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The Problems that Elections Won't Solve in Argentina

Viviana Patroni

The calling of elections for March 2003 has opened a process that will be important not only for the competing parties but also - and one might be even tempted to say fundamentally - for the forces which might remain outside the electoral process. In response to the proposal for the renewal of the national executive, key actors have raised questions about the effectiveness of electoral politics to produce the renewal required for overcoming the current crisis. As a consequence, it is still not clear whether all parties will participate in the contest. What is evident is that there will be no effort spared on the part of those opposed to the way in which elections are to take place to make the process appear as illegitimate as possible.

There have already been a number of gatherings among forces outside the traditional parties to plan a strategy to denounce what in their view is an 'electoral trap' aimed at procuring some legitimacy for the continuation of the policies the Duhalde administration has introduced to respond to the deep crisis affecting Argentina. Political parties, human rights groups, unions and neighbourhood associations have joined forces to demand the extension of the vote to all elected positions and also the election of a constituent assembly. The removal of the Supreme Court is also another important demand with broad support among the population.

Members of this coalition are certainly not to be dismissed as marginal to the political process. Elisa Carrió, leader of Alternativa por una República de Iguales (ARI), the second most popular force after the Peronists, Manuel Zamora, a leader from a left wing party with substantial support in Buenos Aires (Autodeterminación y Libertad), and the Union of Argentine Workers (CTA) representing a number of unions in the public sector and an important segment of the emerging organizations of the unemployed, are among the main supporters of the initiative.

Decisions over tactics, in particular whether to participate or call for voters' abstention, are likely to cause divisions. While Carrió before appeared to doubt the wisdom of participating in the electoral process, today it is clear that she will do so. Zamora has also shown some indecision regarding the most effective course of action. The CTA, while echoing some of these dilemmas within its leadership and rank-and-file, has in the meantime opted for the organization of a number of demonstrations and political events to protest the elections and the impact of the adjustment process since the end of convertibility in January.

Brazil

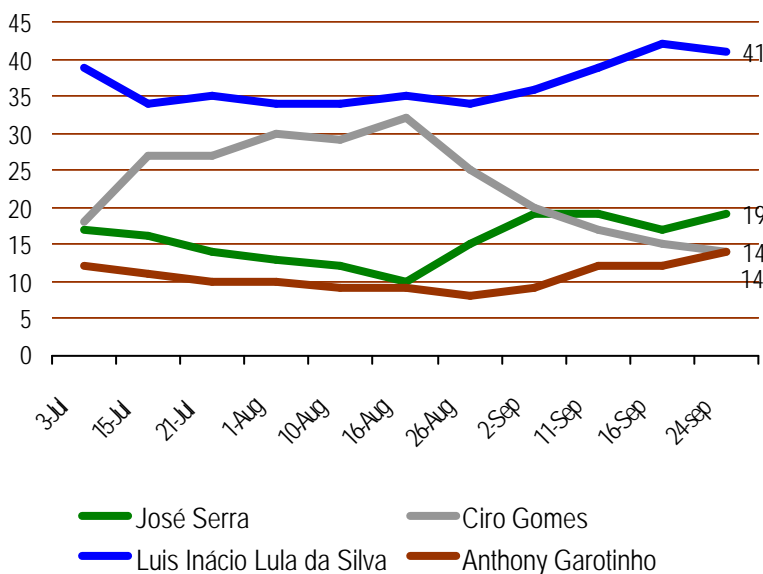
With the first round of the Brazilian presidential election fast approaching on October 6th, Luiz Inácio "Lula" da Silva of the Workers' Party (PT) maintains a solid lead over all other candidates. Although, some analysts have begun to speculate on the possibility of a first round victory for the PT, most observers believe the most probable scenario is a second round runoff between Lula and the government candidate José Serra. If a second round is necessary, it will take place on October 27th.

September polls show Serra on the upswing against Ciro Gomes (Popular Socialist Party) and apparently displacing him in the battle for a place in the second round runoff. The state of the Lula-Serra competition is less clear as some polls showed a widening gap as Lula begins to take off into first round victory territory (Datafolha and Vox Populi), while Ibope showed the gap narrowing. (Política Brasileira Online, 23/09/02)

With Ciro Gomes and José Serra targeting each other in the battle for a place in the second round, Lula has been able to present a more presidential image by staying above the fray. With polls showing the success of his strategy against Gomes, Serra has recently begun to turn his attention to Lula, where his critique has focused on the PT leader's lack of governing experience.

Vox Populi Election Polls

Source: <http://www.voxpopuli.com.br/eleicoes.html>



This response on the part of major political forces in Argentina is easily understood in the context of the massive protests that forced the resignation of the last elected government in December 2001. The rejection of the role that traditional political parties and politicians have played in the unfolding of the most serious crisis the country has experienced was, in turn, presaged by the very high levels of abstention and spoiled ballots in the congressional elections held in October of that year. It is questionable whether elections by themselves could restore the legitimacy of traditional parties. It is even more doubtful that elections could create any serious expectations among large sectors of the population that under the current conditions a new national executive could begin the changes required to address the root causes of the various maladies that affect Argentina.

Of course, the calling of elections has bought President Duhalde eight months that in July, when the elections were called, he did not seem to have. The question is, though, time exactly for what? Devaluation since January has only deepened the recession the country has suffered for the last 4 years. Inflation and frozen salaries, if not their nominal reduction, have further deteriorated the economic position of thousands of Argentines. In May 2002, 54.7% of the population was living under the poverty line. This means that since October of 2001 (the date of the previous census) 5.2 million people have joined the ranks of the poor. And the conditions have continued to deteriorate since then. Against this reality, the point for the opposition seems to be that elections or not, the dimensions of the political and economic crisis that Argentina faces require the consolidation of a new consensus that the electoral process does not seem likely to generate.

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Trends in Military Expenditures in the Americas

Prior to September 11, 2001, military related issues had fallen in priority for much of Latin America. The dismantling of military dictatorships and the decline of political violence in places such as Central America contributed to a reduction in military spending. Broadly speaking, Canada and the United States, along with the rest of their NATO allies, started to "cash in" on the so-called peace dividend brought on by the relaxation of tensions and the end of the Cold War that accompanied the dismantling of the Soviet Union.

Defence Ministers from the Americas will be meeting in Mexico in 2003. The exact shape of the agenda is not yet known, but both traditional and non-traditional issues of security will likely figure prominently. As a preface to that meeting, it is worth sketching the hemispheric panorama of defence spending.

In 1990 military expenditures in North America (constant US\$) totalled \$394.2 billion of which the US accounted for \$382.2 billion. By 2001 total expenditures in North America had fallen to US\$291.4 billion of which the US accounted for US\$281.4 billion. Canada's expenditures had fallen from US\$10.5 billion in 1991 to a level of US\$7.6 billion in 2001. Interestingly enough, only Mexico increased its expenditures over this period going from US\$1.4 billion to US\$2.4 billion. As a percentage share of gross domestic product (GDP), however, Mexico has remained largely stable with expenditures reaching 0.4% in 1990 and 0.5% in 2000. Canada's numbers fell from 2 percent in 1990 to 1.2 percent in

2000 while the United States dropped from 5.3 percent to 3.1 percent over the same period. In the Southern Cone (Argentina, Uruguay, Paraguay and Chile) and Brazil collective military expenditures totalled US\$14.9 billion in 1990 but rose slightly to a collective total of US\$17.3 billion in 2000 – the latest year for which full figures are available. In general, the return to democracy fostered a rejection of the regional security competition that dominated the 1970s and 1980s. While Brazilian expenditures have fluctuated the most, they have been reasonably stable over the last 3 or 4 years.

In the Southern Cone, only in Chile where the military continues to be highly influential has military spending reached levels similar to that of the United States (as percentage of GDP).

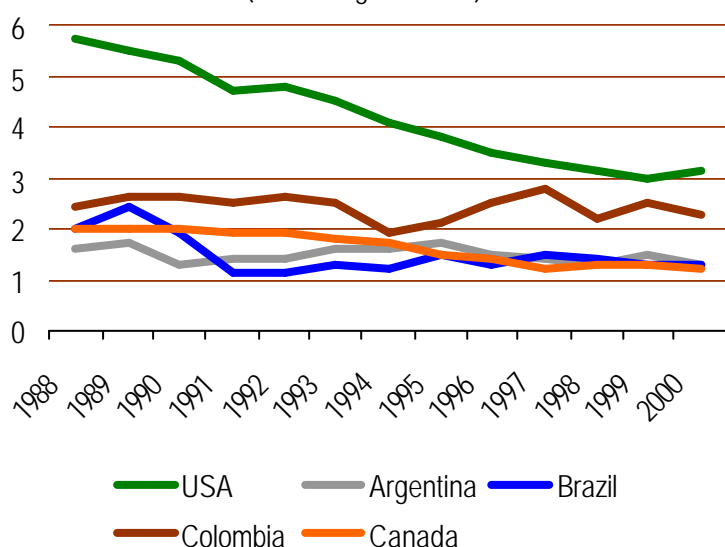
Defence issues and military spending may become a much more important issue. The election of President Bush, his focus on building a ballistic missile defence system and the consequent abrogation of the Anti-Ballistic Missile (ABM) Treaty made military related issues a greater priority. The terrorist attacks of last September, along with armed intervention in Afghanistan and possible armed intervention in Iraq have raised the stakes even more. Canada's contribution of limited military forces to combat in Afghanistan spurred a domestic debate about military under-funding. Even the US Ambassador to Canada has felt emboldened to criticize the country's level of military spending. Furthermore, the implications of a possible war in Iraq remain cloudy. Finally, the intensification of the conflict in Colombia has both drawn in the world's only remaining superpower as a key player and has begun to spill over its borders into neighbouring Venezuela, Ecuador, Peru and Brazil.

Sources: IMF, "Staff Country Report (Chile)," no. 00/104:151; International Institute for Strategic Studies, London, U.K.; Stockholm International Peace Research Institute (SIPRI), "SIPRI data on military expenditure," http://projects.sipri.se/milex/mex_data_index.html.

More detailed comparisons on defence spending in the Americas may be found on FOCAL's web site.

Donald R. Mackay, Executive Director

Military Expenditure in Selected Country
(Percentage of GDP)



Source: SIPRI data on military expenditure

Canada-Costa Rica Free Trade Agreement (CCRFTA)

On August 26, 2002, the Costa Rican Legislative Assembly finally ratified the Canada-Costa Rica Free Trade Agreement (CCRFTA), which had been delayed by the change of government. The 47-1 vote was a breakthrough for the legislature, which had been at an impasse due to opposition from potato growers, who were concerned about imports of frozen french fries. According to Costa Rican and Canadian government officials, potato growers accepted an incentive package (including technical assistance to improve seeds) proposed by the government of Costa Rica. Having been ratified by the legislature, the agreement will proceed to the executive branch for final approval.

The government of Canada launched free trade negotiations with Costa Rica on June 30, 2000 and on April 23, 2001. At the Quebec City Summit of the Americas, the Canada-Costa Rica Free Trade Agreement

Central America

On September 15th, Guatemala, El Salvador, Honduras, Nicaragua and Costa Rica celebrated 181 years of independence from Spain amid on-going bilateral border disputes that hinder the process of economic integration in Central America.

In early September, El Salvador appealed a 1992 ruling by the International Court of Justice, which granted 69 percent of the territory in dispute (including the Goascorán River) to Honduras, on the basis that the riverbanks were different at the time of independence. On September 17th Guatemala and Belize presented a proposal to the Organization of American States (OAS) to end a 143 year-old dispute over the ownership of parts of Belize.

In addition, Costa Rica and Nicaragua still disagree about navigation rights on the San Juan River, which serves as a natural border between the two countries. Nicaragua and Honduras are also negotiating an end to a dispute that began in 1999 when Honduras ratified a sea boundary treaty with Colombia that ignored Nicaragua's claim of 52,000 square miles of the Caribbean. Nicaragua reacted to the treaty by imposing a 35 percent duty on Honduran imports, thus illustrating the detrimental effects of such disputes on regional trade.

Much progress has been made in overcoming the uncooperative environment generated by the civil wars of the 1980s and the recourse to OAS mediation represents a significant step forward. Nonetheless, border disputes in the region continue to hinder the process of economic integration and deprive Central America of much needed economic opportunities.

(CCRFTA) was signed by both governments. After seven rounds of negotiations that included a wide variety of topics covering market access, competition policy, institutional provisions, dispute settlement, labour and environmental issues, the CCRFTA received Royal Assent (final approval) from the Canadian government on December 18, 2001.

The CCRFTA will, when implemented, provide better access for Canadian fish, paper products, auto parts, plastics, wood and agricultural goods. Canadian enterprises doing business in Costa Rica will also benefit from the improved trade procedures and the reduction, simplification and modernization of border-related rules and regulations. For Costa Rica, the CCRFTA will provide immediate duty-free access for 86 per cent of its products (i.e. coffee, sugar, fruits and vegetables) and the remainder will be subject to tariff elimination over a period of up to 8 years. In addition, Canada and Costa Rica negotiated and signed side agreements on environment and labour, which provide a framework for dealing with these issues in the context of trade liberalization. (DFAIT, 20/09/01; La Nación Online, 27/08/02)

From a broader perspective, it is expected that the CCRFTA will not only add to Canada's commitment to the hemisphere, which includes the creation of a Free Trade Area of the Americas by 2005, but will also deepen Canada's bilateral relations with Central America. The signing of the CCRFTA demonstrated Canada's willingness to engage with smaller countries and it set a precedent for free trade negotiations between Canada and the Central American Four (Guatemala, El Salvador, Honduras and Nicaragua), which have been underway since November 21, 2001.

Although Canadian officials have not set a date for implementation, Costa Rican officials predict that the free trade agreement and the two parallel accords will come into force once the legislative process is completed in November 2002.

Claudia Paguaga, Central America Analyst

Constitutional Reform in Chile

Ricardo Lagos' *Concertación* government has initiated a process of constitutional reform intended to complete the transition to democracy begun in 1990. Although Chile has the reputation of being the most stable democracy in Latin America, in fact the transition to democratic rule was never fully completed. Despite having freely elected governments and a vibrant civil society, a series of institutional "safeguards" adopted in the dictatorship's 1980 Constitution left Chile a "protected" democracy in which civilian governments were not fully autonomous from military supervision.

These institutional safeguards included the binomial electoral system intended to favour the weaker right-wing parties (2 member electoral districts in which both the winning and second place parties win a seat each); designated and lifetime senators originally intended to give the right a majority in the Senate; a Constitutional Tribunal in which at least 3 of 7 judges are subject to a military veto; the Consejo de Seguridad

Nacional (COSENA), which institutionalizes military oversight of the government; and secure tenure of the Commanders in Chief of the Armed Forces who cannot be removed without approval of the military-dominated COSENA.

The government proposal includes a number of reforms intended to liberate Chile from its protected status. These are the replacement of the binomial electoral system with some form of proportional representation; elimination of non-elected posts in the Senate; enable the president to remove military Commanders in Chief; limitation of COSENA to an advisory role; and the elimination of military influence on the selection of Constitutional Tribunal judges.

At issue is de-institutionalizing the guaranteed veto over government policy enjoyed by the military and its political representatives on the right. Changing the binomial electoral system, for example, would mean that the right would no longer be assured ample representation in the Congress. Over the last decade, the *Concertación* has attempted to reform the constitution on 3 separate occasions in 1992, 1995 and 1997. In all three cases, the reforms failed due to opposition from the right and the military. This time as well, the government does not have the legislative majority required to enact constitutional change and has had to negotiate with the right wing opposition, the *Alianza por Chile*, composed of the National Renovation (RN) and the Independent Democratic Union (UDI).

The constitutional reform process has deepened fractures in both the governing alliance, composed of the Christian Democrats (PDC), the Party for Democracy (PPD), the Socialist Party (PS), and the opposition *Alianza*. Reform of the binomial system is the government's central demand and government sources have suggested that Ricardo Lagos will veto the entire reform package if amended by Congress. The PPD-PS block supports Lagos in his "all or nothing" approach, but the PDC has suggested that it is open to compromise with the opposition. At the same time, the *Alianza* has fragmented over the intransigence of the UDI, which refuses to contemplate any change to the binomial

Argentina

The fate of the Supreme Court impeachment process dominated the political debate in Argentina in September. The Supreme Court was stacked by former-president Carlos Menem and several judges are viewed as being corrupt and highly politicized. Eduardo Duhalde began an investigation and impeachment process last February with the cooperation of the other major parties. However, Duhalde now believes that the threat of impeachment has led the Supreme Court to take decisions that threaten his stabilization programme. He hopes that shelving the process will encourage the Court to be more cooperative.

However, the opposition Radicals (UCR) and approximately 15 dissident Peronists are opposed to ending the impeachment process. Without the support of Duhalde, they do not have the votes to continue with the impeachment. Once a vote is held, they expect to be outvoted by the Peronists block. For most of September the UCR has refused to give a quorum to the government in the lower chamber thus denying the government the ability to shelve the issue. The UCR walks a thin line between upholding a popular rejection of a corrupt and politicized court and being portrayed as the architects of legislative deadlock and institution smashing. This tension has caused fractures in the party as some UCR legislators agree with Duhalde that the on-going crisis justifies an "institutional rescue" of the Supreme Court.

In the last week of September, the UCR proposed an alternative: that the Impeachment Commission takes back its report on the Court, thus shelving the issue but not dismissing the charges outright.

system. In contrast, the UDI's *Alianza* partner, the RN, recognizes the need to democratize the Chilean constitution and sees itself as a viable centre-right competitor in the electoral process. Despite reports of a RN-UDI rapprochement, the real progress in September has been in the RN-PDC relationship. Contacts between high-level officials in both parties seem to be laying the groundwork for a compromise on constitutional reform.

Should the reforms be approved, the bi-partisan consensual character of post-authoritarian Chilean politics may be at risk. Without the binomial system, smaller parties could survive outside of the two-party juggernaut of *Concertación* and *Alianza por Chile*. Indeed, a possible post-binomial scenario could see the dominant coalitions fracturing as the centre-right segments of the PDC and PPD ally with the RN. Indeed, the opposition of the far-right UDI to the reform process may be read not only in light of its fanatical commitment to the legacy of the dictatorship, but also in terms of its fear of a permanent schism in the difficult relationship with its

Alianza partner, the RN. In a similar manner, the receptiveness with which the RN leadership has treated the Lagos proposals corresponds with its long-standing recognition that the road to power is located in the centre of the political spectrum.

This may be the time for the political right to break with its authoritarian past. The almost-win by the *Alianza por Chile*'s presidential candidate Joaquín Lavín (UDI) in the 2000 presidential elections showed that the right was electorally viable with a moderate platform and charismatic leader. Despite Lavín's opposition to reform, the moderate right does have a future in a free and fair democratic system. Whatever the uncertainties about the future of a post-protected democracy in Chile, it is the only way forward.

Paul Haslam, Southern Cone Analyst

Haiti

On September 4th, the Organization of American States (OAS) Permanent Council adopted by consensus Resolution 822 to strengthen democracy in Haiti. This action may unblock the flow of foreign aid if Aristide and the governing Lavalas party meet specific conditions, including holding legislative elections by mid-2003 and reforming the Provisional Electoral Council (CEP) into a respected institution. This decision marks an important policy shift for the hemispheric community towards the poorest state of the region.

Since the controversial election of May 21st, 2000, Aristide's government has lost credibility over the election of several Lavalas senators. The OAS reported electoral irregularities but Aristide and his party refused to correct the situation at the appropriate time. The Haitian opposition took this opportunity to form the *Convergence Démocratique* (CD) and oppose Aristide in every way possible. Since then, the situation has stalemated while the international community waited for a political agreement between Aristide and the CD before resuming the flow of foreign aid, which at that time was estimated at \$US 500 million.

Resolution 822 may be an attempt to pre-empt the deterioration of the political situation in Haiti where the ousting of Aristide could create a power vacuum. With this resolution, the OAS is taking the initiative by pursuing the ideals of the Inter-American Democratic Charter adopted in September 2001 in Peru. Although, the government of Aristide prevailed over the opposition, it will have to deliver and fulfil the 16-point resolution in order to receive the full support of the hemispheric community.

Transformation of the Sugar Industry in Cuba

The changes in the Cuban sugar industry have been announced as yet another reform, but in fact they are one of the most important changes experienced by the country in the last 50 years. Due to the central role played by the sugar industry in sustaining the Cuban economy for more than two centuries, important elements of national history and culture are tied to its plantations and sugar mills. The political platforms of politicians, from colonial times to date, have been sustained through the ups and downs of the sugar industry. Currently, the livelihood of 2 million Cubans (out of 12 million inhabitants) is tied directly or indirectly to this sector.

Of the 156 sugar mills existing in the country, 70 have been closed, 14 will be re-oriented to produce sugar derivatives, some will be converted into museums to be used by the Ministry of Tourism and the rest will be dismantled. Milling capacity will have a ceiling of 4 million metric tonnes. However, the Sugar Minister, Ulises Rosales del Toro, has stated that only sugar that is "economically justifiable," in terms of meeting the demand of the global market, would be produced.

According to various experts, this measure should have been adopted years ago when sugar production plummeted in 1993. By 1998, the worst harvest in 50 years, only 3.1 million tonnes of sugar were produced in an industry with the capacity to produce 10 million. During the 5th Congress of the Communist Party of Cuba in 1997, it was decided to partially close some mills, improve the efficiency of the industry and diversify into the production of sugar cane derivatives. However, these measures were not fully implemented, partly due to the political and social impact they entailed, but also due to the "absence of an explicitly designed systemic economic programme." The agro-industrial developments in the hands of the Cuban state continued to be unproductive, and during the harvest problems were more acute due to the mobilization of hundreds of voluntary workers, the waste of fuel, organizational shortcomings and low-yielding crops.

Ecuador

In the first round presidential election on October 20th, Ecuadorians will be electing what will be their fifth President in five years in the first national elections since the overthrow of President Jamil Mahuad in January 2000. Currently leading the disparate array of eleven presidential hopefuls is conservative Alvaro Noboa, the wealthy son of a banana magnate from the coastal city of Guayaquil, representing the Institutional Reform National Action Party (PRIAN). Noboa's campaign is paradoxical—populist in its approach, but neo-liberal in its policies. According to recent polls, he has 18% support and is trailed by left-of-centre, former-President Rodrigo Borja of the Democratic Left (ID). Borja, perceived as the "serious candidate," has a Quito support-base and his popularity hovers at approximately 13% (Cedatos-Gallup, 04/09/02).

Close behind is Lucio Gutiérrez, representing the Patriotic Society (SP) and one of the leaders in the coup against Mahuad. He has the official backing of the largest indigenous organization in Ecuador – the Confederation of Indigenous Nationalities of Ecuador (CONAIE). However the indigenous vote will have less impact than anticipated, as support is divided between Gutiérrez and a rival candidate, former president of CONAIE, Antonio Vargas.

More significantly, nearly 70% of Ecuadorians remain undecided vis-à-vis the elections. This indecision, coupled with the absence of defined policy platforms across the board, makes it more likely that traditional geographic allegiances (that pit the coastal region against the Andes) will again heavily influence the first and second round electoral outcomes. Whatever the result, the next President will be confronted with fragmented party politics within Congress and increasing resistance to ongoing economic adjustment policies.

Now, facing a reduction in the price of sugar on world markets, a new depression of the economy caused by a decline in tourism (after the events of September 11th), low nickel prices, the increasing cost of oil and the losses of almost 1.8 billion caused by hurricane Michelle in November 2001, Cuba has decided to transform the sugar industry by returning to the previous decision reached in 1997.

Part of the land dedicated to sugar cane will be turned over to other crops. However, one of the major challenges for the Cuban socialist state continues to be that several agricultural reforms have been implemented without solving the problems of food supply or the productivity of the sugar harvests. In addition, there is no other sector in Cuba capable of substituting for sugar as a surety for debts and obtaining credits. The measures adopted, *per se*, do not offer a solution to these problems.

Another challenge is the relocation of more than 100,000 agricultural and industrial workers that will be unemployed in a depressed economy, given the unwillingness of the government to expand the role of the private sector, as is the case in Cuba. The changes entail alterations in the lives of tens of thousands of people who for years have been unable to foresee a promising future. This is without considering the uprooted feeling that will be experienced by those who have lived in the vicinity of a sugar mill for generations, or those who will be without the general transportation once provided by the mills, or workers over the age of 40 who will find it difficult to retrain in state designed programmes.

The challenges are not only economic, which they are, but also social and political in terms of the increase in discontent among this numerous sector of the population, and the generalized lack of confidence in the efficacy of these measures in addressing the problems of the sugar industry and the Cuban economy.

Ana J. Faya, Cuba Researcher

FOCAL Abstracts

Cuba's Relations with the Caribbean: Trends and Future Prospects

Gerardo González Núñez, Universidad Interamericana de Puerto Rico

The paper explores the nature and extent of the deepened ties between Castro's Cuba and the Caribbean that have taken place, particularly since the end of the Cold War, as Cuba's connections with the former Soviet bloc countries unravelled. It also assesses the potential for increased engagement in the future.

The rekindling of relations between Cuba and the Caribbean since the 1990s is the outcome of political will on both sides to establish mutually beneficial ties and new avenues for integration within the Caribbean community. This entails a host of key challenges posed by globalization, as well as U.S. acceptance of certain kinds of ties between Cuba and the Caribbean states, as long as such relations do not result in excessive Cuban influence in the region. Cuba's outreach toward the Caribbean is based on the need to build new security goals. These objectives are not confined to fencing off U.S. antagonism against the Cuban regime. As a result of the disappearance of the socialist camp and the loss of Cuba's principal economic partner, the Soviet Union, Cuba has had to redefine its international economic relations. Consequently, economic considerations are a major component of Cuba's current rapprochement to the Caribbean.

The paper concludes that although Cuba's reengagement with the Caribbean will continue, despite the mutual incentives, this process faces important structural limitations, especially within the economic sphere. Similar domestic industry and export profiles, and important differences in the way in which the economies of Cuba and the Caribbean are organized, make them economically incompatible in important ways.

This latest publication of FOCAL's Research Forum on Cuba's Background Briefing on Cuba series can be accessed at: www.cubasource.org. FOCAL's Research Forum on Cuba fosters informed discussion on the immediate and long-term challenges facing Cuba and Canadian policy towards the island.

A Magna Carta for the Americas. The Inter-American Democratic Charter: Genesis, Challenges and Canadian Connections

John W. Graham, Chair of the Board, FOCAL

The 34 foreign ministers of the Organization of American States (OAS) adopted the Inter-American Democratic Charter at a Special Session of the General Assembly held in Lima, Peru on September 11, 2001. At the

core of the new Charter is language from the Quebec City Summit of the Americas Democracy Clause that establishes that *any unconstitutional alteration or interruption of the democratic order in a state of the hemisphere constitutes an insurmountable obstacle to the participation of the state's government in the Summit of the America's process*. While not a flawless document, the Inter-American Democratic Charter both consolidates the significant progress already made by the Inter-American system in advancing democracy and breaks new ground.

This discussion paper looks at the genesis of the Inter-American Democratic Charter and the challenges involved in its development. It brings readers back to the meetings where the document was negotiated including the Windsor OAS General Assembly in 2000 where foreign ministers discussed the crisis of democratic governance in Peru; the 2001 Quebec City Summit of the Americas that raised the issue to the level of national leaders; the 2001 San Jose General Assembly where agreement was not possible; and finally the special meeting at Lima where the Charter was adopted by acclamation. The paper maintains that, while not perfect, the Charter stands out as a significant and reassuring commitment to the democratic process in the hemisphere.

North American Integration: Back to the Basics

Stacey Wilson-Forsberg, FOCAL Policy Analyst

As discussions about the future of North America continue, it is becoming clear to many of the actors involved that focusing on indefinite long-term options and scenarios for the region may be too visionary for this particular time. FOCAL's third policy discussion paper on this theme draws on current literature and analysis collected at recent conferences and roundtables, to step back from the long-term and look at such basic questions as: what is North American integration?; who wants North American integration?; what issues

potentially drive the integration agenda?; whose decision is it to integrate?; and what role do the asymmetries between the North American partners play in the integration process?

The paper concludes that, at the moment, there is no overwhelming common interest to steer North American integration beyond trade and investment. No clear and well-articulated vision or plan has emerged in which all three countries would reap significant political, economic or social benefits and therefore it is premature to expect Canada, the United States and Mexico to work toward some collective "North American good". Consequently, the only direction to pursue remains an incremental one by deepening relations, cooperation, and coordination in those areas where there are clear benefits for each individual country. The three countries should focus on developing the existing bilateral relationships, and enhancing the effectiveness of bilateral institutions and policy approaches. They should also ensure that the full potential of NAFTA is realized along with its side-accords and institutions.

Policy papers available at www.focal.ca

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José Zaragoza, *Caribbean Analyst*

Miguel Guardado, *Financial Manager*

José Hernández, *Publication Manager/Webmaster*

Diane Larabie, *Office Manager*

Dana Emily Vaughan, *Events Coordinator*

Eric Verreault, *Intern Coordinator*