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Chiaroscuros in the Celebration of Eighty Years of Mexico-Canada Relations

The commemoration of another decade of Mexico-Canada relations is transcendental, with many reasons for celebration. Mutual interest in sharing and moving ahead on important issues for both countries is evident. However, it occurs amidst an atmosphere that is a far cry from the promising mood of only a few years ago, when the idea of a more integrated and competitive North America still prevailed. There is no doubt that the Trump administration's unilateral, protectionist position rarified U.S. bilateral and regional relations with its neighbors. It also affected relations between Mexico and Canada because both adopted measures to protect themselves from Trump's onslaught, shunting to the background the deepening of the links we are now celebrating.

In addition, the sudden outbreak of the Covid-19 pandemic in early 2020 was another factor the governments

faced, centering all their attention basically on domestic issues even though the emergency was worldwide. They focused their efforts and resources not only on ensuring the health of their citizens, but also on mitigating the many economic and production-related repercussions (such as increased unemployment and growing inflation) that still have not been completely resolved.

Even in these circumstances, common issues and interests were not put aside and the projects continued. For several years now, the Mexico-Canada agenda has included very important issues, such as trade, tourism, migration—including seasonal migration that involves thousands of Mexican workers—, technology for cooperation, and investments.

Proximity and the values shared by Mexico and Canada, exemplified in their multilateralist, environmentalist, and peace-seeking positions, have always facilitated dialogue in their diplomatic relations, which began intensifying above all in the 1970s.

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A Brief Review of Some Important Dates And Issues in the Relationship

The first important date is 1944, when diplomatic relations were established, thereby identifying shared interests and projects. Trade in goods and services, tourism, and technological cooperation stand out among the issues dealt with at the 1971 Joint Ministerial Committee meeting.

The two countries' heads of state and legislative commissions began meeting in the 1970s on topics of common interest. Since then, they have come to agreements to achieve forms of bilateral cooperation, such as in 2004, when the Mexico-Canada Alliance came into being. This mechanism coordinates not only the governments, but also non-governmental and private sector actors. Their participants meet annually in working groups about matters as diverse as culture and creativity, human capital, energy, the environment, agribusiness, mining, trade, investment, and innovation. In their 2022 meeting they included another shared topic: indigenous cooperation.

This brief overview brings us up to date about the broad range of issues that can be included on the binational agenda. For this reason, I will only concentrate on what are, in my view, the long-term issues, to underline achievements and the challenges to be met.

The Seasonal Agricultural Worker Program (SAWP)

This binational agreement turns fifty years old in 2024. It was implemented after our governments signed a Memorandum of Understanding, which has maintained a regulated migratory flow of workers that has fulfilled labor market needs (Canada's need for workers and Mexico's need for jobs).

Nine provinces participate in the program, although the greatest number of workers are in Ontario and Quebec. The workers are hired for anywhere from six weeks to eight months; their activities include gathering, handling, and evaluating raw materials and planting and harvesting crops, among others.

The program's continuity is important: it began with 203 workers and today covers 25,000. This includes women, who have joined the program in increasing numbers, showing that it has been positive for both countries, not

only in terms of quantitative results, but also because a large proportion of participants remain in it and return to Canada year after year to procure vital resources for their families and hometowns.

Despite criticism of the program and even denunciations of living conditions the workers experience, such as health issues, made more acute during the pandemic, both countries think its functioning is perfectible through a review of operating norms and better evaluation of the two countries' government agencies and Canadian employers' associations.

Tourism

Another important issue is tourism, which has allowed travelers not only to discover fascinating places, but also our peoples' social organization and cultural wealth. Tourism statistics show its importance in both directions. However, many more Canadian tourists come to Mexico than Mexicans go to Canada: after the pandemic, about two million Canadian tourists have come to Mexico, while in 2019, only about half a million Mexican tourists visited Canada, a figure that has not recovered again since the pandemic.

However, the fact that hundreds of Mexicans entered Canada as tourists to then request humanitarian asylum led to a reimposition of the visa requirement. This was the second time we were requested to take out a visa because, like in 2008, the number of asylum requests in 2023 increased exponentially (reaching 25,000), a high percentage of which (60 percent) were refused, withdrawn, or abandoned, leading to the change. The February 29, 2024, announcement caused disgruntlement among travelers who had imminent plans to visit Canada. However, most Mexicans are very respectful of Canada's foreign policy decisions.

The Economy

In terms of the economy and trade, the North American Free Trade Agreement (NAFTA, 1994 to June 2020) established a regulatory framework for many issues and reaped impressive results in trilateral trade growth and, naturally, also bilateral trade.

The Mexico-Canada relationship has achieved very positive results in different sectors of the economy, and Canada is one of the main points of origin for foreign direct investment (FDI) in Mexico.

The experience of the almost twenty-six years NAFTA was in effect served to modernize the agreement on request of President Trump. During the negotiations, several chapters were added or adjusted, such as those on digital trade, the protection of intellectual property, the updating of customs procedures and, of course, rules of origin for the automobile sector. In addition, the three countries agreed that the new United States-Mexico-Canada Agreement (USMCA) would be subject to review every six years, beginning in 2026.

As foreseen, Trump's protectionism and nationalism prevailed during the negotiations, relegating to the past the notion of the North American productive region since it had become unimportant for the United States. However, the agreements have given rise to the integration of productive chains in different industries, and plans even exist to create or intensify supply chains from Mexico and Canada toward the U.S. market, taking into account not only geographical proximity but also levels of trust and certainty achieved over decades.

The Mexico-Canada relationship has achieved very positive results in different sectors of the economy, and Canada is one of the main points of origin for foreign direct investment (FDI) in Mexico. It is among the five countries with the largest investment in Mexican production, as shown by the more than 4,000 Canadian-owned companies operating in the country, a number which has risen (for example, in 2010, there were 2,500).

These investments are spread over different sectors, such as mining, energy, auto parts, aerospace, pharmaceuticals, logistics, infrastructure, and banking. Internationally known companies like Bombardier, Scotiabank, Magna, or Goldcorp have been operating for years in different parts of our country.

By 2023, accumulated Canadian productive investment came to over US\$40 billion, with about 37 percent concentrated in mining. This activity has not been im-

mune to very consistent criticisms since it has generated social and environmental conflicts, among which are the controversies with indigenous communities, which have been very violent and have even led to the mining being suspended.

On the other hand, Canada is the third most important market for Mexican exports, having grown 800 percent, while Canadian imports to Mexico have multiplied seven times. Among the main manufactured products exported to Canada are those linked to auto production (vehicles, engines, and other auto parts), electrical and electronic equipment, basic chemical products, plastics and rubber, and materials for airplane assembly, among others.

Economic interaction derived from the trilateral agreement was a determining factor for bilateral economic relations as it has grown in size and stability. In fact, U.S. multinational companies have been a determining factor in intra-industrial and intra-firm trade growth between our two countries; and these are the companies that define industrial organization in the region. This is the case of the automobile sector, where production is determined based on technological resources and available labor, thus integrating the regional supply chains.

In another order of things, to analyze Mexico-Canada economic relations, the importance and centrality of the United States for both countries must be taken into account. This is because 90 percent of Mexican exports and more than 75 percent of Canadian exports go to the United States, percentages that reveal the latter's indisputable preponderance.

The importance of maintaining access to the huge U.S. market is so vital for both countries that Mexico and Canada both prioritize their relationship with it, not only in terms of trade but also of many economic and political issues.

In Conclusion

These brief considerations show that, over these eighty years, the bilateral relationship between Mexico and Canada has deepened and been enriched. However, an enormous potential can still be developed, above all in the spheres of cooperation and cultural exchange, the ideal means for greater understanding between our countries. ■■