



SOLANGE MÁRQUEZ ESPINOZA
Editor

MEXICO & CANADA: TWO NATIONS IN A NORTH AMERICAN PARTNERSHIP



CANADIAN GLOBAL AFFAIRS INSTITUTE
INSTITUT CANADIEN DES AFFAIRES MONDIALES



MEXICO & CANADA:
TWO NATIONS
IN A NORTH
AMERICAN
PARTNERSHIP

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PROLOGUE

In 2012, the Mexican Council on Foreign Relations (Comexi), as part of the annual Canada Among Nations series, together with the National Autonomous University of Mexico (UNAM), published Canada and Mexico's Unfinished Agenda, both in English by McGill University Press, and in Spanish by the North American Studies Center of the UNAM.

In that effort, co-edited by veteran Canadian diplomat Alex Bugailiskis and myself, a leading group of Canadian, Mexican, and American academics, policymakers, politicians, journalists, and energy and climate change experts offered substantive recommendations for Ottawa and Mexico City on how to realize the full potential of our strategic relationship.

On that occasion, chapters covered the business agenda, academic exchanges, media relations, the trilateral relationship, regional partnerships, energy, and the global agenda. The overall conclusion at the time was that the Mexico-Canada relationship was robust and growing but that there were still issues to tackle and an unfinished agenda that both countries could address in order to develop the bilateral relationship even further.

A decade has passed since Canada and Mexico's Unfinished Agenda was first published. The Canada Study Group of COMEXI has again gathered a group of Mexican and

Canadian experts and asked them to update some of the key findings in the earlier publication, examine whether expectations have been met with the current state of the bilateral relationship, and look ahead as to the how both countries could further expand and deepen their ties and realize the full potential of the relationship.

AMBASSADOR ANDRÉS ROZENTAL
*Founding President, Mexican Council
on Foreign Relations*

LETTER FROM COMEXI

The Mexican Council on Foreign Relations (Comexi) has advocated for the importance of North America as the most competitive and dynamic region. North America, with its enormous potential, is an example of how integration -at many levels- helps regions and their populations thrive. Within the North American context, it is necessary to discern and underline the significance of the Mexico-Canada bilateral relationship. To this purpose, leading experts from Mexico and Canada have come together to analyze, in a comprehensive way, the complex and dynamic relationship our countries have.

From discussions on the United States-Mexico-Canada Agreement (USMCA) and its implications for trade relations between Mexico and Canada; to the role Parliament and Congress have in shaping Mexico-Canada relations, to the potential for increased collaboration on energy and intellectual property; to the importance of people-to-people connections, education, and cultural exchanges in building stronger ties between Mexico and Canada, “Mexico and Canada: Two Nations in a North American Partnership” is a must-read for anyone interested on issues concerning this bilateral relation.

Covering a broad range of topics, including trade, migration, security, energy, economic relations, education and culture, the book provides unique insights and perspectives on key issues that shape our common history, shared prosperity, and sustainable and inclusive development for the future. Through its depth and scope, its reading provides information and reflections that warrant serious consideration about the Mexico-Canada relationship.

SERGIO M. ALCOCER

President

LETTER FROM CGAI

I am pleased to introduce to you a new book, “Mexico and Canada. Two Nations in a North American Partnership,” published by the Canadian Global Affairs Institute (CGAI) in alliance with the Mexican Council on Foreign Relations (Comexi) and the National Autonomous University of Mexico (UNAM), Faculty of Law. In today’s increasingly multipolar world, fostering strong partnerships and cooperation among countries is essential. This book features expert analysis and insights on Canada and Mexico’s economic, social, and cultural relations, highlighting the vision for a more integrated North American region.

This integration is crucial for several reasons. First, a more integrated North American region would create a powerful economic bloc that could better compete with other global powers. Canada and Mexico can leverage their strengths and build a more resilient and prosperous economy by working together.

Second, closer collaboration would allow both countries to address shared challenges and opportunities, such as energy security, migration, and climate change. In today’s interconnected world, these issues cannot be tackled alone, and a more integrated North American region can provide a platform for joint action.

Third, a more integrated North American community would foster stronger cultural and people-to-people ties, which are essential for building trust and understanding between nations. This would lead to more significant educational and cultural exchange opportunities, which would further deepen the partnership between Canada and Mexico.

With contributions from distinguished authors, this book covers a wide range of topics, including economic relations, collaboration, connectivity, people, education, and culture. It explores critical issues such as supply chains, energy relations, intellectual property, and innovation from a joint perspective.

The book also examines how collaboration between Canada and Mexico can address global issues and shape the future of North America. Moreover, it delves into the challenges and opportunities for academic research, media relationship, and understanding each other's legal systems.

Through its comprehensive coverage and thought-provoking insights, "Mexico and Canada. Two Nations in a North American Partnership" offers a unique perspective on the crucial relationship between these two countries. It provides a vision for a more integrated North American community, emphasizing the importance of collaboration and partnership.

I am confident that this book will be of great value to scholars, policymakers, and anyone interested in the Canada-Mexico relationship and North American integration.

KELLY J. OGLE
Chief Executive Officer

LETTER FROM FACULTY OF LAW, UNAM

It is with great pleasure that I present “Mexico and Canada: Two Nations in a North American Partnership,” a publication which explores the economic, political, and educational ties between our two countries. As a leading institution in Law education in Mexico and Iberoamerica, the National Autonomous University of Mexico (UNAM) is proud to share this work with the academic community and beyond.

The authors of this book are prominent figures in their respective fields, including members of the Faculty of Law of the National Autonomous University of Mexico (UNAM), as well as experts from the Mexican Council on Foreign Relations (Comexi) and the Canadian Global Affairs Institute (CGAI). Their insights and analyses offer a nuanced perspective on the intricate dynamics of the Mexico-Canada relationship.

From examining the potential for research and academic cooperation to exploring the challenges and opportunities for strengthening our trade and economic ties, this book provides excellent material on the multifaceted partnership between the two countries. The book is divided into three sections: Economic Relations, Collaboration &

Connectivity, and People, Education and Culture, each with several insightful and thought-provoking chapters.

We are confident that this book will contribute to a deeper understanding of the Mexico-Canada relationship and serve as a valuable resource for researchers, policymakers, and students. We hope it will spark meaningful discussions and ideas for further collaboration and cooperation between our nations.

This publication is especially relevant in light of the United States-Mexico-Canada Agreement (USMCA). As such, the book provides an essential contribution to the discussions surrounding the future of a more integrated North American region.

On behalf of the Law Faculty at UNAM, I thank all contributors for their invaluable contributions to this book. We are honoured to have collaborated with such a talented and diverse group of experts. We hope this work will inspire further dialogue and collaboration in the years to come.

RAUL CONTRERAS BUSTAMANTE

Dean

INTRODUCTION

With almost 80 years of formal diplomatic relations, Mexico and Canada have forged a close economic, political, and cultural partnership. As neighbouring countries, their relationship holds significance for the North American region and the global stage.

Successful commercial relationship framed by the former North American Free Trade Agreement (NAFTA) and now by the USMCA, CUSMA or T-MEC (United States-Mexico-Canada Agreement) has contributed significantly to Mexico and Canada's economic growth and prosperity.

However, despite the many successes of the commercial relationship between Mexico and Canada, there are challenges and opportunities, especially facing the recovery after the Covid-19 pandemic and a complex geopolitical and economic context framed by the Russia-Ukraine War and the inflationary crisis worldwide.

“Mexico and Canada: Two Nations in a North American Partnership” delves into the current state of the relationship between Mexico and Canada, seeking to explore whether a more robust and dynamic alliance is still possible. This book aims to inform offering a comprehensive understanding of the current partnership while exploring its potential for further growth and collaboration.

Strengthening this relationship would boost trade and investment further, leading to increased economic growth

and prosperity for both countries. Nevertheless, the financial benefit would not be the only one. A deeper relationship would bring political benefits too. As two democratic nations, Mexico and Canada are committed to the rule of law, human rights, and other important democratic values. By working together, the two countries can help to promote these values in the region.

This book recognizes the need to go beyond trade agreements and explore avenues for deeper collaboration and connectivity.

In Chapter 1, “Economic Relations,” the book examines Mexico’s economic future and the opportunities it presents for both countries. It delves into the perspectives of Mexico on the USMCA, analyzing whether it functions as one regional agreement or two separate bilateral agreements. The chapter also explores the importance of supporting supply chains in North America and the potential for a comprehensive North American Energy Security Strategy. Additionally, it highlights the role of shared social values in deepening energy relations and discusses the joint perspective of Mexico and Canada on intellectual property and innovation.

Chapter 2, “Collaboration & Connectivity,” focuses on the collaborative efforts and connections between Mexico and Canada. It delves into the concept of being “Neighbours by Choice,” emphasizing the deliberate efforts to build a lasting bridge between the two nations. The chapter explores the role of parliaments in shaping Mexico-Canada relations, emphasizing the significance of their involvement. It also analyzes the building blocks of a successful negotiating strategy and examines the specific relationship between Quebec and Mexico. Furthermore, it challenges the notion of shaping the relationship solely based on desires and expectations, emphasizing the importance of accepting and working with

the relationship as it exists. Lastly, the chapter explores the shared commitment and common challenges Mexico and Canada face.

Chapter 3, “People, Education, and Culture,” recognizes the importance of social and cultural aspects in fostering a strong partnership. It examines the media relationship between Mexico and Canada, questioning why there seems to be a lack of mutual interest. The chapter introduces the concept of the North America Student Mobility Project and its potential to create a bright future through enhanced educational exchange. It also explores the challenges and opportunities for academic research and highlights the importance of understanding each other’s legal systems, specifically the differences between common law and civil law.

In the concluding chapter, “Is there still a vision for a North American community?” the book encourages readers to reflect on the collective vision for a unified North America. It explores whether such a vision is feasible given the current geopolitical landscape and considers the potential paths forward for the Mexico-Canada partnership.

The Canadian Ambassador, Graeme Clark, highlights that despite the challenges of COVID-19, our people-to-people ties are rebounding, and our robust commercial relationship continues to thrive. He underscores that we are working towards a more assertive North America and beyond through collaboration and shared values.

The Mexican Ambassador, Carlos Joaquín, reminded us that both countries consider each other partners and strategic allies. He underlines that it is essential for both nations to create opportunities for communication with the primary objective of enhancing the well-being of their respective populations.

For many years Comexi has been working towards a more profound, strengthened relationship between the two countries. It was in that regard that the book “Mexico and Canada: the Pending Agenda” was published ten years ago. Under the lead of Ambassador Andrés Rozental, that book was a route map, marking the main themes and areas where we needed to work harder and those that already represented opportunities. How many things have changed since then? What issues are still challenging, and what opportunities exist to exploit them? “Mexico and Canada: Two Nations in a North American Partnership” is an effort to answer those questions.

A book like this is an effort that requires help from many. At Comexi, there are several people to thank, Sergio Alcocer, Paty Zuñiga, Karla Martínez and all the members of the Mexico-Canada Unit, especially FanJua Rivas, Pia Taracena, Cristina Flores and Héctor Cárdenas. I am also very grateful to Andrés Rozental. He was the one that brought the idea of the book to the table from the beginning, and we took the challenge. Without all his advice, encouragement, recommendations and friendship, it would have been impossible to finish this accomplishment. At the CGAI, Colin Robertson was a fantastic partner, opening doors and providing ideas every time we needed them. Raúl Contreras, Dean of the Faculty of Law (UNAM), was a unique and welcoming partner. His tenacity is contagious, and I will always be grateful because his confidence in my abilities and capacities is one of the reasons why I can present this work. Thank you for your advice, your friendship and your kindness. Last but not least, I want to recognize the opinions, comments, revisions and many calls and messages from my colleagues at the Faculty of Law, especially Oscar Ramos, Marco Antonio Martínez and Montserrat Miranda. I thank the three institutions supporting this project for their support and confidence.

By providing a comprehensive understanding of the current partnership and exploring its potential for further growth and collaboration, this book seeks to inform and inspire. It offers valuable insights for strengthening trade, investment, and political ties while promoting shared democratic values and fostering a unified North America.

SOLANGE MÁRQUEZ ESPINOZA

CANADA AND MEXICO: WORKING TOGETHER FOR A BETTER NORTH AMERICA

MESSAGE FROM THE CANADIAN AMBASSADOR

Like many Canadians, my first experience of Mexico was as a tourist. More than 30 years ago, two friends and I rented a battered Toyota and drove around the Yucatan peninsula. I was immediately entranced. Mexico, in its diversity, cultural offerings, colours and gastronomy, seemed to offer everything that my native Ottawa, frozen for almost half the year, could not. This personal affinity has morphed into a strong professional interest: I now find myself in an assignment the scope of which I could only dream of at the outset of my diplomatic career...

Canada and Mexico are two countries sharing not only a continent but also a solid friendship that has continued to grow over the years, and which includes strong cooperation on a wide range of issues: trade, culture, Indigenous empowerment, human rights, gender equality, and much more.

After nearly 80 years of formal diplomatic relations, we have become indispensable friends, partners and allies.

Despite the hardship of the COVID-19 pandemic, our people-to-people ties have quickly rebounded and are

growing again. In 2022, close to two million Canadians travelled to Mexico, and Canada welcomed over 400,000 Mexican visitors.

Together, we are reaping the benefits of an updated and modernized framework for trade and investment. Through the Canada-U.S.-Mexico agreement, CUSMA, Canada and Mexico are partners in the world's largest trading bloc. This agreement, together with the critical complementary work undertaken during the 2022 and 2023 North American Leaders' Summits, has set us on a clear course for greater competitiveness and more inclusive growth.

We have taken significant strides towards the promotion of a regional production platform – encouraging manufacturers to source more of their inputs from within North America – and we are working in partnership to implement new labour rules designed to ensure that the gains from trade and investment benefit our businesses and workers alike.

With this in mind, I can confidently say that our commercial relationship is strong today. Trade and investment figures bear this: Canada and Mexico enjoy substantive, dynamic, growing trade. Canada now ranks as Mexico's largest single-country merchandise trading partner after the U.S. and China, and is central to Mexican investment. According to Mexico's Secretary of Economy, Canada was the second largest investor throughout 2022 after the U.S.

It is an indisputable fact that the last few years have been challenging for everyone. Covid-19 brought our economies to a halt virtually overnight, as had never been seen before. The crisis showed us we need more resilient systems, particularly in areas where our health and economic security are at risk. The recovery has been complicated by rising geopolitical tensions, including between the U.S. and China, and as a consequence of the Russian invasion of Ukraine.

Yet we are rising to these challenges together. The January 2023 North American Leaders' Summit and the bilateral visit by Prime Minister Trudeau to Mexico City successfully revitalized the trilateral relationship between Canada, Mexico and the U.S. This provided the Canada-Mexico bilateral relationship with renewed impetus.

This year, we agreed on a new, high-level vision for a strengthened Canada-Mexico relationship, set out in the Canada-Mexico Action Plan, which demonstrates a broad-based commitment to working together in a range of areas. We have reaffirmed the need to address the inequality, racism and discrimination that has held our societies back in the past. We are collaborating to bolster our youth's civic participation and are working to increase our exchanges of tourists, students, workers, and businesspeople across our borders.

I believe this last commitment will play a particularly vital role in the Canada-Mexico relationship and, in turn, ensure a stronger North America in the years ahead.

Fostering the exchange of our workers and businesses will drive economic innovation while also helping us to meet skills shortages in critical economic sectors, such as construction, agriculture, and the care economy. Labour mobility also allows workers to access job opportunities that offer a higher income for their families, helping address economic inequality and income disparity that has persisted throughout our region.

Most importantly, our capacity to cooperate in this area is central to addressing thornier issues around migration and asylum. Legal pathways to economic migration help provide good jobs for people who might otherwise consider an unjustified asylum claim. This can reduce pressure on our asylum systems, helping to ensure that those truly in need of protection can get the help they need.

Canada considers this work essential if we fulfill our common commitment under the Los Angeles Declaration to protecting the safety, dignity, and human rights of all migrants, regardless of their status.

At Los Angeles and elsewhere, Canada and Mexico have continued to demonstrate likemindedness on the importance of multilateralism, including engagement on the 2030 Agenda for Sustainable Development, the United Nations Declaration on the Rights of Indigenous Peoples, and the Paris Agreement. At COP 27 in November 2022, Mexico presented a National Action Plan on Gender and Climate Change, a reflection of a feminist foreign policy approach also embraced by Canada. Together, we recently voted at the UN to reaffirm the need for a comprehensive, just and lasting peace in Ukraine, in line with the Charter of the United Nations principles.

A significant advantage of our complex and broad-based bilateral relationship is the opportunity to speak in unity at regional and international forums on shared priorities, such as equality and multilateralism. We also learn from each other when our perspectives differ, helping us better serve our people and ensuring we can find mutually beneficial ways forward to effectively address differences when they arise. Working across diverse cultures, languages, and borders can be challenging. It requires sustained engagement and responsible stewardship by our senior leadership – both in and out of government – to ensure the bilateral relationship remains anchored in our common values: of democracy, human rights, and the rule of law; diversity and inclusion; equitable economic opportunity; and care for our North American home.

From my seat at the Canadian Embassy in Mexico City, having just successfully concluded our bilateral and trilateral

engagements during the North American Leaders' Summit, I am confident we are on such a path.

While our rich agenda nurtures the depth and scope of our existing ties, there is, even more, we can do together as North American partners and beyond.

It is my sincere hope that the reflections in this volume contribute to that vital effort.

AMBASSADOR GRAEME CLARK¹

¹ *Graeme Clark's diplomatic career has taken him to Central America, France, Peru, and the OAS.*

MEXICO-CANADA STRATEGIC TIES, AT A CRUCIAL JUNCTURE

MESSAGE FROM THE MEXICAN AMBASSADOR

International relations are in the process of constant evolution, mainly due to the profound effects of the COVID-19 health crisis, the crises derived from armed conflicts and the risks faced in each of the latitudes of the world, such as the uncertainty linked to the impacts of inflation, the increase in the prices of raw materials, the phenomenon of migration, unequal development, climate change, the internalization of information technologies and artificial intelligence, and the issue of energy transformation, among other factors.

In this context, it should be noted that the year 2023 also represents a stage in which actors in the international arena are reshaping their agendas and management style within the framework of new conditions that present themselves differently in each of the countries on the world stage, as a natural consequence of the dynamics of the fragmented global reality.

Added to this are the new challenges of modern democracy, the full exercise of human and political rights and equity, the convergence of interests towards cooperation for effective recovery, a new orientation towards growth, the

transformation of markets and the strengthening of political stability in the countries.

Within this framework, the analysis of the relations between two countries located in the same continent over seventy-nine years, with a privileged geographical location, active participation in the region and the different multilateral forums, even with different political and legal systems, is transcendental. The trajectory followed since the establishment of diplomatic relations has allowed the strengthening of bilateral, commercial, cultural, tourism, and student exchanges, among other aspects.

The chapters of this book, Economic Relations, Collaboration and Connectivity; and People, Education and Culture, present the links between Mexico and Canada, which lead us to rethink not only the terms of the ties between both countries and how to strengthen them, but also to outline new priorities, to improve the conditions for a far-reaching engagement, and to be more competitive. The prosperity of both countries is undoubtedly a common interest.

The review of these links allows us to compare how commitments are assumed, and to observe how other countries influence the relationship, particularly the United States of America as a common denominator, understanding the extent of these links is key to strengthening the aspects where our nations coincide. Likewise, it serves to envisage the position of the leaders of the Mexican and Canadian governments in the routes agreed upon under the outline of the instruments signed by each sovereignty.

For almost eight decades, bilateral relations between Mexico and Canada have had different nuances, allowing for a permanent presence. Therefore, the sections of the Economic Relations chapter are essential because they mark a contrast, both in the conduct of these relations and in the

degree of connection they had in the past, delimiting with precision the relationship until “before the Free Trade Agreement”. After the Free Trade Agreement, business options and commercial exchange intensified, and Canadian investment in Mexico increased, mainly in mining, the automotive industry, machinery, agriculture, and tourism. As a result, Ontario is currently the province with which Mexico has the most trade, followed by Quebec, Alberta, and British Columbia.

Collaboration and Connectivity are undoubtedly central issues, which largely remain part of an ongoing and systemic dialogue. The question about the nature of the treaties from NAFTA to the T-MEC provides guidance to the degree of resonance of the relationship between Mexico and Canada in their negotiations, the depth required in different areas for importing and/or exporting, as well as the points of connection in the various issues covered by each collaboration structure. Likewise, it serves to identify the angles in which both countries converge naturally and independently and the position they have vis-à-vis a third party.

Energy security, an issue not only of the present but also of the immediate future, is a crucial factor in Mexico-Canada ties beyond government representatives' positions. It involves various sectors and is influenced by different elements to adopt a formal criterion, make it compatible with the counterpart and, above all, make progress in aligning regulations. It is necessary to consider the treatment of resources and policies independently in this area, as well as the issues of infrastructure, investment, available technology, production levels and export figures to determine the scope of the ties between the two and their commitment within the scope of the T-MEC. By analyzing this issue in the context of regional cooperation, we can identify guidelines for better

implementing joint measures to balance energy sources, technologies and market demand with full socio-environmental responsibility in their deployment.

The People, Education and Culture Chapter describes how the mobility of students, teachers and researchers nurtures the relationship, including collaboration in innovation and research and the exchange of their cultural expressions. It also highlights the temporary agricultural workers' program, an example of close collaboration. In public safety, bilateral dialogue is underscored, which is complemented by other mechanisms, including the Mexico-Canada Alliance (AMC), in which the public and private sectors participate. Both countries also hold regular inter-parliamentary meetings.

The approach to civil law and common law is of utmost importance because interpreting provisions or the particular way to reach an agreement or apply "justice" reflects potential vulnerability if the regulatory framework is not sufficiently clear. However, in the same way, that friendship mechanisms are established, "willingness" to "harmonize" relevant aspects must play a central role to benefit both.

Both countries behave and act within a democratic constitutional state. Hence, the guarantee of the rule of law and respect for democratic institutions are essential to maintain a bilateral relationship based on understanding and with a vision of respect for the rights and freedoms of the population to ensure political stability and provide legal certainty for investments.

Mexico is a strategic ally for Canada -the tenth-largest economy in the world and its third-largest trading partner- and they share various mechanisms to promote dialogue and cooperation throughout their relationship. Both face the 21st century with enormous challenges, but the strength of their relationship must be the roadmap that leads to understanding

in the coming years. Both must generate spaces for communication whose main objective is always to improve the conditions of their people. The goal is delineated and must be traced with absolute conviction.

This text is an outstanding contribution to enriching both countries' common agenda and commitments.

AMBASSADOR CARLOS JOAQUIN

The background of the entire page is a high-resolution photograph of numerous coins of various denominations and designs scattered across a dark, textured surface. The coins are in sharp focus in the foreground and background, with some appearing slightly blurred in the middle ground. A semi-transparent yellow rectangular box is positioned horizontally across the center of the image, containing the chapter title in blue text.

CHAPTER I

ECONOMIC RELATIONS

MEXICO'S ECONOMIC FUTURE: TIME TO SEIZE THE OPPORTUNITY

LUIS FONCERRADA AND ARTURO MARTINEZ

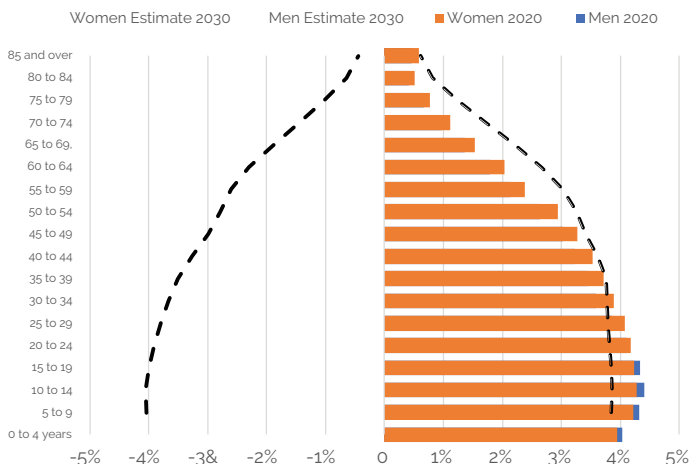
Mexico is one of the fifteen largest economies in the world. It will be among the first twelve in a few years, with a high potential as a market, given the size of its population, and as a productive country, given the investment and innovation already taking place.

We will argue that there is, today, regarding investment, an opportunity to seize. The data below will confirm the diverse elements positioning Mexico on a clear path of higher growth. Achieving growth will improve the current situation of poverty and insecurity and contribute significantly towards the vital goal of inclusion.

THE MEXICAN MARKET: POPULATION

As of February 2023, Mexico has a population of almost 129 million, of which 59% -over 72 million persons- are under 35 years old. Additionally, another 25% of the population -around 25 million- are between 36 and 60 years old, a group which already represents a solid base of economic activities and essential ongoing consumption.

Population Pyramid % by age groups, Mexico 2020 and 2030



In ten years from today and in the following decades, the pyramid will slimmer at its base, with an increasing percentage of the population being part of the labour force, a growing personal income, and expanding overall consumption in the country.

The population's growth rate is similar to Canada's, around 0.6%. Mexico's present population is more than four times the population of Canada. At today's rate of demographic growth, the population in Mexico will be over 137 million in 2030, an addition of 8 million new consumers to today's figures. In Canada, the population will be around 41 million in 2030; it will have increased to about 3 million. The Mexican domestic market, given its population, represents a significant opportunity to take advantage of.

The total population of the CUSMA countries, as of 2020, was 500 million persons. The expectation for 2030 is a population of no less than 530 million.

LABOR FORCE IN MEXICO IN THE COMING YEARS

Another critical aspect of the Mexican demographics is the number of youngsters entering the labour market; 3.4 million will reach, yearly, working age. Not all of them enter the labour market; different age groups enter at various percentages; the younger age groups take longer, as well as the young women who, in general, tend to start working much later. Once these numbers are adjusted by these demographic facts, with the right incorporation coefficients, we still get the impressive number of 2.0 million young women and men looking for jobs for the first time every year for the next 15 years.

These numbers represent a significant challenge and an excellent opportunity for the three partners of CUSMA. It is a crucial labour supply and a substantial increase in the demand for products and services.

One of the challenges is the creation of technical and soft skills. The governments of the states of Nuevo León, Chihuahua, Sonora, and Baja California, on the border, Guanajuato, Queretaro, and Yucatán in the interior, have very intensive programs to achieve the required training. Besides the official training, there are several private sector initiatives, from non-governmental entities, like Youth Build in its Mexican chapter, with continuous training programs. Welding, surface-mount technology, other specialties, and capacity building in soft skills are some training programs to be expanded.

Young People Reaching Working Age						
Years	2020	2020-2025	2025-2030	2030-2035	2035-2040	2040-2045
	Totals per 5-year group	17,987,826	17,957,226	17,897,659	17,693,939	17,322,800
	Reaching working age per year	3,597,565	3,591,445	3,579,532	3,538,788	3,464,560
Age Groups	Total Youngsters Entering Effectively the Labor Market (after incorporation adjustment) per year					
25-29	7,833,488	1,566,698	1,561,683	1,565,872	1,557,482	1,540,443
20-24	6,610,783	1,322,157	1,325,244	1,317,552	1,302,398	1,270,588
15-19	3,543,555	708,711	704,518	696,108	678,908	653,528
	Adding only 15-19 and 20-24 Groups					
15-24	10,154,338	2,030,868	2,029,762	2,013,660	1,981,306	1,924,117

GDP AND DISPOSABLE INCOME GROWTH

The economy of Mexico had negative growth rates in the years 2019 and 2020. After a severe contraction of -8.1% in 2020 due to the pandemic, the economy rebounded with robust growth of 4.8% in 2021 and 3.1% in 2022. During 2023, because of the lessening of the world's growth and, in particular, the expected rate of growth of the United States, the Mexican economy might just grow at around 1.2%.

Nevertheless, future growth in Mexico is expected due to CUSMA-related foreign direct investment, nearshoring, domestic investment, and infrastructure expansion to come in the near term, projecting a consistent 3% annual growth rate from 2024 onward.

Domestic demand, consumption, and investment have enhanced growth in recent years. Still, the contribution of trade, production and export activity has been a critical factor in the economy's growth. It will, undoubtedly, continue to be one of the main drivers.

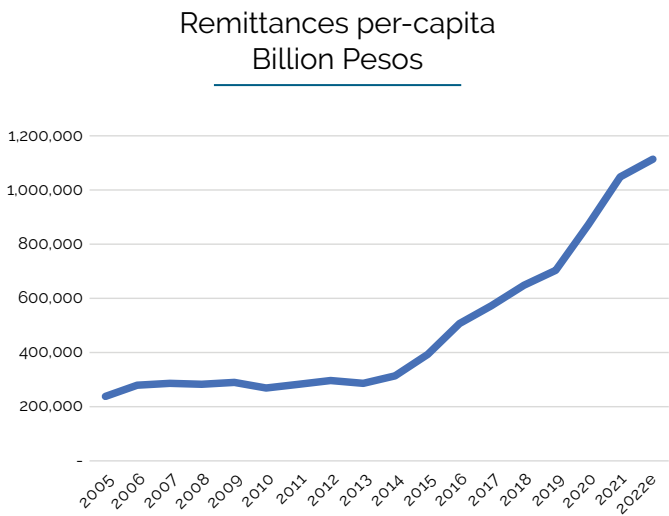
GDP per capita has increased steadily in the last years, except for 2019 and 2020. Still, the so-called Gross National Disposable Income, which is a wider and more complete measure of a country's income, since it adds to the GDP the factor income and the remittances, has increased at a higher rate than the GDP over several years. If we calculate it per capita, we can see that since 2014, it has risen steadily more than the GDP and decreased less than the GDP per capita during the years with negative growth rates.

RATES OF GROWTH / PER CAPITA

Years	GDP	Gross National Disposable Income
2006	3.28%	4.89%
2007	1.01%	0.70%
2008	-0.23%	-0.17%
2009	-6.58%	-6.73%
2010	3.79%	3.92%
2011	2.41%	1.92%
2012	2.43%	2.01%
2013	0.21%	-0.96%
2014	3.46%	4.03%
2015	2.12%	2.30%
2016	1.46%	1.81%
2017	0.95%	1.11%
2018	0.93%	0.92%
2019	-1.50%	-1.55%
2020	-9.02%	-8.52%
2021	3.71%	4.63%

The higher and more stable disposable income adds a critical strength and solidness to the domestic market. It is worth noting that this measure, the disposable income of a country, is a better indicator of the economic situation of the families. And in the case of Mexico indicates a path of higher

consumption and a growing market. In 2022, remittances were over U.S. 58 billion dollars, over one trillion pesos, an impressive figure of over 3.3% of the Mexican GDP.



FOREIGN DIRECT INVESTMENT

In yearly figures, Canadian direct investment in Mexico has averaged around 9.0% of the total direct investment in Mexico for the last ten years, a percentage that remains rather constant, going from about 8% and up to 12 and 15% in some years. Compared with other trade partners of Mexico, Canada stands in third place, after USA and Spain.

Even when some years, the Canadian investment has surpassed the 10% share in the total direct investment, there is a clear opportunity to take advantage of the new ecosystems and clusters that are appearing with the nearshoring.

FOREIGN DIRECT INVESTMENT BY COUNTRY

Yearly % of Total FDI

Country	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Cañada	6%	8%	11%	10%	3%	7%	8%	12%	8%	15%	8%
USA	51%	38%	66%	40%	75%	43%	60%	46%	50%	41%	56%
Spain	14%	-2%	1%	15%	11%	12%	10%	13%	13%	14%	14%
Germany	3%	5%	4%	7%	3%	9%	8%	9%	10%	4%	7%
Japan	4%	10%	3%	8%	6%	6%	7%	7%	4%	4%	5%

TRADE

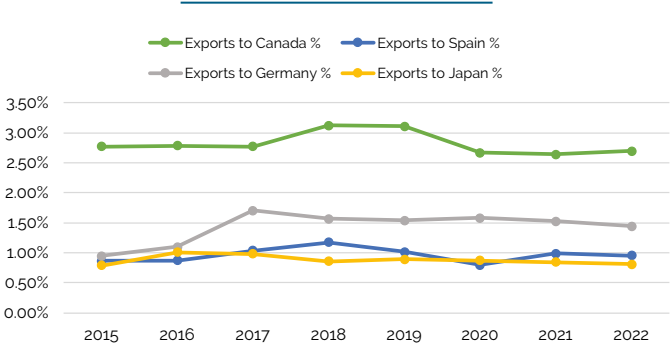
The number of exports and imports arising in Mexico, undoubtedly because of NAFTA and CUSMA, has had impressive growth.

In the last few years, since 2015, Mexican exports increased from 380 to 578 US billion dollars, which is almost 200 additional billion, an extraordinary growth, of over 50%, in just seven years. The exports to Canada also grew from 10.5 to 15.6 US billion dollars, increasing around 48%. The exports to Canada averaged about 2.8% of the total exports of Mexico in the period 2015-2022.

If we see the graph below, we can note that this percentage is practically maintained during the whole period. This signifies that the exports to Canada have kept their participation but have not expanded it. The impressive increase in Mexican exports to the world is an opportunity to attain a much stronger industrial integration between our two countries. The latter can certainly be achieved with higher investment in Mexico.

Regarding imports, the situation shows a more critical lag in the participation of Canadian goods in the supply chains. The total imports of Mexico in the same period, 2015-2022, went from 395 to 604 US billion dollars, again, a tremendous increase of 209 billion, a growth of 53.0%.

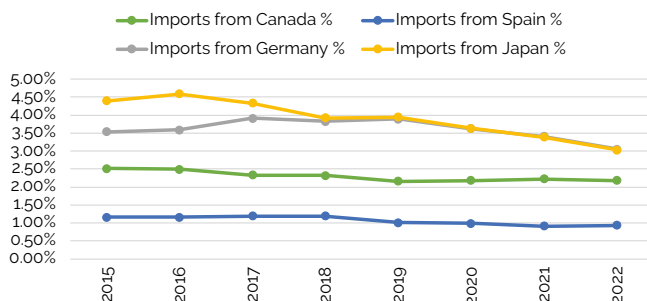
Share of Exports of Mexico by Country
% of Total Exports



The imports from Canada went up from 9.9 to 13.2 billion, a growth of only 3.3 billion, an increase of around 33%, yes, but much less than the 53% increase in total Mexican imports. And vis-à-vis the 209 additional billion imported by Mexico, the 3.3 figure seems almost negligible. Imports from Canada came down from 2.5% to 2.2% of the total Mexican imports, when, given our treatise, Canada should be raising its participation.

This loss of participation also implies a possible reduction in Canadian goods in the Mexican final consumption market, but even worse, it could suggest, as well, a loss of participation in the imports of parts and materials in the Mexican supply chain. Again, a significant joint effort between Mexico and Canada should take place.

Share in total Imports of Mexico by Country % of Total Imports



NEARSHORING AND RETURN ON INVESTMENT

Nearshoring is not just about relocating plants and production. It's also a trend that will strengthen the potential of the CUSMA and the integration of North America.

It is a moment to consider relocation, not just from off-shore to nearshore, but from onshore to nearshore. Relocating the production of parts and inputs for the supply chain in Mexico and relocating the production of final goods for consumption in the Mexican market. The cost efficiency will again increase the return on investment.

Cost reduction drove offshoring; today, it is the same motivation for nearshoring. A new ecosystem is emerging. It is time to be part of it.

Our countries today are different from the ones that started NAFTA in 1994. After almost 30 years of the existence of a free trade agreement, we have advanced enormously in many aspects. We have solved controversies together, developed infrastructure, reduced time procedures, seen significant

steps to improve logistics, and found much better ways to communicate and manage with multinational teams.

All this progress, and the current nearshoring, will shape today's ecosystem into a more advanced system of clusters, expanding the supply chain with enhanced coordination and communication. The experience and knowledge acquired by many firms after their offshore practices are additional factors to improve the supply chain in today's nearshoring trend. Digital transformation adds to simplify and enhances controls and costs.

The advantages of nearshoring are well known, from lower hourly rates and reduced costs of managing and travelling to closer distances to the benefits of the same or more comparable time zones with no language barriers. In other words, cost efficiency is by far the most crucial element, again explaining the nearshoring. The consequence, already in sight, is a new ecosystem and new clusters in the same time zone—a result of focusing on the return on investment.

According to the numbers we saw above, there was an increase of 200 US\$ billion in exports in seven years, with no nearshoring. Let's consider the new investment and connectivity that's taking place and which will continue in the future. It is not too optimistic to expect that Mexico will increase exports, again, in no less than another US\$200 billion in probably five years.

The sectors in which this growth is taking place are electronics, metals, automotive, machinery, medical devices, plastics, and aerospace, among others to appear. Real Estate is a booming sector, and it will continue. Canada has the experience and technology to benefit from Mexico's advantages in all these sectors. It seems to be time to seize the opportunity.

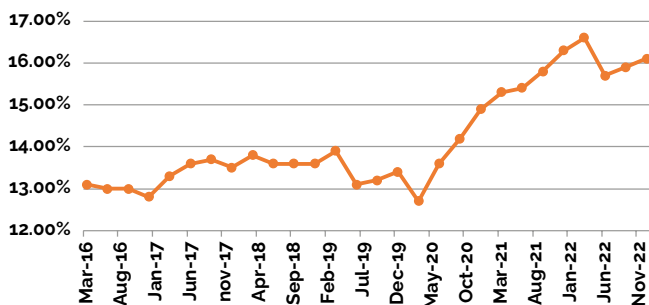
This new phase in the CUSMA, the nearshoring and new ecosystems, will be, we are convinced, an essential stage in the integration of North America. Exports going out of Mexico will be exported from the CUSMA partnership to our North American region and the rest of the world.

THE FINANCIAL SECTOR

The banks in Mexico are among the best capitalized world-wide, giving stability and a solid base to the financial system.

The capital adequacy ratio measures how much capital a bank has available, reported as a percentage of a bank's risk-weighted credit exposures. In Mexico, the regulation establishes, following the Basel III accord, a minimum of 10%, as in many other countries. As can be seen in the following graph, the ratio is well above, on average, the required minimum.

Capital Adequacy Ratio: Mexican Banks
2016 - 2022



The Central Bank, Banco de México, has kept a very conservative monetary policy, maintaining a spread of around

600 basis points over the policy rate decided by the Federal Reserve in the United States. The latter had been expected, given the inflationary context that we are living in. The Junta de Gobierno, as the Board of Governors is named, has shown knowledge and a clear attitude defending the unique mandate of the Bank to fight inflation, even when external pressures have existed to add a second mandate—the objective of growth or employment.

Three of the five board members were appointed recently, in the last two years, and since they were outsiders, there were doubts about their opinions. Nevertheless, the Junta de Gobierno has surprised the markets and the financial community with their commitment to keeping a conservative policy and their determination to fight inflation, going even ahead of the FED's decisions, as just happened last February. This teamwork, and the board members' decisions, have achieved strong confidence in the Bank.

The Gobernadora – for the first time in history, a woman is chairing the board - and the Sub-Gobernadores have strengthened the Bank's support of the international financial community. The Mexican peso has reevaluated by almost 10 percent in the last months.

The nearshoring and investment are accompanied by a good financial system with no barriers to financial and monetary flows.

IS THE USMCA ONE REGIONAL AGREEMENT OR TWO BILATERAL ONES? PERSPECTIVES FROM MEXICO

JUAN CARLOS BAKER AND GUILLERMO MENDOZA

INTRODUCTION

Scholars have always seen the relationship between Mexico and Canada with interest, given its apparent contradictions.¹ Diplomatic relationships were established only in 1944, in the middle of World War II. Even though more robust exchanges followed, there continues to be a perception that the relationship has consistently fallen short of its potential.

The North American Free Trade Agreement (NAFTA), which started in 1994, greatly boosted the relationship. Trade and investment became a vital component of the bilateral ties, which have remained so in the 21st century. The two countries have also launched other notable

¹ Cfr. Bugailiskis A. and Rozental A. (eds) (2012) *Canada Among Nations, 2011-2012: Canada and Mexico's Unfinished Agenda*, McGill-Queen's Press – MQUP; Ramirez Meda, K. (2019) *Relaciones bilaterales Mexico -Canada. Alianza estratégica de potencias medias en América del Norte*, Universidad Autónoma de Baja California.

bilateral initiatives, namely Mexico – Canada Partnership (CMP) in the early 2000s and, more recently, the Mexico – Canada High-Level Economic Dialogue.

Indeed, thanks to these efforts, trade has grown from 2.7 US billion dollars in 1993 to 29 US billion dollars in 2022. Investment has also followed, with over 50 US billion dollars in capital flows between 1999 and 2022. These figures, nonetheless, are significantly lower than what either country trades or invests with the United States, which is the main trading partner of both countries.

The “Washington element” is always present in the bilateral dynamic, in occasions leading to ponder whether Mexico City or Ottawa are interested in each other or if the relationship is more of a complement of the relationship than both countries conduct with the United States.² On different occasions in the past two decades, this questioning has been more evident, with disruptive elements surfacing from time to time, such as the imposition of visas for Mexican citizens or the differences over the treatment of Canadian companies in Mexico. The reality is more complex, and just as these events may have cast doubts over the strength of Mexico – Canada link, there have equally been other situations where the alliance between the two countries has served well to the strategic objectives of both nations.

Drawing from the recent experience in trade negotiations, this chapter discusses how the bilateral relationship is more robust than it may seem and how Canada and Mexico have significantly contributed to the North American integration process. In particular, we argue that the US–Mexico–Canada Agreement (USMCA) which replaced NAFTA in 2020, was

² Dávalos López E., Zepeda Martínez R. and Gómez Solórzano M. (2020) *El tratado México, Estados Unidos y Canadá: ¿Integración o desintegración? Transformaciones recientes en América del Norte*, UNAM.

essentially the result of joint Canadian and Mexican efforts to maintain the foundations of the original NAFTA. But also by incorporating the experiences and best practices from the Trans-Pacific Partnership (TPP) negotiations.

The results would have been completely different if Mexico or Canada had abandoned the North American project to negotiate separate agreements. Trying to accommodate the negative and disruptive vision of North American integration that former President Donald Trump imposed in US trade policies might be a more manageable approach. However, the results might be arguably worse.

Similarly, had Mexico and Canada decided to abandon the TPP, the content of the USMCA might have looked very different from what it is today.

Finally, we suggest some areas where Canada and Mexico may replicate these experiences and best practices once the USMCA review clause is enforced in 2026.

GETTING TO USMCA: FROM NAFTA TO TPP

It is well documented how the story of this happened: the Canada – United States free trade agreement (CUSFTA), established in the late 1980s, represented a significant change in trade policy, and it came about only after long and painful negotiations.³ While the United States and Canada had mostly enjoyed a robust and healthy relationship, trade tensions were common (mainly because of the use in the United States of antidumping measures). Still, the idea of negotiating a free trade agreement, which proponents argued would

³ Kreinin, M. E. (Ed.). (2000). *Building a Partnership: The Canada-United States Free Trade Agreement*, University of Calgary Press.

eliminate such tensions, was ferociously debated in Canada to the point that it became a crucial issue in the 1984 Canadian general elections.⁴

It is no surprise that a few years later, when Mexico and the United States announced they were also engaging in free trade negotiations, Canada showed interest (not necessarily enthusiasm) in also being part of such talks.⁵ For its part, Mexico had reasons to seek a preferential trading relationship with the United States.⁶ It is interesting to note that while Mexico's economy and level of development were significantly lower than Canada's, the nature and tone of the debate in Mexico was similar to that in Canada a few years before when they negotiated its Agreement with the United States.

Regardless of NAFTA's results and evaluation⁷, it is perhaps more critical that Mexico and Canada could participate in a project that might have put both countries at odds, given the natural desire of each one to protect and maximize the preferential market access to the US. During NAFTA's enforcement, Mexico and Canada did not experience any significant trade or investment conflict. Despite its weaknesses, neither country used the former Chapter 20th dispute settlement procedures against the other, and the business

⁴ Ayres, J. M. (1996). *Political Process and Popular Protest: The Mobilization against Free Trade in Canada*, *The American Journal of Economics and Sociology*, 55(4), 473–488.

⁵ Winham, G. R. (1994), *NAFTA and the Trade Policy Revolution of the 1980s: A Canadian Perspective*, *International Journal*, 49(3), 472–508. <https://doi.org/10.2307/40202953>.

⁶ Papademetriou D. et. al. (2003), *NAFTA's Promise and Reality: Lessons from Mexico for the Hemishphere*, Carnegie Endowment for International Peace.

⁷ Pearson Institute for International Economics (2013) NAFTA 20 years later, <https://www.piie.com/sites/default/files/publications/briefings/piieb14-3.pdf>

community was mostly satisfied with the pace and depth of the relationship.⁸

But Mexico and Canada resented Washington's switching pendulum on trade policy, which moved the US' strategic interests away from North America to Asia, a region where Canada and Mexico had some presence, but that remained away and distant. Mexico negotiated an Agreement with Japan in 2005, as Canada did in 2012. However, apart from exploratory talks with certain partners (Korea, Singapore, and Thailand), both countries had largely kept themselves from negotiating free trade agreements in the Asia Pacific, with efforts focused on cooperation and dialogue under the APEC and the ASEAN.

Thus, when the United States fully engaged in the negotiations of the TPP, Canada and Mexico had to reconsider how to best meet this new US objective. Sharing the US import market with countries such as Australia, Malaysia, New Zealand, and Vietnam meant new competition for Canadian and Mexican exporters. The TPP would be a more modern agreement with new-generation disciplines that NAFTA lacked. In essence, Canada and Mexico saw their participation in the TPP talks as a mixture of a defensive strategy and an offensive approach. The first one allowed them to protect preferential market access to the United States, and the second guaranteed that the NAFTA partners would be on an equal footing with the participating Asian countries.

When Canada and Mexico joined the TPP negotiations in December 2012 in Auckland, New Zealand, the talks had

⁸ Dawson L. (2014), *Canada's trade with Mexico: Where we've been, where we're going and why it matters*, Canadian Council of Chiefs Executives <https://thebusinesscouncil.ca/app/uploads/2014/02/Canadas-trade-with-Mexico.-Where-weve-been-where-were-going-and-why-it-matters-February-2014.pdf>

been ongoing for four years. It is noteworthy that before attending the general plenary sessions, the Chief Negotiators of both countries had a long meeting, exchanging views on what this process represented for North America. This openness and candid discussions became a regular bilateral stamp for the entire TPP talks. While they certainly did not imply a joint approach to the TPP, they undoubtedly influenced Canada and Mexico's positions.

During negotiating the rules of origin for the automotive sector, Mexico and Canada gave an example of their dynamic. Japan was vigorously seeking that the regional value content for those rules was lower than the established in the NAFTA (62.5%), a position that Mexico and Canada could not accept.⁹ The United States was eager to reach a result and offered Japan that it could convince Mexico and Canada. When this did not occur, Japan refused to address Mexico's and Canada's concerns, arguing that it had a commitment from the United States.

The situation blew open during the TPP Ministerial meeting held in Hawaii on July 2015, causing the whole TPP talks to stop for several months. After some problematic sessions held in San Francisco between Japan, Canada, Mexico and the United States, they reached a compromise, allowing the negotiations to restart and finally concluded them in October 2015.¹⁰ Before the USMCA talks officially started, when Donald Trump withdrew the US from the TPP in February 2017, Mexico and Canada were heavily involved in the negotiations

⁹ TPP Ministerial press conference, Maui, Hawaii. Secretary Ildefonso Guajardo's comments are on the minute 58 onwards. <https://www.youtube.com/watch?v=LbyndE3ZTqU>

¹⁰ Canada concludes free trade agreements with Trans-Pacific partners, press release http://www.sice.oas.org/tpd/tpp/Negotiations/TTP_Negotiations_concluded_e.pdf

that kept the TPP alive, albeit with some necessary changes to adjust it.¹¹

Thanks to Mexico's support and diligent work, especially with Japan and Canada, the TPP was enforced as of December 30, 2018,¹² with all original signatory countries ratifying it, except for Brunei, and with several other countries bidding to access the Agreement, including the United Kingdom, China, Taiwan, Ecuador, and Costa Rica.

Mexico and Canada found each other to be trusted partners during the original NAFTA talks. The TPP process helped root even deeper foundations for future collaborations in the battle to preserve the North American integration idea.

BALANCING INTERESTS IN THE NEW TRADE REALITIES

Donald Trump attacked Mexico from day one of this electoral campaign. It singled out the country as the culprit of several problems in the United States, ranging from drug consumption, migration and security to the trade deficit and US deindustrialization. On the other hand, Canada merits few references by Donald Trump, and there was a general perception that if NAFTA changed at all, it would be to the detriment of Mexico rather than Canada.

Indeed, during the press conference offered after the first meeting between Prime Minister Justin Trudeau and President Donald Trump, the latter remarked that there would be changes regarding Mexico. However, that differed from

¹¹ Reuters (November 11, 2017) *Trudeau says still more work to be done on TPP* <https://www.reuters.com/article/cnews-us-apec-summit-canada-idCAKBN1DB0B8-OCATP>

¹² Nikkei Asia *TPP 11 to take effect on Dec. 30* <https://asia.nikkei.com/Politics/International-relations/TPP-11-to-take-effect-on-Dec.-30>

the existing relationship with Canada, where only a few minor changes were coming.¹³ As the renegotiation neared, it became evident that Canada was equally exposed to a potential rollback of NAFTA as Mexico. It dawned on Canadian politicians that both countries needed to work together rather than stand apart trying to achieve a deal with the United States.¹⁴

On a parallel track, there was also a discussion about whether Mexico and Canada should engage with the United States. Some arguments pointed out that Donald Trump wanted to exit NAFTA, not Mexico City or Ottawa; if he wanted to leave, the argument continued, then let him take out the United States from the Agreement and face the consequences.

This point was also repeated often in Ottawa, as the disappearance of NAFTA meant that the US and Canada would arguably return to the ancient CUSFTA, which was undoubtedly less sophisticated than NAFTA. Still, it did provide some preferential access to the United States market. On the other hand, Mexico would have to trade under Most Favored Nation (MFN) principles, which, given Trump's trade actions, represented little certainty. Finally, as per the Mexico – Canada relationship, the TPP guaranteed preferential trade terms even if NAFTA disappeared.

Moreover, it was clear that NAFTA had exhausted its political viability in the United States. It is easier to remember Donald Trump's view of the Agreement. Still, sometimes we forget that another US president threatened to abandon

¹³ Remarks by President Trump and Prime Minister Trudeau in Joint Press Conference <https://ca.usembassy.gov/remarks-president-trump-prime-minister-trudeau-joint-press-conference/>

¹⁴ CBC News (February 21, 2017) "Canada isn't about to 'throw Mexico under the bus' foreign minister say <https://www.cbc.ca/news/politics/nafta-mulroney-guajardo-freeland-1.3992043>

NAFTA before him. During his presidential campaign in 2008, Barack Obama was quite clear about what he would do in his intention to “fix” trade with Mexico, declaring that he would force Mexico to accept greater commitments on labour and environmental matters or withdraw the US from NAFTA.¹⁵

There has been literature on how the negotiations took place,¹⁶ but these discussions often forget that, in the beginning, the great question was whether a shared vision could lead to an agreement. Unlike the original NAFTA, on this occasion, the United States’ departing point was not that joining forces with its neighbours made it stronger. Still, its position was rooted in the premise that free trade had not worked, and the American workers and companies had paid the price.

Understanding this point was crucial for Mexico and Canada because the new process could not be approached using the same narrative and rhetoric as common places. In Trump’s dimension, it didn’t matter that six million jobs in the United States were tied to exports to Mexico or that Canada was the US’s largest trading partner. Accordingly, Mexico and Canada had to address the technical nuances of such a complex process and fight against Trump’s animosity toward free trade and NAFTA, making it impossible to guarantee an outcome.

Also, the initial meetings between the Mexican and Canadian in February 2017 were essential to understanding the priorities of each country, how each country was to pursue

¹⁵ CBC News (February 27, 2008) “Clinton, Obama threaten to withdraw from NAFTA” <https://www.cbc.ca/news/world/clinton-obama-threaten-to-withdraw-from-nafta-1.696071>

¹⁶ Amrita Bahri, M., *Trumping Capacity Gap with Negotiation Strategies: The Mexican USMCA Negotiation Experience*, Journal of International Economic Law, Volume 23, Issue 1, March 2020, Pages 1–23.

such objectives, and how far were either country willing to go.¹⁷ Those encounters also cemented the bilateral alliance and paved the way for future collaboration opportunities during the NAFTA modernization talks.

The Canadian Minister and the Mexican Secretary in charge of this process – Chrystia Freeland and Ildefonso Guajardo, respectively - knew each other from the old TPP negotiations and held a mutually profound respect for their work and accomplishments. This acquaintance and trust would prove crucial on several occasions in times to come.

There is no doubt that had it been possible, Mexico and Canada would have chosen not to modify NAFTA. They would have been content with modernizing the North American trading framework through the TPP. However, that was no longer a possibility, but it did not mean that the initial departing point could be to retake those texts and adapt them to the old NAFTA. For example, the e-commerce and digital environment chapters of the TPP were state-of-the-art disciplines, and they substantially improved the dispute settlement processes.

Nonetheless, there were other topics where neither Mexico nor Canada could accept the TPP framework – the old NAFTA contained an important Chapter 19, dealing with the review and dispute settlement in antidumping and countervailing duties that was absent in the TPP. Finally, and very importantly, both countries also confirmed that, despite whatever pressures, there were unacceptable issues,

¹⁷ Gobierno de Mexico (February 21, 2017) *Los Secretarios Luis Videgaray e Ildefonso Guajardo realizaron una visita de trabajo a Toronto, Canadá*, <https://www.gob.mx/sre/articulos/secretarios-luis-videgaray-e-ildefonso-guajardo-realizaron-una-visita-de-trabajo-a-toronto-canada?idiom=es>

especially those proposals that aimed at diminishing the duty-free, unrestricted market access that the original NAFTA granted.

Therefore, Canada and Mexico listed some essential common elements for approaching the negotiations. First, transparency and openness were fundamental. There was a recommendation to use the TPP as a framework as much as possible. Still, negotiators were encouraged to consider some deviations from it if it helped the negotiating dynamics. Lastly, although each country was free to pursue the strategy it felt better – primarily related to which issues were more important to one country than another – there was an understanding that such an approach could not mean betraying the other country.

Furthermore, the negotiators acknowledged that they would need to revise the plans and strategies as the negotiations progressed due to the numerous unpredictable factors and elements beyond the control of Mexico and Canada. Additionally, US officials initially remained absent from the process as the US Congress had not ratified their participation.¹⁸

THE MEXICAN NEGOTIATING STRATEGY AND WHAT IT MEANT FOR CANADA

As provided for in its domestic law, Mexico presented its negotiating objectives to the Senate.¹⁹ They paired these

¹⁸ For example, the Deputy USTR was not confirmed until March 1st, 2018.

¹⁹ Gobierno de Mexico (August 2, 2017) *Prioridades de Mexico en las negociaciones para la modernización del Tratado de Libre Comercio de America del Norte*. <https://www.gob.mx/se/articulos/prioridades-de-mexico-en-las-negociaciones-para-la-modernizacion-del-tratado-de-libre-comercio-de-america-del-norte?idiom=es>

objectives with an outstanding effort to validate and consult with civil society actors, the business community, the legislature, and the general public. It is worth mentioning that some of these information events were held and organized jointly by Mexican and Canadian stakeholders, especially on the margins of the negotiation rounds.²⁰

As mentioned, the Mexican negotiating strategy was very pragmatic. It followed the commitment it reached with Canada early on: very soon in the process, Mexico decided on which issues there was the flexibility to accommodate US interests; on which issues the ultimate workload was shared with Canada, even if it took technical work to reach an acceptable result; and on which issues Mexico would simply not negotiate – the famous and aptly called “red lines”.

For Mexican and Canadian negotiators, it was evident that the main interest of the United States was to incorporate disciplines that would drive investment and trade flows away from the NAFTA partners and into the United States. USTR did so by proposing some irrational ideas, including some that went towards the own US’ best interests – such as the elimination of investor-state dispute settlement mechanisms or the introduction of the sunset clause.

Canada and Mexico fought back, and in many instances, the US business community expressed opposition, urging its government to ensure that no harm would be done while modernizing NAFTA.²¹ Indeed, given the inherent economic disruptions that the most radical US proposals would cause, US

²⁰ Mexico News Daily (July 26, 2018), *Mexico, Canada insist on three way deal as NAFTA talks resume*, <https://mexiconewsdaily.com/news/mexico-canada-insist-on-three-way-deal/>

²¹ Reuters (February 6, 2017), *US Chamber of Commers warns against tearing up NAFTA trade deal*, <https://www.reuters.com/article/us-usa-nafta-chamber-idUSKBN15L2BG>

businessmen themselves lobbied the Trump Administration to tone down its negotiating positions. It is debatable whether they were successful, but it is evidently true that there was a genuine concern that the United States, not Mexico or Canada, could lead to the extinction of NAFTA.²²

There were speculations that Mexico and Canada experienced a fallout due to disagreements over the rules of origin for automobiles. Some suggest that Mexico departed from the Gentlemen's Agreement that guided both countries' actions in pursuing a bilateral path with the United States. Both statements are false and do not accurately depict how the negotiations' final months happened.

On autos, Canada indicated some flexibility, but it had refrained from establishing any concrete proposal on the table, other than a few ideas floated during the negotiation round of January 2018 in Montreal.²³ Mexico was the target of an aggressive move by the United States to increase the regional value content of the rules of origin for cars. Mexico hesitated to squander such a valuable bargaining chip, knowing the significant value attached to any car concession. The talks stopped for a few months due to the combination of the upcoming Mexican general election US Congress reduced timeline²⁴, and Mexico's desire to maximize its advantages. Canada then suggested that Mexico and the United States

²² Cowie J. (2017), *What Trump gets wrong about NAFTA*, Foreign Affairs <https://www.foreignaffairs.com/articles/united-states/2017-05-04/what-trump-gets-wrong-about-nafta>

²³ Vieira P. (January 29, 2018), *U.S. cites Nafta progress but reject Canadian Proposals*, The Wall Street Journal <https://www.wsj.com/articles/u-s-cites-nafta-progress-but-rejects-canadian-proposals-1517249003>

²⁴ Ljunggren D. (May 11, 2018), *Ryan sets a May 17 deadline for a NAFTA deal; Mexico sees time running short*, CNBC <https://www.cnn.com/2018/05/11/ryan-sets-a-may-17-deadline-for-a-nafta-deal-mexico-sees-time-running-short.html>

should agree on their most sensitive issues if they were a roadblock to the overall process.

The US and Mexico talks over July and August 2018 were hardly secret. There was ample coverage by the press, even if public details were scarce. Still, inside the black box of the negotiations and keeping up Guajardo and Freeland's understanding, the Mexican team always kept their Canadian colleagues apprised of the progress recorded with weekly discussions between the negotiators. It is then somewhat ironic that the US intended to separate Mexico and Canada by breaking down the trilateral process into two sets of bilateral talks. Still, these countries used that split to take turns wearing down the US positions.

Mexico's rationale was that should Canada find some of the compromises that the country accepted to be impossible to digest, in any case. Canada would negotiate to ease those commitments, which could not negatively affect Mexico. As a result, when Mexico concluded its Agreement with the United States in late August 2018, the details of the Agreement were communicated to the Canadian team. The second stage of talks took place during the final days of August and September. It concluded after weeks of challenging negotiations and hostile comments from Donald Trump during the United Nations General Assembly meetings in New York.

The USMCA was signed in Buenos Aires, Argentina, on November 30, 2018, even though some amendments followed in 2019 to accommodate changes requested by the United States to facilitate the USMCA approval by the US Congress, which eventually happened in December 2019. The Mexican Senate had done so a few months before, while the Canadian Parliament ratified the Agreement just before shutting down for the COVID-19 pandemic.

CONCLUSIONS

Having the benefit of time, we can argue that the renegotiation of NAFTA was inevitable. Both because of Trump's radical position in which he declared that he was willing to leave the Agreement unilaterally if it was not renegotiated and because the political support of NAFTA had all but vanished. Moreover, the world had moved to more modern, inclusive, and forward-looking agreements, leaving NAFTA completely outdated. Both countries considered renegotiating the Agreement an enormous risk for the North American integration project, which remained an absolute priority, despite the United States' lack of conviction at that time.

The USMCA, however, did not naturally and irrevocably follow the demise of NAFTA. We can speculate that Donald Trump would have withdrawn the United States from its relationship with Canada and Mexico, as he tried to do at least once.²⁵ Without taking merit away from the US negotiators, from what we have described, it is clear that the work of Canada and Mexico kept the process going in the most challenging times and that their creativity and flexibility provided solutions when they were needed the most.

It is, therefore, incorrect to assume that Mexico and Canada had different objectives during NAFTA modernization talks. Nor is it accurate to believe that the two countries were to block each other to attain Washington's favour; rather, the disruption that Donald Trump caused and the eventual modernization of NAFTA brought Mexico and Canada closer together. While we cannot claim that the two countries coordinated their negotiating efforts, they did exchange

²⁵ Thrush G. (December 2, 2018), *Trump says he plans to withdraw from Nafta*, The New York Times <https://www.nytimes.com/2018/12/02/us/politics/trump-withdraw-nafta.html>

information and intelligence that resulted in an outcome that preserved the legacy of NAFTA.

Therefore, the Mexico-Canada bilateral relationship may be perceived as unfulfilled compared to what both countries could have with the United States. However, the trade negotiating experience says otherwise. Indeed, as the process of the USMCA started, Mexico and Canada joined forces together in what turned out to be the greatest challenge to the North American idea of integration.

Another lesson of the USMCA process is that, from the moment the Agreement entered into force, there will be a permanent challenge to keep the North American integration project evergreen. Article 34.7 of the USMCA establishes that the Agreement will be reviewed six years after it enters into force – in 2026.

The review process in 2026 will be a test for Mexico and Canada, along with their relevant stakeholders, including negotiators, businesspeople, legislators, unions, academia and other organizations. The biggest mistake that Mexico and Canada could make is assuming that the threat to trade and economic integration was just an accident and that it could not happen again. Ottawa and Mexico City must remember the significant risk both countries faced and, more importantly, the key factors that helped them successfully navigate those troubled waters. Permanently reviewing the state of the bilateral and regional trade relationship becomes crucial.

The USMCA does not represent an accidental trilateral agreement that came about by chance and by the desire of Washington. The USMCA represents the strategic view that Canada and Mexico imprinted on it, proving that the two countries are indeed closer than what can be perceived on the surface.

MEXICO AND CANADA: SUPPORTING SUPPLY CHAINS IN NORTH AMERICA

LUZ MARÍA DE LA MORA

Mexico and Canada share much more than a common neighbour -the U.S.- that nonetheless has been key in helping both countries to build a strong and substantive bilateral agenda. Since the 1990s, when the North American Free Trade Agreement (NAFTA) was implemented (1994), both countries have become closer as they have developed solid trade and investment links, where the US has been a key partner. Thanks to NAFTA and now to the Canada-US-Mexico Agreement (CUSMA or T-MEC in Spanish), Mexico and Canada have been central in enabling a successful North American integration and consolidating a productive North American region.

Mexico and Canada share common interests beyond the North American agenda. Mexico and Canada expanded their trade and investment relation in the Asia Pacific region through a regional trade agreement -the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)- when it became effective in 2018. In Latin America, Mexico and Canada also have established a privileged relationship through Pacific Alliance (PA); Canada became

an observer state in 2012 and later, in 2017, was invited to become an Associate State, a negotiation process that is still ongoing. Likewise, in the multilateral arena, Mexico and Canada have worked together in the Ottawa Group to push for the World Trade Organization (WTO) reform.

Evidently, the US has played a crucial role in pushing Canada and Mexico closer and knowing each other better. Thanks to the bridges built through the US, after more than three decades, Canada and Mexico recognize each other as crucial trade and investment partners in their own right. On the side of the 10th North American Leaders' Summit in Mexico City (January 10, 2023), President Andrés Manuel López Obrador and Prime Minister Justin Trudeau issued the Canada-Mexico Action Plan that laid out nine pillars, one of which focuses on trade and investment. Although it was conceived as a plan to deepen and promote the bilateral relation, it acknowledged that the Plan builds "on CUSMA/T-MEC as a foundation to create a more integrated North American community" to seize opportunities for economic cooperation and supply chain resiliency.

In the early 1990s, Mexico-Canada trade amounted to at most US \$ 2 billion. After three decades, Canada has become Mexico's fifth largest trading partner reaching more than US\$28.8 bn in 2022 and its third source of FDI with a stock of more than US\$50 billion concentrated in mining, banking, automotive and infrastructure with more than 4,300 companies with Canadian capital located mainly in five states throughout Mexico (Zacatecas, Mexico City, Chihuahua, Sinaloa and Coahuila). Likewise, for Canada, Mexico is its third largest trading partner, while Mexican investment in Canada between 2017-2021 amounted to more than US\$9 billion. NAFTA, and now CUSMA, created trade and investment opportunities that had not been explored before.

Since CUSMA became effective, Mexico and Canada have strengthened and deepened their ties and addressed issues of common interest, such as the US interpretation of CUSMA's automotive rules of origin. This led to a dispute settlement mechanism in which Canada and Mexico prevailed. In CUSMA, Canada and Mexico have also faced differences, for example, concerning Mexico's interpretation of energy provisions or market access for genetically modified organisms (GMOs); however, there have been substantive efforts to make sure that the agreement offers concrete benefits to supply chains in all productive sectors in the region across the board.

After the CUSMA negotiation, Mexico and Canada realized the need to deepen their dialogue and the bilateral relationship. Through the Canada-Mexico High-Level Economic Dialogue (HLED) launched, for the first time, in August 2022, both countries have worked to deepen their bilateral economic relationship. This HLED was conceived as "an opportunity for Canada and Mexico to discuss ways to strengthen trade, investment, inclusive economic growth, and competitiveness" from a bilateral perspective and focused on issues that may contribute to strengthening bridges in both directions. Under the leadership of Mexico's Ministry of Economy and Canada's Ministry of Small Business, Export Promotion and International Trade and the Ministry of Innovation, Science and Industry, the HLED identified three pillars where Canada and Mexico could work on strengthening our competitive advantage; supporting equitable growth and bilateral trade; and strengthening our investment climates.

Regarding pillar one on the competitive advantage, both Mexico and Canada have identified workforce development as an area of opportunity to further advance bilateral cooperation and a key element to ensure that supply chain nearshoring can flourish in the region. This may be done not only through

traditional academic exchanges but also by developing new mechanisms where both countries can work to develop the kind of talent industry requires in both countries and, more broadly in North America, in export-oriented sectors such as automotive, airspace, creative and digital industries, and clean technologies with the participation of the private sector and academia in both countries. This would also align with CUS-MA's Chapter 26 on competitiveness, which has focused its workforce development agenda in North America.

Pillar 1 also focuses on innovation, where Mexico needs to ensure an entrepreneurial environment conducive to generating the types of innovations and value-added that its production and export platform require. Canada can be an ideal partner to improve Mexico's qualifications in this area. For example, in the Global Innovation Index 2022, Canada ranked 15th, while Mexico placed way behind (58) among 132 economies. Canada can be a good partner for Mexico to promote innovation and technology development, as well as to strengthen its production base and so make it easier for Mexican firms and industry to be part of regional supply chains. Comparing registered patents in 2020, Canada issued 4,500 (indicator rank 31) while Mexico issued 1,100 (indicator rank 77), 25% of Canada's total. When analyzing their cultural and creative services export performance, Canada ranks 17 while Mexico ranks 112. These indicators give us an idea of where Canada can support Mexico in moving forward on innovation and thus in improving its competitiveness and that of the region's.

Developing a Mexico – Canada innovation agenda could help to bring both countries closer. Such an agenda could build on sectors such as e-commerce and the digital economy, agriculture, automotive and electromobility, textiles, airspace, AI, health, and renewable energies.

Regarding pillar 2, supporting equitable growth and bilateral trade, work focuses on promoting Small and Medium-Sized Enterprises (SMEs) as well as the inclusion of women-owned businesses, youth, and underrepresented groups. Mexico and Canada believe in building a more inclusive region where more people and firms can benefit from the opportunities that CUSMA, and more broadly, international trade, can offer. Both Canada and Mexico have SMEs as the backbone of their economic activity. By the end of 2021, SMEs represented 97.9% of all firms in Canada and 99.8% in Mexico. Canada's entrepreneurial ecosystem is based on solid policies and entrepreneurial programs. Mexico could draw lessons on best practices to support further SMEs that can participate in regional supply chains. In 2022 Canada ranked 13, while Mexico ranked 18 among 49 economies analyzed in the Global Entrepreneurship Monitor 2022/2023 Global Report. Specifically, in 2022, the percentage of adults in Mexico starting or running their own business was 13% compared to 16.5% in Canada. The share of adults running an established business was only 1.6% in Mexico compared to 6.2% in Canada.

Inclusive trade is vital to ensuring that trade benefits society across the board. Regarding women's participation in trade and the economy, in October 2021, Mexico joined Canada, Chile and New Zealand as member of the Inclusive Trade Action Group (ITAG) and Global Trade and Gender Arrangement (GTAGA). To enable this inclusive trade, Canada and Mexico have implemented e-business rounds that allowed Mexican businesswomen, entrepreneurs and women-owned companies with buyers in the U.S., Canada and some CPTPP markets like Australia and New Zealand. These business encounters have been a way of training women to participate in trade, offering information and explaining procedures they

must comply with to participate in international trade and supply chains successfully.

Pillar 3 aims to strengthen our investment climates and ensure that Canadian and Mexican firms have access to a business environment of certainty and the rule of law so that businesses can grow and supply chains can work smoothly in the region. This requires that CUSMA is fully implemented and that domestic legislation aligns with CUSMA commitments.

The Mexico-Canada HLED can and should benefit from private-sector involvement. After the HLED was launched in September 2022, private sector representatives from both countries established the “Canada-Mexico Business Summit – an annual forum to increase bilateral trade and investment.” This Summit gathers the Business Council of Canada and the Consejo Mexicano de Negocios as the private sector counterpart to the Canada-Mexico HLED. A business dialogue along with a private sector dialogue may help to further promote and deepen trade and investment between both countries as it is meant to offer recommendations to governments on specific areas.

The Mexico-Canada bilateral relation reveals common goals focused on strengthening supply chains and competitiveness, where both play a key role in North America and in creating better living conditions, reducing inequalities, and creating well-paid jobs. Trade and investment integration since the 1990s have allowed Mexico and Canada to build strong bilateral ties that also show in their interactions in North America, CPTPP, Pacific Alliance and WTO. Through new initiatives such as the HLED or the Canada-Mexico Action Plan, Canada and Mexico have a substantive agenda to move forward and ensure that the relocation of supply chains benefits our countries.

FRAMING A NORTH AMERICAN ENERGY SECURITY STRATEGY

JOSEPH CALNAN AND KELLY OGLE

Not since the energy crises of the 1970s has energy insecurity been more evident in North America.

Since the beginning of the 21st century, the most important story in global energy has been the development of horizontal drilling and multi-stage fracking, which unlocked enormous quantities of oil and natural gas in North America. This made the continent a net exporter of both petroleum and natural gas for the first time in decades.

However, the war in Ukraine is serving as a stark reminder of why energy is dominated by geopolitics. As Russian tanks rolled into Kherson and global oil prices spiked in March 2022, OPEC exercised its control over global oil supply by refusing to increase oil production beyond previously announced levels.¹

The Canadian Global Affairs Institute defines energy security as the provision of reliable and affordable energy

¹ Person, & Maha El Dahan, A. G. (2022, March 2). *OPEC+ swerves Ukraine crisis and sticks to oil output plans*. Reuters. <https://www.reuters.com/business/energy/opec-seen-sticking-modest-output-rises-despite-oil-rally-2022-03-02/>

through environmentally and economically sustainable methods. These components of energy security must be balanced against each other within a functional energy system. The relative balance is a political choice, and when there are limited energy resources available, the tradeoffs can be severe.

The situation in 2022 demonstrates that despite the strong energy industries of Canada, the United States, and Mexico, the affordability and economic sustainability of energy in North America is not guaranteed. While North America has been insulated to a certain extent from extreme energy prices in Europe, the impacts of the war in Ukraine and the resulting sanctions on Russia have been felt deeply in North America. Rising oil prices compounded with refinery shortages to drive up the price of refined fuels, driving inflation and economic pain in Canada, Mexico, and the United States^{2,3,4}. In addition, LNG exports from the Gulf of Mexico allowed European natural gas insecurity to reach homes and industries in North America through high prices.

Unfortunately, the war in Ukraine is just the first of many crises of the 21st century. Economic historian Adam Tooze recently popularized the term “polycrisis”, a situation where simultaneous crises combine in unpredictable ways

² Chen, Y., & Trevor Tombe. (2023, January 23). *The rise (and fall?) of inflation in Canada: A detailed analysis of its post-pandemic experience*. Trevor Tombe. <https://www.trevortombe.com/publication/inflation/>

³ Mje. (2022, May 2). *The link between gas prices and presidential approval ratings*. Michigan Journal of Economics. <https://sites.lsa.umich.edu/mje/2022/05/02/the-link-between-gas-prices-and-presidential-approval-ratings/>

⁴ Barrett, P. (2022, September 12). *How food and energy are driving the global inflation surge*. IMF <https://www.imf.org/en/Blogs/Articles/2022/09/09/cotw-how-food-and-energy-are-driving-the-global-inflation-surge>

to produce even more unpredictable effects⁵. Megatrends behind the current polycrisis include great power competition between China and the United States, the many deleterious effects of climate change, the development of dangerous black box technologies such as AI, and the continued threat of nuclear proliferation.

North America's energy systems are well positioned for these crises, but greater political and regulatory alignment across north-south borders is required to boost energy integration and resilience in the face of these multifaceted challenges. As growing geopolitical risks incentivize regional trade blocks, Canada and Mexico can use their shared interests in energy to establish a secure North American energy system with free movement of electricity, oil, and natural gas. However, both countries will need to overcome political obstacles and American reticence to accomplish this.

THE CURRENT STATE OF PLAY FOR CANADA AND MEXICO IN NORTH AMERICAN ENERGY

Compared with regions such as Europe and Asia, North America's geology and geography provide massive energy resources from hydrocarbons (coal, oil, natural gas) and clean electricity from nuclear, hydropower and renewables.

Mexico and Canada are not close trade partners of oil, natural gas, coal, or electricity. For the most part, the energy trade relationship between Canada and Mexico has been centred on competition for market share in the United States.

⁵ This is why "polycrisis" is a useful way of looking at the World Right Now. World Economic Forum. (n.d.). <https://www.weforum.org/agenda/2023/03/polycrisis-adam-tooze-historian-explains/>

Both countries maintain deep ties with the United States in trade of oil, natural gas, and electricity.

The statistics show how important trade is to North American energy security. Canada and Mexico are the two largest suppliers of foreign crude oil into the United States. In 2022, Canada provided 3.8 million barrels per day, and Mexico provided 640 thousand barrels per day to the United States. Canadian crude oil is essential for the energy security of the American Midwest and Rockies regions, and Mexican crude oil makes up a large component of the slate processed in the refineries of the US Gulf Coast^{6,7}.

Canada and Mexico are also the two largest destinations for American refined fuel exports. American refined products feed the economy of Eastern Canada as well as Mexico's rapidly growing industrial and transport sectors. The market for natural gas in North America is also integrated. Around half of the natural gas produced in Western Canada is exported to the United States. Mexico, meanwhile, imports natural gas from the United States for industry and electrical generation.

Table 1 shows the extent of energy trade across borders in North America. Thousands of terawatt hours of energy cross North American borders, supporting industrial and household energy demand across the continent.

⁶ Assessing America's Appetite for Canada's crude: A look at Canadian crude usage by U.S. refineries. Oil Sands Magazine. <https://www.oilsandsmagazine.com/market-insights/american-appetite-canadian-crude-usage-us-refineries>

⁷ Kalt, A. (2022, November 16). *It ain't heavy, it's my maya - impact of changes to the Mexican Heavy Crude Benchmark*. RBN Energy. <https://rbnenergy.com/it-aint-heavy-its-my-maya-impact-of-changes-to-the-mexican-heavy-crude-benchmark>

Table 1. 2022 Canada-Mexico-USA
Energy Trade

	Crude Oil Volume (million bbl)	Petroleum Products Volume (million bbl)	Natural Gas Volume (mcf)	Crude Oil Energy Content (GWh)	Petroleum Products Energy Content (GWh)	Natural Gas Energy Content (GWh)	Electricity Volume (GWh)
Mexico to USA	232.4	62.1	1,064	579,780	91,784	149	–
USA to Mexico	0	425.7	152,318	0	629,185	21,605	–
Canada to USA	1,384.9	204.2	2,997,452	2,354,330	281,388	419,643	65,200
USA to Canada	121.4	184.1	94,530	206,380	253,690	13,234	14,100

Data from EIA; CER

Energy content assumptions

Crude oil: 1,700 kWh per barrel

Petroleum products, Canada (assuming 50% NGL [propane], 20% gasoline, 20% diesel, 10% kerosene): 1,378 kWh per barrel

Petroleum products, Mexico (assuming 50% gasoline, 25% diesel, 25% NGL [propane]): 1,478 kWh per barrel

Natural gas: 140,000 kWh per million cubic feet

While Canada and Mexico are not closely tied on energy trade due to geography, there are significant energy business relationships between the two countries. According to Canada's Minister of Small Business, Export Promotion and International Trade Mary Ng, Canadian energy investments in Mexico totaled nearly \$13 billion in 2021. In 2022, Canada's TC Energy and Mexico's Comisión Federal de Electricidad (CFE) entered a strategic alliance to build the \$4.5 billion Southeast Gateway Pipeline, meant to connect Central and Southern Mexico with supplies of offshore natural gas from the Gulf of Mexico. Canada's second-largest pension fund,

Caisse de Dépôt et Placement du Québec, is a major player in Mexico's renewables sector, with over 1.7 GW of renewable capacity in the country.

The benefits of North American energy integration are self-evident. Without access to energy from the United States, it is unlikely that declining Mexican energy production would have been able to sustain the industrial buildout which followed the introduction of NAFTA and its successor, the USMCA^{8,9}.

Canada has benefitted strongly from cross-border energy trade as well. The integrated Canada-America lakehead pipeline system is a demonstration of the interconnection between the two countries on energy and industry in the Great Lakes region. Enbridge's Mainline system, including the Lakehead Pipeline system in the United States, allowed for the connection of Western Canadian oil supplies to the important industrial centres in the Great Lakes such as Chicago, Detroit, Sarnia, and in the Greater Toronto Area in the second half of the 20th century.

Sustaining Mexican and Canadian industrial growth with American "friendshoring"¹⁰ policies will require a continued emphasis on North American energy integration to ensure reliability and economic sustainability. This is especially true as North America moves toward greater electrification of household, industrial, and transportation energy use. The electricity supply challenges faced by ERCOT in Texas show the risks of isolated power grids¹¹. The table on

⁸ U.S. Energy Information Administration - EIA - Independent Statistics and Analysis

⁹ Made in Mexico: Energy Reform and Manufacturing Growth; by Jorge Alvarez and Fabián Valencia; IMF Working Paper No. 15/45; February 1, 2015

¹⁰ What Is 'Friendshoring'? - The New York Times ([nytimes.com](https://www.nytimes.com))

¹¹ Understanding Texas' energy grid failure | Harvard Kennedy School

the previous page shows the relative scale of electricity versus natural gas and oil trade in North America. The cross-border trade of electricity in North America is a few orders of magnitude smaller than the trade of petroleum and natural gas on an energy basis. Encouraging grid interconnections can be an enormous help to diversify the sources of energy that any one country can draw from.

CLIMATE CHANGE AND NORTH AMERICAN ENERGY POLICY

Other trends such as the risk of conflict with China have significant effects on energy security, but the largest single factor shaping energy policy around the world is climate change. Climate change has two effects on the security of energy supply. The direct effect is the impact on weather such as wind patterns, rainfall, and extreme weather events such as hurricanes.

The effect changes in weather on energy security has been seen worldwide, with the most visible impact seen in hydroelectricity. Recent droughts linked to climate change in Europe, China, the United States, and South America have raised security of supply risks, forcing countries to rely on fossil fuels to replace the normally reliable and dispatchable hydroelectric power. But climate risks are not limited to hydro. Hurricanes disrupt offshore and onshore energy infrastructure, power lines are affected by the risk of wildfires, nuclear power plants are unable to cool their reactors effectively with warmer water¹², so on and so forth.

The other impact of climate change on energy security is social and political. The perception of climate change as an

¹² EDF cuts output at nuclear power plants as French rivers get too warm | Energy industry | The Guardian

existential threat dramatically raises the stakes of debate over individual pieces of energy infrastructure. This often undermines regional energy security, such as in New England in the United States¹³. But responses to climate change have also brought forward the development of alternative energy technologies such as wind, solar, geothermal, and nuclear. Each technology has a niche which can strengthen North American energy security, alongside a significant share of natural gas in the coming decades.

But these new clean technologies which are expected to form the backbone of our energy systems into the future all share one important feature: they are all primarily sources of electrical energy, as opposed to hydrocarbon fuels, which are physical stores of chemical energy. Electrical energy has a major drawback in that it must be used immediately after it is produced, requiring an extensive transmission network to bring this energy from generation facilities to end users.

FOLLOWING THE EXAMPLE OF EUROPE ON ENERGY MARKET LIBERALIZATION AND INTEGRATION

The requirements of future energy systems highlight two important pieces for the advent of long-term North American energy security: diversification through integration, and regional trade alignment.

Diversification through integration is done by increasing the physical integration of North American energy infrastructure to allow different regions of North America to shift energy from where it is produced to where it is needed. The changes brought about by climate change, electrification, nearshoring of industry, renewables, and cyberattacks will

¹³ New England Risks Winter Blackouts as Gas Supplies Tighten - WSJ

require the flexibility provided by a deeply integrated North American energy system.

Regional trade alignment means the political backing for equal treatment of energy across North America. In order to overcome infrastructure constraints and ensure the success of reindustrialization through nearshoring, political alignment for opening North American energy markets to integration must be established. This does not only include political alignment on the national level, but on the sub-national level as well.

A framework for how this could be done is the European Union's work to harmonize and liberalize the EU's internal energy market. Starting in 1996, the European Union has adopted a series of measures in the natural gas and electricity market to address market access, improve transparency and regulation, ensure consumer protection, support inter-connection, and secure adequate levels of supply.

While Europe is often derided for their energy policies¹⁴, there is a strong argument that the EU's harmonization and liberalization policies have prevented a worse energy crisis from taking place following the Russian invasion of Ukraine. Since the months before the invasion, Russia has used selective natural gas and oil curtailment policies in an attempt to divide European countries. For example, in April 2022, Russia cut off natural gas exports to deeply pro-Ukraine Poland through the Yamal-Europe pipeline while maintaining flows through the Nord Stream pipeline to neighboring Germany¹⁵.

¹⁴ In Europe's Energy Crisis, Ideology Trumps Basic Math (foreignpolicy.com)

¹⁵ Ukraine war: Russia halts gas exports to Poland and Bulgaria - BBC News

In a less integrated energy system, Germany may have been incentivized to hoard its supply of Russian natural gas at Poland's expense. But instead, European energy companies immediately diverted German natural gas supplies to meet Poland's needs¹⁶. Similar stories appear across Europe, where the full impact of Russia's use of energy as a weapon is blunted by European Union solidarity and cooperation.

Building on the USMCA and Inflation Reduction Act framework, Canada and Mexico can work together to lobby the United States for a similar system in North America to provide energy security for decades into the future.

This will not be a short project. The EU's Internal Energy Market initiative will soon be entering its third decade and has involved enormous amounts of political wrangling in the process. The primary tradeoff of the European Union single market policy is its effect on sovereignty over energy markets. In order to establish a single integrated market, the countries of the European Union were required to relinquish much of their control over domestic energy, including government monopolies, state subsidies, and many regulatory powers. The fact that states relinquished these powers for the common good is in fact what makes it an effective tool for energy security, but this requires a great deal of trust among the partners.

The United States has historically objected to perceived violations of its sovereignty. However, as trusted trade partners with many years of cooperation, Mexico and Canada can work together to convince the United States of the logic in overcoming its internal political obstacles in order to embrace integration and trade alignment.

¹⁶ Eastward gas flows via Yamal-Europe halted as Polish storage fills -data | Reuters

RECOMMENDATIONS ON OVERCOMING POLITICAL OBSTACLES

However, Canada and Mexico also have internal political obstacles to overcome to enable their own integration into a broader North American system.

In Canada, Provincial governments should look to liberalize their electricity markets to enhance the trade of electricity between provinces. Efforts must be made to resolve the long-running dispute between Alberta and British Columbia on electricity trade¹⁷, with British Columbia pursuing a path to greater liberalization. Across Canada, liberalization of electricity markets will enable more inter-connection between provinces, as market forces drive investments in the necessary infrastructure, reducing the carbon footprint of the grid and improving security of supply in the process. By taking steps to improve fairness in electricity trade among the provinces, Canada can make a strong argument that it will be fair when pursuing energy integration with North America.

In Mexico, the Federal Government must reverse its stance on nationalization of the energy industry. The current administration in Mexico strongly favours Mexican state-owned energy companies over Canadian and American energy companies. The erosion of trust between our countries will make it more difficult to pursue a regional energy security strategy.

Mexico's discrimination against US and Canadian companies on energy has already had consequences. Concerns about energy nationalization in Mexico have dramatically

¹⁷ Alberta government suspends electricity talks with B.C. in response to proposed ban on increased bitumen shipments | Globalnews.ca

reduced foreign investment in energy, including renewables, and have prompted the United States and Canada to trigger the dispute resolution clause of the USMCA. If Mexico continues to ignore calls to discuss this issue, then the trust that underlines future energy trade and nearshoring may be damaged. Resolving these issues should be top of the agenda when Mexico's Economy Minister Raquel Buenrostro visits Canada in June 2023.

CONCLUSION

Winston Churchill once said that energy security lies in “variety and variety alone”. The events of 2022 show that the concept of pure self-sufficiency on energy is a mirage. Events happening across the world can affect domestic energy prices due to globalization, even in energy exporting countries like the United States, Canada, and Mexico.

Unexpected events can also undermine energy security even in energy systems designed for resiliency. These events can be caused by local climate impacts, cyber attacks, or even engineering mistakes. For example, France's nuclear fleet has been crippled by the discovery of defects in the reactors¹⁸. Without access to the larger European power grid, France would not have been able to meet domestic electricity demand.

Regional energy initiatives like the European internal energy market provide the greatest buffer for both global and local shocks, allowing members to depend on each other in acute crises, and use their solidarity to engage with global energy security issues. With such a regional

¹⁸ Fixing EDF's reactors corrosion mystery to take several years, French regulator warns | Reuters

agreement built upon the USMCA and the Inflation Reduction Act, and spearheaded by the strong Canada-Mexico relationship, North America would forge a secure energy system to manage the global megatrends of climate impacts, geopolitical competition with China, and technological change.

DEEPENING ENERGY RELATIONS THROUGH SHARED SOCIAL VALUES

LOURDES MELGAR AND KATYA PUGA

Profound global geopolitical and geostrategic redefinitions are compelling North America to accelerate the pace to become a groundbreaker in the transition to a low-carbon economy, a powerhouse of clean technologies innovation, and a manufacturing hub of strategic goods and services for a more secure and sustainable region.

Achieving the full energy potential of North America would redefine the balance of power that has shaped international energy relations for over half a century and provide opportunities to address urgent matters such as growing economic inequality, migration, sustainability, and security concerns. An energy-secure North America can bring about a positive development cycle and prosperity. Supported by the transformation of energy systems, the prospects for the region look promising.

Indeed, with its vast natural resources, infrastructure base, and committed investments to boost resilience, North America can become a major energy hub within the next decade. The wide availability of low-cost energy from diverse sources would enhance North America's

competitiveness, fostering job creation and economic and social development.

Despite signing the Canada-United States-Mexico Agreement (CUSMA), President Lopez Obrador has taken political stands and promoted policies that undermine the alliance and put at risk the likelihood of materializing the potential of a vibrant and secure North America. Energy is, perhaps, the most impacted strategic sector. A dispute is underway for alleged violations under CUSMA, as the Mexican government implemented energy policies and regulations that hinder Canadian and U.S. investments. Yet, the golden opportunity of nearshoring for Mexico and the necessity of the United States and Canada to fully integrate Mexico as an ally and partner in the structural redefinition of the regional economy brought about pragmatism and the willingness to build together.

The 2023 North American Leaders' Summit may mark a realignment in the trading partners' relationship. Setting aside the ongoing energy dispute under CUSMA, the Heads of State and Government met in an atmosphere of friendship and respect. They agreed on an ambitious cooperation agenda to foster North American integration, prosperity, and social justice.

In this context of the economic foundations' redefinition and power relations, strengthening the bilateral relationship between Canada and Mexico is essential to foster shared values and priorities urgently needed to enable the transformation of energy systems with social and environmental justice.

In this paper, we argue that the bilateral cooperation agenda on energy issues should be enhanced by working together to shape innovative approaches to include communities as full partners, particularly indigenous peoples, in designing and implementing an accelerated energy

transition aligned with the requirements of the fourth industrial revolution.

First, we look at the state of the bilateral relationship on energy issues. Then, we assess the Canadian experience in advancing indigenous peoples' rights in implementing energy projects. Finally, we offer a blueprint to deepen bilateral energy relations, shifting the focus from the traditional agenda to putting people first, an essential precondition for accelerating North America's energy transformation.

THE CURRENT STATE OF CANADIAN MEXICAN ENERGY RELATIONS

Since the turn of the century, Canadian Mexican energy relations have gone through periods of strong cooperation, both at the bilateral and trilateral levels, followed by quiet distancing at the Federal level, maintaining bridges mainly through Alberta on hydrocarbons and Quebec on electricity. Prior to the 2013 Mexican Energy Reform, which created competitive energy markets, the bilateral relation was at an impasse, and Canada seemed to exclude Mexico from its vision of North America.¹

All changed with the opening of Mexico's energy industry. During the Peña Nieto administration, bilateral relations on energy issues became robust. The traditional agenda was reinvigorated and expanded. Canadian best practices were a referent for policymakers, particularly on regulatory matters, energy efficiency, climate and environmental issues. A strong capacity-building program was established to train, at the

¹ For an assessment of Canadian Mexican energy relations prior to 2013, see Melgar, Lourdes (2012), *Expanding Energy Cooperation in Canada and Mexico's Unfinished Agenda*, Ed. Alex Bugailiskis and Andrés Rozenal. Montreal: McGill-Queen's University Press.

technical and university level, workers for the hydrocarbons industry. Canadian companies expanded their participation in Mexico's energy sector, investing 13 billion Canadian dollars in energy infrastructure, mostly natural gas pipelines and renewable energies. Canadian companies developed two landmark projects: the marine pipeline of TC Energy and Ienova and the PV solar project of Cubico Sustainable Investments, partially owned by the Ontario Teacher's Pension Plan.

The presidency of Lopez Obrador marks a turning point as the Mexican government redefined energy policy, promoting fossil fuels, distorting the electricity market, blocking the deployment of renewable energies, and undermining private participation. Initially, government actions led to renegotiations of gas pipeline transportation contracts, as in the case of Comisión Federal de Electricidad and TC Energy. However, by June 2021, they resulted in consultations under CUSMA.

Canada and the United States advanced similar arguments on new policies and regulations' impact on existing investments in the power sector. Yet, the stakes differ, particularly in renewables, as most of the 5 billion Canadian dollars invested in wind and solar plants come from pension funds.

Energy was not included as a topic at the North American Leaders' Summit or addressed in the Canada-Mexico Action Plan. Yet, President Lopez Obrador announced that as a result of his conversations with Prime Minister Trudeau, he met with four Canadian companies, including the Caisse de Dépôt et de Placement du Quebec, owner of eight solar and wind plants, and resolved their concerns.² At the end of his

² Carrillo, E. (2023, January 19). Amlo Zanja Inconformidades de Empresas canadienses con política eléctrica. *Forbes México*. <https://www.forbes.com.mx/amlo-zanja-inconformidades-de-empresas-canadienses-con-politica-electrica/>

trip to Mexico, Prime Minister Trudeau summed up Canada's vision for the region:

Canada's partnership with the United States and Mexico advances Canadian priorities, including building a clean economy, bolstering resilient supply chains, and building our economies to work for everyone.³

Mexico is seen and needed as a full partner. Canada and Mexico can work together to imagine and design the new social compact required to support the profound transformation of the economy underway. The fact that indigenous peoples and social justice are the first topics addressed in the Canada-Mexico Action Plan is a guiding light pointing to an opportunity to innovate and deepen bilateral energy relations.

Ambitious energy transition goals have not fully foreseen opportunities that ground-breaking models of meaningful community participation can underpin. People-centred approaches have been increasingly recognized as crucial to achieving significant transformations in energy systems. However, such approaches have mainly focused on the distribution of risks, benefits, and costs and on procedural aspects in which communities are seen primarily as interested parties.

The energy transition requires a shared vision between governments, the private sector, and the communities on the foundations of a transformative path in which the latter take greater control and stewardship over their territories, natural resources, and development. A comprehensive understanding of energy justice's distributive, procedural

³ Prime Minister advances economic growth and trade ties at North American Leaders' Summit. Government of Canada. <https://pm.gc.ca/en/news/news-releases/2023/01/11/prime-minister-advances-economic-growth-and-trade-ties-north-american>

and recognition dimensions is imperative to challenge power asymmetries in energy decision-making and acknowledge the strategic energy-related objectives and interests of the communities as rights-holders.

CANADA'S EXPERIENCE ON INDIGENOUS PARTICIPATION IN THE CLEAN ENERGY SECTOR

The bilateral relationship would greatly benefit from working together on this evolving paradigm, particularly regarding the way indigenous people can drive the energy transition in their lands and territories, sustained by the premise of their right to self-determination.

Canada has been conceiving cutting-edge economic models to move away from transactional schemes (impact-benefit agreements, one-time payments and/or royalties) between indigenous communities and private energy developers. Such exploration has resulted in economic partnerships in which the indigenous communities have some ownership and more considerable decision-making powers along the projects' cycle.

Already Canada's 2030 Emissions Reduction Plan (2022) provides the roadmap to reach reduction targets of 40% by 2030 and net-zero emissions by 2050, including community-based strategies. The plan foresees the participation of indigenous communities in "co-management regimes for natural resources and major infrastructure projects".

The rise of equity partnerships with indigenous communities has been substantial, with nearly 20 GW of estimated installed capacity under this scheme. According to Lumos, by 2018, over 150 medium-large scale renewable energy projects were developed with indigenous communities as

partners and 60 more are expected by 2024.⁴ In these projects, indigenous peoples hold, on average, 25% of ownership, with cases of full ownership or up to 50% equity stake.⁵ Through this scheme, the return on investment will total 160 million Canadian dollars, and by 2030, indigenous communities' investments will generate nearly 2.5 billion Canadian dollars in profit.

Equity partnerships represent an outstanding example of how to entwine energy transition with social justice. For many communities in Canada, partnerships represent clear opportunities for their social and economic development and a pathway for the full recognition of their rights over their territory and resources.

BLUEPRINT TO TRANSFORM CANADIAN MEXICAN ENERGY RELATIONS

Accomplishing a burgeoning renewable energy industry requires creative approaches that have not been previously explored within bilateral and regional cooperation, especially those aiming at acknowledging communities' interests and objectives regarding their lands, territories, and resources.

⁴ For an overview of the Canadian experience on indigenous participation in energy-related projects, see the report "Powering Reconciliation. A survey of Indigenous Participation in Canada's Growing Clean Energy Economy", available at: <https://indigenouscleanenergy.com/wp-content/uploads/2022/06/Powering-Reconciliation-A-Survey-of-Indigenous-Participation-in-Canadas-Growing-Clean-Energy-Economy.pdf>

⁵ In addition to equity partnerships, the Canadian experience also shows promising footpaths for distributed renewable generation in remote indigenous communities. Almost 1200 small-scale projects have been developed with the meaningful participation of indigenous communities, ensuring their security and energy independence while moving away from fossil fuels.

Canada and Mexico share the major challenge of overcoming communities' historical exclusion and discrimination in energy development. The bilateral agenda could foster much-needed dialogues based on trust and respect that acknowledge and value the uniqueness of communities to find lasting and sustainable solutions for the energy transition.

Initial lessons show a promising pathway to rethink conventional financing and development schemes in renewable energy deployment. Powering the energy transition through meaningful participation can become central to the Canadian Mexican energy agenda. Based on the successful Canadian experience, an initial agenda should include the following:

1. Knowledge exchange between Canadian and Mexican indigenous communities.
2. Capacity building to strengthen indigenous peoples' financial and technical skills.
3. Access to funding mechanisms to support and increase indigenous investments.
4. Training programs to increase indigenous-led distributed generation.
5. Policies and regulations to enable indigenous partnerships.
6. Electricity market terms and conditions to prioritize indigenous-led projects.
7. Strategic mechanisms to increase indigenous participation in the supply chains.
8. Assessment of meaningful participation schemes for the critical minerals agenda.
9. Bilateral dialogues to promote a North American regional strategy on the energy transition social dimensions.

10. Implementation in Mexico by Canadian companies of partnership schemes that have proven to respect indigenous peoples' rights better in Canada.

Building a clean economy, strengthening resilient supply chains, and fostering inclusive models shape Mexico and Canada's strategic priorities. The transformation of the energy sector in both countries can be the cornerstone of a sustainable, prosperous and secure North America. Such transformation can only be realized to the extent that it is recognized that those who are owners, possessors or custodians of the land and natural resources must be equal partners in the search for sustainable, lasting solutions. Establishing this principle as core to redefining the bilateral relation on energy issues can lead to a rich agenda with rippling effects in the structural redefinition of the economy and the social compact beyond the realm of Mexican Canadian relations.

CANADA AND MEXICO: A JOINT PERSPECTIVE ON INTELLECTUAL PROPERTY AND INNOVATION

FERNANDO PORTUGAL PESCADOR

This publication emphasizes the necessity of capitalizing on the benefits of the Canada-United States-Mexico Agreement (CUSMA) and regional integration. The areas of innovation and intellectual property should not be the exception. Nowadays, to say that innovation is a pivotal catalyst for the economy is becoming commonplace, and Canada and Mexico exhibit mixed outcomes in this domain.

According to the Global Innovation Index (GII)¹, Canada is the fifteenth most innovative country worldwide. At the same time, Mexico is in the fifty-eighth position, the third in Latin America. Although Canada's position is noteworthy, it is lower than that of the United States, ranked as the most innovative country globally, except for Switzerland.

¹ World Intellectual Property Organization (WIPO) (2022). *Global Innovation Index 2022: What is the future of innovation-driven growth?* Geneva: WIPO. DOI 10.34667/tind.46596 https://www.wipo.int/global_innovation_index/en/2022/

Canada's strengths are associated with its strong connections between academia and industry, enabling it to achieve a sixth-place global ranking in this respect. Conversely, while Mexico lags in the overall assessment, particular aspects demonstrate that the Mexican economy may depend more than the Canadian economy on innovation and the production of high-value-added goods in international trade. Since the WIPO launched the GII annually, Mexico has remained among the top ten countries with a higher proportion of high-tech goods in their foreign trade. At the same time, Canada ranks thirty-first, with 6.2% of its exports comprising high-tech goods.

It is noteworthy that Mexico holds an advantage over Canada in exporting cultural products, comprising 11.9% of its exports, while Canada only accounts for 0.8% of its total foreign trade volume, ranking forty-ninth in the GII.

However, both countries exhibit relative weaknesses regarding the proportion of patents filed by nationals. Canada ranks thirty-first in the global ranking, while Mexico is ranked seventy-seventh. While Mexico's case is more dramatic, it may be related to limited interaction between academia and the industrial sector. It is critical to underscore that an appropriate patent ecosystem must incorporate other components in addition to the interaction between researchers and market demands.

Mexico's intensive export activity in high-tech goods and low national patent activity suggest that the country's manufacturing industry significantly benefits from innovations developed abroad.

It is worth noting that evaluations by the Global Innovation Index measure the long-term effects of public policies, indicating that ratings are unlikely to change significantly in the immediate future.

CPTPP AND CUSMA: A COMMON FRAMEWORK FOR INTELLECTUAL PROPERTY IN CANADA AND MEXICO

Mexico and Canada have entered into two highly sophisticated international treaties concerning intellectual property, allowing for harmonizing their legal systems, specifically regarding non-traditional trademarks and the recognition of geographical indications.

Mexico and Canada entered negotiations for the Trans-Pacific Partnership (TPP) in 2012, considered the most advanced free trade agreement regarding intellectual property to modernize their legal framework. However, negotiations were not exempt from controversy.

The TPP covered several intellectual property topics, such as the protection of pharmaceutical innovation, the notice-and-takedown mechanism, the recognition of geographical indications, and granting of non-traditional trademarks. The agreement, concluded in 2015, was not submitted to the U.S. Congress for approval after the United States withdrew from the process.

Canada, Mexico, and the other nine countries continued negotiations and made some adaptations to the treaty, especially in areas where the United States had shown priority interest. Eventually, they signed the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP).

Meanwhile, Mexico and Canada also returned to negotiate with the United States to modernize their trilateral agreement, NAFTA. Although many topics emerged during this process, the Intellectual Property Chapter was practically based on the TPP's agreement, with some specific changes reflecting positions that the United States had conceded during the TPP negotiation.

The negotiations for the new agreement, the CUSMA, concluded in 2018, and they signed it in Buenos Aires on November 30 of that year. However, towards the end of the following year, the Democratic Party demanded certain changes to approve the agreement, removing several figures of protection for intellectual property that had also been suspended in the CPTPP.

GEOGRAPHICAL INDICATIONS

During the TPP negotiations, Mexico and Canada (as well as Japan) were in a similar position regarding negotiations with third countries. Both countries had a primary interest in safeguarding the recognition of geographical indications for their products and those of third countries.

That was particularly important for Canada, which was in the final stages of concluding its free trade agreement with the European Union, and for Mexico, which was taking the first steps to modernize its free trade agreement².

The only aspect of the TPP (and subsequently, the CUSMA) in which the United States sought to relax

² According to the WIPO A geographical indication (GI) is a sign used on products that have a specific geographical origin and possess qualities or a reputation that are due to that origin. In order to function as a GI, a sign must identify a product as originating in a given place. In addition, the qualities, characteristics or reputation of the product should be essentially due to the place of origin. Since the qualities depend on the geographical place of production, there is a clear link between the product and its original place of production. A geographical indication right enables those who have the right to use the indication to prevent its use by a third party whose product does not conform to the applicable standards. For example, in the jurisdictions in which the Darjeeling geographical indication is protected, producers of Darjeeling tea can exclude use of the term "Darjeeling" for tea not grown in their tea gardens or not produced according to the standards set out in the code of practice for the geographical indication

intellectual property standards was in the area of geographical indications. Historically, the United States has been opposed to recognizing this legal concept. Still, for the European Union, it is one of their priority offensive interests in the various free trade agreements they promote with different trading partners.

The recognition of geographical indications in the Canada-European Union free trade agreement (CETA) was achieved through public consultations and extensive interaction with the private sector. The latter resulted in a differentiated scope of protection according to the prior use of the different terms that constituted the geographical indications.

When Mexico began negotiations with the European Union to modernize their respective free trade agreement, they followed a similar scheme to Canada's to include geographical indications. Through a notice, the terms and products the European Union sought to protect as geographical indications were published to determine if they were already considered generic or used by someone with a commercial presence in the national territory³.

Mexico and Canada followed very similar public consultation processes as those established in the CTPP and CUSMA, even though neither treaty had entered into force. In this particular aspect, the network of treaties linking the two countries, along with a public policy interest in recognizing geographical indications (including those of third countries), has resulted in a convergence in the legal regimes of Mexico and Canada. Both countries were among the leading advocates in the TPP for allowing these forms of recognition. Negotiators established an intermediate scheme between the

³ Mexican Government (2017). *Notice announcing and submitting for consultation the geographical indications*. Official Gazette. <https://www.gob.mx/cms/uploads/attachment/file/253199/AV82.pdf>

U.S. system (which seeks to limit the existence of geographical indications) and the European system.

The Federal Law on Protection of Industrial Property in Mexico and Canadian legislation share a common system that includes public consultation. Interested parties can oppose the recognition of a term as a geographical indication (G.I.) if they believe the term is generic or if it may cause confusion with a pending trademark application filed in good faith.

Furthermore, Canada has implemented public policies on G.I.s to support Indigenous communities' social and economic development. The Canadian government recognizes that G.I.s can play a significant role in preserving and promoting the unique cultural heritage of Indigenous communities. As such, it has taken steps to facilitate protecting and commercializing Indigenous G.I.s.

One example of a public policy initiative aimed at supporting Indigenous G.I.s is the Canadian government's Indigenous Growth Fund, established in 2021 aimed to provide financial support to Indigenous entrepreneurs and businesses. The fund includes specific provisions for supporting Indigenous G.I.s, such as providing funding for research and development of G.I.s and supporting marketing efforts to promote Indigenous G.I.s.

The Canadian Intellectual Property Office (CIPO) has also established a program to support Indigenous communities in registering G.I.s. The program provides funding for Indigenous communities to work with intellectual property professionals to register G.I.s and provides training and education on registering and protecting G.I.s.

Overall, the objective of these public policy initiatives is to support the social and economic development of Indigenous communities by providing them with tools to protect

and commercialize their traditional knowledge and cultural heritage through the use of G.I.s.

NOTICE AND TAKEDOWN

Undoubtedly, the Notice and Takedown System was one of the most controversial sections during the TPP negotiations. Drawing on the content of the Digital Millennium Act, the United States advocated that the treaty adopt obligations on limitations to the liability of internet service providers for copyright and related rights violations that occur through their networks.

Unlike what many opponents of the agreement claimed, the Notice and Takedown system does not constitute an infringement of intellectual property rights that arise in the online environment, nor does it limit freedom of expression. Instead, the TPP's Section J (and later CUSMA's Article 20.87) was constructed assuming that infringement in the analog world is also infringement when done over the internet (the provisions on Notice of Takedown of the CPTPP are still suspended).

The purpose of Section J of the TPP and Article 20.87 of CUSMA is to create incentives for internet service providers to actively collaborate to protect copyright without the need for legal measures such as provisional measures or, in Mexico's case, requests for infringement declarations.

Both treaties provide the possibility that if an internet service provider receives notification that content posted through its networks infringes copyright, it can remove the content. It can be exempt from civil or administrative liability resulting from its involvement in the unauthorized dissemination of a work protected by copyright. That limitation

of liability applies even if the dissemination has been ongoing for years.

The CPTPP and CUSMA enable Parties to mandate that the internet service provider restore the removed content if they receive a counter-notice from the content uploader, asserting that they are the rightful copyright owner and that no potential violation of intellectual property rights exists. In case authorities find that there is indeed infringement, the internet service provider will still be exempt from liability.

At the start of the TPP negotiations, the Mexican and Canadian legal regimes were disparate in this area. Although in 2016, Mexican courts ruled that infringement committed through the Internet could be sanctioned under the Industrial Property Law, there was no special regime in the country to determine those committed in the online environment. On the other hand, Canada's Copyright Act, amended in 2012, included provisions on OSP liability for copyright infringement by their users and on the notice and takedown process.

Under the law, OSPs must implement reasonably acceptable use policies and take reasonable measures to detect and remove infringing content. In addition, there is a notice and takedown process allowing copyright holders to notify OSPs of the presence of infringing content online. The OSP must then take reasonable measures to remove the reported content and, if possible, inform the user who posted the content.

The fact that Canada already had a well-developed system to regulate online infringement, which was assumed to have worked effectively, made it relatively unnecessary for the country to adjust its legislation to resemble the United States Digital Millennium Act. Therefore, the TPP adopted Annex 18-E, and CUSMA adopted Annex 20-B to "accommodate" countries like Canada that already had legislation in this area. In other words, Canada could maintain its system

of liability and limitations, and thus the obligation of both treaties would be considered fulfilled.

It is important to note that Canadian legislation on OSP liability is more limited than that of the United States. OSPs in Canada have more leeway to establish their own notice and takedown policies and procedures. However, this possibility was granted to countries like Canada with a specific and sophisticated notice and takedown system. The latter was not the case for Mexico, which had to implement the Notice and Takedown figure in its domestic legislation to comply with the treaty.

However, the possibility of maintaining their system was only offered to countries that, like Canada, already had a specific and sophisticated notice and takedown system in place. That was not the case for Mexico.

As a result, Mexico implemented the “notice and take-down” mechanism in its domestic legislation to comply with CUSMA. Despite having a three-year transition period that allowed them to wait until 2023 to have legislation on the matter, Mexico amended its Federal Copyright Law in 2020 to incorporate the obligations of CUSMA into its domestic legal regime. Therefore, in this regard, Mexico’s legislation is much more harmonized with that of the United States than Canadian legislation.

Nevertheless, Mexican legislation went a bit further than CUSMA demanded, establishing a fine for the internet service provider that does not remove content after receiving a notification.

However, in both countries, although through different means, copyright legislation already includes specific provisions for infringements committed on the internet and legal mechanisms for removing illegitimate content.

PHARMACEUTICAL INNOVATION

Mexican and Canadian legislation differ in this aspect. Similarities in geographical indications, the identity of purposes in Copyright Law and its protection in the digital environment are almost blurred in comparing the Canadian and Mexican regimes regarding the protection of pharmaceutical innovation.

Since NAFTA, Mexico and Canada were obliged to provide at least five years to protect clinical data for innovative drugs. This measure consists of the information required by health authorities to accredit that a drug is safe, effective, and of quality, to be used only by the person who generated it for that period.

Currently, Canada's Food and Drug Regulations provide an exclusivity period of eight years for clinical data, while CUSMA only demands at least five years. Although not as extensive as the protection periods in the United States, the fact that the protection period and the way to obtain it are in a piece of legislation already represents progress for Canada.

In Mexico, the administration never implemented regulatory data protection under NAFTA. Innovators rely on litigation to force authorities to recognize their right to regulatory data protection in specific cases. CUSMA provides a transition period that will end in 2025 for Mexico to adopt domestic legislation in the matter (until that deadline, the provisions of Article 1711.5 of NAFTA continue to apply). At the time of writing this essay, the plans of the Mexican administration to adopt the corresponding measures are unclear.

Article 20.44 of CUSMA pertains to patent term adjustment, requiring each Party to provide a mechanism for "patent term adjustment or restoration" in response to the "unreasonable curtailment" of effective patent term due to the

marketing approval process. However, the provision allows individual Parties to determine the specific requirements and procedures for this adjustment or restoration. CUSMA mandates the availability of patent term adjustment, but it does not specify the precise protocols or prerequisites that must be domestically adopted to do that. Canada has not established a patent term adjustment system. Instead, it has put in place the Certificate of Supplementary Protection (CSP) system, which is more in common with the European system than the U.S. one. This system grants supplementary patent-like protection for eligible pharmaceutical products that meet certain criteria, including those associated with regulatory approval. While the CSP system may be viewed as a form of patent term adjustment or restoration under CUSMA, this remains a topic of interpretation and controversy. The fundamental aim of Canada's CSP system is to tackle the issue of effective patent term and aligns with the broader objectives and principles of CUSMA.

Canada's Certificate of Supplementary Protection (CSP) system is established under the Patent Act and Food and Drugs Act. Section 104 of the Patent Act outlines the criteria for eligibility for CSP, while Section 106 sets out the length of protection.

The CSP system aims to provide additional patent-like protection for eligible pharmaceutical products that meet specific criteria, including regulatory approval. Although the CSP system differs from patent term adjustment as provided by CUSMA, it ensures an effective patent term consistently with the goals of such a treaty. While the CSP system's relationship with patent term adjustment under CUSMA is subject to interpretation and debate, it remains a valuable mechanism for protecting intellectual property rights in Canada's pharmaceutical industry.

Once again, in this regard, Mexico enjoys a transition period, which will expire in 2025, to establish measures through which delays from health authorities will be compensated.

Usually, the reluctance to have clinical data protection regimes is due to the belief that this could slow down access to medicines for the benefit of the population. However, the latest report of the Human Development Index states that life expectancy in Canada is 82 years, while in Mexico, it is only 70 years⁴.

When compared with data from other countries, there seems to be no correlation between long data protection terms, supplementary protection for medications, and greater access to health care. On the contrary, the Canadian case demonstrates that a healthy balance between promoting innovation and adequate social security systems are the factors that enable the population to enjoy the best possible health conditions.

However, the Canadian system of protection certificates may not be entirely compatible with CUSMA and, therefore, may not necessarily serve as a basis for Mexico when implementing its respective legislation.

CONCLUSIONS

Mexico and Canada should aim to harmonize their legislation on intellectual property because of their membership in two trade agreements with practically identical obligations to protect innovation. However, for various reasons, such as being

⁴ UNDP (United Nations Development Programme). 2022. *Human Development Report 2021-22: Uncertain Times, Unsettled Lives: Shaping our Future in a Transforming World*. New York. <https://hdr.undp.org/content/human-development-report-2021-22>

rooted in different legal traditions, that harmonization is not evident in all spheres.

Nevertheless, the possibility of cooperation in public policy programs is noteworthy. Canada's use of geographical indications could serve as an example to promote the development of indigenous peoples in Mexico. The proper interaction between academia and industry is an area from which Mexico could learn a lot. Canada could analyze the set of public policies that its southern partner has adopted to encourage and attract investment in high-value-added sectors of the economy.



CHAPTER II

COLLABORATION AND CONNECTIVITY

MEXICO & CANADA: NEIGHBOURS BY CHOICE

JUAN JOSÉ GÓMEZ CAMACHO

We tend to see the Mexico-Canada relationship, sometimes optimistically and with enthusiasm, others with disappointment, and always as an unfulfilled friendship. We have assumed that, since we both are in North America and are free trade partners, we are also supposed to be close to each other, trust each other and share a sense of a common future. If this friendship hasn't yet flourished, it is because we have probably failed to work enough to give it proper traction or even to provide it with the right leadership, but the closeness is not in doubt.

In order to imagine a more meaningful, productive relationship, even a potentially true alliance between the two countries, we have to revise all those premises.

We think of ourselves as neighbours, but we hardly are. In addition to the approximately 3000 km distance between Mexico and Canada, what is in between is not less than the United States, an all-embracing universe in itself. Our cultures and historical experiences, our social and political organization, our levels of development and wealth, the nature of our domestic challenges, and our geopolitical roles are fundamentally and structurally different. There

are, in fact, almost no natural bridges connecting Canada and Mexico other than those provided by our common neighbour. In reality, our ties have been defined much more by each country's interests and relations with the United States than with one another. And this is why we still know so little about each other, and our mutual perceptions are generally vastly misinformed.

Notwithstanding such a bleak description, the relationship between Canada and Mexico is, in fact, essential for both countries. The key is understanding that our bilateral relation will always occur within our trilateral context, where a powerful "Centripetal Force" draws us to the United States and, in not-too-rare instances, pushes us apart too. This is its most defining condition.

President Trump's administration strengthened the incentives for Mexico and Canada to foster ties and to start seeing each other through a different and more strategic prism. When he targeted the North American Free Trade Agreement (NAFTA), he started policies openly against Canada and Mexico and pushed for a new trade negotiation. How far or deep it can go is a coin in the air, but the opportunity and possibilities are enormous.

Amongst countries, trust is the most valuable, volatile and hard-to-obtain currency. It has to be nurtured and protected. Given our differences, Mexico and Canada still experience a trust deficit, which is only natural. Improving and strengthening it should be the most crucial permanent objective. The two Governments need to invest time and political effort. They need to talk to each other more frequently to develop the instinct, the reflex, the genuine interest; to grow the "muscle" that would prompt them to consult each other and to know what the other is doing, thinking or planning on a wide range of issues. All of that requires discipline

and political commitment. Still, without higher levels of trust and perceived transparency, the relationship won't be able to break the thick glass wall standing in between.

Despite the dominant weight of trilateral issues and efforts, which will always be the true bilateral engine, Mexico and Canada have built a substantive and increasingly solid agenda. Here are three points that, in my view, are central:

1. *Labour market and mobility.* While there are efforts to change it, we have not moved from the old labour migration paradigm. Mexico experiences unemployment and sees Canada, where local farmers demand labour, as an escape valve. Thus, we almost single-mindedly prioritize the Seasonal Workers Program -which is not much more than a low-skill workers' export mechanism. Of course, this program represents the livelihood of approximately 28 thousand Mexican families, which is reason enough to support it. However, an entirely new and separate chapter is needed—one based not on the export of workers but on creating a labour market. The expanding North American economic integration; the size of Canadian investment in Mexico; the ongoing relocation of supply chains in North America, and the need to strengthen regional competitiveness require an easy and flexible labour movement where companies can tap into the enormous human capital available. Everything is achievable without the need for legislative changes in either country. Smart public policies would be enough.

2. *Energy cooperation.* Given the ongoing dispute between the three countries, talking about energy cooperation may seem counterintuitive - for some, even absurd-. No. It is crucial, and there is enough "space" for both countries to develop beneficial, practical and long-term cooperation on energy security. We should be able to take advantage of Canada's capacity and experience in, for example, decarbonization. We

should make an effort to cooperate -and even harmonize- on our regulatory frameworks to foster our capacity to meet net-zero commitments, to press on the region's energy transition and to take advantage of the opportunities resulting from the current conditions of the global energy market.

3. Security is an area that both Governments have missed. Of course, there's cooperation in some specific instances, mainly at the police level, but not a comprehensive scheme designed to meet new and growing challenges. Today, there are worrying signs of organized crime from both countries, building connections between them. This situation demands a broader bilateral political and security engagement and fluid and permanent communication between different national institutions.

I began this text by labelling Mexico and Canada as "neighbours of choice" to say that we are increasingly tied to each other by necessity and design, but we are still half-way. To run the other half successfully and make this relationship meaningful and strategic, we must understand its structural complexities -and perhaps limitations- that come from the dominant force of the United States and the fundamental differences between the two countries. Understanding this will allow us to calibrate our expectations and chart the way ahead with a stronger sense of a shared future as "neighbours" by choice.

BUILDING A LASTING BRIDGE: THE ROLE OF PARLIAMENTS IN SHAPING MEXICO-CANADA RELATIONS

JULIE DZEROWICZ¹ AND MARC G. SERRÉ²

INTRODUCTION

Parliamentarians are acutely aware that there are increasingly few distinctions between domestic and international policy matters. So many of the challenges our countries face today can only be solved as a global community. As we address the aftereffects of the COVID-19 pandemic, and as threats to our planet, democratic order, peace, and human rights are increasingly dire, it is essential to promote cooperation and defend our values through multilateralism.

Amidst this complex backdrop, relationship-building and alliances are needed more than ever. Canada and Mexico not only have a strong foundation of bilateral

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relations but one that includes a shared appreciation for the unique contributions of parliamentary diplomacy. After all, multilateral organizations, such as the League of Nations and then the United Nations, originally replicated parliamentary rules and procedures in their structures and functioning to deliberate and establish consensus on issues of international importance.

The goodwill and collaborative ties between the Parliament of Canada and the Congress of Mexico have been vital to the solid diplomatic relationship between the two countries. As Canadian Members of Parliament, we value this engagement of our legislative institution and the channels that have been established for meaningful exchange with our parliamentary counterparts in Mexico.

DIPLOMACY AND LEGISLATIVE SPHERES OF INFLUENCE

As representatives of the people, we parliamentarians are ideally positioned to broker awareness and understanding about international decisions' impact on our constituents' everyday lives. Unlike executive-branch foreign relations, which are arguably more direct, diplomacy among parliamentary officials can be more open and flexible. Parliamentarians can have very frank conversations and carry out preparatory work in advance of formal meetings, enabling countries to come prepared with ideas, proposals and solutions built on greater understanding.

This type of behind-the-scenes work and collaboration among parliamentarians have been instrumental to the achievement of some of the most significant diplomatic summits and milestones in the history of Canada's bilateral agreements with Mexico, including the Canada-United

States-Mexico Agreement (CUSMA) that replaced NAFTA; the Seasonal Agricultural Workers Program, often cited as a model for international labour-mobility arrangements; the Canada–Mexico Partnership, launched in 2004 to strengthen cooperation between the two countries’ private and public sectors; and myriad other agreements on human mobility, trade, investment, and cultural and educational exchange.

Whereas the main goal of governments’ diplomatic relations is to negotiate and achieve agreements on national interests in a more immediate sense, the methods of inter-parliamentary diplomacy can be multipartisan and solidified across changes in our countries’ governments. Parliamentary work is embedded in nurturing relationships built on plurality and achieving consensus across similarities and differences, including those cultural and ideological.

The aforementioned goes hand in hand with one of the democratic functions of parliaments: scrutiny and oversight of the government’s compliance with and delivery of commitments, providing checks and balances of power. Early this year, our Heads of State announced the Canada-Mexico Action Plan on the margins of the tenth North American Leaders’ (“Three Amigos”) Summit.

An ambitious, whole-of-government blueprint for strengthened bilateral relations,³ oversight of this Action Plan forms part of the duties and responsibilities of Canadian and Mexican parliamentarians.

³ Its nine pillars are: Reconciliation with Indigenous People; Gender Equality and Women’s Empowerment; Trade and Investment; Anti-racism; Youth Engagement; Peace and Security; Tourism, Migration and Human Mobility; Environment and Climate Change; and Cooperation in the Face of Future Health Crises.

FORA FOR CANADA-MEXICO PARLIAMENTARY DIPLOMACY

The shared willingness for dialogue and cooperation between our national legislatures has resulted in prolific diplomacy carried out by parliamentarians from both countries through three key channels: 1) the Canada-Mexico Interparliamentary Meetings, 2) the Canada-Mexico parliamentary friendship group, and 3) ParlAmericas

1. Canada–Mexico Interparliamentary Meetings

For more than 45 years, parliamentarians from Canada and Mexico have advanced their diplomatic ties and legislative relations on issues of mutual concern in Canada–Mexico Interparliamentary Meetings (IPMs). Between 2017 and 2020, IPM all-party delegations discussed, for example, enhancing trade and new labour markets; migrant rights; climate change impacts; energy integration; and the future of work, among other critical issues.

In the framework of IPMs, which have alternately taken place in Mexico and Canada, parliamentarians from both countries also meet with high-level government officials and representatives from the private sector, academia and think tanks, and civil society advocacy groups.

The breadth and depth of topics addressed in these meetings have progressively become more ambitious; during the last in-person IPM in March of 2020, the agenda included: bilateral economic, migration and labour issues; environmental protection and renewable energies; inclusion for Indigenous Peoples; the legalization of cannabis; achieving gender

equality and empowering women; and the creative economy and new technologies to achieve social inclusion⁴.

*2. Canada-Mexico parliamentary
friendship group, chaired
by M.P. Julie Dzerowicz*

The Canada-Mexico Parliamentary Friendship Group is another institutionalized avenue through which bilateral parliamentary diplomacy takes place. Friendship groups allow us to put forward and discuss a wide variety of current issues in our capacity as parliamentarians, thus strengthening political, economic and cultural ties.

Since my time as co-chair (since 2016) and now chair (since 2020) of the Canada-Mexico Friendship Group, we have held enriching discussions with our Mexican counterparts about numerous issues and in fora at the highest level. For example, on the margins of the January 2023 “Three Amigos Summit,” I had the opportunity to join Canada’s delegation and, along with counterparts from the Mexico-Canada Friendship Group, meet with the Heads of State and other high-ranking government and parliamentary authorities.

Priority topics discussed recently include the energy sector and our concerns in Canada regarding regulatory roadblocks experienced by Canadian renewable energy companies operating in Mexico. We have conversed on the need

⁴ Parliament of Canada. *Participation of the Honourable Anthony Rota, M.P., Speaker of the House of Commons, and the Honourable Patricia Bovey, Senator, on behalf of the Honourable George J. Furey, Q.C., Speaker of the Senate, and a Parliamentary Delegation, to the XXIII Mexico–Canada Interparliamentary Meeting in Mexico City, Mexico, 2020.* <https://www.parl.ca/diplomacy/en/speakers/activities-and-reports/summary/10733192>

for improved and increased labour mobility between Canada and Mexico, for which I share the concern of my Mexican colleagues about the reports of labour trafficking of Mexican citizens in Canada and the need for better protections for Mexican agricultural migrant workers.

Other areas for action that we would like to address through future exchanges with our Mexican counterparts through the friendship group include empowering the ombudsperson responsible for Canadian mining company activities in Mexico; the lifting of visa requirements; a potential youth mobility agreement; and the promotion of labour mobility and immigration pathways, to name but a few.

3. ParlAmericas / Canadian Section of ParlAmericas, chaired by M.P. Marc Serré

As Canadian parliamentarians, we take great pride in ParlAmericas, the interparliamentary institution composed of the national legislatures of the 35 countries that comprise the inter-American system, for which the Organization of American States (OAS) is the counterpart executive branch multilateral body. Ottawa is home to the International Secretariat of ParlAmericas, hosted by the Parliament of Canada, and where ParlAmericas' inaugural meeting was held in 2001 in advance of the III Summit of the Americas that took place in Quebec City.

A multilateral space, ParlAmericas has been constructed and nourished by the dedicated work of parliamentarians from across the Americas and the Caribbean, developing it into one of the most valued multilateral interparliamentary fora through which our parliaments participate.

Two of its earliest champions, the parliaments of Canada and Mexico, have been important leaders and partners in the consolidation and growth of ParlAmericas over the past 22 years. As longtime executive committee members of the ParlAmericas Canadian Section, we have seen this leadership in action and have witnessed Mexican and Canadian parliamentarians, from both chambers and across political parties, who have dedicated their time and efforts in the senior most leadership roles within the organization, acting as stewards to ensure its relevance, sustainability and success.

The COVID-19 pandemic, the climate crises, and the reverberations of growing geopolitical tensions in an ever more complex world; confronting these challenges and advancing lasting solutions will require more than productive bilateral relations between our two great nations. Canada and Mexico need to work together to advance our common objectives with a view to shaping and strengthening regional and global agendas.

ParlAmericas will continue to be an essential space through which Canadian and Mexican parliamentarians can channel our collaborative efforts with our parliamentary colleagues from across this hemisphere to raise political ambition and advance collective action to tackle pressing issues facing our region: achieving true gender equality and eradicating human rights violations, especially femicide and gender-based violence which is crippling the fabric of our societies and undermining the success of our economies; defending our democracies from the threats of disinformation and increased societal polarization; and addressing the interconnected issues of poverty, migration and food insecurity, compounded by the climate crises, which exacerbates our ability to ensure the basic needs of our citizens are met.

THE ROAD AHEAD: OPPORTUNITIES TO BUILD ON PARLIAMENTARY DIPLOMACY

In our opinion, despite its great potential and payoffs, inter-parliamentary diplomacy is oftentimes both undervalued and underutilized by the global community. Continuing to invest in our ongoing relationships with our Mexican parliamentary counterparts should remain a critical aspect of Canada's diplomacy.

Through these various opportunities for continued relationship building and collaboration, we, along with hundreds of Canadian parliamentarians, have found vibrant fora for exercising diplomacy alongside our Mexican peers, whether in person or, increasingly, in virtual and hybrid formats. Our legislative work has been enriched by each opportunity to exchange information, experiences and practices with our North American neighbours.

Notably, Canada and Mexico were the first countries in the Americas to launch feminist foreign policies (FFPs) in 2017 and 2020, respectively. This speaks to a shared vision for our international engagements to be structured around principles like diversity and gender parity that can lead to tangible outcomes for more just and prosperous societies.

With such a lens of inclusion and equity, there is ample scope to further capitalize on the flexibility of parliamentary relations to address priority policy issues for Canada and Mexico. As mentioned, these include human mobility, competitive trade, climate action, the defence of human rights, the ongoing reconciliation processes with Indigenous Peoples, and a shared commitment to democracy and a rules-based international order. The welfare of our constituents is intertwined in meaningful ways that our countries cannot afford to ignore.

MEXICO AND CANADA: BUILDING A SUCCESSFUL NEGOTIATING STRATEGY

ILDEFONSO GUJARDO

The relationship between Mexico and Canada is critical to North American trade, as our two countries are major trading partners with each other and the United States. Together, we represent a significant portion of the North American economy, and our continued cooperation is essential to the region's overall economic success.

I have had the privilege to serve Mexico in several capacities. As a young trade official, I participated in the original NAFTA negotiations, after which I was head of the NAFTA office in the United States. As a parliamentary, I always worked to strengthen the bonds between Canada and Mexico in the committees I chaired. Most recently, as Secretary of the Economy, I was responsible for the modernization of the NAFTA that led to the current T-MEC / CUSMA agreement.

These positions reinforced my belief that contrary to what is perceived sometimes, Mexico and Canada are not detached partners in the North American integration project. We have demonstrated time and again that our joint work not only brings benefits to our societies but also provides the critical foundations for a long-term vision.

I recognize that staying on such a path requires political commitment and permanent innovation. In a changing environment, it will be naïve to assume that the working formulas used in the past would be equally successful today. And although we may not know what challenges lie in the future, I am certain that we shall be able to address them if we base our efforts on trust, communication and joint responsibility.

Trust is perhaps the most challenging asset to create in international relations. We must trust our partners to do the right thing because otherwise, the environment where our nations coexist will not be conducive to mutually beneficial results. Similarly, trust allows us to be bold and to imagine big ideas. Our countries require policymakers that dare to imagine and test better ways of doing things, not settle for the easiest solution. But if we are unable to trust each other, such courageous activities will never leave the blackboard.

The T-MEC/CUSMA negotiations offer a case in point: had Mexico and Canada distrusted each other and negotiated entirely, seeking their benefit in those talks, perhaps there would have been no agreement at all.

In addition, to trust, communication is essential to addressing our common challenges. In the absence of an open and candid dialogue, our countries will only perceive half of the existing reality. Naturally, sometimes communication will involve relying on difficult positions or uncomfortable news – but that is always better than hiding from the situations that need to be approached. Once again, Canada and Mexico developed a fluid and robust line of communications during the T-MEC/CUSMA modernization: we had to work hard to find common ground and come up with creative solutions to complex issues.

It wasn't always easy, but we were committed to reaching an agreement that would benefit all three countries. In

particular, we established regular communication channels with our counterparts from Canada and the United States, including formal negotiation sessions and informal meetings, to exchange ideas and discuss areas of disagreement. We also sought to understand each other's perspectives and priorities, so we could find solutions that would address concerns on all sides.

I am happy that the calibre, professionalism and intelligence of the Mexican and Canadian officials who participated in the T-MEC/CUSMA talks always made this task easier. The working relationship among the teams – which evolved into personal friendship - was based on mutual respect and a shared commitment to reaching a deal that would be good for our countries.

Rather than seeing the negotiations as problems to be sorted out, we considered them a possibility of finding solutions together. The strong working relationship between Minister Freeland and myself was one of the critical factors that enabled us to negotiate the T-MEC successfully. We were both committed to finding a mutually beneficial solution, and we were able to build trust and collaboration throughout the process.

I was elected to Congress again in 2021, when the agreement was celebrating its first anniversary and when the world was immersed in the pandemic, and in the middle of the most dramatic economic crisis ever experienced. Against this daunting backdrop, the T-MEC/CUSMA came again to the rescue of North America. Trade figures recovered quickly as we coordinated our work in critical supply chains and carefully managed our borders to keep trade fluid.

These circumstances projected a debate that had been happening for a while. A deep reflection of what should be the best way to organize our societies and economies for the

betterment of our people when there is justifiable angst – and even anger – from our population. This is where the long-term shared responsibility of the North American governments makes a difference.

Our nations require that policymakers fully undertake the responsibility of what a regional project implies. Our internal decisions must be aligned to contribute to North America's future. It would be simple to appeal to easy solutions or to avoid complicated matters altogether. But that will not only be a disservice to our T-MEC/CUSMA partners but also a betrayal of the hard work and efforts that countless legislators, business people, academics, trade union members and other stakeholders have poured into North America for decades.

That is why we need to use the T-MEC/CUSMA as a springboard for future policies. It is a living entity that can be further strengthened by promoting more significant trade and investment between our countries and new measures to protect workers' rights and the environment. It also provides a framework for increased collaboration on issues of mutual interest, such as energy, security and migration, which I believe will be crucial for the future of our relationship in years to come.

Furthermore, T-MEC/CUSMA can serve as a model for other countries in the region and worldwide. While the idea of the Free Trade of the Americas (FTAA) was disregarded long ago, I think that we should not be closed to the idea that other nations may join us if they are willing and able to abide by the standards we have set for ourselves.

T-MEC/CUSMA signalled that the future of trade agreements lies in regional blocs that focus on modernizing existing agreements and negotiating new ones to address emerging issues in the global economy. We may see more agreements

focusing on digital trade, intellectual property protection, and environmental sustainability. These agreements will likely impact Mexico and Canada by creating new opportunities for trade and investment. Also, by setting new labour and environmental protection standards, our countries will continue working together to ensure these agreements benefit all parties and promote greater regional economic integration.

As the Chair of the Mexico-Canada Friendship Group in the Mexican Congress, I see great potential for the parliamentary relationship between our two countries. Parliamentarians play an essential role in promoting cooperation and dialogue between nations. The Friendship Group is a forum for building stronger ties between Mexico and Canada at the legislative level.

One of the critical tendencies I see is a growing interest among parliamentarians from both countries to work together on issues of mutual concern, such as trade, investment, security, migration, and environmental protection. In recent years, we have seen several bilateral initiatives between our parliaments, including establishing the Canada-Mexico Inter-Parliamentary Group and the Mexico-Canada Parliamentary Friendship Group.

Regarding opportunities, I believe the parliamentary relationship can help us build stronger ties between our countries in several ways. For example, we can foster a more cooperative and constructive relationship at the governmental level by promoting more dialogue and understanding between our elected representatives. We can ensure that our efforts to strengthen ties between Mexico and Canada reflect the interests and concerns of our citizens by engaging civil society organizations.

The role of Parliaments is essential to building strong relationships between countries, and this is especially true for

Mexico and Canada. Parliaments serve as a bridge between the two countries by providing a forum for dialogue and cooperation on issues of mutual interest.

Parliaments can also play a crucial role in ratifying and implementing trade agreements, as we saw with the T-MEC. The agreement was subject to ratification by the legislatures of all three countries, including the House of Commons and Senate of Canada and the Mexican Senate. The role of these Parliaments in the ratification process ensured that the agreement was thoroughly reviewed and debated and that it ultimately had broad-based support.

Going forward, the Parliaments of Mexico and Canada can continue to play a vital role in strengthening the relationship between our two countries, promoting greater cooperation on issues of mutual interest, such as infrastructure development, renewable energy, and innovation. It also involves continued engagement with civil society and stakeholders to ensure that the benefits of economic integration are shared widely and equitably.

I am optimistic about the future of the relationship between Mexico and Canada. I look forward to working with my colleagues in both countries to promote greater cooperation and understanding between our nations.

QUEBEC & MEXICO RELATIONS

STÉPHANIE ALLARD-GOMEZ

QUÉBEC ON THE INTERNATIONAL ARENA

Québec has played an active role on the international scene since the late 1960s. It was especially following a speech delivered in 1965 by Paul Gérin-Lajoie, then Deputy Prime Minister, that Québec became decisively involved on the international scene, based on the premise that Québec's internal competencies, by virtue of Canadian federalism, are also Québec's responsibility beyond its borders. What is known today as the "Gérin-Lajoie doctrine" remains the foundation of Québec's action abroad, focused on defending our interests and promoting Québec's identity, in particular the importance of the French language, the only official language of Québec.

Québec currently has a network of 34 representations in 19 countries and is a full member of the International Organization of La Francophonie (OIF). Since 2019, Québec has been promoting Québec's identity and interests worldwide, in line with the Québec International Vision launched in 2019, which emphasizes trade and market diversification, as well as attracting foreign direct investment (FDI). The foundations of Québec's international activities are also based more than ever on our assertion of

identity, particularly the promotion of the French language, the desire to serve our partners better, and renewed economic diplomacy.

QUÉBEC GOVERNMENT OFFICE IN MEXICO

Québec has had a permanent presence since the Québec Government Office in Mexico (DGQM) creation in 1980. The DGQM is Québec's third most important representation in the world, after Paris and New York, and occupies a special place in the Québec diplomatic network.

Over the past four decades, Québec and Mexico have become important strategic partners. Bilateral relations between Québec and Mexican states take different forms and concern all the constitutional jurisdictions exercised by Québec at the international level, including economic development, culture, education, the environment and natural resources.

QUÉBEC AND ITS VARIOUS PARTNERS IN MEXICO

To develop strong ties with Mexican states, Québec has focused its efforts on five states with the greatest potential for collaboration: Jalisco, Nuevo León, Mexico City, Querétaro and Guanajuato. Although it is difficult to maintain a constant presence throughout Mexico, Quebec also works to establish links with other Mexican states and constantly seeks new partnerships. This is one of the objectives of Quebec's Territorial Strategy for Latin America and the Caribbean, launched in February 2022.

Over the years, the Government of Québec has formalized its relationship with certain Mexican states through various cooperation agreements. Such is the case with the State of

Jalisco: the first multisectoral cooperation agreement between the Government of Québec and the Government of Jalisco, adopted in October 2009, has been the basis for a long-lasting and mutually enriching partnership, and its renewal is scheduled for 2023. This agreement forms the basis of bilateral collaboration in education, culture, economics, youth and tourism. Since 2016, it also includes the Quebec-Jalisco Working Group (GTQJ), which funds cooperation projects in innovation and culture. On the environment and the fight against climate change, Jalisco regularly collaborates with Quebec. For example, the state recently adopted the Glasgow Declaration on Carbon Pricing of the Americas (CPA), a declaration initially promoted by Quebec. The Quebec Ministry of Environment, Climate Change, Wildlife and Parks maintains regular contact with its Jalisco Ministry of Environment and Territorial Development (SEMADET) counterparts.

In addition, in 2006, the Government of Québec and the Government of Nuevo León adopted a cooperation agreement in education, culture and the economy. In Nuevo León, Québec works closely with the Autonomous University of Nuevo León (UANL), which has been organizing a thematic week on Québec culture for more than 20 years.

In education and cooperation, more than 120 agreements link our higher education institutions with those of several Mexican states. For example, a pilot project for language assistants will be launched this year with the state of Querétaro

QUÉBEC AND THE MEXICAN FEDERAL GOVERNMENT

In addition to its ties with numerous Mexican states, Québec maintains a privileged relationship with the Mexican federal government. Québec and Mexico have developed a

dynamic and fruitful institutional cooperation fostered by the establishment of the DGQM, the presence of the Consulate General of Mexico in Montréal and the creation of the Québec-Mexico Working Group (GTQM). This is also explained, among other things, by the many common values and attributes shared by Québec and Mexico: democracy, the rule of law, the importance of culture and a shared Latinity in North America.

The GTQM is the main mechanism for collaboration between the governments of Quebec and Mexico. Its objective is to support biennial projects led by partners from both states to strengthen our ties in research, culture, education, science and technology. Since 1982, more than 300 projects have been supported between Québec and Mexican partners. Québec also has several thematic agreements with the Government of Mexico, including the Agreement between the Government of Québec and the Government of Mexico on student mobility, which includes a tuition reduction for Mexican students. These Quebec-Mexico ties are significant, as few federated states have direct relations with federal governments.

In the area of trade, Québec benefits from the stability offered by the rules established in free trade agreements. Québec strongly supported signing the first North American Free Trade Agreement (NAFTA) and, subsequently, the Canada-United States-Mexico Agreement (T-MEC), to which Canada - and de facto Québec - and Mexico are parties. Since the entry into force of NAFTA, trade between Quebec and Mexico has increased by 524% to reach a value of C\$6.8 billion in 2021. Mexico is Quebec's fourth-largest trading partner in the world and the largest in Latin America. In 2021, the value of Quebec's merchandise exports to Mexico was \$1.9 billion and accounted for 23.4% of the value of total Canadian exports to that country. It should be noted that the Government of Québec was very active during the renegotiation

of the T-MEC and worked with its partners in Mexico to highlight the close ties between the three countries.

A STRONG RESUMPTION OF ACTIVITIES FOLLOWING THE PANDEMIC

As soon as pandemic-related measures were relaxed, face-to-face meetings between Québec and Mexican partners quickly resumed their pre-pandemic pace. For example, in February 2023, the Mayor of the City of Montreal, Valérie Plante, undertook a mission during which she met with Mexico's Secretary of Foreign Affairs, Marcelo Ebrard. At the same time, some twenty Montreal companies, incubators and NGOs in the cultural and creative field were able to highlight Quebec's cultural, digital and innovative offerings and establish new business links in Mexico City and Guadalajara.

In addition, in October 2022, Quebec received an official representation from the State of Querétaro, led by Governor Mauricio Kuri González, and the Secretary of Sustainable Development, Marco Del Prete. This high-level mission aimed to consolidate the relationship between the two states. A dozen Québec companies are established in Querétaro. The former Minister Delegate of Economy, Lucie Lecours, carried out a trade mission with a delegation of more than thirty representatives of Québec companies in June 2022, to participate in activities in the aerospace and automotive sectors. The coming months promise to be just as rich in exchanges, with several missions and official visits currently in preparation.

CURRENT CHALLENGES IN THE QUEBEC-MEXICO RELATIONSHIP

Québec stands out in North America as the only state where the official language is French. Promoting our language and

culture worldwide is a priority. With over 350,000 French language students, Mexico is fertile ground for implementing projects promoting French language learning. Quebec is currently facing a significant need for labour, so it is becoming a priority to facilitate the learning of French to promote mobility to Quebec.

Quebec is also closely following the energy file in Mexico. On July 20, the United States and Canada filed a complaint with the T-MEC for discrimination concerning the national treatment in the energy sector. Talks have recently been underway between Mexican President Andrés Manuel López Obrador and affected companies, mainly from Quebec, to resolve our issues.

With current international trends towards nearshoring and friendshoring and the opportunities arising from the T-MEC, particularly for the automotive sector, the Québec-Mexico relationship can grow even more in the coming years. Our two open, interrelated and partly complementary economies can benefit from further integration in the future.

THE MEXICO-CANADA RELATIONSHIP IS WHAT IT IS, NOT WHAT WE WANT IT TO BE

CARLO DADE & AGUSTÍN BARRIOS GÓMEZ

Looking back 14 years since the last Canada-Mexico Initiative, the key insight that emerges is that the relationship, from trade to travel to cooperation between the two governments, works. It survived the “visa crisis” of the Harper-Calderón years and has continued to work. At least, work well enough to ensure attention and investments by both governments, civil societies and private sectors, but only enough to maintain the relationship, not deepen or develop it further. Now in 2023, there may be opportunities for Canada and Mexico to push harder for a stronger relationship. Or perhaps the status quo is good enough. The relationship has worked well up until now – why change it?

In 2009, the introduction of a visa requirement by Prime Minister Stephen Harper for Mexicans to visit Canada prompted a backlash. It created enough concern in the private sector to enable the formation of a Canada-Mexico Initiative (CMI). Advocates behind the CMI saw the crisis as a cautionary tale of the cost of benign neglect and a need to

rally support to reset and refocus the relationship on a more ambitious path.

In the end, enough attention and resources were invested in the CMI to mitigate the limited fallout from the imposition of the visa. Still, it did nothing to reset the relationship. Looking back 14 years later, that limited investment and failure to reset the relationship was, more than likely, inevitable. Unpacking what was learned from fighting to create and run the CMI and why it failed to do more offers broader lessons about the tension between elite aspirations and real-world complacency that has defined the thinking about the relationship between the two countries.

A full and fair description of the visa issue requires an essay. But in essence, the decision by the Canadian government was made to impose on Mexico the same requirements as had been applied to other Latin American countries. This was in response to a surge of, according to the government, false refugee claimants. For the Mexican side, the problem was being put in the same category as other Latin American countries. That the Canadian government also noted that it was only aligning itself with U.S. policy requiring visas for Mexicans, compounding the insult and sense of betrayal. A relationship that had been nurtured by the rhetoric of being different and special was exposed as ordinary and not valued by Canada.

The imposition of the visa was a betrayal and a crisis for Mexican foreign policy elites, academics, former diplomats and some within the private sector. For the Canadian private sector, the anger from the Mexican government over the visa was less a crisis than a short-term government or public relations problem that needed to be managed. That compounded the issue for Mexican officials, who had difficulty gaining meaningful support in Canada to push the federal government to change the decision.

However, for the public in both countries, especially those outside of the national capitals, there was no crisis. For Canadians, travel to Mexico continued. For the private sector, business continued. For both governments, if the Americans threatened shared interests, there would, if necessary, be shared responses. The underlying strength of the relationship, essentially deep business ties and dependency on North American trade, including tourism and having to manage the Americans, limited the reach of the crisis and its ability to occasion deeper change.

Concomitant with this was the lack of any compelling, easily understood popular narrative of what more could or should be expected from the relationship between the two countries. Nor was it understood what was potentially at risk if it were weakened, at least not enough to animate a public response.

In the intervening years, the rise of populist movements in both countries has further weakened the desire to wring more from the relationship. They both have moved to more distinct and separate relationships with the United States.

This is reinforced by the view outside Ottawa and certainly in Western Canada. Mexico is seen as a business and tourist destination rather than a partner. Investments by provincial governments in Mexico, such as the opening of an office by Saskatchewan, are specific to maintaining trade with no thought, intent, resources, or direction to do anything more. As such, these investments are reinforcements of, not improvements to, the status quo. What is heralded as a sign of the relationship's importance is a signal of its ordinariness, which has been good enough not to engender any widespread desire for improvement.

On the other hand, in Mexico, Canada is considered irrelevant in the context of North America, given that Mexico and

the United States have much more extensive ties. Between one- and three-million Americans live in Mexico, which is between two and 12 times more than the number of Canadians who live there. In the United States, there are 37 million Mexicans and Mexican Americans – equivalent to nearly the entire population of Canada.

Further, the focus of U.S. attention on reshoring production chains back to North America has focused more on Mexico than on Canada, especially outside of the auto industry. Mexico has halted plans to open a new consulate in Winnipeg, despite increased focus on trade with Mexico in that province. Trade growth apparently does not require increased government presence, and without anything else on the agenda, why open an office?

For the relationship to deepen beyond aspirations that “more can and should be done,” a compelling case needs to be made. When the North American project first began with the negotiation of the North American Free Trade Agreement and the decade or so of its growth, that compelling case was self-evident; ignoring each other would only advantage the Americans to each country’s detriment. The need to cooperate to survive the economic relationship with the Americas endures. But is there more?

One distant possibility (in every sense of the word “distant”) is in the rise of competing trade blocs.

The push by the Americans to re-shore supply and production chains back to North America draws each country deeper into willing dependency on the United States. At the same time, and despite the obvious short-term economic benefits of more access to the U.S. market, both countries remain leery of increased economic dependence on the United States. The U.S. trade and cold war with China and its

insistence on cooperating allies also create difficulties Canada and Mexico would like to mitigate, if not avoid.

One option on the table is to use the dependence on the U.S. market to weaken its dependence on the U.S. market. The opportunity to do this has appeared with Mexico and Canada joining the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). Rules of origin in trade agreements require that goods sold in the trade bloc created by the agreement must be made mainly from inputs from within the trade bloc. Goods that can be sold under the NAFTA agreement must be made with North American inputs. The same applies to the CPTPP. This means that goods a Canadian company makes with Mexican inputs can be sold to the US under preferential NAFTA rules and likewise can also be sold to the 11 soon-to-be 12 CPTPP markets. There is now a CPTPP loophole that means that Canadian and Mexican companies are no longer handcuffed to the U.S. market.

If there is one thing that Canada and Mexico share, it is the desire to benefit from access to the U.S. market without getting crushed by dependency on access to the U.S. market. There are no perfect or even good options for this. But the CPTPP is the best of what is available. It is also concrete and has a real, literal payoff. Cooperation in building supply and production chains to leverage this opportunity may be something that gives Canada and Mexico a new common project on which to work. But that will require investment by governments and willingness and investment by the private sector. Neither seems likely in a world where both governments and private sectors seem content with the benefits of 'good enough' access to the U.S. market.

Lastly, it would be impossible to divorce the Canada-Mexico relationship from what is happening worldwide. When we launched the CMI, there was an appreciation for

the liberal democratic values that both countries adhered to and a vague notion that these could provide a foundation for a deeper relationship. With those values now being questioned inside Canada, in the United States, and often by the current Mexican administration, it could well be a time to focus even more on the pragmatic.

We still believe there are several fronts on which Canada and Mexico could deepen their relationship. And that such deepening could provide a significant improvement in the lives of Mexicans and Canadians who would be interested in taking advantage of those ties. Nevertheless, we are conscious of the “limits to friendship” (to borrow from the title of a book on the U.S.-Mexico relationship). We can celebrate the fact that these two complementary North American nations are able to benefit from each others’ company just as they are. Perhaps we should leave things just as they are. Or – perhaps not.

MEXICO & CANADA: FROM SHARED COMMITMENT TO COMMON CHALLENGES

SOLANGE MÁRQUEZ ESPINOZA

Mexico and Canada share a long-standing history of collaboration on various global issues, including the environment, trade, and security. Both countries are firmly committed to addressing these challenges through dialogue, cooperation, and joint action. Looking to the future, it is clear that collaboration between Mexico and Canada will continue to play a vital role in addressing global issues.

In this essay, I will discuss the collaboration between Mexico and Canada, focusing on environmental protection, endangered species, marine debris and plastics, climate change, and human rights and multilateralism.

ENVIRONMENTAL PROTECTION

One area where the collaboration between Mexico and Canada is crucial is in the realm of environmental protection and sustainable development. Both countries recognize

the urgent need to address climate change and protect the environment for future generations.

The Commission for Environmental Cooperation (CEC), established under the North American Agreement on Environmental Cooperation (NAAEC)¹, has been instrumental in promoting environmental cooperation between Canada, Mexico, and the United States.

The CEC's recent Strategic Plan for the period 2021 to 2025 identifies five priority areas for action: biodiversity conservation, pollution prevention and mitigation, climate action and clean energy, circular economy and sustainable materials management, and environmental justice and governance. Since July 2020, the efforts have continued through the Environmental Cooperation Agreement (ECA) alongside the USMCA/CUSMA/T-MEC.

Under the ECA, Mexico and Canada have committed to addressing environmental challenges and promoting sustainable development. They have recognized the importance of sharing best practices, technical expertise, and information to enhance their environmental policies and programs.

One of the key objectives of the agreement is to promote the conservation and sustainable use of biodiversity. Mexico and Canada have rich biodiversity and recognize the need to protect and preserve their natural habitats, ecosystems, and species. Through collaborative efforts, they aim to implement strategies for biodiversity conservation, including establishing and managing protected areas, promoting sustainable agriculture and forestry practices, and preventing invasive species.

¹ *North American Agreement on Environmental Cooperation (NAAEC)*. (2022, September 2). Government of Canada. <https://www.canada.ca/en/environment-climate-change/corporate/international-affairs/partnerships-countries-regions/north-america/environmental-cooperation.html>

ENDANGERED SPECIES

Canada has been implementing projects to preserve its natural ecosystems, such as the Great Lakes Protection Initiative (GLPI)² and the Great Bear Rainforest³ in British Columbia (which resulted in the protection of more than 7.4 million acres of Rainforest). Similarly, Mexico has adopted the National Strategy of Conservation and Sustainable Use of Biological Diversity (EnbioMex)⁴, which seeks to identify, protect, and conserve its biodiversity by implementing various actions. Canada and Mexico also work together to protect endangered species, such as sea turtles and jaguars, and combat illegal wildlife trafficking.

However, there is still much work to do to protect other endangered species like the vaquita marina porpoise. Unfortunately, Mexico has failed to meet its conservation targets, leading to the estimated extinction of the species by 2023. Even though Mexico has laws and regulations, their enforcement has been feeble, and many illegal practices still occur. The Vaquita Marina is listed as critically endangered by the IUCN⁵. In 2021, scientists surveyed their habitat and identified between five and eighteen probable sightings. In 2019, Mexico cancelled previous programs to pay local fishermen to avoid entering the Vaquita Marine Reserve and

² Funding for restoring Great Lakes areas of concern (2023, March 16). Government of Canada. <https://www.canada.ca/en/environment-climate-change/services/great-lakes-protection/funding/restoring-areas-concern.html>

³ Province of British Columbia (2022, August 11). *Great Bear Rainforest*. <https://www2.gov.bc.ca/gov/content/environment/natural-resource-stewardship/great-bear-rainforest>

⁴ Conabio. *Estrategia Nacional sobre Biodiversidad de México*. Mexican Government. <https://www.biodiversidad.gob.mx/pais/enbiomex>

⁵ Rojas-Bracho, L., et al (2022, March 2). *The IUCN Red List of Threatened Species*. IUCN. <https://www.iucnredlist.org/species/17028/214541137>

helping to monitor and report any illegal fisheries in the region⁶. The cancellation resulted in a lack of conservation efforts in the area.

The Sea View Marine Sciences, the Porpoise Conservation Society based in Canada, the Natural Protected Areas Commission of Mexico (CONANP) (a Mexican government agency), and the conservation group Sea Shepard are implementing the 2023 Vaquita Survey⁷.

Two ships, the M/V Seahorse and Sirena de la Noche, will be used to locate and track Vaquitas in 2023. The observational survey will measure Vaquitas's activity in the Zero Tolerance Area. At the end of this survey, a scientific team will create a report on the status of the Vaquita population that will be released in June 2023.

Mexico could benefit From Canada's experience in conservation and build a community with an indigenous population that supports the conservation efforts, such as when setting up the Great Bear Rainforest Initiative in British Columbia. Furthermore, both countries could work together on forming a regional conservation framework that includes the USA, Mexico, and Canada, based on each jurisdiction's needs and priorities.

To help protect the Vaquita porpoise, Canada and Mexico are also working together to implement a no-take zone to protect its habitat and reduce illegal poaching. Additionally, Canada and Mexico are working together to strengthen their

⁶ The Associated Press (2023, March 25). *Mexico faces sanctions for not protecting endangered porpoise*. ABC News. <https://abcnews.go.com/International/wireStory/mexico-sanctioned-protecting-endangered-porpoise-98126321>

⁷ Sea Shepherd (2023, May 8). *Dates of 2023 Vaquita survey announced! - sea shepherd conservation society*. Sea Shepherd Conservation Society. <https://seashepherd.org/2023/05/08/dates-of-2023-vaquita-survey-announced/>

efforts to protect the endangered porpoise through implementing new laws and regulations and public awareness campaigns.

Canada and Mexico work together to promote sustainable fisheries management and reduce overfishing. For example, the two countries are working together to promote the implementation of the UN Sustainable Development Goal 14, “Life Below Water.” The two countries are also working together on initiatives to protect the marine environment from the impacts of climate change.

MARINE DEBRIS AND PLASTICS

Mexico and Canada also collaborate on initiatives to reduce Pacific Ocean marine debris, such as the G7 Initiative to address marine plastic litter⁸. The initiative seeks to reduce marine debris and promote research, monitoring, and prevention programs. They are also working on regional initiatives like the South America Pacific Plastics Pact⁹ and initiatives led by NGOs and civil society.

Under the CEC leadership, in 2017, the three countries carried out a project to clean up the Tijuana River watershed. The initiative involved local authorities, NGO’s and academics and ended with an action plan to tackle pollution on the river, the estuary and the Pacific Ocean¹⁰.

⁸ G7 innovation challenge to address marine plastic litter (2019, January 4). Government of Canada. https://www.international.gc.ca/world-monde/international_relations-relations_internationales/g7/documents/2018-09-19-marine_plastic_litter-dechets_plastique_marins.aspx?lang=eng#

⁹ Palmer, Ian (2023, February 23) *Colombia launches Second Plastics Pact in Latin America*. WRAP. <https://wrap.org.uk/media-centre/press-releases/colombia-launches-second-plastics-pact-latin-america>

¹⁰ *Building community solutions to Marine Litter: Case Study. Tijuana River Watershed*. Commission for Environmental Cooperation (CEC) <http://www.cec.org>

However, five years later, the region is still facing pollution issues. The Tijuana River begins in the surrounding area and flows towards Imperial Beach, passing through Tijuana. As it travels, it collects plastics, garbage, and sewage before eventually reaching the ocean. The river only runs when it rains¹¹. Under the pressure of migrating problems and the rapid development generated after NAFTA, Tijuana, a city with less than 700,000 inhabitants in 1990, now has more than 2,200 million.

This shows that long-term collaboration focused on preventing and reducing marine debris is still needed.

Canada's Ocean Plastic Charter¹² is an example of the kind of partnerships needed to increase the effectiveness of debris management and prevention strategies. The Charter is a voluntary agreement between the signatory countries to reduce marine plastic pollution significantly. The objective is to coordinate actions and share experiences between the signatory countries to reduce the presence of plastic in the oceans. Some results of this partnership are the introduction of circular economy models, reducing plastic consumption, and the development of monitoring systems.

CLIMATE CHANGE

Climate action and clean energy are also critical priorities for Mexico and Canada. They are committed to reducing

cec.org/files/documents/publications/11838-building-community-solutions-marine-litter-in-north-america-tijuana-river-en.pdf

¹¹ Ribakoff, Sam (2023, February 2). *California forking out \$34 million to clean up new and Tijuana Rivers*. Courthouse News Service. <https://www.courthousenews.com/california-forking-out-34-million-to-clean-up-new-and-tijuana-rivers/>

¹² *Ocean Plastics Charter* (2021, December 9). Government of Canada. <https://www.canada.ca/en/environment-climate-change/services/managing-reducing-waste/international-commitments/ocean-plastics-charter.html>

greenhouse gas emissions, transitioning to clean and renewable energy sources, and building resilient infrastructure. Under the Paris Agreement, both countries have committed to reducing their carbon emissions and achieving net-zero emissions by 2050 by implementing climate change adaptation and mitigation measures such as green infrastructure investments.

By collaborating on research and development, technological innovation, and policy frameworks, they can accelerate their transition to a low-carbon economy and contribute to global efforts to combat climate change. Examples of that collaboration are set in the jointly issued Declaration of North America, where the leaders committed to achieving their respective 2030 nationally determined contributions (NDCs) under the Paris Agreement¹³ and the Canada-Mexico environment working group¹⁴, which focuses on energy, climate, and clean air. They also actively engage with international organizations to share best practices and coordinate efforts to combat climate change.

In addition, Mexico and Canada are collaborating on programs and initiatives to promote renewable energy. The Canada-Mexico Partnership focuses on strengthening energy efficiency, renewable energy, and natural gas projects. The two countries are also working together to develop a network of energy transmission lines that will support the integration of renewable energy sources into the grid.

¹³ SDG Knowledge Hub (2023, January 18). *Canada, Mexico, US enhance cooperation on Climate Change, Environment*. International Institute for Sustainable Development. <https://sdg.iisd.org/news/canada-mexico-us-enhance-cooperation-on-climate-change-environment/>

¹⁴ *Canada-Mexico environment working group* (2022, September 2). Government of Canada. <https://www.canada.ca/en/environment-climate-change/corporate/international-affairs/partnerships-countries-regions/north-america/canada-mexico-environment.html>

HUMAN RIGHTS AND MULTILATERALISM

Mexico and Canada promote peace and democracy in the region through initiatives such as the Canada-Mexico Dialogue on Human Rights and Multilateral Affairs¹⁵. This dialogue was jointly established to strengthen the relationship between the two countries and support their commitments to protecting human rights in favour of multilateralism.

The Canada-Mexico Action Plan¹⁶ is a strategic framework that outlines the priorities and initiatives for collaboration between Canada and Mexico. It was established by the Prime Minister of Canada and the President of Mexico in 2018.

The Action Plan focuses on nine pillars that reflect the citizens' priorities and aim to advance the well-being and interests of both countries. Between those pillars, there are several that are directly related to human rights, such as the Reconciliation with Indigenous People; Gender equality and women's empowerment; Anti-racism; Youth engagement; Peace and security; Tourism, migration, and human mobility; and Cooperation in the face of future health crises. Through this initiative, Canada and Mexico have organized several dialogues and seminars in areas such as human rights, democracy, gender equality, and conflict resolution.

The Plan provides a framework for collaboration between the two countries across a range of priority areas, aiming to create more prosperous, sustainable, safe, and equitable

¹⁵ Hernandez, G. (2022, May 9). *The Canada-Mexico dialogue on human rights and multilateral affairs takes place in Chiapas*. Canada in Mexico. <https://canadainmexico.com/2022/05/the-canada-mexico-dialogue-on-human-rights-and-multilateral-affairs-takes-place-in-chiapas/>

¹⁶ Canada-Mexico Action Plan (2023, January 11). Government of Canada. <https://www.international.gc.ca/transparency-transparence/mexico-mexique/action-plan.aspx?lang=eng>

societies for their citizens and contribute to the integrity and competitiveness of the North American region.

In addition, the two countries are working together to address the root causes of migration and reduce transnational crime, such as people smuggling and human trafficking. The collaboration also promotes safe, orderly and regular migration between the two countries.

CONCLUSION

In conclusion, while the collaboration between Mexico and Canada holds great potential for addressing global issues and promoting sustainability, it faces significant challenges due to Mexico's new government's lack of commitment in certain areas. The construction of a new train in the middle of the forest, destroying essential ecosystems and habitats, is a stark example of the challenges. Additionally, the policy changes favouring fossil fuels and limiting resources for conserving endangered species like the vaquita marina pose further obstacles to effective collaboration and environmental protection.

The actions taken by Mexico's new government contradict the shared commitment between Mexico and Canada to address climate change, protect biodiversity, and promote sustainable development. These policy shifts undermine the progress made thus far and hinder the potential for future collaboration in these critical areas.

Mexico's government must reassess its policies and prioritize environmental protection, sustainable development, and the conservation of endangered species. By aligning its actions with the shared goals of the international community, Mexico can overcome the challenges it currently faces and strengthen its collaboration with Canada.

Furthermore, Canada can be pivotal in supporting Mexico's transition towards more sustainable practices. By sharing its expertise, best practices, and success stories in conservation, Canada can help Mexico overcome its challenges and foster a more environmentally responsible approach.

However, it is essential to acknowledge that the challenges presented by Mexico's new government's policies require sustained efforts and proactive engagement from both countries. Dialogue, cooperation, and joint action remain vital in addressing these challenges and steering Mexico's environmental agenda toward sustainability.

While the lack of commitment from Mexico's current government poses significant challenges, the collaboration between Mexico and Canada can still play a vital role in addressing global issues. By addressing and overcoming the obstacles presented by Mexico's policy changes, both countries can cooperate to protect the environment, promote sustainable development, and safeguard endangered species like the vaquita marina. Both nations must reaffirm their commitment to environmental stewardship and prioritize collaborative efforts to shape a more sustainable and prosperous future for their citizens and the world.

Both countries must take decisive action and ensure collaboration is at their strategies' forefront. Canadian and Mexican initiatives must humanize the environment, provide access to clean energy, combat climate change, and promote sustainable practices. Canada must continue sharing best practices and expertise while supporting Mexico with capacity building and technical assistance. Mexico, meanwhile, needs to strengthen its commitment to environmental protection and prioritize collaboration in addressing global issues.

Furthermore, both countries must continue engaging international organizations to leverage their collective resources and knowledge. Only through coordinated action can Mexico and Canada work together to develop innovative solutions to ensure a brighter future for their citizens and the North American region.



CHAPTER III

PEOPLE, EDUCATION AND CULTURE

MEDIA RELATIONSHIP, WHY DO WE NOT CARE ABOUT EACH OTHER?

JOSÉ CARREÑO FIGUERAS

The grouping of North America in a trade block was perhaps the most important economic story of the last decade of the XX century. The negotiation and creation of the North American Free Trade Agreement (NAFTA) set up a region that became the world's top trading and economic region based on the United States economy.

Canada and Mexico, as neighbours and partners of the U.S., have a close economic relationship, but they were essentially strangers to each other. And to a large extent, they still are. Mexico is home to a relatively important Canadian ex-pat community, and Canada is the third country with the most prominent Mexican-origin population after Mexico and the United States.

Around 1.2 million Canadians visited Mexico in 2021—the second largest foreign tourist group after the U.S. Officially, contemporary Canadian emigrants to Mexico consist mainly of working professionals that settle in larger cities and retired individuals living in smaller towns.

The Canadian Department of Foreign Affairs and International Trade notes that about 13,350 Canadian nationals

live in Mexico, but less than half are registered with the Canadian Embassy there. More than four million Canadians live abroad, with the largest communities in the U.S. (almost a million) and the next most significant communities, in the United Kingdom, France, Australia and Italy, far below that number. According to Mexico's National Institute of Statistics and Geography (INEGI), in 2020, there were 12,439 Canadian-born persons living in Mexico.

Both the Mexican and Canadian governments define the relationship as a strategic one. However, the reality is that the relationship has not always been smooth. Sometimes it has been marked by disagreements, particularly in negotiating economic and trade details. Yes, it has registered substantial progress, especially since 1990, but not enough to awaken public interest.

The official statements are upbeat. Yet, for experts in Mexico, Washington and Ottawa, "the defining condition is benign neglect". In official terms, the relationship is great.

But in at least the traditional media, the news is either about trade and investment problems, especially with the Lopez Obrador Administration, the troubles of Canadian tourists in a violent Mexico, the political situation in Canada, the beach weddings of Canadian couples in Mexico and, now and then, the status of the bilateral relations.

"Basically, we ignore each other", says Hiroshi Takahashi, Managing Editor of "El Sol de Mexico", the lead newspaper of a 35+ chain in the country.

The trade and investment relationship has seen solid growth since the enactment of the NAFTA agreement in 1994 and continues with the most recent Canada-US-Mexico Free Trade Agreement (CUSMA). According to the official views, "Canadian trade and investment with Mexico are steadily

growing, with over \$41.7 billion in two-way merchandise trade in 2021”.

Mexico is Canada’s third largest single-country merchandise trading partner (after U.S. and China). Canada was Mexico’s sixth-largest merchandise trading partner in 2021. Canadian Direct Investment in Mexico was 25 Billion in 2021, Canada’s ninth largest direct investment destination. Mexico’s stability, growing consumer class and competitive labour continue to make it an attractive market for Canadian exports and investments. Export Development Canada (EDC) has identified Mexico as a priority market and has operated a regional office in Mexico since 2000. EDC provides extensive financial services related to Canadian exports and investments in the country.

That is the Canadian government’s official declaration: “Our people-to-people connections are undeniable. Despite the COVID-19 pandemic, Canada continues to be Mexico’s second biggest source country for visitors after the United States, with over 1.8 million Canadians travelling to Mexico in 2022. We expect a post-pandemic progressive recovery to surpass the number of Canadian visitors to Mexico in 2019, over 2.3 million. A significant number of Canadians, particularly retirees, have purchased properties in Mexico and spend extended periods there”, adds an official Canadian document.

Yet, Canada currently warns travellers to exercise a high degree of caution in Mexico “due to high levels of criminal activity and kidnapping” but does not advise them to avoid all travel to any areas.

From the Mexican government’s point of view, “At the bilateral level, an intense and permanent agenda of meetings between Mexican and Canadian officials at the highest level has been promoted. Their frequency and the diversity

of topics on the agenda have made it possible to open new cooperation channels”.

The Presidents of Mexico have met about half a hundred times with the Prime Ministers of Canada, albeit a number of them on the diplomatic frame of trilateral North American meetings.

“Both countries have developed ties of friendship and cooperation not only between federal governments, but also multiple relationships between state, provincial and local authorities, as well as collaborations between institutions and civil society organizations and person-to-person contacts”.

But the Mexican government, specifically President Andres Manuel Lopez Obrador, has “jawboned” Canadian mining companies for reasons from labour disputes to environmental and property problems. And the reality is that “we ignore each other”, says Alfonso Nieto, a retired Mexican diplomat who spent time in Canada.

Nevertheless, the official positions have reasons to show optimism. The number of Mexicans visiting Canada shows an upward movement: more than 400,000 Mexicans visited Canada in 2022. Before the COVID-19 pandemic, Canada had seen a significant increase in visitors from Mexico. Around 510,000 Mexicans visited Canada in 2019.

Mexico remains the top source country under the Seasonal Agricultural Workers Program, often cited as a model for international labour-mobility arrangements. Canada welcomed a record-breaking number of 32,975 temporary foreign workers (TFWs) in 2021, despite the challenges posed by the COVID-19 pandemic. “This recognizes Mexican nationals’ foundational role as a source of labour for Canada, specifically in sustaining the domestic agricultural sector. The Canadian government claims that Mexican nationals

participating in the TFW program have increased by 17.6% over the past five years”.

In the official view, “academic and cultural ties are essential to our relationship. Canada hosted 14,435 Mexican students in 2021, an increase from over 10,000 students in 2020 to over 4,600 Mexican students taking short-term language courses that do not require a student permit. There is a significant amount of ongoing academic collaboration and exchange,” and there are over 300 agreements between Canadian and Mexican higher education institutions to facilitate academic exchanges.

But, if you ask a Mexican what she/he thinks about Canada, you’ll get a positive response, but more likely than not, a blank stare. And the answer to a similar question in Canada about Mexico is expected to be the same. “Mexico isn’t top-of-mind for Canadians, and the same could be said for Mexicans and Canada”, points out David Agren, a prolific freelancer and likely the only Anglo-Canadian journalist based in Mexico for over a decade.

Yes, there has been an increased interest in Mexico for Canada as a place to emigrate or study; indeed, the increase of Canadian tourism and the criminal situation in Mexico raises the country’s profile in the Canadian media.”The relationship is functional. It works for businesses and tourists. The bureaucracies of the two countries cooperate when necessary, and relations are cordial. It’s a bit more than the bare minimum, but no more than that is needed or desired”, says Carlo Dade, an academic at the University of Ottawa and a leading Canada West Foundation member.

A trade agreement and a shared neighbourhood link between Mexico and Canada. A shared neighbour and different interests separate Mexico and Canada. “The central problem is that there are fundamental differences in the vision of

North America of both countries; in economic, political and security. The differences date back to the Cold War but only arose with the NAFTA negotiations. So it's hard to see how things would pan out", wrote Athanasios Hristoulas in 2019.

Hristoulas is one of the few Mexican academics focused on Canada, and his vision is and has been, of skepticism. For him, it is a "problematic relation". In a booklet published in 2019, Hristoulas pointed out that the lack of institutional mechanisms affected the relationship.

Four years after a renegotiation that took NAFTA to the CUSMA, the situation is very similar. It is a trilateral agreement with bilateral relations.

Still, it is a relation. The links between both countries are not excellent, but neither bad. They are just "cool", says Agren.

There is a more optimistic view. "The construction of North America has often happened off-stage, while the critics of integration and regionalism occupied the limelight. Steadily over the years, businesses and bureaucrats, migrants and border residents, have forged robust ties among Canada, Mexico, and the United States. These connections have made the region an economic and trading giant for the last thirty years. North Americans' relations are economical and social—from commerce to cousins, from trade to uncles. These networks increasingly extend into the Caribbean and Central America. As a result of these myriad interconnections, we now live—and governments and firms operate—on a continent characterized by interdependences, transnational flows, and a shared position in the world", states the book "NorthAmerica 2.0" published in 2022 by the Wilson Center. And so, there is a silver lining.

“More than what we have does not appear necessary, “ says Dade. “We trade with Mexico, we visit Mexico. When the U.S. acts up, we help each other if asked and if we can do so without harming our interests in the U.S.”.

And that’s about it.

A BRIGHT FUTURE. THE NEW NORTH AMERICA STUDENT MOBILITY PROJECT

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CONTEXT

Due to geoGraph, economic, and demoGraph reasons, Mexico and Canada have shared a broad bilateral relationship for nearly 80 years. However, until recently, both governments recognized and acknowledged the necessity to strengthen and expand long-term bilateral cooperation to encourage the development of a more competitive workforce through education, research, and skills development to meet the needs of the 21st-century economy. Since 2005, through the North American Leaders' Summit (NALS), the President of Mexico, the Prime Minister of Canada, and the President of the United States have worked together at a bilateral and trilateral level in different areas of interest, such as security, immigration, trade, environment, and more recently, on academic cooperation, mobility of students, teachers, academics and researchers, women's empowerment and entrepreneurship,

to create a more integrated, sustainable, and globally-competitive North American region¹.

On February 19, 2014, the President of Mexico, Enrique Peña Nieto, Canada's Prime Minister, Stephen Harper and the President of the United States, Barack Obama, met for the VII North America Leader's Summit (NALS) under that year's subject matter *North American Competitiveness* and signed a Joint Statement: *21st Century North America: Building the Most Competitive and Dynamic Region in the World*².

The main objectives of the Statement were to expand educational and economic opportunities toward developing a highly competitive North American workforce. A year earlier, in 2013, the President of Mexico, Enrique Peña Nieto and the President of the United States, Barack Obama, had launched the Bilateral Forum on Higher Education, Innovation and Research (FOBESII) for its acronym in Spanish, as a strategy to develop a new bilateral vision in education, science, technology and innovation as the cornerstone for regional competitiveness and prosperity. It comprised four pillars: Academic and Student Mobility; Language Acquisition and Proficiency; Labor Force Development; and Research and Innovation. Workshops were organized around these pillars, and more than 450 representatives from the public, private, social, and academic sectors of the U.S. and Mexico attended and actively participated in implementing collaboration. As a result, Mexico launched *Proyecto 100,000* to provide 100 thousand Mexican students, faculty and researchers with

¹ Secretaría de Relaciones Exteriores (2005). *Cumbre de Líderes de América de Norte, Declaración Conjunta Alianza para la Seguridad y la Prosperidad de América del Norte* Waco, Texas, <https://portales.sre.gob.mx/mex-can/images/docs/DECLARACION-CONJUNTA-Waco-2005.pdf>

² Secretaría de Relaciones Exteriores (2014). *Cumbre de Líderes de América de Norte, Declaración Conjunta*. Toluca, Estado de México <https://portales.sre.gob.mx/mex-can/images/docs/DECLARACION-CONJUNTA-Toluca-2014.pdf>

learning experiences in the United States and 50 thousand U.S. students, faculty and researchers with learning experiences in Mexico by 2018³.

This meant that for the first time in the history of our bilateral relationship, higher education, innovation, and research were being considered strategic within the wider collaboration agenda.

Following the development of a highly competitive North American workforce vision, the next step needed to be undertaken by the Mexican and Canadian governments consisted of replicating in the fashion of FOBESII, the Bilateral Forum for Higher Education, Innovation and Research with Canada (FOBESII-C) for its acronym in Spanish. On June 12, 2015, a group of representatives of the Governments and academic and private sectors from Mexico and Canada met at the University of British Columbia in Vancouver, Canada, to establish the path to implement FOBESII-C.

Dr. Sergio Alcocer, the then Under-Secretary for North America, chaired this meeting. To articulate FOBESII-C's objectives, *Proyecto 10,000* aimed to provide 10,000 Mexican students, faculty and researchers with learning experiences in Canada by 2018. It sought, as well, to increase the number of existing binational research and innovation centers, language teaching and the promotion of exchange opportunities.

FOBESII was reinstated in 2019 by the Mexican Ministry of Foreign Affairs and the United States Embassy in Mexico. FOBESII-C did not face the same fate. However, we continue to monitor bilateral academic collaboration through traditional mechanisms such as the Human Capital Working

³ FOBESII (2013). *Proyecto 100,000. Hacia una región del conocimiento. Propuesta del Grupo de Consulta Mexicano del Foro Bilateral sobre Educación Superior, Innovación e Investigación*, Foro Consultivo, Científico y Tecnológico, A.C. México.

Group of the Mexico-Canada Partnership (CMP) and the Mexico-Quebec Working Group.

On January 11, 2023, the President of Mexico, Andrés Manuel López Obrador, and Canada's Prime Minister, Justin Trudeau, announced the Canada-Mexico Action Plan previously presented at the 18th Annual Meeting of the CMP in 2022 at the X North American Leaders' Summit (NALS). The Action Plan builds on nine pillars: "Reconciliation with Indigenous Peoples; Gender equality and women's empowerment; Trade and Investment; Anti-racism; Youth engagement; Peace and security; Tourism, migration and human mobility; Environment and climate change; Cooperation in the face of future health crises"⁴.

We seek to embrace a new era of bilateral educational cooperation and student mobility between Mexico and Canada within the framework of this current state of affairs. We see this announcement as a renewed opportunity to relaunch an iconic policy innovation program that we have now called FOBESII-C 2030.

Although Mexican President López Obrador will be in office until 2024 and Canadian Prime Minister until 2025, If both administrations institutionalize bilateral academic cooperation and student mobility through sustainable public policy, FOBESII-C 2030 will transcend and endure.

FOBESII-C AND ITS UNPRECEDENTED IMPACT (2015-2018)

In the framework of FOBESII-C, the Ministry of Foreign Affairs, through the Mexican Agency for International

⁴ Canada, G. A. (2023, January 11). *Canada-Mexico Action Plan*. Government of Canada. GAC. <https://www.international.gc.ca/transparence-transparence/mexico-mexique/action-plan.aspx?lang=eng#a4>

Development Cooperation (AMEXCID) for its acronym in Spanish, was responsible for managing the *Proyecta 100,000* and *Proyecta 10,000* strategies in coordination with governmental institutions, binational organizations, representatives of the private sector, local governments, educational associations and HEIs in Mexico, the United States and Canada.

The rationale behind these initiatives was that in the framework of the structural energy and telecommunications reforms led by former President Peña Nieto, Mexico needed a workforce with global skills. One of the main challenges was the lack of English proficiency amongst the Mexican population.

On a national and international scale, the lack of knowledge of the English language restricts academic and professional opportunities since it is a tool for labour mobility. Consequently, the priority strategy of the *Proyecta* initiatives focused student and academic mobility efforts on 4-week stays to strengthen the English language and thus create a critical mass of professionals ready to continue with studies abroad, in Mexico, or to occupy positions that required said skills.

Since launching *Proyecta 10,000* in 2015, the AMEXCID coordinated the mobility of 4,364 Mexican learners to 60 Canadian Higher Education institutions to take English language courses. The Ministry of Public Education and the Government of the State of Mexico primarily financed these mobilities, investing over MXN\$ 412 million (approximately CAD\$30.37 million) in this program.

The initial target population was students with a bachelor's or higher technical degree and teachers from public HEIs. The sponsoring institutions carried out the scholarship selection process through various criteria, mainly: the economic situation of the applicants, belonging to an indigenous community, having economic dependents, having a disability, studying in a program belonging to the scientific and

technological areas, being a woman, and having an average grade between 9 and 10. Table 1 presents data on student mobility from Mexico.

In addition to Proyecta 10,000, other essential programs and initiatives took place under the framework of FOBESII-C. In 2017, AMEXCID launched the Grant Program for Canadian Indigenous Students, which aims to recognize innovative initiatives that increase access to international education for traditionally underrepresented students.

The grant allowed Canadian indigenous faculty-led groups of students to have short-term mobility in multicultural Mexican universities and carry out academic activities (language acquisition and exchange, cultural exchange, and academic exchange). This is a current ongoing program. “Mexico Chairs” were established in Canadian HEIs, like the University of Calgary, the University of Regina, and the Sask Alliance⁵, to increase knowledge about Mexico within the Canadian academic community and society. Mexican faculty were granted the chair to undertake research, teaching, lectures, analysis, and dissemination of information about Mexico.

Prestigious Canadian HEIs developed joint research in the energy sector. The University of Alberta was heavily involved in the Mexican energy sector, working on initiatives that ranged from research and innovation to graduate education and short-term professional development. UAlberta’s energy initiatives in Mexico focused mainly on Hydrocarbons, Renewables, Carbon Capture, Utilization, and Storage⁶. Likewise, the University of Calgary secured Mexico as one

⁵ The Sask Alliance was a consortium created in 2017 by Saskatchewan’s Higher Education Institutions: University of Saskatchewan, University of Regina and Saskatchewan Polytechnic.

⁶ *Collaboration with the Mexican Energy Sector*. University of Alberta International. <https://www.ualberta.ca/international/international-relations/americas/mexican-energy-sector.html>

of its four sites for its Global Research Initiative. UCalgary joined funds with the Sectoral Fund provided by CONACYT-Secretaría de Energía-Hidrocarburos to create four Knowledge Networks.

Table 1. Student mobility
from Mexico to Canada by year

	2014	2015	2016	2017	2018	2015-2018
Proyecta 10,000 Goals	–	2,500	5,000	7,500	10,000	25,000
Mexican mobilities to Canada	= 1,500*	2,991	4,809	11,671*	7,765	27,236
<i>Mobilities coordinated by AMEXCID</i>	–	306	152	1,906	2,000	4,364

Source: Mexican Agency for International Development Cooperation, Dirección General de Cooperación Técnica y Científica, 2010.

* Note: The information was collected from Project Atlas, and short-term mobilities directly reported to AMEXCID by public and private HEIs. When *Proyecta 10,000* was created, Statistics Canada informed that around 1,500 Mexican students were enrolled in Canadian universities.

This partnership aimed at tackling the challenges facing Mexico’s hydrocarbon sector: scientific and technological research around energy, development, deployment of technologies, training, and capacity development in energy policy, regulation, business units, and governance⁷. These research projects stood to advance both countries’ efforts in reducing greenhouse gas emissions and increasing energy security.

⁷ Global impact. Research at University of Calgary. *Mexico Research Collaboration* (2023, February 16). <https://research.ucalgary.ca/energy/energy-research/global-research-initiative/global-impact>

Institutional bilateral collaboration was strengthened. From 2015 to 2018, the Mexican Ministry of Foreign Affairs signed 64 agreements between HEIs, educational associations, and research centers from both countries. As a result of fruitful negotiations during the FOBESII-C era, in 2019, Universities Canada headed a mission to Mexico, which concluded with “seven new memoranda of understanding, dealing with subjects ranging from collaborative diabetes research to expanding opportunities for international graduate research placements.

Other highlights included in-depth discussions between Canadian and Mexican university leaders on reconciliation, indigenous higher education, urbanization, energy, and climate change issues, and a clarion call from Mexican partners for Canada to send more students to study in the country”⁸. In the same year, Languages Canada signed several MOUs with EDUCAFIN/State of Guanajuato, the Ministry of Education of Guanajuato, the Ministry of Education of Jalisco; and the Ministry of Innovation, Science and Technology of Jalisco, and the Consortium of Mexican Universities. In cooperation with the State of Guanajuato, Languages Canada members, including Algonquin College, University of Toronto, Lakehead University, Université Laval, and the University of Waterloo, signed bilateral agreements with EDUCAFIN to provide ESL and teacher training programs in Canada to cohorts of Mexican language educators in Canada⁹.

The importance of Proyecto 10,000 lies in the fact that the initiative materialized not only through the signing of

⁸ Universities Canada (2019). *Canadian universities deepen ties with Mexico* <https://www.univcan.ca/media-room/media-releases/deepening-ties-with-mexico/>

⁹ Global Affairs Canada, Canada-Mexico partnership - 2019 annual report, <https://www.international.gc.ca/transparency-transparence/mexico-mexique/2019.aspx?lang=eng>

collaboration agreements, meetings, and symposia but also through the incremental mobilization of Mexican students, teachers and researchers to Canada for three years through high-level political efforts that allowed for the funding of the program.

CURRENT STATUS OF MEXICO-CANADA HIGHER EDUCATION MOBILITY

According to Canada's 2021 Census, the country has a larger share of the population with a college or university degree than any other country in the G7. The share with a bachelor's degree or higher continues to rise with an influx of highly educated immigrants and a growing number of young adults completing degrees¹⁰.

Canada is one of the leading educational destinations for international students, and a predominant reason is that it is currently one of the world's top-performing education systems. In the latest PISA results 2018, an average of 11.8 percent of students in G7 countries were academically resilient. "Canada (13.9 percent) ranked second with a score statistically indistinguishable from first-place United Kingdom (14 percent)"¹¹.

In 2022, more than 550,000 international students studied in Canada¹². International education makes a significant and growing contribution to Canada's economy. According

¹⁰ The Daily (2022). *Canada leads the G7 for the most educated workforce, thanks to immigrants, young adults and a strong college sector, but is experiencing significant losses in apprenticeship certificate holders in key trades.* <https://www150.statcan.gc.ca/n1/daily-quotidien/221130/dq221130a-eng.htm>

¹¹ Allison, D. (2022), PISA results - A snapshot of schools in Canada, The Fraser Institute.

¹² Immigration, Refugees and Citizenship Canada, *Canada study permit holders by country of citizenship and year in which permit became effective*, <https://open.canada.ca/data/en/dataset/90115b00-f9b8-49e8-afa3-b4cff8facaee>

to Global Affairs Canada, international students in Canada spent an estimated CAD\$ 21.6 billion on tuition, accommodation, and other expenses in 2018 and sustained close to 170,000 jobs for Canadians in 2016.

Educational expenditures by international students have a more significant impact on Canada's economy than exports of auto parts, lumber, or aircraft¹³. As shown in Graph 1, after the COVID-19 pandemic crisis (2020/2021), the number of international students studying in Canada has been increasing. The Canadian Bureau for International Education (CBIE) conducted an International Students Survey, which revealed that the top three reasons why international students choose Canada as an academic destination are: "its reputation as a safe and stable country; the reputation and quality of the education system in Canada, and that Canada offers a society that (generally) is tolerant and not discriminatory"¹⁴.

Statistics Canada states, "During the COVID-19 pandemic, Canadian universities reported record-high surplus revenues of CAD\$7.3 billion, the highest since Statistics Canada started collecting data in 2000/2001. Universities demonstrated resilience by rapidly transitioning to virtual learning environments. They performed better than projected, despite travel restrictions affecting international students, closed campus services, and residences operating at a lower capacity"¹⁵.

If we focus on Mexico's outbound mobility to Canada, it is surprising to note that even though FOBESII-C and Proyecta

¹³ Government of Canada, *Building on Success: International Education Strategy (2019-2024)*, <https://www.international.gc.ca/education/strategy-2019-2024-strategie.aspx?lang=eng>

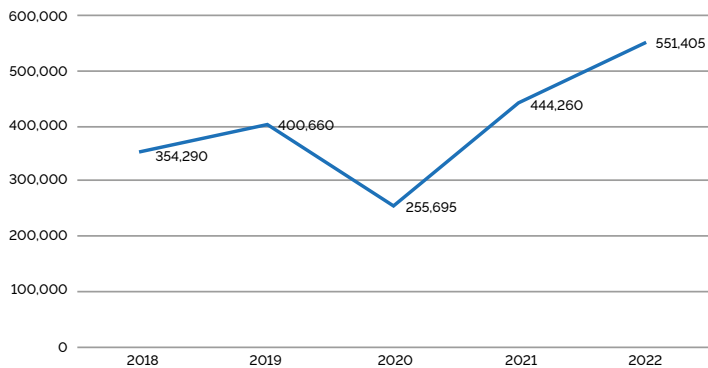
¹⁴ Canadian Bureau of International Education, *International Student Survey*, 2021.

¹⁵ Statistics Canada (2022). *The impact of the COVID-19 pandemic on university finances for the 2020/2021 fiscal year*.

10,000 are no longer in force, and there have been budget cuts to student mobility by the government, academia, civil society, and industry, the number of Mexican students enrolled in Canadian institutions has seen an increase and is now above the 10,000 Proyecto goal. Graphs 1 and 2 show the total number of study permit holders, meaning the statistics only consider full-time undergraduate and graduate students. In this sense, inbound mobility is likely underrepresented. Language courses and shorter-term mobilities are more flexible arrangements between institutions and, thus, more promoted by Mexican HEIs and local governments.

For instance, in 2019, the State of Mexico implemented a project based on “Proyecto 10,000” called “Proyecto Estado de México” and was financed by the state public funds. The project, developed over five years, incorporates science and technology programs in high demand by the student community in the State of Mexico wishing to study English as a Second Language (ESL) in Canada.

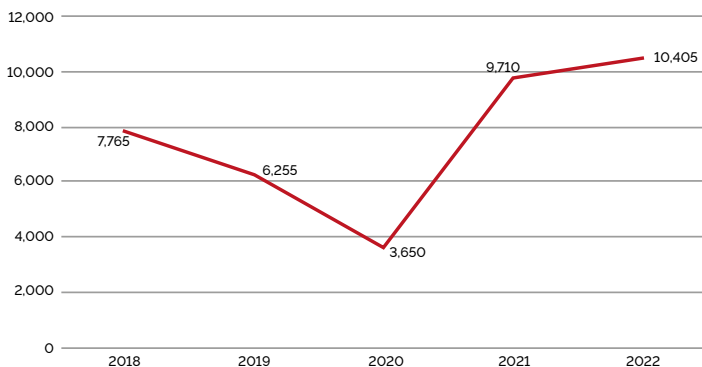
Graph 1. International students
in Canada, per year



Source: Immigration, Refugees and Citizenship Canada.

Similarly, in December 2022 in Montreal, Mauricio Vila, Governor of the State of Yucatán, signed collaboration agreements with Canadian and global institutions to send students to short-term English courses under the framework of Yucatán's "International Mobility Program". The said program aims to have 500 Yucatan learners studying abroad by 2024¹⁶. At the institutional level, and since 2019, HEIs like Universidad Autónoma Metropolitana (UAM) and Instituto Politécnico Nacional (IPN) continue to provide their students with English language training taught by Canadian universities, either in person and/or virtually.

Graph 2. Mexican students in Canada
per year (Number of Mexican
Study Permit holders)



Source: Immigration, Refugees and Citizenship Canada.

¹⁶ Gobierno del Estado de Yucatán (2022). *Yucatán fortalece lazos académicos con Universidades Canadienses para ofrecer mejores oportunidades académicas a estudiantes yucatecos* https://www.yucatan.gob.mx/saladeprensa/ver_notas.php?id=7105

To ensure a sustainable international education sector, Canada must address several challenges, including increased competition from traditional competitors (United States, Australia, France, Germany, New Zealand and the U.K.) and emerging ones (China and Malaysia) and a need for diversification. For Canada's government, attracting students from a wider diversity of countries and a greater variety of regions and schools would foster sustainable growth of the country's international education sector and distribute the benefits more equitably across the country.

The rationale is that Canada must continually expand and diversify its customer base and its roster of potential exporters as a trading nation. This requires securing markets, as well as encouraging and enabling new exporters. Canada's International Educational Strategy aims to increase the diversity of inbound student populations, skill sets, and programs by fostering people-to-people ties and international networks. This will help build labour markets, spur economic development in target regions and industries, and support diversity at Canada's educational institutions.

In this framework, Mexico was included, along with Brazil, Colombia, France, Indonesia, Morocco, the Philippines, Thailand, Turkey, Ukraine and Vietnam, as one of the priority countries for inbound mobility. At the institutional level, several Canadian HEIs have understood that Mexico represents a significant source of international students and a potential gateway to the Latin American market. They have redoubled their student recruitment efforts; some have even invested in having a representative office in said country (Table 2).

Table 2. Canadian HEIs
with an official representation in Mexico

Canadian HEIs	Goals in Mexico
Centennial College, Ontario	• Student recruitment
Lakehead University, Ontario	• Partnership building • Student recruitment
Kwantlen Polytechnic, British Columbia	• Student recruitment
Saskatchewan Polytechnic, Saskatchewan	• Student recruitment
Toronto Metropolitan University, Ontario	• Student recruitment
Sheridan College, Ontario	• Student recruitment
Trent University, Ontario	• Student recruitment
University of Calgary, Alberta	• Partnership building • Student recruitment
University of Ottawa, Ontario	• Student recruitment

Despite the global economic crisis caused by COVID-19 and the public budget cuts, student mobility from Mexico to Canada keeps growing. But who are those students? There is no formal data on the profile of Mexican students in Canada. Still, considering they are travelling by their means, we can assume they are students from private Mexican high schools, graduate students (academic achievers), and families aiming to migrate to Canada. Mexican students who are travelling to Canada are the ones who can afford the costs. Students without resources hardly have options for studying abroad. This situation may be accentuating educational inequalities in Mexico.

On the other side, if we observe the available statistics on Mexico's inbound and outbound student mobility, we observe the opposite results: Mexico has been sending fewer

students to study abroad and has been receiving fewer international students. The newest data on Canadian students in Mexico is from 2021. The Asociación Nacional de Universidades e Instituciones de Educación Superior (ANUIES) registered only 198 students from Canada in that year¹⁷.

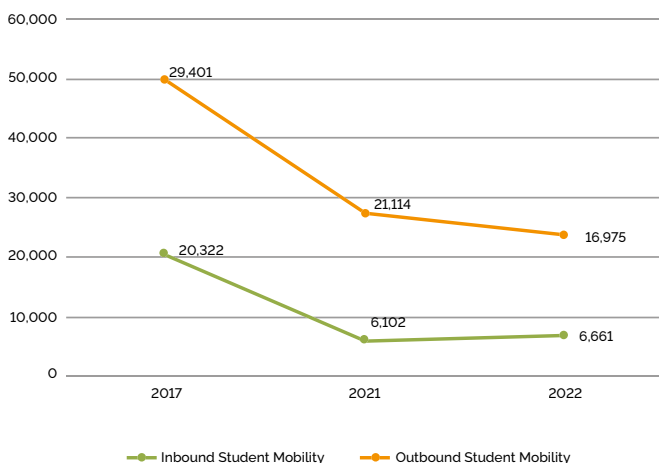
The numbers show an enormous asymmetry. Whereas Mexicans recognize Canada as an excellent study and research destination, Canadian students have no interest in studying abroad, and those who are, are not interested in Mexico. As part of its International Education Strategy, Canada recognizes that not enough Canadian youth enter the labour market with the right mix of skills. While many Canadian graduates may have the necessary technical knowledge, they lack the soft skills and work experience required by employers in Canada. Periods of study and work abroad could help them acquire those skills and could also help them develop intercultural competencies, solid international networks, and a deeper understanding of economic regions of importance to Canada, like Mexico and Latin America.

To tackle this challenge, in 2021, the Canadian Government launched the “Global Skills Opportunity”¹⁸ program, in which Mexico is a strategic country. This program aims to provide thousands of university students with international study and work experiences, strengthening their global skills and competencies. Global Skills opportunity is funded by Employment and Social Development Canada and administered jointly by Universities Canada and Colleges and Institutes Canada (CICan). Brock University, Lakehead University, Royal Roads University, Trent University, Université de Moncton, University of the Fraser Valley, and York University have already started projects with Mexican counterparts under this program.

¹⁷ Institute of International Education (2022), *Project Atlas, Canada and Mexico*, <https://www.iie.org/research-initiatives/project-atlas>

¹⁸ Global Skills Opportunity (2023). <https://globalskillsoportunity.ca>

Graph 3. Mexican inbound and outbound student mobility



Source: Project Atlas, Institute of International Education 2022, in collaboration with the *Asociación Nacional de Universidades e Instituciones de Educación Superior* (ANUIES).

FOBESII-C 2030: RECOMMENDATIONS TOWARDS A NEW NORTH AMERICAN MOBILITY PROJECT

The 18th Annual Meeting of the Canada-Mexico Partnership took place in November 2022¹⁹. That year, the Annual Meeting included a horizontal theme on indigenous cooperation. The Canada-Mexico Youth Lab equally had the opportunity to participate in the annual meeting and present its recommendations.

¹⁹ Government of Canada (2023, January 19). *The Canada-Mexico Partnership*. https://www.international.gc.ca/country-pays/mexico-mexique/partnership-canada-mexico-mexique_partenariat.aspx?lang=eng

The Can-Mex Youth Lab is a 2021 joint initiative by the Canadian Embassy in Mexico and the Mexican Embassy in Canada aimed at increasing collaboration between Mexican and Canadian youth on priority topics and amplifying young voices²⁰.

The first Youth Delegates addressed critical issues such as indigenous cultural awareness through social media, a “Digital Leaders Program” to educate students and young professionals about online misinformation, and a short-term bilateral mobility program (6 months) with virtual or in-person work placements (6 months).

Delegates recommended adding a “career services function” to the former project for networking and job listings. The Canada-Mexico Action Plan, signed in January 2023, aims to embed youth in Canada-Mexico Partnership working groups and expand the current Youth Lab program.

The Canadian initiatives offer Mexico a strategic opportunity to relaunch a Revised FOBESII-C 2030 within the Canada-Mexico Action Plan, aligned with the SDGs, in a volatile, high-risk environment marked by a growing digital economy and global crises. According to the World Economic Forum’s Global Risks Report 2023²¹, “the world’s top current risks are energy, food, inflation, and the overall cost of living crisis,” including “natural disasters and trade and technology wars”. On the other hand and according to Info-Tech Research Group, the seven trends shaping I.T.’s landscape in 2023 are “The Metaverse, Generative AI, Industry-Led Data Models, Sustained Digital Processes (as opportunities) and

²⁰ Can-Mex Youth Lab (2022), <https://www.canmex.org/eng>

²¹ *Global risks report 2023*. World Economic Forum. <https://www.weforum.org/reports/global-risks-report-2023/>

ESG Analytics and Reporting, Zero Trust Security and Recession Preparation (as volatility risks)²².

In this worldwide scenario, of which we are an essential part, Mexico and Canada must undertake aggressive steps in their Action Plans to compete and survive, academically speaking. TESLA's new electric vehicle plant in Mexico's northern State of Nuevo León, worth over USD\$5 billion and creating up to 6,000 jobs, exemplifies a successful triple-helix model of innovation where government, industry, and academia collaborate for economic and social development in a knowledge economy²³.

The choice of Nuevo León for TESLA's new plant is not coincidental, as it offers nearshoring advantages, proximity to the global headquarters in Austin, TX, and a highly skilled workforce. Additionally, Nuevo León boasts highly ranked HEIs in the country²⁴ and is the second state with a high State Competitiveness Index²⁵ that includes indicators of a prepared, healthy, and inclusive society.

We envision this great news as an additional window of opportunity for Mexico to explore new technological frontiers to implement innovative technology, through sound public policy making, in the understanding that technology is the main factor involved in virtually any strategy. TESLA will need high-level technical skills even on the assembly

²² *Tech trends 2023*. Info-Tech Research Group. <https://www.infotech.com/sem/lp2/tech-trends-2023>

²³ Solomon, Daina Beth (2023, March 2). *Tesla plans Gigafactory in first Mexico Investment*. Reuters. <https://www.reuters.com/business/autos-transportation/teslas-new-mexico-plant-could-create-up-6000-jobs-foreign-ministry-official-2023-03-01/>

²⁴ *Best universities in Mexico 2022*. (2022, August 17). Times Higher Education <https://www.timeshighereducation.com/student/best-universities/best-universities-mexico>

²⁵ *Índice de Competitividad Estatal 2022*. IMCO. <https://imco.org.mx/indices/indice-de-competitividad-estatal-2022/>

line. So, to be provided with the required workforce needed, it could very well invest in local talent development and training by engaging with the state and municipal governments, as well as with the prestigious Tecnológico de Monterrey (Tec de Monterrey), Universidad Autónoma de Nuevo León (UANL) and Universidad de Monterrey (UEM).

We consider that the following steps may contribute to moving forward in a more strategic and comprehensive bilateral academic engagement during the next six years:

- Institutionalize bilateral cooperation and student mobility through public policy
- Articulate triple-helix strategies amongst policymakers, entrepreneurs and academia to encourage the development of projects that are most relevant to both governments
- Create a long-term bilateral funding infrastructure engaging the private sector in providing funding as well as the support of different levels of federal and state government for research, innovation, and the formation of human resources.
- Considering that Canada's education system is not national but based on autonomous provinces, public policy could include pairing/matching state (in the case of Mexico) and provincial (in the case of Canada) initiatives regarding student mobility, innovation, joint research, and human capital formation, in areas of common interest (for instance, Jalisco and Québec collaborating in creative industries)
- Involve Canadian companies with subsidiaries in Mexico and Mexican companies with subsidiaries in Canada, allowing for the commitment and

strengthening of ties with HEIs and research centers to identify the training and innovation required by the private sector at both ends through the creation of binational consortia.

- Train technical and professional workforce to integrate Canada-Mexico value chains taking advantage of the fact that Canada is a global innovation champion and foreign investors are increasingly concentrating their efforts on Canadian solutions in a myriad of sectors: advanced manufacturing and advanced technology, sustainable agri-food, clean technologies, and information and communication technology (ICT). These sectors offer Mexican companies the innovation and strategy to integrate into global value chains while boosting and diversifying Mexican exports²⁶.
- Expand scholarship and research budgets in interested research centers and HEIs at the state and federal levels.
- Publish, promote and advertise through digital media, mass media, radio, inter-institutional communications, face-to-face, conferences, symposia, HEIs, research centers, scholarly magazines and academic fora the strategy and opportunities of the new FOBESII-C 2030 in both countries.
- Build a Mexico Canada catalogue of scientific and academic cooperation
- Involve the Mexican diplomatic representations in Canada and of Canada in Mexico in the new FOBESII-C 2030 strategy

²⁶ Rave, Jorge. *Canada is an Innovation Springboard for Companies from Mexico*. Mexico Business News 2023, <https://mexico.business.news/trade-and-investment/news/canada-innovation-springboard-companies-mexico>

- Establish a program aimed at identifying and implementing best practices to professionalize university officials
- Establish a working group on security and travel alerts with members of Mexican and Canadian universities
- Define what technical fields are considered strategic in this new vision of competitiveness and certify and license all those skillful workers that need to be trained in these newly defined fields of interest at a binational level
- Seek that these initiatives are sustainable

CONCLUSIONS

Bilateral relations between Canada and Mexico are moving forward in a world with global challenges and uncertainties, and academic cooperation shall be a vital element in meeting these requirements. Both countries have committed to making this collaboration more inclusive in matters of gender, indigenous populations, and various educational levels to ensure that the opportunities benefit a wider population in both countries. These bilateral efforts support the intention to make the North American region the most competitive and dynamic worldwide and reflect Canada and Mexico's commitment to the development and well-being of their populations.

The results of the bilateral academic cooperation between Mexico and Canada under FOBESII-C's 3-year tenure, involving over 100 higher education institutions and research centers in Mexico and 60 in Canada, demonstrate the potential for higher education cooperation to enable global competitiveness and shared prosperity, with strong political commitment from both governments.

Student mobility, academic cooperation and global learning run hand in hand. FOBESII-C 2030 could become a policy innovation trademark for a more integrated region through long-term and sustainable leadership, subject to the availability of new funding sources and a more aggressive, committed and involved engagement of the private sector.

In this Revised proposal of FOBESII-C, student mobility is being considered and understood more comprehensively. Student mobility, per se, should not be the only metric to measure success. It should not be seen only as a revenue source for HEI in Canada. Student mobility and global learning run hand in hand. They should be considered broader, including human rights, global-mindedness, innovative action (finding creative responses to needs and interests), entrepreneurial spirit (actively seeking opportunities and applying sound business principles), and sustainability.

Mexico should take advantage of the fact that Canada has acknowledged Mexico as a priority country for both inbound and outbound student mobility. Regarding the latter, the “Global Skills Opportunity” program will provide thousands of postsecondary students with invaluable international study and work experiences, strengthening their global skills and competencies. By signing the Canada-Mexico Action Plan, both countries have committed to renewing a relationship that recognizes a “shared vision to build more prosperous, sustainable, safe, and equitable societies for all and contribute to the integrity and competitiveness of the North American region”.

We conclude that there is a bright and promising future ahead of us for a new successful higher education student mobility program and the ongoing academic cooperation between Mexico and Canada, which has not been paused.

While our figures show asymmetries in student mobility and academic cooperation between our countries, we must take advantage of the current interest that exists on the part of Mexican students to study in Canada and vice versa. This interest includes primarily teachers seeking technical and language training, skilled workers and professionals seeking accreditation and licensing in newly demanded areas of knowledge, support of women-led businesses and increased sponsorship for researchers seeking to develop and conduct joint scholarly research and innovation on agreed strategic areas of interest. To accomplish this, we need commitment, creativity and leadership.

ACADEMIC UNDERSTANDING. CHALLENGES AND OPPORTUNITIES FOR RESEARCH

ANA ELOÍSA HEREDIA GARCÍA

INTRODUCTION

Academics need to prepare students in an orderly manner to acquire an efficient understanding of their subjects and to face diverse problems or challenges such as inclusion, diversity and mental health, the latter with greater emphasis, derived from the covid-19 pandemic. The challenges are increasingly complex, making joining efforts and developing inter, multi or transdisciplinary collaborative work with foreign universities necessary. Canada is our third-largest trading partner in the North American region, the fourth-largest investor in Mexico, the second-largest source country for tourists visiting Mexico, and the tenth-largest country of choice for academic exchanges.¹

¹ *México y Canadá: Una Relación Amplia y Profunda*. Mexican Government. <https://www.gob.mx/sre/acciones-y-programas/mexico-y-canada-una-relacion-amplia-y-profunda-7990?state=published>

BACKGROUND

The most remote antecedent of professional education in Mexico dates back almost 500 years, when, in 1525, Pedro de Gante founded the Colegio de San José de los Naturales², considered the first novo-Hispanic educational institution. In 1551, the University of Mexico was founded in Mexico City, one of the oldest in the continent. In 1910 it acquired its national character, and in 1929 it obtained its autonomy to be called what we know today as the National Autonomous University of Mexico (UNAM).³

Mexico and Canada established diplomatic relations on January 29, 1944, for the first time to strengthen and diversify exchanges between the two countries. In 1982, the Mexico-Quebec Working Group (GTMQ) was established to elaborate and coordinate cooperation programs between Québec and Mexican partners in the cultural, educational, scientific-technological and economic fields.⁴

INTERNATIONAL EXPERIENCE

Interculturality is essential for academic training, and the experience acquired during the student years will be fundamental for developing research in your native country. The Organization for Economic Cooperation and Development

² En 1529 cambió de nombre por el de Colegio de San Juan de Letrán, véase Rentana Guiascón, Óscar Gustavo. *La institucionalización de la investigación científica en México. Breve cronología*. Ciencias 94, abril-junio. UNAM, México (2009). [https://www.revistacienciasunam.com/en/43-revistas/revista-ciencias-94/200-la-institucionalizacion-de-la-investigacion-cientifica-en-mexico-breve-cronologia.html#:~:text=En México, la creación de,actual \(1900-2000\)](https://www.revistacienciasunam.com/en/43-revistas/revista-ciencias-94/200-la-institucionalizacion-de-la-investigacion-cientifica-en-mexico-breve-cronologia.html#:~:text=En México, la creación de,actual (1900-2000))

³ UNAM-Canadá. Gatineau, Quebec. <https://canada.unam.mx/es/historia/>

⁴ México y Canadá: Una Relación..., op.cit.

(OECD) points out the operation of government support for research; for example, in Canada, economic investment is encouraged to attract and retain the most successful and promising minds.⁵ As for Mexico, it seeks to attract the best candidates, strengthen initial teacher training, strengthen instructional leadership, guarantee funding and strengthen social participation.⁶

On November 10, 1994, UNAM signed a framework agreement for academic collaboration with the University of Calgary, Alberta; subsequently, with Laurentian University, University of Quebec at Outaouais, University of Alberta, Laurentian University of Sudbury, University of Western Ontario, University of York and University of Guelph for exchanges, internships, professional practices and workshops or courses.

In 1995, the UNAM-Canada branch⁷ started as a point of reference for academic, artistic and cultural exchange between Mexico and Canada through PUMA summer immersions and the promotion of student mobility to develop research projects and/or temporary stays in Canada through established exchange agreements.

In 2004, the Mexico-Canada Alliance (AMC) was created as a mechanism for bilateral public and private cooperation to achieve common objectives and strengthen the

⁵ *Challenges and new demands on the academic research workforce. OECD Science, Technology and Innovation Outlook 2021: Times of Crisis and Opportunity.* OECD Library. <https://www.oecd-ilibrary.org/sites/72f6f879-en/index.html?itemId=/content/component/72f6f879-en#endnotea3z2>

⁶ *Acuerdo de cooperación México-OCDE para mejorar la calidad de la educación de las escuelas mexicanas.* OCDE. <https://www.oecd.org/education/school/46216786.pdf>

⁷ *UNAM-Canadá, referente de intercambio académico.* Gaceta UNAM, febrero 13, 2020. <https://www.gaceta.unam.mx/unam-canada-referente-de-intercambio-academico/>

relationship between the two countries, with topics related to eight working groups: 1) agribusiness, 2) culture and creativity, 3) energy, 4) environment, 5) forests, 6) human capital, 7) mining, and 8) trade, investment and innovation.⁸

The latter refers to initiatives and good practices implemented between both countries and a path that the leaders in the region need to build. According to the QS World University Rankings 2022⁹, UNAM is ranked 105th out of 1,300 universities worldwide, with its Faculty of Law in 29th place worldwide and number 1 in Latin America.

In recent years, the UNAM Faculty of Law has strengthened legal teaching and research through international cooperation with other universities; for example, in the case of Canada, there are projects such as research stays, workshops, congresses, and the UNESCO-Dcemét Chair with the University of Quebec. The process has been long, but we are working permanently to consolidate education and, even more so, scientific research.

CHALLENGES

According to a study conducted in 2020 by the UNESCO Institute for Statistics, Canada ranks 23rd and Mexico 115th out of 174 countries surveyed, with an investment of 1.70% and 0.30%, respectively, of the Gross Domestic Product (GDP). Both countries ranked below the first place with

⁸ *Alianza México-Canadá - 2020 Informe Anual*. Government of Canada. <https://www.international.gc.ca/transparency-transparence/mexico-mexique/2020.aspx?lang=spa>

⁹ *QS World University Rankings 2022*. QS Quacquarelli Symonds Limited. <https://www.topuniversities.com/university-rankings/world-university-rankings/2022>

5.44% of the GDP corresponding to Israel.¹⁰ Mexico and Canada can build joint projects to consolidate their higher education and scientific research objectives.

On the other hand, the educational crisis for students at all school levels has a two-year stagnation due to the covid-19 pandemic¹¹, even though there were online classes due to the temporary closure of schools. This situation generated the lowest levels of student learning worldwide¹² and opened opportunities for collaborative international online learning (COIL). Even the Faculty of Law of UNAM did not suspend classes and migrated to digital platforms.

On November 26, 2020, the participants of the CMA Human Capital Working Group¹³ identified the following as the main challenges: providing scholarships for indigenous students, strengthening ties between Mexican and Canadian institutions, promoting Canada and Mexico for academic and professional learning, promoting two-way mobility, language learning, and internationalization of the curriculum.

In this context, Mexican and Canadian universities must rely on the continuous exchange of information and best practices to overcome the challenges created by the pandemic,

¹⁰ *Gasto en investigación y desarrollo (% del PIB) México*. Banco Mundial. https://datos.bancomundial.org/indicador/GB.XPD.RSDV.GD.ZS?end=2020&locations=MX&most_recent_value_desc=true&start=1996&view=map

¹¹ *Simulación de los impactos potenciales del cierre de escuelas por el COVID-19 en los resultados de escolarización y aprendizaje: un conjunto de estimaciones globales*. World Bank. <https://www.worldbank.org/en/topic/education/publication/simulating-potential-impacts-of-covid-19-school-closures-learning-outcomes-a-set-of-global-estimates>

¹² *Encuesta para la Medición del Impacto COVID-19 en la Educación (ECOVIED-ED) 2020*. Instituto Nacional de Estadística, Geografía e Informática (INEGI). https://www.inegi.org.mx/contenidos/investigacion/ecovied/2020/doc/ecovied_ed_2020_presentacion_resultados.pdf

¹³ Idem.

information technologies, and complex sciences. In other words, Mexico and Canada are facing unprecedented educational, health and economic challenges; therefore, both countries agree on the importance of maintaining strong cooperation and solidarity to address these challenges, as they noted at the November 26, 2020, annual meeting of the CMA.¹⁴

In 2019, Mexico ranked 10th among countries in the Americas as the source of the most significant number of international students studying in Canada, corresponding to more than 17,000 Mexican students.¹⁵ Mexico continues to make great efforts to promote the country as an academic destination for Canadians.

OPPORTUNITIES

The above challenges converge in a series of opportunities to raise the academic quality and promote legal research between Canada and Mexico, so it is necessary to take as a reference the objectives set out in the medium term (2022-2029) by UNESCO, summarized in 8 axes:¹⁶

1. Ensuring an inclusive and equitable education.
2. Training of researchers to consolidate the so-called “world-class universities” exclusively for the exercise of researchers.
3. Promote immersion, training and permanent updating in the use of ICTs.
4. Encourage constructivist teaching in online education and other models.

¹⁴ Idem.

¹⁵ Idem.

¹⁶ *Budget summary by outcome and sector*. Core data portal, UNESCO, <https://core.unesco.org/en/outcomes>

5. Develop Metaverse immersion¹⁷ in teaching and research to access multidisciplinary perspectives on emerging challenges, praxis, opportunities and research agenda.¹⁸
6. Incentivize and strengthen academic integrity through ethical standards and norms of action to meet the challenges of innovative technologies and digital transformation to prevent unfair practices.
7. Develop comprehensive public policies to favour educational and professional inclusion, aligned with the standards of human rights protection.
8. Strengthen the teaching of methodology, legal research techniques and comparative law.

Within this framework, the UNAM Faculty of Law encourages the participation of Mexican students in international academic activities such as COIL classes, debates, conferences, exchanges, etc. These activities are a forum to expose and promote their knowledge in academic subjects and, above all, strengthen the skills and competencies of communication, leadership and development of high-performance groups.

Similarly, in October 2021, the Faculty of Law of UNAM created the Research and Methodology Unit of its Graduate Studies Division to standardize and raise the quality of the

¹⁷ The metaverse is a virtual reality space that uses the internet and augmented reality through software agents, virtual reality headsets, haptic gloves, blockchain technology, holograms and avatars within a new integration of the physical and virtual worlds (extended reality) to work, interact and socialize through simulated shared experiences.

¹⁸ Dwivedi, Yogesh K. et al., Metaverse beyond the hype: Multidisciplinary perspectives on emerging challenges, opportunities, and agenda for research, practice and policy, ScienceDirect, International Journal of Information Management, Volume 66, October 2022, 102542. <https://www.sciencedirect.com/science/article/pii/S0268401222000767>

research of its specialization, master and doctoral students in Law.

Scientific research is increasingly required to address complex social challenges, so the region's universities must seek cooperation ties. Canada's legal system allows us to strengthen academic and research networks in the legal field to share experiences and best practices and form multidisciplinary and intercultural groups to address common challenges such as complexity sciences, among others.

CONCLUSION

Bilateral relations between Canada and Mexico have advanced in a way that reflects a shared commitment to responding to global challenges. Academic cooperation is a critical bastion that allows both countries and their citizens to face and overcome the obstacles identified, to make the region the most competitive and dynamic worldwide.

UNAM's collaboration with Canadian universities will provide the tools to academics and students with an international and multi, inter or transdisciplinary vision.

Enhancing the skills and abilities of students through self-knowledge, social intelligence, ethics, communication and digital transformation will increase their knowledge and consolidate the educational goals in the short, medium and long term, to form great and future researchers with an international experience in the development of leadership skills, mastery of foreign languages and the creation of personal and professional networks with the Canadian community. Plus, the obligation of the State looking to increase investment in the training of researchers and consolidate the existing ones.

COMMON LAW AND CIVIL LAW. UNDERSTANDING EACH OTHER'S SYSTEM

JULIETA OVALLE PIEDRA

“One’s destination is never a place, but rather a new way of looking at things”

Henry Miller ¹

When I was six years old, my family moved to Italy for a year, and I experienced total immersion in a different culture for the first time. Even at that young age, I was utterly fascinated with the big and small differences: the people, the language, the smells, the food, the songs, the streets, the toys. This early episode of my life gave me a wanderlust that determined many of my most important decisions.

Some years later, it was no surprise that Comparative Law was my favourite course during my first year at the National Autonomous University of Mexico (UNAM) Faculty of Law. John Henry Merryman’s excellent book *The Civil Law Tradition* taught me that in addition to all the contrasts that I could notice when I was little and living abroad, there was yet another one, the law. There’s a particular paragraph that still resonates with me:

¹ Miller, H. (1957). *Big Sur and the Oranges of Hieronymus Bosch*. New York: New Directions.

A legal tradition, as the term implies, is not a set of rules of law about contracts, corporations, and crimes, although such rules will almost always be, in some sense, a reflection of that tradition. Rather, it is a set of deeply rooted, historically conditioned attitudes about the nature of law, the role of law in society and the polity, the proper organization and operation of a legal system, and the way the law is or should be made, applied, studied, perfected, and taught. The legal tradition relates the legal system to the culture of which it is a partial expression. It puts the legal system into a cultural perspective².

When I finished law school, I decided that the subject of my Bachelor's Thesis would be a comparative study of product liability in Mexico, the United States of America and Canada. The North America Free Trade Agreement was brand new back then, and I was very fortunate to benefit from a scholarship created especially to encourage the movement of students among the three countries. I was a visiting scholar at the Law School of the University of Ottawa, one of the few law schools in the world that grant degrees in Common and Civil Law. I had already chosen the subject of my Thesis, and I was there to research.

The first task I set myself was to find the definition of a tort, a term I heard about in my Comparative Law course. I headed to the Common Law section of the library. After a few days of browsing and browsing books unsuccessfully, I remembered what Merryman said about how legal traditions have their ways of studying and teaching law. I realized that I was not going to find the concepts, categories, and definitions I was looking for, at least not in the manner I was used to. And the most exciting thing was that I already knew about this difference, but my civil lawyer mindset was not ready.

² Merryman, J. H., & Pérez Perdomo, R. (2019). *The Civil Law Tradition*. Stanford. Stanford University Press.

It had to be re-educated. So, I took a copy of Prosser and Keeton on the law of torts, read case after case, and finally, I started to understand what a tort is.

After thorough research, I had to translate my sources into Spanish, which was not an easy task. Any law student knows how hard it is to learn and use legal terms, even in your language. I had to fully understand each word and decide if there was a suitable equivalent to translate from legal English to legal Spanish. More than once, I could not find it; I could only use the English word (as was the case with the term “tort”). Translating became an exercise of understanding better not only the American and Canadian legal systems but also the Mexican ones.

I learned many lessons during my three months at the University of Ottawa. I quoted John Henry Merryman’s words in my Bachelor thesis, which was eventually published.³ He could not be more right: it is not possible to dissociate a legal system from the culture it emerges. It is not enough to know the language or how a legal system is supposed to work. Only when you experience it can you better understand how it is and start seeing it with different eyes. I will always be grateful to my University for the scholarship that gave me the opportunity of experiencing another legal system for the first time.

As a practitioner, my Comparative Law studies have been more than just a cultural or academic excursion. They have helped me better comprehend the needs and requests of my clients and colleagues from other countries and improved the analysis and strategies in my cases. In arbitration, my

³ Ovalle Piedra, J. (2001). *La responsabilidad civil por productos en México, Canadá y Estados Unidos*. México: Instituto de Investigaciones Jurídicas.

main field, applying foreign law is widespread. I've also had the opportunity to serve as an expert in Mexican Law in American courts. When I draft my reports, I always have in mind that they are addressed to Common Law lawyers and judges.

Common Law and Civil Law may have some fundamental differences, but ultimately, they both have the same aim: to enable life in society through rules. Even if the primary source of law or how we study and understand it differs, we tend to reach similar conclusions, which are generally compatible with justice and fairness. And that is one of the most beautiful things about studying Comparative Law: you can see that despite all our differences, the core of humankind remains the same.

To understand a world where countries are closely intertwined, lawyers must go beyond their legal systems and broaden their mindsets. We need to acknowledge the differences and similarities of our traditions to improve communication. Common Law and Civil Lawyers must learn to see through the eyes of the other, and in this process, we will deepen our self-comprehension. As Goethe said, "A man who has no acquaintance with foreign languages knows nothing of his own."⁴

As part of North America, one of the most dynamic economic regions in the world, Canada and Mexico could benefit significantly from a deeper understanding of each other. Our free trade agreements have brought us together. However, many areas of opportunity can still be developed, and lawyers trained in both legal traditions could be critical elements in strengthening ties between our countries. These

⁴ Goethe, J. W. (1908). *The Maxims and Reflections of Goethe*. London: Macmillan and Co.

law professionals could provide the certainty that is so much needed to expand trade.

Scholarships, exchange programs and comparative law studies should be encouraged. They have a positive impact on legal careers and the bilateral relationship.

A grayscale map of North America, including Canada, the United States, and Mexico. A yellow rectangular highlight is placed over the central United States, covering states from the Rocky Mountains to the Mississippi River. The word "CONCLUSION" is written in a bold, blue, sans-serif font across the center of this highlighted area. The map shows major cities, rivers, and geographical features like the Great Lakes and the Gulf of Mexico.

CONCLUSION

IS THERE STILL A VISION FOR A NORTH AMERICAN COMMUNITY?

COLIN ROBERTSON

Like in the ancient tale of Camelot, North America needs a champion to pull the sword from the stone; for now, the quest for a closer North American community is reduced to piecemeal initiatives cobbled together at the sporadic summits of the “Three Amigos”.

Reflective of the continental malaise, recent summits, when they are held, are more about the photo and the handlers’ efforts at contrived bonhomie. The “trilateralism” is mostly a façade for dual and sometimes duelling bilaterals – US-Mexico (which gets all the media), US-Canada and, as an afterthought, Canada-Mexico.

For now, initiatives depend less on a shared sense of strategic direction than on appeasement of the latest crisis, like containing the illicit flows of people, drugs and guns at the border or trade protectionism provoked by special interests.

It’s a far cry from what a continental vision could or should be.

The best enunciation of what a North American community should be is that written over a decade ago by

Robert Pastor. Based on a lifetime of scholarship and practical experience, including a stint in the Carter administration's National Security Council (and Pastor would have been US ambassador to Panama but for Jesse Helms), *The North American Idea* (2011) laid out what is still the best comprehensively thought-through vision.'

Building on the achievement of freer trade through NAFTA, Pastor envisioned a community of three sovereign democracies working together. They would draw on their collective advantages: a skilled workforce, an innovative 'can-do' manufacturing base backed by an entrepreneurial business community and cutting-edge research supported by both public and private sources, abundant energy, and a market of over half a billion consumers.

Like the European Union, their citizens would enjoy labour and educational mobility. Governments would aim at regulatory complementarity, especially in terms of labour and environmental standards. To bind the community, he envisaged an Erasmus-like program that would give future generations easy access to study in universities and colleges throughout the three nations.

The late George Shultz, the redoubtable American statesman, shared Pastor's vision but with his usual applied pragmatism. With former Mexican Finance Secretary Pedro Aspe and former Alberta premier Peter Lougheed, Shultz created the North American Forum to keep business, government and civil society focusing on North America.

While he admired the ambitions of Jean Monet's European vision, for Shultz, the North American idea had to be different. Unlike the European Union, North American collaboration would be light in structure. Shultz knew that Americans and their Congress would never sanction a Brussels-like

super-national bureaucracy. Instead, it would rely on complementary but distinct regulations respecting the separate sovereignties. He also knew that given the asymmetries in relative power, leadership and initiative would have to come from the United States. And as he would remind us, US foreign policy began with the neighbours.

NAFTA was born out of a combination of commercial interest and geopolitics.

American businesses wanted insurance against arbitrary Mexican or Canadian government actions that would jeopardize their growing cross-border trade and investment.

Then there were the strategic considerations. George H. W. Bush and his astute advisors were determined to prevent Mexico from becoming a failed state. The way forward was not to build a wall but open the doors so that Mexico could realize its economic potential. They bet, correctly, that prosperity would grow an educated middle class that would, in turn, press for a more democratic Mexico. Bill Clinton saw it the same way and intervened decisively to prevent calamity during the peso crisis.

Unfortunately, the implementation of NAFTA coincided with a technological revolution, including the introduction of robotics in the manufacturing industry that, while increasing productivity, led to seismic job loss, especially in what became known as the US 'Rustbelt'.

Successive administrations did a lousy job in communicating the virtues of freer trade and an even lousier job in providing adjustment for workers. Even though it was a 'bad rap', NAFTA became a dirty word, a euphemism for job loss. This was especially true for Democrats and the unions that Joe Biden cares about and that Donald Trump sought to woo.

The NAFTA renegotiation (2017-19) was a near-run thing that turned out better than Canadians and Mexicans expected.

President Donald Trump promised to tear up the agreement. He changed his mind when Agriculture Secretary (and former Georgia governor) Sonny Perdue pointed out the benefits to the midwestern states that were critical to Trump's election. Its dispute settlement, vital to the original agreement, was improved during the renegotiations of the US.

As for the North American idea, closer economic collaboration has proved its worth. It makes sense and generates billions of cents.

With thirty years of experience, since NAFTA brought about closer collaboration, some tentative observations about the future of a North American community can be made.

First, further continental collaboration depends on US leadership, which means the President and required him to work with Congress.

Without that leadership, the gains to date will deteriorate in the face of narrow interests. Alas, for the trilateral cause, protectionist interests now dominate the base of the Republican as well as the Democratic parties. Both Biden and Trump are protectionists, and there is little indication or incentive for their heirs to be different.

Second, NAFTA worked, but nostalgia is insufficient for future progress. If companies want to improve business opportunities, they must mount a joint, concerted, collaborative trilateral campaign.

In its first decade, NAFTA visibly lifted the livelihood of millions of Mexicans. Both Canada and the US also benefited. While they only make up about 5.5 percent of the global

population, together, the three economies account for 28 per cent of global GDP.

The economic arguments for closer collaboration 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, including their recent *North America 2.0: Forging a Continental Future* have all come to the same conclusion. Together we possess labour, energy, market and innovative technology that makes us world beaters (the George W. Bush Foundation competitiveness scorecard gives North America a grade of B+).

Third, 9-11 was a game-changer. As US ambassador to Canada and former Massachusetts Governor Paul Cellucci would tell us: 'Security trumps trade.'

Canadians and Mexicans must never forget that when they deal with the United States, they must look at everything through the prism of US national security. We forget this at our peril. The border has thickened, but 'trusted travellers' and 'trusted goods' can still pass through quickly. However, the roll-out of technology permitting easy identification is still too slow and suffers from unnecessary duplication of effort and too-zealous concern over privacy.

Fourth, Canada and Mexico need to work together. When they do, they significantly enhance their ability to convince the Americans to undo pernicious policies like country-of-origin labelling. Shame, backed up with retaliatory tariffs, works. As George Shultz would observe, if you can't work with your neighbours, how can you manage the world?

But as we learned during the renegotiation of the NAFTA, even when the Canadian and Mexican principals get along

– as with then Canadian Foreign Minister Chrystia Freeland and then Mexican Economic Secretary Ildefonso Guajardo – when push came to shove, national interests dictate different courses of action. After 9-11, Canada also turned down the Mexican appeal to jointly approach the US on dealing with the border impact. How it was handled unnecessarily aggravated the Mexicans, but the differences in the respective border regimes are profound.

Looking forward, given the evolving changes in the international arena, including the return of great power competition, the US focuses on China and Russia. The neighbourhood is not likely to get much attention except when it impinges negatively on domestic politics – drugs, migrants and Chinese balloons.

The best we can hope for is behind-the-scenes incremental progress on things like regulatory cooperation and standards, which are tedious but vital to commerce. Fortunately, the Obama-era executive order (2012) requiring collaboration with free trade partners is still in force.

Dispute settlement is working well, calling foul on Canadian protectionism on dairy, American ‘reinterpretation’ of content rules, and Mexican labour practices. While all three countries will try to wriggle out of their commitments, the accountability is holding up. The Brookings Foundation has created an excellent online tracking system.

We continue to have a shared interest in improving our continental competitiveness with investments in infrastructure – roads and rails, pipelines and grids, ports and border crossings. National interest should drive it forward, and it would make sense to do it in a complementary fashion, as NASCO has long advocated.

There is a plan to better deal with pandemics, but then a plan to deal with pandemics was prepared in 2012 and

endorsed by leaders, building on the experience of the mad cow (2001) and swine flu (2009). Unfortunately, when COVID struck, it appeared to be forgotten. We can only hope for a different approach next time.

After a break during the Trump years and again in 2022, the Leaders' summits resumed in 2023 in Mexico City. Canada is committed to hosting it in 2024. The meeting provides an opportunity to take stock at least, and the resumption of including business leaders is a welcome development.

While it would make sense, it is probably too much to expect the US and Canada would help Mexico deal with its southern frontier problems: the flow of migrants, the precariousness created by corruption and crime, poor governance and climate change in Honduras, El Salvador and Guatemala.

Then there is the problem of democracy itself. None of the nations are immune from populism.

Canada endured a month-long occupation of its parliamentary precinct. The creeping authoritarianism of Mexican President Andrés Manuel López Obrador is described, notably, by former ambassador Arturo Sarukhan and scholar Denise Dresser in *Foreign Affairs* and by Shannon O'Neil in the *Council on Foreign Relations*.

But the biggest challenge is the situation in the USA in the wake of January 6, 2021, and many still believe that Joe Biden's election was not legitimate. Nor can there ever be a North American community based on "America First".

Chiselled into the wood panelling of the old cabinet meeting room in Canada's Parliament buildings' Center Bloc is the biblical phrase 'Where there is no vision, the people perish' (Proverbs 29). The North American idea remains valid. But without leadership, it will perish.

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PORTUGAL, FERNANDO

Director of Intellectual Property and International Affairs in the Mexican Association of Innovative Pharmaceutical Industries (AMIIF). From 2005 to 2018, he worked for the Ministry of Economy and the National Intellectual Property Office (Instituto Mexicano de la Propiedad Industrial), where he led the international affairs unit. As an official in both agencies, he participated in the negotiations of the USMCA, the TPP, and the modernized FTA between Mexico and the EU, specifically in the works related to the Intellectual Property Chapter. His experience has also been in other fields of International Trade, such as Governmental Purchases, Technical Barriers to Trade, and Market Access.

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Member of Parliament, Canada, Chair of the ParlAmericas Canadian Section and Member of the ParlAmericas Board

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