



Truck carrying good to US at border. Photo courtesy of: shutterstock.com

## We Need a Revitalized North American Idea Today

Colin Robertson

Like globalization and the rules-based multilateral order, the [North American idea](#) risks falling victim to larger geo-political forces. But even in the absence of energetic political leadership, we can still make progress, by building on existing initiatives, to the mutual benefit of all three nations, Canada, the United States and Mexico.

If COVID and climate were not enough, the international agenda is now subsumed with the developing new Cold War between autocracies and democracies that in Ukraine is now a hot war.

For reasons of national security, there is increased momentum for decoupling of global supply chains as reliability, resilience and redundancy trump best price and just-in-time delivery.

NAFTA, the North America Free Trade Agreement, survived Donald Trump in a new modernized form. The new deal emerged with more managed trade, especially in the vital auto sector, than “free” trade. Dispute settlement is preserved and with the recent judgement on [dairy](#) and now the [complaint](#) by Canada and Mexico on auto rules of origin, the agreement is showing that it may also have teeth.



*Digital trade is one area where the 3 countries can excel. Photo courtesy of: shutterstock.com*

There are [new chapters](#) on digital trade, transparency, labour and the environment that effectively give the North American partnership advantages contained within the Trans Pacific Partnership, that Mr. Trump rejected.

A slew of working groups, with the notable commitment to preserving North American [competitiveness](#), should keep the agreement evergreen, if they do their work well. The net result is a much better deal than most anticipated. The three trade ministers - Canada's Mary Ng, Mexico's Tatiana Clouthier and USTR Katherine Tai – are signaling that they will [competently manage](#) the new NAFTA, but they each have other priorities so we should not expect anything bold from them.

This also holds for our current leaders: Joe Biden, Andrés Manuel López Obrador, and Justin Trudeau. While they share much in common: they are progressives, (center left, hard left, and new left), they are over 50 (although AMLO and Biden are a generation older than Trudeau), they are Catholic, and they each have nearly three years before their terms conclude. But we should not expect any of them to light a candle on behalf of North American

integration. While they resumed the Leaders' summit in November 2021 and approved a fulsome work agenda for their staffs to implement, the New York Times headline "[Canada and Mexico Avoid Thorny Questions](#)" said it all.

The [deliverables](#) – on COVID, climate, competitiveness and equitable growth, and migration – were a summation of what is already in play. The serious meetings were the [Canada-US](#) and [Mexico-US](#) bilaterals, reflecting their respective priorities and the NALS work agenda has yet to demonstrate any achievements.

The irony is that further North American integration is a way out of our collective problems. We should work collaboratively on climate but we get bogged down in [beggar-thy-neighbourism](#) on our most traded commodity, the manufacture of cars and trucks. Detailed care had gone into drafting a [pandemic plan](#) in the wake of SARS but when COVID struck it was 'sauve qui peut' when it came to masks and vaccines. It is not yet clear that the three countries will learn from the pandemic and apply lessons learned for the next time.

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Growing our economies together through measures that will improve our mutual competitiveness is also the way to pay the bills from COVID relief and recovery measures and for climate adaptation and mitigation.

The arguments for integration have not changed since the negotiation of the original NAFTA. Successive reports over the years, notably from the [Council on Foreign Relations](#) (2014), the [Belfer Center](#) (2015), the [George W. Bush Institute](#) (2021) and the ongoing work of the [Canada and Mexico Institutes](#) at the Wilson Center have all come to the same conclusion. Together we possess the labour, energy, markets, innovative technology and good workforces to succeed.

Business is well ahead of governments in realizing the potential of integration as our cross-continent trade and investment continues to grow. But with modest government efforts, we could do more.

Recognizing that the political auspices are not conducive, there are three initiatives on which we can make progress with relatively little political effort.

Each government has installed agencies to take on the ‘[tyranny of small differences](#)’ in regulations and standards. For now, this is where, in the absence of inspired political leadership, we can make the most gains especially with the trend towards regionalization of supply chains. This work should be energized in the USMCA and the NALS frameworks as well as bilaterally.

Second, why not create a North American Infrastructure bank to truly ‘Build Back Better’? At present, the North American Development Bank focuses only on the US-Mexico border and its

mandate and funding are limited. There is so much more that could be done if the countries worked to develop a true North America Infrastructure Bank, as proposed by the [Bush Center](#). There are many other excellent ideas for building back better. The trilateral NGO [NASCO](#), for example, is devoted to improving practical competitiveness, especially in making improvements to our roads and rail, our grids and pipelines, our land and airports and the chokepoints at the border. With their many energetic members, they have developed and shared many ideas which can help fuel the bilateral and trilateral processes underway.

Third, specifically, this is the time to re-imagine border clearance. It’s a sad but necessary reflection of our times that, in addition to the traditional customs and, since 9-11, security screening at the border, we now need to apply a health check as well. One of the principles of the North American idea is that all three need not act in tandem. The US borders, north and south, are quite different, for sure. The stage is set for advances on the US-Canada border, and innovation applied at the northern border can be eventually applied to the south. Canada and the US should act on the lessons already learned in the past two decades, around pre-clearance of goods and trusted travellers, and apply fully the advances in technological innovations and digitization. The successful practices can then help fuel progress on the US-Mexico border.

The [North American idea](#) that, unlike the European Union concept, acknowledges the three sovereign nations, while reinforcing their collaboration in the “[spirit of community based on interdependence](#).” This approach still makes a lot of sense and good progress can be made now.





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