

**CONSORTIUM FOR NORTH AMERICAN HIGHER EDUCATION
COOPERATION**

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“LOOKING AHEAD: THE AMERICAS’ AGENDA”

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It is a great pleasure for me to participate in these deliberations on the future of North American cooperation in higher education. As we approach the 10th anniversary of both CONAHEC and the NAFTA, this is indeed a fitting moment to reflect on the North American dynamic and the role played by our institutions of higher education in building connections and increasing understanding between our three countries.

When I look back ten years at the level of cooperation between institutions of higher education, and at the current situation, I realize just how far we have come. From a few fragmented efforts at encouraging Canadian, US or Mexican studies and a handful of university-to-university agreements, we have grown to a sophisticated network of institutions. The partner organizations in this 8th North American Higher Education Conference have been instrumental in encouraging greater student and faculty mobility, addressing accreditation-related issues and exchanging expertise in distance education. Your work has clearly stimulated interest in and activity by many universities and colleges to incorporate studies on the North American partners into their curricula. More recently, the study of the North American dynamic has assumed importance. The framework has been set upon which we can build a more integrated North American academic community.

The Bilateral Dynamic:

Turning to the political context in which trilateral higher education cooperation occurs, it is clear to me that NAFTA has had an enormous impact on our three countries. Our trading relationship has flourished with three-way trade since 1993 more than doubling to approximately \$600 billion. Canada and Mexico now supply more than 30% of US imports. The US has increased its exports within North America while decreasing its exports to other parts of the world. All three countries have experienced positive growth in Foreign Direct Investment. Based on technological interchanges, economies of scale and growing specialization, North America has led global growth for much of the past ten years. Together we represent 20% of the globe's wealth. There is growing economic convergence, with all three countries demonstrating similar macroeconomic trends in price stability, solid fiscal accounts, sustainable government debts, low interest rates and stable currencies.

Canada, the US and Mexico enjoy healthy, constructive and vibrant bilateral relationships and the desire to develop them further. Our relationships are profound and go far beyond trade, into complex interactions between a wide range of federal and sub-national governments, business communities, NGOs and, most importantly, our educators, students and peoples.

Canada-Mexico is the least known of the three bilateral relationships and merits special attention in my remarks. With bilateral trade now more than \$18 billion/annum, Mexico is our fourth largest export market and we are Mexico's second largest market. Since NAFTA, a recent Bank of Nova Scotia study indicates, the prairie provinces - particularly Alberta - have reaped the biggest gains in Canada. From 1994-2001 exports to the US from the prairie provinces grew by an average of 13% annually compared with rates of about 10% for eastern and

central Canada and 6% in British Columbia. Prairie exporters have done even better in Mexico, with a fourfold increase in sales since 1993. The visit of Premier Klein to Mexico last month, and the opening of an Alberta trade office in Mexico City, testify to the importance of Mexico to this province.

In my view, the political side of the relationship was given a major boost by the election of President Fox. In support of his administration, we have embarked on a programme of governance cooperation, sharing experience and best practices on managing the machinery of government, including budget planning, rationalizing government expenditures and professionalizing the civil service. Deepening democracy and making those changes irreversible is one of the highest priorities of the Fox administration, and we whole-heartedly support him in this endeavour.

The tempo of high-level visits provides another indicator of the intensity of the relationship. Prime Minister Chrétien and President Fox have met several times bilaterally and twice in a trilateral context with President Bush. Over half of the Canadian cabinet has met with Mexican counterparts over the past eighteen months. Senior officials are in continual contact. Provinces and parliament are actively pursuing partnerships. Our leaders, ministers of foreign affairs, international trade and finance will meet next week in Los Cabos, Mexico at the annual APEC meetings.

But government to government relations area only a small part of the equation. Over one million Canadians visit Mexico annually, and 185,000 Mexicans visit Canada. We receive over 10,000 Mexican full-time students annually (our third largest source of foreign students) and 12,000 seasonal agricultural workers in 2001.

The North American Relationship:

The North American relationship can be viewed as the sum of the bilateral linkages among the three countries and the trilateral dynamic. We should not view trilateral relations as an alternative to, or in competition with the bilateral, but as complementary. We are proceeding on two very important tracks, but each at its own pace.

September 11 brought a new public security dimension to trilateral relations. The need to balance security with trade facilitation led to the Canada-US “smart border” initiative. In parallel form the US and Mexico developed a 22 point border plan, drawing upon the Canada-US experience. While we believe that border issues can best be resolved bilaterally, we actively exchange “best practices” to ensure that both borders function as efficiently as possible. In fact September 11 provided the impetus to begin a much needed modernization of our border infrastructure.

NAFTA has provided the framework for a profound and prosperous commercial relationship. The growing economic convergence of Mexico with the US and Canada, which can be attributed to NAFTA and Mexico’s sound macro-economic policies, offers further scope for

deepening the relationship. On January 1, 2003, all remaining tariffs will be removed by the NAFTA partners - a significant milestone. Our remaining task will be to refine and harmonize the regulations governing trade in order to maximize the benefits of the agreement. Beyond trade and investment, we enjoy an active agenda of trilateral engagement in the environmental, labour, education and energy sectors, although much remains to be done.

During NAFTA negotiations governments were conscious that other challenges should be addressed on a trilateral basis. The North American Commission for Environmental Cooperation and the North American Agreement on Labour Cooperation were the direct result. While good work has been done, the full potential of these institutions has yet to be realized.

Over the years, NAFTA trade, labour, environment and foreign ministers have met regularly, building understanding and confidence. In the cultural field, for example, foreign ministers have stimulated trilateral cultural exchanges, including "Places of their Own" - an exhibition of the works of three of our most prominent women painters, and "Panorama" - a trilateral virtual museum of landscape artists from the three countries. The North American Forest Commission brings the three country's forestry departments together while finance ministers and heads of central banks meet annually to discuss North American fiscal and monetary issues. Trade ministers meet several times a year.

We recently launched a programme of trilateral co-operation on "E-Government", aimed at strengthening bureaucracies, their capacities to interact with civil society and increasing transparency.

The issue of energy security has become more prominent. Canada is the largest single supplier of energy to the US, with Mexico also a major partner. As a consequence, the North American Energy Working Group was established in 2001 to foster communications and coordinate efforts in support of efficient North American energy markets.

This increased trilateral activity has generated several tri-lateral leader's encounters - Quebec City in April 2001, Monterrey, Mexico in March, 2002, and in Los Cabos, Mexico later this month. At their first tri-lateral meeting in Quebec City, April 2001, our leaders called for wide public discourse on the future of North America, emphasized the common social, cultural and economic values we share. Furthermore, the leader's declaration from that meeting concludes: "Conscious of the challenges we face but convinced of the need to seize the unprecedented opportunities before us, we encourage broad reflection in our societies on ways to advance the trilateral relationship". We have taken this charge to heart. The government of Canada has identified North American linkages as a priority for study and debate. We are supporting several academic enterprises such as the Brookings' "Integrating North America" project which has brought together researchers from our three countries to explore the long-term challenges that will face governments, should further economic or social integration take place.

The House of Commons Standing Committee on Foreign Affairs and International Trade is actively studying the relationships within North America, and has held

hearings across Canada as well as in Washington and Mexico City. A parliamentary inquiry, particularly with its ability to bring the views of a wide range of Canadians into the debate, is most welcome. We eagerly await their final report, which will be issued this Fall.

I think it's fair to say that the debate and discourse on North America is well launched in Canada. Indeed there is probably more discussion and debate taking place here in Canada in the public domain than in either of our two neighbours to the south!

The Americas:

In reflecting on our future in North America, we must also consider our approach to the hemisphere. The trilateral relationship is of particular importance in that our capacity to consolidate successfully North American integration or cooperation will influence positively the hemispheric cooperation process. As our leaders declared at Quebec: "Our governments will develop ideas on how we can work together to develop and expand hemispheric and global trade and promote broader international cooperation". The lessons of NAFTA will, indeed be pertinent to the development of the Americas.

For Canadians, the success of NAFTA served not only to open Mexican markets to Canadian businesses, but provided the confidence necessary for those companies to venture into the wider hemispheric market. This led to free trade agreements with Chile in 1996 and with Costa Rica in 2001.

At the Summit of the Americas in Quebec last year, all countries of the hemisphere agreed on a vision for the region. That vision for the hemisphere - which very much includes North America - is based on the pillars of security, democracy, prosperity and social development. The Quebec Summit placed this vision of the Americas at the forefront of current discussions on hemispheric integration and gave Canada an unparalleled opportunity to place its mark on the future of the Americas.

The Summit of the Americas process is inclusive of, but goes far beyond trade, addressing democracy, social development and connectivity. For the Quebec Summit, Canada put forward an agenda of co-operation based on a coherent and balanced approach, centred on people.

The resulting Action Plan is rooted in the assumption of good governance, trade liberalization, more equitable distribution of wealth and access to opportunities, as well as measures to protect the environment. The Action Plan is aimed at conveying to our citizens the message that integration requires not just open trade policies but also sound institutions and policies across a range of social and political areas. It requires better understanding and appreciation of each of our countries' cultures and distinctiveness, as well as of common values and interests we share. Higher education is, of course, a key instrument in this respect.

It is no coincidence that our approach to the hemisphere closely mirrors that towards Mexico - and there is a growing meeting of minds between our two governments on regional priorities. We also see the active collaboration of the three North American partners as essential to building a prosperous and democratic hemisphere. With President Fox's new more activist and open foreign policy we see great opportunities for cooperation with Mexico in pursuing a common hemispheric agenda.

Next Steps for North America:

Where do we go from here?

We applaud President Fox for his forward-thinking approach aimed at defining a vision for North American integration. However, As one recent EKOS study would suggest, there is no consensus within the Canadian public as to how far we should take the integration process and what its final shape should be. I suspect the same uncertainty exists within the publics of our NAFTA partners. Indeed, it is unclear whether Canadian, US and Mexican views on the final shape of a North American community would coincide. More work needs to be done to develop our thinking and to stimulate public debate and monitor public opinion on a trilateral basis.

Canada has chosen a step-by-step approach based on the following four elements:

1. Enhancing Bilateral relations:

The North American agenda begins with the strengthening of our respective bilateral relations. Again, the Canada-Mexico component requires even more sustained effort in order to realize its full potential. While trilateral cooperation will prevail in some sectors, our national interests will, in many instances, be best served through bilateral interaction - softwood lumber is one example. Our officials, business communities, academics and - most importantly - our citizens must get to know each other much better, exchange "best practices", learn about one another by facilitating the movement of people and ideas, help to improve governance. A more prosperous Mexico is in the best interests of North America.

2. Strengthening Existing Institutions:

In the trilateral context, we must use the current range of the three NAFTA institutions (Trade, Environment and Labour) to their full potential, recognizing that there is still room for greater engagement through these bodies to resolve the enormous environmental and social challenges that face our societies. The recent formation of a North American Energy Working Group provides an excellent starting point for discussions on energy cooperation - a key area for greater trilateral cooperation.

3. Stimulating research on the trilateral dynamic:

We need to build upon the current research on the North American dynamic, encouraging academics and “think tanks” to explore more fully the concepts and ramifications of further integration. The debate on the future of North America is only beginning to reach beyond a limited number of people within government and the business, financial and academic communities. There is clearly a need to expand the debate. We must encourage greater contact among civil society groups across North America to help define and chart the way towards greater collaboration. This is, of course, being done very well through foras such as yours, but we still need to do more. We should also encourage our respective legislatures to deepen their dialogue on North American integration issues.

4 Building a trilateral agenda:

Our three governments are actively seeking new, concrete areas for enhanced trilateral cooperation, focussing on areas such as transportation, migration, culture, E-Government and education, all of which offer considerable promise. We need to deepen the dialogue, or indeed, the dialogue.

Trilateral Cooperation in Higher Education:

While NAFTA has brought economic growth, it has, by no means, resolved the social and economic inequalities within our three countries, nor has it brought Mexico up to the living standards of the US and Canada. These are daunting tasks, which require all the ingenuity that our governments, private sectors and academics can bring to bear. Our institutions of higher education constitute an important element in pursuing the above-mentioned four elements of a North American strategy.

In terms of the bilateral relationships, better quality education is one of the keys to reducing differences in living standards and income disparities between Mexico and its northern partners. This includes increased mobility of staff and students, encouraging the comparative study of the three partners and developing centres for the study of North America. I am pleased to note that, last month, the Department of Foreign Affairs and International Trade coordinated a task force from the Mexican Secretariat of Education which visited eastern and Central Canada (with the intent of visiting western Canada later) to examine Canadian “best practices”. This is certainly an area where we can and should do more.

The Department of Foreign Affairs continues to promote the study of Canada in Mexican and US universities. In both countries there are active Associations for Canadian Studies. Hundreds of universities maintain Canadian Studies programmes. These are supported by university-to-university agreements between centres for higher learning. Exchanges between faculty and students and the exchange of “best practices” in areas such as respective approaches to federalism can provide policy makers with innovative, fresh ideas. Increasing such programmes is vital to the process of strengthening Mexican democracy and living standards and

in increasing the mobility of staff and students.

In terms of strengthening the existing trilateral institutions, our universities with expertise in environmental, labour, energy policy and public policy fields can provide intellectual guidance, support and leadership in identifying where the NAFTA institutions should concentrate their efforts and collaborate in addressing those issues. As we begin to know each other better and cooperate more closely, we will find that there are many more areas which merit consideration and discovery. The progress made under the North American Mobility programme are already a testimony to this level of interest.

I think it is also important to reiterate that the governments of Canada, Mexico and the United States are keen to pursue trilateral cooperation in higher education and to remove obstacles to the movement of people in North America, for study and work. Key themes here are mobility, portability and certification of skills; recognition of studies and quality assurance; sharing of information and opportunities, as well as strategic partnerships.

In a general sense, our efforts should focus on removing obstacles and reducing barriers between countries, borders and sectors to enhance collaboration in education, while also encouraging in students and faculty a better cultural understanding and appreciation of the North American neighbourhood. This, in essence, defines our own interest, in the Department of Foreign Affairs, to associate with groups such as yours and what you have been doing for the last two days. Why indeed should we expect the peoples of the three countries to find an interest in the North American agenda, beyond arid trade agreements and political understanding, if there is not a concrete human dimension to it all. That is what we refer to as the “Third Pillar” of Canadian foreign policy.

Our academic and research communities can play a central, intellectual role in researching and designing the architecture for a new North American relationship. Governments also require your help in identifying which sectors, issues, areas would be suitable for trilateral treatment.

As ten years ago, NAFTA provided a stimulus for greater trilateral higher education cooperation, a wider North American agenda requires a broader and deeper response by the academic community.