

## **THE REGIONALISM OF NORTH AMERICA UNDER US DOMINANCE**

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**ABSTRACT:** NAFTA and Security and Prosperity Partnership are the most important regional integration initiatives which determine the way and form of a new regionalism in North America. The North American integration has different roots and characteristics from the European and Asian ones. The United States as the global and regional power determines this regionalism and makes it rather 'dually-bilateral' than multilateral. Because of its hegemonic position, the US prefers full autonomy and is reluctant both to deepen the North American cooperation and build supranational grounds for such cooperation. Several integration initiatives may be considered the US regional policy tool to protect its peripheral interests. Although under NAFTA economic issues prevail political ones, after 9/11 security issues have dominated relations in this integration grouping. Security and Prosperity Partnership which combined two compatible issues was meant to make the relations trilateral and initiate the process of building a North American community.

**KEYWORDS:** North America, NAFTA, Security and Prosperity Partnership, Regionalism, US Foreign Policy

The North American Trade Agreement was created during the second wave of regionalism in 1994 and gathered together three states: the United States, Canada and Mexico. As an integration grouping, NAFTA is an example of the new regionalism process which began in the late 80's and its integration is different from the one from the 60's. The old regionalism commenced under the

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influence of the Western European integration which began in the late 50's. The creation of European Communities, their functioning and progress had become a model to be observed in other parts of the world. Although most of the 'copies' had not succeeded as intended, the idea of integration, mostly among political elites, remained to be considered attractive (Breslin, Higgott 2003: 168–69).

Contemporary new regionalism differs from the old one. It comes from below – not only states themselves, but also organizations, institutions and social movements, both private and public, try to initiate this process. Moreover, not only economic motives, but also security and environmental issues motivate the cooperation. Under the specific conditions of the global economy and growing interdependence, the new regionalism is more open and a growing number of states search for new ways to fulfill their needs and interests. What is more, the old regionalism worked under the bipolar international order, while the new one operates in a multi-polar environment (Hettne 1995: 85).

What is important, the new regionalism is not considered as an geographic notion, but rather as an 'imagined community' promoted by groups of people. This community is primary and exists (or not) in a subjective dimension (Larner, Walters 2002: 393). As Edward Halizak (1999: 17–18) has pointed out, not only geographic closeness conditions this process. States cooperate with each other on the basis of synergy, but the outcomes of this cooperation depend on similarity and ties between them. The awareness of regional belonging is necessary to start and succeed.

When it comes to North America, NAFTA is the most important regional integration grouping which determines the way and form of regionalism in that part of the world. As created in the post-cold war period under US dominance, this agreement was initiated by political and economical elites that strove for new markets and searched for new ways to meet the challenges of the contemporary global economy (Marchand 2001: 200–1).

NAFTA was created to follow the European Community progress, especially during the 80's. But as William Wallace (Wallace 1994: 31) has pointed out, a European model was impossible to be implemented in North America because of its essence, complexity and the way and degree EC institutions influence its states' internal matters. The conditions in which these two integration organizations were founded and developed fall into different categories. Moreover, NAFTA should be compared rather to the EEO of 1992.

Considering Bela Ballasa (1961: 174) economic integration model that points five coming one after another phases: free trade area, trade union, common

market, economic union and full economic and political integration, we must say that NAFTA does not progress. As Kim Nossal and Ann Capling (2009: 148) state, the reason for the lack of advancement is because of no regionalism in North America. The process that can be observed there is only a by-product of deepened continentalism, which was created in the nineteenth century between the United States and its neighbours, and a regionalization that started a specific integration initiated by private business subjects looking for a better way to take advantage of trade and investment liberalization. The fact that there are still no common mechanisms to cooperate and make decisions may be a result of the process of regionalism being stopped.

As mentioned above a region is a primary subjective notion, so there should be historically created ties that bring it together. But the new regionalism theory says that states can 'produce' such ties themselves during close cooperation. Social interactions under an integration grouping may promote the redefinition of aims and interests and a creation of a new identity by assimilating new values under a mutual trust. Such 'socialization' motivated by belonging to a new group of states and cooperation may result in a different approach to identity on ideological and normative levels (Wunderlich 2007: 39). So a lack of regional ties will not stop but may slow down the integration process and not sufficient regional awareness may be replaced by so called cosmopolitical identity – based on commonly shared values, such as individualism, mobility, a need of belonging to NAFTA in that case. Another kind of identity that may bring North America together is based on ethical universal values, such as responsibility, a sense of social justice, democratic values, the protection of human rights (Marchand 2001: 208).

The North America integration had its roots in Ronald Reagan's election campaign in November 1979. In his announcement for presidential candidacy he emphasized that three neighbouring countries: the US, Canada and Mexico met all the conditions to become the most developed area in the world. At the same time Reagan underlined that his country's security depended on two other states' growth. Such an approach draws attention to the US specific position in both North and Latin Americas. Using Max Weber's assumption that a nation's past experience determine its future (Lipset 2003: 7), we can analyze the North America regionalism through the US historically determined approach to regional cooperation.

The main US foreign policy pillars defined till the end of the nineteenth century like George Washington's Farewell Address, the Monroe Doctrine and the Manifest Destiny had to protect a new nation from European powers and let the

United States expand freely and safely upon the whole continent (Mahan, Sempa 2003: 5). The Monroe Doctrine had not only anchored the US in the Western Hemisphere, but also required its hegemonic position in that area, even by using force. Later it became a basis to formulate an imaginary community against the 'others', and the 'others' have been changing over the centuries (Mariano 2011: 42). That is how the United States became a 'region itself' and has not produced enough ties with its neighbours.

What is more, this attitude has influenced an American regionalism which became 'double-track'. The first track was Pan-American and led the whole Western Hemisphere to integrate. The second worked on a subregional level and aimed to limit US dominance. Significant disparities between the powerful and well developed United States and others, the US hegemony, its unilateralism and individual intervention policy have mitigated weak regional ties. Regional cooperation has never been a priority for the United States (Karns, Mingst 2004: 177).

Under NAFTA the US dominance is not only an obstacle in the regionalism process, but also makes it different from other regional integration groupings in Europe or Asia. Even The North America Agreement negotiations were rather dually-bilateral than trilateral. It was an agreement between two weak countries which were searching for new ways to cope with the US growing economic protectionism and the United States as a regional and global power was motivated differently. From the very beginning it did not intend to promote NAFTA's integration progress. The North America integration had different roots and characteristics from the European one – there were no such political motives like the elimination of wars or the restoration of an empire after World War II. There were no external dangers that promoted Asian regionalism. The asymmetry between the North American countries was not perceived as a security danger but rather as a change-determining factor (Capling, Nossal 2009: 153–54).

The NAFTA integration has got a 'hub-and-spokes' structure with the United States at the center of many bilateral connections. Such a solution has been typical of US foreign policy towards Asian countries and, as Jens-Uwe Wunderlich (2007: 75) points out towards partners considered as not equal. There are only two organs founded by the NAFTA agreement: Commission and a Secretary and the first one's task is only to implement the agreement's provisions. A lack of decision making mechanisms may be a result of no need to formulate a new identity in the international arena. Because of the US dominance the integration is only economical and

decisions are being made bilaterally (Karns, Mingst 2004: 185). The United States has never engaged to deepen North American cooperation or build supranational grounds for cooperation under NAFTA. Instead they prefer full autonomy when it comes to both foreign and internal economic policy. There is a strong resistance, especially in the US Congress to cede the sovereignty functions on the regional level. When we observe the United States manner in cooperation with international institutions of different kinds we can say that this state is eager to engage as far as it suits its needs and will (Capling, Nossal 2009: 164–165).

NAFTA is being accused of having no international subjectivity and contrary to the European Union, not enough developed bureaucratic apparatus sufficient to promote cooperation and integration (Pastor 2001: 60). Even NAFTA's Commission as an executive organ has no residence and consists of the three nations' representatives who meet out of schedule. The administrative organ's aims come down to collecting documentation while making decisions depends each time on the good will of the three parts. There is a common belief that the agreement's strong point is that it has legally regulated many aspects of cooperation. But as practice shows its interpretation is just not a binding recommendation (Clarkson 2012: 258–9).

The most significant example of NAFTA's weakness is the case of mechanisms intended to protect private investors' interests while operating abroad but in the NAFTA area under Chapter 11<sup>th</sup> North America Free Trade Agreement provisions. Its parties can not come to terms while implementing nondiscriminatory regulations. Whereas Chapter 19<sup>th</sup>, which transferred litigation settlements in anti-dumping and countervailing duty matters to international review panels, is still a source of misunderstandings between the countries (Anderson 2008: 22–3). As the 'softwood lumber case' shows, the United States did not respect its verdict and refused to repay illegally imposed duty on Canadian softwood lumber. This case not only shows the US lack of eagerness but also uncovers NAFTA's faults (Luong 2012: 24).

As mentioned above, NAFTA relations reflect the US policy in the Western Hemisphere. As a regional power, it has been using its hegemonic position to protect its citizens' investments in both Americas under the Monroe Doctrine Corollary, Good Neighbourhood Policy and the Reagan Doctrine (Lake 2003: 317). In fact, NAFTA is not trilateral at all and its function is to make two weaker states similar to the strongest so that transnational corporations could freely operate in the whole North America continent. The United States has initiated several institutional solutions under NAFTA to protect its periphery interests

so we can consider the agreement as the US regional policy tool. Such activity has influenced the whole North American environment causing side effects, for example Mexico was forced to introduce some reforms and change in its political system under NAFTA and disparities between the partners are being equalized (Clarkson 2012: 259). So no matter how weak North American regionalism is, mutual interaction patterns are being produced and their source is not only international cooperation between political elites but also a cooperation from the bottom between the three states' societies. The North American Free Trade Agreement has worked sub-regionally from the beginning and the US states have been active to promote local export and investment (Blank 1993: 31).

What is worth noticing is the attempt to overcome NAFTA's weak points through closer trilateral cooperation as far as labour and environment issues are concerned. Both the North American Commission for Labour Cooperation (NACLIC) and the North American Commission for Environmental Cooperation (NACEC) brought into existence under NAFTA were initiated by the US trade unions who tried to lessen the US Congress influence in these two fields (Carr 1999: 54). These two institutions, which are composed of experts, can help the North American integration progress. The cooperation between workers, employers, local officials, research workers and activists may make civil communities and interstate local connections denser. What is more, this activity is not 'hub-and-spokes' but trilateral (Finbow 2006: 231).

Also security matters have influenced the relations between the United States and the two other states. As theory says this factor is strongly integrative and examples of regional groupings in the world reaffirm this statement. But NAFTA is unique because of economic issues prevailing political ones, like avoiding future wars (Clarkson 2008: 44). The regional security should not be considered as a sum of each country's securities or even their interdependence in that field, but rather through a regional security complex. It means that states perceive the sources of danger similarly and cannot solve or examine them individually (Buzan, Waeber, Wilde 1998: 198). When we look at North America we can remark that the US dominance and its special position hinders defining and combating the threats. Even those connected with environmental issues or drugs traffic require cooperation which is interrupted by regional asymmetry. The US hegemony makes it difficult to cooperate and this position can be interpreted in two ways. The strongest partner may impose some resolutions or it can show paranoia-like behaviors demonstrating a lack of confidence while making decisions, even when there is no need for such assumptions (Franko-Jones 1993: 102).

Security has dominated NAFTA relations especially after 9/11. Passing the bill 'Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act' (USA PATRIOT) in 2001 strengthened the US border control. What is more, many important local issues have become regulated and federal, instead of state authorities have taken control over them. As the reaction to such unilateral activity, Canada, Mexico and NAFTA itself influenced the United States and worked out so called 'smart border' agreements. They introduced high technology innovations into border crossing procedures and strengthened cooperation between agencies and departments from the three North American countries (Caparini, Marenin 2006, 22). However, having been signed bilaterally, they had a 'hub-and-spokes' structure. Although the United States as the only one which borders the two other states, NAFTA as a multilateral institution should work as a platform for working out resolutions for their member states. The United States geographical position is not a justification but rather a NAFTA's 'dual-bilateralism' contributory factor.

The border crossing restrictions introduced unilaterally after 9/11 have become a starting point to elaborate common initiatives between NAFTA states. 'Partnership for Prosperity' from 2001 aimed at intensifying Mexico's economic development (Stores 2005: 84). As many forms of partnership make a solid basis for closer and deeper cooperation, P4P commenced the 'Security and Prosperity Partnership', a new ground for collaboration combining two compatible issues: security and prosperity in North America. SPP took advantage of NAFTA's achievements but was meant to suit new challenges and fight NAFTA's weaknesses (Ackleson, Kastner 2006: 208).

These weaknesses were both objective and subjective. As Guadalupe Gonzales (2005: 37) indicated during the NAFTA 10<sup>th</sup> Anniversary Conference organized by the 'Woodrow Wilson Center', from the Mexican perspective, the intensified Canada-US military cooperation without a parallel Mexico-US equivalent has created a dangerous situation for the whole region. So not only bilateralism but especially the asymmetrical one is a source of regionalism restriction.

SPP was meant to be trilateral and to motivate the United States to abandon unilateralism and initiate the building of a North American community (Zaiotti 2011: 208). But this trilateralism, as underlined by three states leaders on 23<sup>th</sup> March 2005, 'while allowing any two countries to move forward on an issue, (it) will create a path for the third to join later. This statement confirms recommendations for the future development of NAFTA integration enclosed in 'Building A North American Community: Report of an Independent Task Force'

document, released in May 2005, but prepared before the SPP announcement. This document proposed the creation of the North American community by 2010 on the basis of a two-speed integration models (Brodie 2012: 99–100). The United States and Canada since historically and institutionally alike should continue integration while Mexico should be part of the dialogue. As North America differs from others regions and follows its own way to full integration, in comparison to the European Union it should rather concentrate on the market than bureaucracy, be more pragmatic than dogmatic. At the same time Americans should promote education, learning the three regional languages, found and promote North America research centers, foundations and institutions, introduce students and teachers exchange programs. The activities mentioned above resemble those undertaken in Europe to build the regional identity and influence common awareness.

But the NAFTA members societies have not been enthusiastic about this idea and efforts. Also political changes like the election of Barrack Obama in 2008 was not helpful to its embodiment. The activists blamed it for no democratic legitimation or public discussion (Healy 2012: 163). SPP called 'NAFTA on steroids' and considered a way to build a North American Union similar to the EU with its currency 'amero' is being criticized by many Americans. The Lou Dobbs programs on CNN are the most characteristic of such conspiracy thinking<sup>1</sup>. There are many roots for such attitudes, but as John Sutcliffe and Martha Lee (2012: 17) suggest NAU is considered a threat to the US dominant position. The post-cold war world order changing together with further integration and growth of interdependence may lessen its power and hegemonic position in both global and regional systems.

When we consider the North American regionalism under the US dominance we should notice that fear can be found everywhere. Like John Ikenberry (2008: 22) mentioned, every kind of institutionalization is a kind of deal in which a state has to give something, like full autonomy, to get something more attractive. Canada and Mexico are afraid of the US dominance but the United States is not eager to limit its self-determination. To make a step forward, it needs enough motivation and we must say that trade benefits for some private investors are not sufficient. What is more, a regional integration grouping can develop like the European Union under the condition of a common sense of belonging (Clarkson 2008: 44).

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<sup>1</sup> See: <http://www.loudobbs.com/>



But as Robert Pastor (2012: 67) suggests motivation for all the three partners to integrate is high enough. Mexico could progress and join the group of highly-developed countries, Canada could gain a stable cooperation guarantee on the ground of a common set of rules, mechanisms and institutions, and the United States could work out a new kind of leadership that consolidate not only 'ad hoc' but rather long term interests. In the era of globalization and growth of interdependence the three partners could solve common trans-border problems. A community building requires regionalism entities to be alike and multilateral collaboration to be directed. The US dominance and its specific past experiences block this process if we consider it in the European manner. But if we take into consideration the North American character, we can see that there are other factors that stop this regional integration. For the time being, the United States is the hub of the system, but it should let the spokes be well-proportioned. The US position is central but it should ensure that relations in both political and economic cooperation fields are symmetrical. Meanwhile the informal and from the bottom integration should be strengthened engaging sub-national entities in trans-border cooperation. With time the synergy benefits may make the cooperation multilateral as the changes in the international order will make the US more willing to such a collaboration. The regional ties may become denser but only if political decisions are democratic and transparent.

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