after, NAFTA, bilateral cooperation between Mexico and Canada remains underexplored and underutilized. Double-bilateralism might thus relieve the Mexican and Canadian governments from pursuing what are perceived be invented “North American” commonalities, but at the same time it may also be less a reflection of structural reality and more the product of strategic choices.

If so, we might ask, what might a different, post-SPP North American governance structure look like, specifically, one that is triple-bilateral? Under what circumstances would it be strategically helpful, in the double-bilateral context, to have deepened Canada-Mexico cooperation? And which constituencies would be served by such deepened cooperation? To explore this hypothesis, this paper starts with a brief history of double bilateralism in North America, underscoring the strategic choices made by all three NAFTA governments that led to its consolidation. Next, the paper looks at Canada’s pursuit of bilateralism after 9/11 and within SPP, arguably at Mexico’s expense, and Mexico’s consequent embrace of its own bilateralist strategy to “lock in” attention from Washington. While two publicly-promoted initiatives – the Canada-Mexico Partnership and the Canadian Fund for Local Initiatives (Fondo Canadá) – raised expectations for greater cooperation within NAFTA’s third bilateral, they also underscored another truth of North American integration: governments are more often than not the brakes, not the engines, of integration, most notably in the fierce defense of sovereignty-as-state prerogative. By taking a second look at these initiatives, however, we can also see another model of regional “governance” emerging in a “triple bilateral”
region, led by non-state actors in civil society and the private sector. The final section of the paper explores this society-driven model, with the Canada-Mexico relationship – long playing catch-up in state-to-state and trade-and-investment terms – emerging at the forefront of informal governance innovation.

A Brief History of Double Bilateralism in North America

From its very inception, the North American Free Trade Agreement was less a regional integration accord and more an economic and political security pact in which the two weaker partners, Canada and Mexico, attempted to “lock in” certain policies or make policy reversals more costly for their mutual partner, the United States.² Canada, which had already negotiated a bilateral free trade agreement with the U.S. several years earlier, was primarily motivated by the concern that a parallel bilateral accord with Mexico would erode the advantages gained in the FTA, and that a “hub and spoke” model would diminish Canada’s negotiating leverage. Aside from “locking in” its FTA gains, above all Canada wanted to “lock in” market access for its exports, over 80% of which were destined for the United States. Meanwhile the government of Carlos Salinas de Gortari in Mexico reversed itself and pursued the comprehensive free trade option in order to “lock in” both domestic economic reforms (i.e., tie its hands when faced with domestic opposition and push the private sector to restructure) and flows of foreign investment from the U.S. (which would now consider Mexico a “safe” bet compared with many other “emerging markets” in Asia and Eastern Europe competing with Mexico for those capital flows). It should also be recalled that, at the time of NAFTA’s negotiation, there was great uncertainty regarding U.S. commitment to the multilateral trade negotiation process (at the time the Uruguay Round) because of a preference for bilateral side-deals (such as the Voluntary Export Restraints in automobiles negotiated with Japan) and retaining unilateral levers such as retaliatory anti-dumping legislation known as “Super 301.”³ For Mexico and Canada, then, the trilateral framework was secondary to the bilateral focus of their strategies, while the U.S. preferred, and benefited directly from, managing its relations within NAFTA effectively as two bilateral relationships in which it was by far the more powerful partner.

With these limited goals, and with bilateral aims, it is not surprising that the creation of institutions of any kind, let alone trilateral-supranational institutions which would have required the pooling of sovereignty à la European Union, was not part of the NAFTA design. Even the commissions for labor and the environment created by the side accords are far less “trilateral” than they appear on first glance, designed only to hold

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states accountable to their own laws rather than “North American” standards, and lacking
independent means of enforcing their decisions. On first glance, this abandonment of trilateralism by Canada and Mexico was quite surprising: both countries had long prided themselves on their multilateralist traditions in their respective foreign policies, and they stood to mutually gain by seeking a trilateral framework that might “tame” the U.S. as the EU had “tamed” Germany. It might also have been the moment for Mexico to mobilize Canadian support for another hallmark of European integration: cohesion funds aimed at helping poorer members “level up” and, in this case, meet higher environmental and labor standards. However, two powerful sets of actors opposed these moves: continentalized big business, which opposed higher levels of regulation and had already achieved unprecedented protections through Chapters 11 and 19 of the agreement; and national politicians in all three countries who had seen NAFTA become a lightning rod for public protest and were quite content to see a minimalist agreement disappear from public sight and become the province of trade lawyers and bureaucrats. Without countervailing pressure favoring multilateral/trilateral approaches, the logic of double bilateralism became a self-fulfilling prophecy: Canada and Mexico feared that the U.S. would impose its preferences in any trilateral negotiations, yet by leaving the field, they acquiesced to U.S. preferences for the institution-lite, asymmetrical double bilateral governance model.

For the remainder of the 1990s, an “invisible” North America continued to integrate along the narrow, double bilateralist lines codified in NAFTA, through the development of bilateral, inter-governmental bureaucratic channels linking technical experts in issue-based working groups well away from the public eye. Far from inevitable, however, this represented a deliberate choice for an anti-European, “privatized” approach favoring informality, depoliticization and market-driven integration. The double bilateral model also set North America on an institutional path of incrementalism and intergovernmentalism without vision, limiting North America’s potential to merely advancing two narrow bilateral agendas rather than pooling resources to bring about a qualitative change in the region, such as a comprehensive infrastructure or transportation system, an environmental strategy, a public health-emergency preparedness system, or a regional approach to drug trafficking that might have mitigated the impact now seen in Mexico. Other limits of this approach were visible during this time, most notably in the area of illegal migration. In the wake of the Mexican peso crisis in 1994-95, followed closely by the implementation of agricultural liberalization under NAFTA and the “giant sucking sound” of Mexican assembly jobs leaving for China, Mexican out-migration exploded in NAFTA’s first decade. However, unlike other such moments when the “safety valve” allowed Mexicans to leave during crisis and

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4 For an excellent analysis of the limits and potential of the side agreements, see Jonathan Graubart, Legalizing Transnational Activism: The Struggle to Gain Social Change from NAFTA’s Citizen Petitions. (University Park, PA: Penn State University Press, 2008).
5 See, for example, Tom Keating, Canada and World Order: The Multilateralist Tradition in Canadian Foreign Policy, 2nd edition (Don Mills, ON: Oxford University Press, 2002), and Emilio O. Rabasa (coord.), Los siete principios básicos de la política exterior mexicana (Mexico City: UNAM, 2005).
return when the crisis had abated, new border controls kept these workers from returning and created a new market for human smuggling as families sought to reunify and more established workers promised relatives help in finding work over the border. Unregulated, and unprotected, Mexican undocumented workers in the U.S. symbolized the new “children of NAFTA,” responding to regionalized incentives (and rewarded with work by equally unregulated business) but lacking any sense of belonging to “North America.” And nowhere in this was Canada going beyond its own limited involvement – its own guest worker program – to challenge the notion that this was a purely bilateral, U.S.-Mexico issue.

Following the years of North American “invisibility,” a new phase in the consolidation of double bilateralism began after September 11, 2001, when borders became sources of insecurity rather than opportunity. By some measures, the new phase began the year before, when Vicente Fox became the first democratically-elected opposition candidate for the Mexican presidency, and he and his foreign minister, Jorge G. Castañeda, began to fashion a comprehensive bilateral migration accord as part of a new “NAFTA-Plus” initiative. While their initiative sought to expand the purview of NAFTA to encompass non-economic issues, it did so first and foremost by “going bilateral” and addressing one of the main points of conflict on the U.S.-Mexico agenda, illegal migration. Announced with much fanfare on the fateful day of September 10, 2001, the Fox-Castañeda plan was the first casualty in the Bush administration’s response to 9/11; the second, which also lost Canadian support, was the idea of a North American Security Perimeter. The perimeter idea represented a departure from the double bilateral governance model in that it conceived of North America as a single area, such that the two “internal” borders would become more similar to one another than different, and Mexico and Canada would both be “inside.” It is hardly surprising that the unilateralist Bush team, focused on maximum control and minimum multilateralism, discarded the idea; however more surprising is its rejection by Canada, where NAFTA Plus ideas were being floated by the private sector and a parliamentary commission would shortly table a report entitled, “Partners in North America” arguing that Canada should take a more broadly regional approach that includes Mexico more holistically. For the Chrétien government, and most notably Deputy Prime Minister John Manley, the priority was “economic security”: keeping the border open for Canadian exports to the U.S., which had been summarily denied entry while the U.S. closed the borders in the wake of the attacks. Again, the specter of losing market access re-activated bilateralist tendencies,

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and the priority to position Canada as the “good neighbor” further mitigated against viewing Mexico as an ally or regional partner. Meanwhile Mexico, which had come in for heavy criticism in Washington for its lukewarm official response to 9/11 and for the public expression of anti-Americanism among its population, found itself left behind by Canada’s rapid move to negotiate a bilateral Smart Border accord, and soon followed suit, further consolidating the double bilateral governance model.

Thus we arrive at the founding of the Security and Prosperity Partnership of North America (SPP), ostensibly a trilateral arrangement but in reality a further extension of double bilateral patterns. Launched at a trinational leaders’ summit held in Waco, Texas in March 2005, the SPP was a tri-national policy coordination and cooperation initiative that brought together bureaucrats in various agencies to study specific issues and propose policy changes that would advance “security” and “prosperity,” defined, in practice, mainly by the Bush administration’s priorities of U.S. homeland security and free trade-based economic integration. The SPP was organized around two related but operationally parallel agendas: the Security agenda and the Prosperity agenda. The Security agenda was given three “priority areas”: protection against external threats (pre-screening arriving visitors and cargo, vigilance against epidemics in other regions); protection of national territories (combating transnational threats such as drug trafficking and terrorism, and including port, airport, and infrastructure protection and intelligence sharing); and facilitating movement of low-risk cross-border flows (emphasizing

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10 I refer to this as the re-emergence of “quiet diplomacy,” whereby Canada positioned itself as close to the U.S. as possible, such that this trust theoretically leads Canada to have behind-the-scenes influence and thereby mitigate against U.S. unilateralism. For my critique of this strategy in a post-9/11 North American context, see Stephanie R. Golob, “The Return of the Quiet Canadian: Canada’s Approach to Regional Integration after 9/11,” in Brian Bow and R. Patrick Lennox (eds.), An Independent Foreign Policy for Canada? New Directions and Debates (University of Toronto Press, 2008), pp. 83-99. Hristoulos takes a similar view, accusing the Canadian government of “hypocrisy” because identifying Mexico’s security as interdependent with its own would have been consistent with its “Human Security” agenda in foreign policy. See Athanasios Hristoulos, “Canada in Latin America: A Foreign Policy of Ambivalence, Pragmatism, or Inconsistency,” in Patrick James, Nelson Michaud, and Marc J. O’Reilly (eds.), Handbook of Canadian Foreign Policy (Lanham, MD and Oxford: Lexington Books, 2006), pp. 317-335, esp. pp. 330-32.


procedures and the use of technology). Three priority areas also guided the Prosperity agenda. The first, “improving productivity,” included such ambitious goals as negotiating regulatory compatibility and eliminating redundant requirements to reduce costs of traded goods for producers and consumers; sectoral cooperation and joint strategies in areas such as steel and energy; a joint transportation strategy and cross-border access to financial services; and development of human capital through cooperation in science and technology, and through university exchange. The second, “reducing the costs of trade,” sought to improve the competitive position of North American industries by streamlining the process whereby changes in rules of origin are implemented. This area also included the “movement of people,” but refers only to the ability of business representatives to travel between the three countries. Finally, food supply, the environment, and infectious disease were covered under the goal to “enhance quality of life.”

On both agendas, the emphasis was placed on devising joint “strategies,” finding “compatible” practices and “equivalent” approaches. Such language avoided the European term “harmonization,” which would imply a separate, “North American” standard to which the three governments had to bring their practices and regulations in line. Similarly, while there was both implicit and explicit mention of “shared goals,” the SPP materials only sparingly refer to strategies as “North American,” and NAFTA is also virtually absent as a descriptor or the basis for the SPP’s work. Also of note is that, despite the outward ambition and comprehensive nature of the two agendas, in practice the type of regulatory reform and cooperation that the SPP claimed to advance was highly circumscribed by sensitivities about national sovereignty and, most notably, by the limits of national lawmaking authority. That is, the SPP sought to make changes in practices that did not require any new laws or revisions of laws already passed. For example, as Debora VanNijnatten has observed, in the area of environmental policy the SPP focused on “end of the pipeline” projects, aiming to complete what has already been started. This choice of “low-hanging fruit” also purposefully avoided legislative oversight or public media attention, which was generally viewed as obstructionist. Rather than a grand bargain, the SPP was, in the end, the sum of multitudinous meetings and incremental reforms, often dealing with quite marginal and technical aspects of its broader, substantive agendas.

Organizationally, also in line with the anti-European NAFTA model, the SPP never established a separate secretariat. Instead, for each agenda there was a lead executive branch agency in each country that coordinated not only the priorities of the agenda, but also which other agencies or offices were brought on board for a particular agenda item. On the Security side, the three lead ministries were the U.S. Department of Homeland Security, Public Safety and Emergency Management Canada, and Mexico’s

15 For more detail, see the Security Agenda, posted on the U.S.-government SPP website: http://www.spp.gov/security_agenda/index.asp?dName=security_agenda
16 For more details, see the Prosperity Agenda, as posted on the U.S.-government SPP website: http://www.spp.gov/prosperity_agenda/index.asp?dName=prosperity_agenda
Interior Secretariat (Gobernación). The Prosperity agenda was headed by the Mexican Economy Secretariat (Economía), Industry Canada, and the U.S. Department of Commerce. It is interesting to note that none of these agencies has a primarily international outlook; for that reason, the three foreign ministries (Foreign Affairs and International Trade Canada, the Mexican Foreign Relations Secretariat or SRE, and the U.S. Department of State) were also charged with facilitating and coordinating the international cooperation aspects of SPP, a recipe for jurisdictional conflict. The ministers/secretaries of these lead agencies— all with Cabinet-level ranking in their respective countries— were also nominally responsible for reporting back on progress to the national leaders at periodic summit meetings, and held their own Ministerials ahead of the leaders’ summits to coordinate their reports.18 These reports are public documents and were duly posted to the SPP websites in all three countries.

What was not quite as public, however, was the day-to-day business of the SPP. This was handled by low-profile offices in the ministries which had handled NAFTA-related issues (in the U.S., for example, it is the Office of NAFTA and Interamerican Affairs in the Department of Commerce)19, as well as assorted Working Groups, many on the Prosperity side already established in the mid-1990s under NAFTA,20 made up of government officials from specific agencies and offices within the functionally indicated department or ministry.21 For example, the NAFTA Working Group on Customs served as the precursor for the SPP Working Group on Movement of Goods; meanwhile, the North American Energy Working Group (NAEWG), established during the first year of the George W. Bush administration, has been assisting with proposals in the energy sector.22 What is important to note is that, as one former U.S. government official put it, “[the administration] didn’t have to change any flowchart in government to make the

19 This office is in the Market Access and Compliance directorate of the International Trade Administration, within the Department of Commerce. See Work Reference (Organizational) Chart, International Trade Administration, http://www.ita.doc.gov/ooms/MACCHART.pdf
21 According to the U.S. SPP page, there were 10 Working Groups on the Prosperity Side: Manufactured Goods & Sectoral and Regional Competitiveness; Movement of Goods; Energy; Environment; E-Commerce & Information Communications Technologies; Financial Services; Business Facilitation; Food and Agriculture; Transportation; and Health. This list is posted on the web at http://www.spp.gov/prosperity_working/index.asp?dName=prosperity_working. The U.S. site does not list the Security Working Groups, but these can be found, with hyperlinks to each Working Group, on the Canadian SPP site at http://www.spp-psp.gc.ca/overview/working_groups-en.aspx. They are: Traveler Security, Cargo Security, Border Facilitation, Aviation Security, Maritime Security, Law Enforcement, Intelligence Cooperation, Bio-Protection, Emergency Management, and Science and Technology. Neither site lists the names of the members of the Working Groups for either agenda.
The same civil servants, technical experts and trade hands from the three NAFTA countries who have been working on these issues together for years were simply given a new context in which to continue talking and doing what they were doing before. The converse, then, may also be true: now that the SPP is no longer, the context changed, but the personnel and work they did individually and together are likely to remain the same, unless there is a dramatic change in trade policy that comes from the top.

On the Security side, the cooperation started shortly after 9/11 under two separate bilateral Smart Border accords was continued, and while there might not have been as much or as deep a history of interactivity between departments – the history is deeper for U.S.-Canada than U.S.-Mexico – and the Department of Homeland Security is of recent vintage, still what is notable is the lack of any centralized SPP institutional apparatus, even for this top-priority area for the Bush administration. This gave the SPP Working Groups maximum flexibility, but it also meant that the overlaps on the two agendas (and there were many, especially since Security and Prosperity converge at the borders) were not centrally coordinated.

In addition to eschewing all forms of trilateral or multilateral institution-building, the SPP also reinforced double bilateralism. Meanwhile, the historical asymmetry of the two security relationships reinforces another key line of continuity of SPP with NAFTA’s anti-spill over model: the resilience of “double bilateralism,” a pattern which Canada finds hard to give up and the U.S. has used to its advantage. Canada has long valued its “special relationship” with the United States, and in the post-9/11 era the preservation of that relationship came to be linked to differentiating Canada from Mexico. Not that there had been more than a few symbolic gestures towards building a more robust and content-filled relationship with Mexico, even just for balancing purposes, in the post-NAFTA era. Indeed, as a recent binational study group observed, there was not a single Canada-Mexico initiative in the SPP, while Canada-U.S. and even Mexico-U.S. initiatives were plentiful. Intergovernmentalism for Canada and the U.S. has always meant the historic close and nearly interoperable relationship between their respective government officials. Thus, the ability of any two countries to move ahead at their own

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23 Confidential interview, January 17, 2007.
24 For a comparison of the two bilateral security relationships, see Kilroy 2007. Available at: http://www.hsaj.org/pages/supplement/issue1/pdfs/supplement_1.3.pdf.
27 In the late 1960s, Peyton Lyon famously credited this dynamic of “Quiet Diplomacy” with the ability of a relatively small country like Canada to influence its hegemonic neighbor. See Peyton Lyon, “Quiet Diplomacy Revisited,” in Stephen Clarkson (ed.) An Independent Foreign Policy for Canada? (Toronto: University League for Social Reform, 1968). For a counterargument, see Edelgard Mahant and Graeme S.
pace – a two-speed North America – offers a tremendous advantage, both substantively and symbolically for Canada. For Mexico, however, advancing separately only further highlights the 800-pound gorilla in the room of North American integration: the failure of markets alone to “level up” Mexico in the absence of political will and material support from its regional partners. Thus, the provision in the SPP which allows for two partners to advance without the third has even greater asymmetrical effects than a “multispeed” Europe does, given the absence of a more developed trilateral institutional core that might mitigate against such “odd man out” dynamics.

To sum up, rather than create new institutions with trilateral reach, the SPP merely empowered an already-existing web of mainly bilateral intergovernmental relations linking bureaucrats across borders. These networks, along with the national leaders they serve and the business “stakeholders” who advise them, remain committed to an institution-lite North America along double bilateral lines as a bulwark against the risks of more comprehensive, publicly-engaged, trilateral approaches.

The Canada-Mexico Conundrum: Is Triple Bilateralism The Answer?

Given the extent to which double bilateralism has consolidated itself as the dominant mode of interstate cooperation and conflict resolution in the region, it is clear that trilateralism is not now, nor has it ever been, a viable governance model for North America. At the same time, this empirical observation does not necessarily preclude the normative assessment that the current state of North American governance is suboptimal. Granted, the promises made by the architects of NAFTA – that expanding market liberalization would, by and large, better serve the interests of individual North Americans than a European-style institution-led integration model – are difficult if not impossible to assess except in a counterfactual way; even the statistics on “jobs created” or on trade flows are contradictory, and both sides of the NAFTA debate have drawn upon them to support their respective cases. The current debate in the U.S. over health care reform further suggests that, even after the meltdown of the financial system in 2008, there is no normative consensus within the U.S. population regarding whether markets should be freed or placed under more direct government scrutiny or control. Still, it is hard to argue with a blunt comparison of Mexico to any of the “Poor Four” which joined the European Community in the 1980s and which liberalized their economies with


29 A thought-provoking and useful illustration is Daniel Drache’s chart comparing “predictions” and “outcomes” to assess the impact of NAFTA a decade after its signing. See Drache, “Bon anniversaire NAFTA: The Elusive and Asymmetrical Benefits Of a Decade of North American Integration,” in Drache (ed.), Big Picture Realities: Canada and Mexico at the Crossroads (Waterloo, ON: Wilfrid Laurier University Press, 2008), pp. 35-54, esp. Figure 9, pp. 50-51.
the support of cohesion funds and other aids to “leveling up.” Rather than viewing Mexico’s development as a regional goal, deserving of the commitment of regional resources, the U.S. used double bilateralism to further leverage its asymmetrical advantage over Mexico in both security and economic agendas, while Canada tended to treat Mexico as a threat to its “special relationship” rather than a partner or even an ally to counterbalance the U.S. The marginalization of Mexico has not been beneficial to either the United States—which has most directly felt the impact of undocumented migration flows and, more recently, the effects of increasing drug violence—or Canada, which has also begun to absorb more Mexican workers and asylum seekers, the latter possibly reflecting the growing violence attributable to drug trafficking and government corruption associated with the cartels. But if trilateralism is not a realistic option, what other dynamic could potentially shift these ingrained double bilateral practices towards a more balanced and, ultimately, just relationship between the three NAFTA partners?

Here I would like to consider an unlikely candidate for this job: the “triple bilateral” approach. What this would entail would be, first, a certain realism regarding the inability and unwillingness of all three NAFTA governments to wean themselves from the double bilateral dynamic. Next, it would also require a perhaps more nuanced and rescaled understanding of what the third bilateral would entail. Specifically, triple bilateralism would not be primarily reliant upon state-to-state initiatives, as these will always take a back-seat to the preference given by state elites to the primary bilaterals in the double bilateral system. Rather, leading the way in this brave new relationship will be non-state actors: civil society groups, microcredit and other non-profit sources of development assistance, the private sector, academic exchanges (students and professors), and transnationalized migrants. At this particular juncture, the diversity of views about the direction of Canadian and Mexican participation in North American integration is a strength, rather than a weakness, of this route. Indeed, given the polarized and increasingly paranoid nature of the debate over NAFTA in the United States, and the (highly-rational) unwillingness of President Obama and his administration to risk getting drawn into this potentially draining and politically-unrewarding corner of the foreign policy landscape, the double bilateral system will be focused on avoiding conflict and keeping talk of “Big Ideas” to a minimum. At the same time, the vacuum remaining after the demise of SPP (and the retirement of Lou Dobbs from CNN) does offer an opportunity for the consideration of alternative futures, and non-state actors in Canada and Mexico are poised to join forces, or at least listen to one another, as a new round of “small ideas” has its day.

30 Not all of these workers are undocumented or unskilled; indeed, Usha George’s pilot study of Mexican immigrants notes the problem of skilled workers and professionals unable to get commensurate jobs in Canada due to “Canadian experience” requirements, leading them to take insecure, low skilled jobs. See George, “Mexican Migration to Canada: Case Study Report,” Journal of Immigrant and Refugee Studies, vol. 6, issue 3 (2008): 463-474.

While official bilateral cooperation between Canada and Mexico is hardly extensive, two recent programs actually point in the direction of leadership in the “third bilateral” by non-state actors. The Canadian Fund for Local Initiatives, or Fondo Canadá, is a development assistance program of the Canadian Institute for Development Assistance (CIDA), administered by the Canadian Embassy in Mexico City, “to finance small development projects which provide technical and economic support to projects focusing on democracy, human rights, governance, rural development, health and education…[thus enabling] Canada to work directly with local communities (through NGOs).” Not unique to Mexico – CFLI operates in Africa, Asia and Eastern/Central Europe as well – the CFLI program is matched at CIDA by programs targeting Canadian citizens – students, Canadian aboriginals, members of the “voluntary sector” – as “partners” for NGOs receiving grants for their projects. That is, not only is there a traditional use of aid as a diplomatic tool, there is also an attempt to connect non-state actors to one another. As of June 2008, CIDA is also operating under a more stringent “Official Development Assistance Oversight Act,” which requires consultation with Canadian civil society groups once every two years to review projects and discuss new directions. Meanwhile, the Canada-Mexico Partnership (CMP), founded in 2004, promises to do for the private sector what the CFLI does for NGOs – give them an equal seat at the table in shaping bilateral cooperation in a variety of issue areas, such as trade, investment, science and technology, agribusiness, energy, labor mobility, environment and forestry. Following the same Working Group structure as NAFTA and the SPP, the CMP innovates by adding non-trade issues to the discussion, though the structure and the underlying neoliberal ethos denotes continuity. Still, CMP, like CFLI, potentially offer vehicles for greater communication across borders by non-state actors, in terms of organization, legitimacy, and resources. Thus, whether or not state elites in Canada and Mexico ever overcome double bilateral obstacles to (re)discover one another and, as Andrew Cooper puts it, move “from a relationship of convenience to a relationship of commitment,” these programs speak to the potential of non-state actors to develop North American interests and identities that are independent from NAFTA-centric, state-based models.

Similarly, recent research on North American integration has shown that it is non-state (as well as sub-national) actors that are innovating and challenging received wisdom about governance in the region. For example, Jeffrey Ayres and Laura Macdonald and their colleagues document and analyze the development of, and struggles within, North American transnational civil society coalitions organizing to resist what other authors have also identified as the “disciplining” nature of neoliberal continental integration after

35 Andrew F. Cooper, “Thinking Outside the Box in Canada-Mexico Relations: The Long Road from Convenience to Commitment,” in Drache, Big Picture Realities, pp. 237-49.
NAFTA. Joe Bandy, for example, profiles the Coalition for Justice in the Maquiladoras (CJM) as a trinational group that transcended borders but also had to confront the asymmetries of understanding and of perspective that mirror differences in race, social class, and education within the otherwise normatively cohesive coalition. What is notable is that the ethos of civil society – self-organizing, focused on participatory practices and on holding the state accountable – offers not a romanticized egalitarian sphere, but rather a venue for debate over what a group values and who can speak for the group, issues that are at the very heart of what it means to participate democratically in a political community. Moreover, though Ayres and Macdonald elsewhere note the limited “political opportunity structure” offered to transnational social movements by a North American region governed not only by neoliberalism but also by elitist, double bilateral and non-transparent mechanisms like the SPP, one could argue that the post-Bush and post-financial crisis context have weakened the hegemony of corporate-led integration norms, thus opening new opportunities for the expression of alternative visions of a region with greater citizen voice. The greater influx of Mexicans into Canada, whether as students, workers or asylum seekers, also suggests more interaction, more direct contact, and possibly greater participation of Mexicans in Canadian-based groups, just as hometown associations, immigrants rights groups, and even labor unions are providing direct experience for Mexicans in the U.S. political system.

Meanwhile, the North American Competitiveness Council, the trinational business lobby group organized in 2006 to give continentalized business a unified voice in the SPP “stakeholder” process, went farther than its government partners in devising a genuinely trilateral internal governance structure. Rather than replicating the “green room” model – a classic double bilateral approach whereby each business lobbies directly its own national trade negotiating team – the three national secretariats of the NACC innovated and operated on a consensual basis, producing single trinationally-endorsed documents reflecting the business community’s shared vision of what its preferred North American governance structures would look like. It will be interesting to watch how NACC members respond to a changed domestic, regional and international environment, post-SPP (where there is no longer a single interlocutor); post-global financial crisis (which may challenge the convergence of trinational business interests – as seen in the

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Buy American controversy - as well as the legitimacy of corporations to set rules for other actors); and post-Bush (with a president willing to see GM go into bankruptcy and potentially willing to implement stricter government regulation of markets). A relative chastening of U.S. businesses could lead to greater opportunities for Canadian and Mexican businesses to take the lead in rethinking their North American strategies as well as contributing to the construction of a non-state “third bilateral.”

Concluding Remarks: A New “Third Option” for North America

In this paper I have argued that, rather than forming an obstacle to North American regional integration, the aversion to institutionalization and the rejection of trilateralism is merely a central truth of the project that is unlikely to change. Deliberate choices made – starting with the negotiation of a tri-national agreement from a distinctly “double bilateral” ethos, through the “silent integration” years, responding to 9/11 and the “homeland security” imperative, right through the nominally trilateral but effectively two-speed SPP – have added up to a region which is little more than the sum of two bilateral relationships. At the same time, in contemplating what the future of North American integration might look like after Bush and SPP, I argued, first, that a more honest approach would recognize the primacy of double bilateralism in governing conflict and cooperation in the region, and second, that there could be a “third option” to counterbalance this dominant pattern through non-state interactions bridging the gap in NAFTA’s third bilateral between Canada and Mexico. Unlike Europe, which was a political project from the start and responded to various “great leaps forward” engineered by intellectuals and political leaders, North America continues to resist such grandiose designs. This may mean that, in the absence of U.S. presidential leadership such as that provided for the SPP by George W. Bush, and in the presence of severe economic hardship (particularly in Mexico), North American integration may be entering a time of quiescence and even of drift. However, another way to look at this reality is to recognize that moments of breakdown and failure can also be moments of great self-awareness and creativity. While the first wave of post-NAFTA regional integration has been dominated by one set of non-state actors – the continentalized private sector – perhaps this new wave will have the effect of empowering civil society, particularly groups in Canada ad Mexico, to question the balance between states and markets, and to demand of national governments a more inclusive and responsive regional model. Just as the Third Option discussed in the 1970s sought to liberate Canada from rigid notions of necessity in foreign policy, perhaps the “triple bilateral” trend will liberate North America from its own suboptimal patterns of division, inequality, and injustice.